
SOLAR ALLIANCE ENERGY INC.
INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS
THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2024
(UNAUDITED)

Solar Alliance Energy Inc.

Interim Condensed Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at September 30, 2024	As at December 31, 2023
ASSETS		
Current assets		
Cash	\$ 15,182	\$ 702,988
Accounts receivable	579,872	730,205
Prepaid expenses and deposits	209,932	8,563
Unbilled revenue	247,025	135,168
Inventory	139,400	102,214
Total current assets	1,191,411	1,679,138
Non-current assets		
Deposits (note 3)	44,705	42,633
Property, plant and equipment (note 4)	60,291	80,926
Total non-current assets	104,996	123,559
Total assets	\$ 1,296,407	\$ 1,802,697
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Trade and other payables (notes 5 and 13)	\$ 3,126,032	\$ 3,595,663
Short-term loans and note payable (notes 6 and 13)	227,621	137,500
Customer deposits and deferred revenue	-	169,626
Contingent consideration	29,135	29,135
Government assistance (note 7)	60,000	60,000
Total current liabilities	3,442,788	3,991,924
Non-current liabilities		
Asset retirement obligations (note 8)	118,596	115,731
Total non-current liabilities	118,596	115,731
Total liabilities	3,561,384	4,107,655
Shareholders' deficiency		
Share capital (note 9)	49,180,521	48,581,031
Reserves (notes 10 and 11)	17,417,669	17,039,615
Accumulated other comprehensive income	280,480	945,045
Deficit	(69,143,647)	(68,870,649)
Total shareholders' deficiency	(2,264,977)	(2,304,958)
Total liabilities and shareholders' deficiency	\$ 1,296,407	\$ 1,802,697

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

Going concern (note 1)

Subsequent event (note 15)

Solar Alliance Energy Inc.

Interim Condensed Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars, except per share and share information)
(Unaudited)

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Revenue	\$ 945,303	\$ 2,410,725	\$ 3,321,692	\$ 4,839,515
Cost of sales	(505,959)	(922,934)	(2,028,653)	(3,113,761)
Gross Profit	439,344	1,487,791	1,293,039	1,725,754
Expenses				
Depreciation (note 4)	4,028	11,569	22,489	27,416
Consulting fees (note 13)	117,000	15,000	136,233	44,441
Insurance and filing fees	6,895	11,884	20,867	37,284
Marketing and advertising	8,223	4,935	31,286	86,126
Office, rent and utilities	81,141	166,376	326,368	368,136
Professional fees	95,572	106,670	169,340	509,661
Salaries and benefits (note 13)	257,535	227,296	943,398	866,923
Share-based payments (notes 12 and 13)	-	34,848	2,544	280,420
Travel and related	19,721	21,738	92,263	82,402
Total expenses	590,115	600,316	1,744,788	2,302,809
Operating income (loss)	(150,771)	887,475	(451,749)	(577,055)
Other (expenses) income				
Other income	260	34,767	196,812	104,361
Loss on disposal of equipment (note 4)	-	-	-	(32,484)
Asset retirement obligation expense (note 8)	(1,909)	(924)	(2,864)	(2,773)
Total other income (expenses)	(1,649)	33,843	193,948	69,104
Net Income (loss) before finance expense	(152,420)	921,318	(257,801)	(507,951)
Net finance income (expense)				
Interest income	(7,871)	(7,750)	(33,155)	(30,008)
Foreign exchange	(114,202)	62,114	17,958	(217,464)
Net finance income (expense)	(122,073)	54,364	(15,197)	(247,472)
Net income (loss)	(274,493)	975,682	(272,998)	(755,423)
Other comprehensive income (loss)				
Change in accumulated foreign exchange translation adjustment	97,484	(309,923)	(38,544)	556,707
Comprehensive income (loss)	\$ (177,009)	\$ 665,759	\$ (311,542)	\$ (198,716)
Basic and diluted income (loss) per common share	\$ (0.00)	\$ 0.00	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	291,998,286	274,984,848	297,518,471	274,984,848

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

Solar Alliance Energy Inc.

Interim Condensed Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Operating activities		
Net loss	\$ (272,998)	\$ (755,423)
Adjustments for non-cash items:		
Depreciation	22,489	27,416
Share-based payments	2,544	280,420
Asset retirement obligation expense	2,864	2,773
Loss on disposal of equipment	-	(32,484)
Interest on lease liability	15,000	-
Net finance expense	-	(38,587)
Unrealized foreign exchange	(576,297)	648,961
Net changes in working capital:		
Accounts receivable	150,333	(914,603)
Prepaid expenses and deposits	(201,369)	(6,706)
Work in process and inventory	(149,043)	(755,167)
Trade and other payables	(311,703)	1,488,411
Customer deposits and deferred revenue	(169,626)	(399,069)
Restricted cash	-	471,331
Net cash used in operating activities	(1,487,806)	17,273
Investing activities		
Purchase of property, plant and equipment	-	(1,411)
Net cash used in investing activities	-	(1,411)
Financing activities		
Proceeds from short-term loans	100,000	-
Proceeds from common share issue	700,000	-
Loans repaid	-	(265,000)
Net cash provided by (used in) financing activities	800,000	(265,000)
Net change in cash	(687,806)	(249,138)
Cash, beginning of period	702,988	650,061
Cash, end of period	\$ 15,182	\$ 400,923

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

Solar Alliance Energy Inc.

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian Dollars)

(Unaudited)

	Number of Shares	Share Capital	Reserves	Accumulated Other Comprehensive Income	Deficit	Total Shareholders' Deficiency
December 31, 2022	274,984,848	\$ 48,581,031	\$ 16,751,461	\$ 287,117	\$(67,058,788)	\$ (1,439,179)
Share-based payments	-	-	280,420	-	-	280,420
Foreign currency translation	-	-	-	556,707	-	556,707
Comprehensive loss	-	-	-	-	(755,423)	(755,423)
Balance, September 30, 2023	274,984,848	\$ 48,581,031	\$ 17,031,881	\$ 843,824	\$(67,814,211)	\$ (1,357,475)

	Number of Shares	Share Capital	Reserves	Accumulated Other Comprehensive Income	Deficit	Total Shareholders' Deficiency
Balance, December 31, 2023	274,984,848	\$ 48,581,031	\$ 17,039,615	\$ 945,045	\$(68,870,649)	\$ (2,304,958)
Issuance of shares for loans and borrowings	5,209,090	275,000	-	-	-	275,000
Issuance of common shares	14,000,000	700,000	-	-	-	700,000
Warrants granted	-	(375,510)	375,510	-	-	-
Share-based payments	-	-	2,544	-	-	2,544
Foreign currency translation and other	-	-	-	(664,565)	-	(664,565)
Comprehensive income	-	-	-	-	(272,998)	(272,998)
Balance, September 30, 2024	294,193,938	\$ 49,180,521	\$ 17,417,669	\$ 280,480	\$(69,143,647)	\$ (2,264,977)

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

Solar Alliance Energy Inc.

Notes to Interim Condensed Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise specified)

(Unaudited)

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 unaudited interim condensed 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 unaudited interim condensed 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 September 30, 2024, the Company had an accumulated deficit of \$69,143,647, comprehensive loss for the nine months ended September 30, 2024 was \$311,542, and negative cash flow from operations of \$1,487,806. 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. Material accounting policies

2.1 Basis of presentation and measurement

These unaudited interim condensed 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 unaudited interim condensed consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these unaudited interim condensed 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 unaudited interim condensed 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 unaudited interim condensed 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 unaudited interim condensed consolidated financial statements were authorized for issuance by the Board of Directors of the Company on November 29, 2024.

Solar Alliance Energy Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024
(Expressed in Canadian Dollars, unless otherwise specified)
(Unaudited)

2. Material accounting policies (continued)

2.3 Functional and presentation currency

These unaudited interim condensed 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 unaudited interim condensed 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.

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.

Solar Alliance Energy Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024
(Expressed in Canadian Dollars, unless otherwise specified)
(Unaudited)

2. Material accounting policies (continued)

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

2.4.2 Critical Accounting Judgments (continued)

(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 unaudited interim condensed consolidated financial statements on the date such changes occur.

3. Deposits

	As at September 30, 2024	As at December 31, 2023
BC Licence of Occupation security deposits (i)	\$ 18,000	\$ 18,000
Other prepaid deposit	26,705	24,633
Total	\$ 44,705	\$ 42,633

(i) The Company has \$18,000 (December 31, 2023 - \$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.

4. 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, 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
Foreign exchange	-	1,854	1,854
Balance, September 30, 2024	\$ -	\$ 269,487	\$ 269,487

Solar Alliance Energy Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024
(Expressed in Canadian Dollars, unless otherwise specified)
(Unaudited)

4. Property, plant and equipment (continued)

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

ACCUMULATED DEPRECIATION	Solar facilities ⁽²⁾	Other equipment ⁽¹⁾	Total
Balance, December 31, 2022	\$ -	\$ 149,888	\$ 149,888
Depreciation	-	36,819	36,819
Balance, December 31, 2023	\$ -	\$ 186,707	\$ 186,707
Depreciation	-	22,489	22,489
Balance, September 30, 2024	\$ -	\$ 209,196	\$ 209,196

CARRYING AMOUNTS

Balance, December 31, 2023	\$ -	\$ 80,926	\$ 80,926
Balance, September 30, 2024	\$ -	\$ 60,291	\$ 60,291

⁽¹⁾ Other equipment includes vehicles, office equipment, furniture and fixtures, computers, and computer software.

⁽²⁾ 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.

5. Trade and other payables

	September 30, 2024	December 31, 2023
Trade and other payables in Canada	\$ 1,292,400	\$ 1,313,289
Trade and other payables in the United States	1,833,632	2,282,374
Total trade and other payables	\$ 3,126,032	\$ 3,595,663

6. Short-term loans and note payable

In February 2024, the Company closed an unsecured short-term loan for \$100,000, which was due to a related party (note 13). The term of the loan is one year from the date of each advance and bears interest at 15% per annum. During the nine months ended September 30, 2024, the Company repaid the loan and interest by way of a shares for debt agreement announced on June 17, 2024. Interest expense of \$15,000 was recorded in Q2, 2024 (2023 - \$nil).

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 13). The term of the loan is one year from the date of each advance and bears interest at 15% per annum. The company is in the process of renegotiating the terms of the short-term loan with the lender. During the nine months ended September 30, 2024, the Company repaid \$nil and recorded interest expense of \$18,155 (2023 - \$nil).

In July 2024, the Company closed an unsecured short-term loan for a total capacity of \$100,000 USD (\$137,500 CAD). The term of the loan is one year from the date of each advance and bears interest at 0% per annum. During the nine months ended September 30, 2024, the Company repaid \$70,000. Interest expense of \$nil was recorded (2023 - \$nil).

Solar Alliance Energy Inc.

Notes to Interim Condensed Consolidated Financial Statements For the Three and Nine Months Ended September 30, 2024 (Expressed in Canadian Dollars, unless otherwise specified) (Unaudited)

7. 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 bears interest at 5% per annum and is due on December 31, 2026.

8. Asset retirement obligations

	September 30, 2024	December 31, 2023
Asset retirement obligations	\$ 115,731	\$ 112,034
Provisions made during the period	\$ 2,865	\$ 3,697
Total asset retirement obligation	\$ 118,596	\$ 115,731

The Company has recorded asset retirement obligations of \$118,596 (December 31, 2023 - \$115,731) associated with the future decommissioning of weather monitoring equipment situated on the Wildmare Wind Energy Project site.

9. Share capital

9.1 Authorized share capital

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

9.2 Common shares issued

	Number of common shares	Amount
Balance, December 31, 2022 and September 30, 2023, December 31, 2023	274,984,848	\$ 48,581,031
Issuance of shares for loans and borrowings (i)(ii)	5,209,090	275,000
Private placements (iii)	14,000,000	700,000
Warrants granted (iii)	-	(375,510)
Balance, September 30, 2024	294,193,938	\$ 49,180,521

At September 30, 2024, the Company had 294,193,938 common shares issued and outstanding (December 31, 2023 – 274,984,848) and no preferred shares issued and outstanding. A summary of changes in share capital and reserves is contained on the unaudited interim condensed consolidated statements of changes in shareholders' deficiency for the nine months ended September 30, 2024 and 2023.

During the nine months ended September 30, 2024, the Company issued the following shares:

- On June 17, 2024, the Company issued 2,909,090 common shares at a price of \$0.055 per share to settle debts of \$160,000.
- On June 17, 2024, the Company issued 2,300,000 common shares at a price of \$0.05 per share to settle debts of \$115,000.

Solar Alliance Energy Inc.

Notes to Interim Condensed Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise specified)

(Unaudited)

9. Share capital (continued)

9.2 Common shares issued (continued)

- iii. On June 27, 2024, the Company completed a private placement through the issuance of 4,000,000 units at a price of \$0.05 per unit for gross proceeds of \$200,000. 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 for a period of 36 months from the closing date. The securities issued pursuant to the offering have a hold period of four months from the date of closing. The Company determined the fair value of the warrants to be \$130,396. The warrants were valued using the Black-Scholes pricing model with the following assumptions: a risk-free interest rate of 3.86%; an expected volatility of 116.63%; an expected life of three years; a forfeiture rate of zero and an expected dividend of zero.
- iv. On July 19, 2024, the Company completed a private placement through the issuance of 9,000,000 units at a price of \$0.05 per unit for gross proceeds of \$450,000. 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 for a period of 36 months from the closing date. The securities issued pursuant to the offering have a hold period of four months from the date of closing. The Company determined the fair value of the warrants to be \$130,396. The warrants were valued using the Black-Scholes pricing model with the following assumptions: a risk-free interest rate of 3.64%; an expected volatility of 98.04%; an expected life of three years; a forfeiture rate of zero and an expected dividend of zero.
- v. On June 27, 2024, the Company completed a private placement through the issuance of 1,000,000 units at a price of \$0.05 per unit for gross proceeds of \$50,000. 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 for a period of 36 months from the closing date. The securities issued pursuant to the offering have a hold period of four months from the date of closing. The Company determined the fair value of the warrants to be \$27,825. The warrants were valued using the Black-Scholes pricing model with the following assumptions: a risk-free interest rate of 3.35%; an expected volatility of 98.05%; an expected life of three years; a forfeiture rate of zero and an expected dividend of zero.

10. Warrants

	Number of warrants	Weighted average exercise price (\$)
Balance, December 31, 2022	14,955,255	0.60
Expired	(14,655,255)	0.60
Balance, September 30, 2023	300,000	0.08
Balance, December 31, 2023	300,000	0.08
Issued for private placements (note 9(b)(i)(ii)(iii))	14,000,000	0.07
Balance, September 30, 2024	14,300,000	0.07

Solar Alliance Energy Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024
(Expressed in Canadian Dollars, unless otherwise specified)
(Unaudited)

10. Warrants (continued)

The following table reflects the warrants issued and outstanding as of September 30, 2023:

Expiry Date	Exercise Price	Balance December 31, 2022	Granted	Exercised	Expired	Balance September 30, 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

The following table reflects the warrants issued and outstanding as of September 30, 2024:

Expiry Date	Exercise Price	Balance December 31, 2023	Granted	Exercised	Expired	Balance September 30, 2024
June 27, 2027	\$ 0.07	-	4,000,000	-	-	4,000,000
July 19, 2027	\$ 0.07	-	9,000,000	-	-	9,000,000
July 31, 2027	\$ 0.07	-	1,000,000	-	-	1,000,000
December 29, 2027	\$ 0.08	300,000	-	-	-	300,000
		300,000	14,000,000	-	-	14,300,000
Weighted Average exercise price	\$ 0.08	\$ 0.07	\$ -	\$ -	\$ -	\$ 0.07

11. 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.

Solar Alliance Energy Inc.

Notes to Interim Condensed Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise specified)

(Unaudited)

11. Stock options (continued)

Details of the stock options outstanding as at September 30, 2023 are as follows:

Expiry Date	Exercise Price	Balance December 31, 2022	Granted	Exercised	Expired/ Cancelled	Balance September 30, 2023
May 4, 2023	\$ 0.08	500,000	-	-	(500,000)	-
May 6, 2023	\$ 0.06	-	-	-	-	-
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

Details of the stock options outstanding as at September 30, 2024 are as follows:

Expiry Date	Exercise Price	Balance December 31, 2023	Granted	Exercised	Expired/ Cancelled	Balance September 30, 2024
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	-	-	(1,000,000)	50,000
November 23, 2026	\$ 0.18	1,000,000	-	-	-	1,000,000
August 5, 2027	\$ 0.09	4,475,000	-	-	(1,250,000)	3,225,000
September 26, 2027	\$ 0.11	100,000	-	-	-	100,000
February 23, 2028	\$ 0.08	900,000	-	-	(200,000)	700,000
		18,914,286	-	-	(8,639,286)	10,275,000
Weighted average exercise price	\$ 0.08	\$ -	\$ -	\$ -	\$ 0.05	\$ 0.08

As of September 30, 2024, the weighted average remaining contractual life of the Company's stock options is 1.64 years (December 31, 2023 - 2.18 years).

Solar Alliance Energy Inc.

Notes to Interim Condensed Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars, unless otherwise specified)

(Unaudited)

12. Share-based payments

During the nine months ended September 30, 2024, the Company granted nil stock options to directors, officers, and employees of the Company (2023 - 900,000) and recorded \$2,544 (2023 - \$280,420) 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.

13. Related party transactions and balances

In addition to related party transactions and balances disclosed elsewhere in these unaudited interim condensed consolidated financial statements, the following are transactions that occurred during the nine months ended September 30, 2024 and balances as at September 30, 2024 with related parties:

- Included in trade and other payables as at September 30, 2024 is \$341,000 (December 31, 2023 - \$289,000) 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 6) as at September 30, 2024 is \$137,500 (December 31, 2023 - \$137,500) due to current directors of the Company.
- Included in interest expense as at September 30, 2024 is \$18,155 (September 30, 2023 - \$40,997) due to current directors of the Company.
- Included in professional fees as at September 30, 2024 is \$59,652 (September 30, 2023 - \$32,962) to Marrelli Support Services Inc., a company which the CFO is related to. As of September 30, 2024, the company owed \$22,757 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 three and nine months ended September 30, 2024 and 2023 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Consulting fees	\$ 59,000	\$ 16,000	\$ 69,000	\$ 47,000
Salaries and benefits	20,833	10,416	145,833	131,888
Share-based payments	-	14,212	1,413	116,192
Total	\$ 79,833	\$ 40,628	\$ 216,246	\$ 295,080

Solar Alliance Energy Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024
(Expressed in Canadian Dollars, unless otherwise specified)
(Unaudited)

14. 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 September 30, 2024 and 2023, all of the Company's revenues and cost of goods sold related to its solar EPC segment. As of September 30, 2024 and December 31, 2023, the Company's assets and non-current assets related to each of the segments:

	September 30, December 31,		
	2024	2023	
As at September 30, 2024			
Solar EPC			
Total assets	\$ 952,386	\$ 1,670,528	
Total liabilities	1,833,632	2,452,000	
Corporate			
Total assets	344,021	132,169	
Total liabilities	1,727,752	1,655,655	
Total			
Total assets	1,296,407	1,802,697	
Total liabilities	3,561,384	4,107,655	
Operating segment			
	United States	Canada	Total
For the nine months ended September 30, 2024			
Total revenue	3,321,692	-	3,321,692
Non-current assets (as at September 30, 2024)	66,703	38,293	104,996
For the nine months ended September 30, 2023			
Total revenue	4,839,515	-	4,839,515
Non-current assets (as at December 31, 2023)	87,208	36,351	123,559

During the nine months ended September 30, 2024 the Company had three (nine months ended September 30, 2023 - three) customers that individually accounted for more than 10% of consolidated revenue.

15. Subsequent events

- a) On October 18, 2024, the Company announced the resignation of Michael Clark as CEO, President and director, and the appointment of Brian Timmons as President and CEO, both effective October 18, 2024.