



**NU E Power Corp.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(unaudited, in Canadian dollars)

Three and nine months ended September 30, 2024

## **NOTICE TO READER**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), released by the Canadian Securities Administrators, the Company discloses that its external auditor has not reviewed these condensed consolidated interim financial statements, notes to the condensed consolidated interim financial statements, or to the related Management's Discussion and Analysis.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by the Company's management and are the responsibility of management. The unaudited condensed consolidated interim financial statements as at and for the three and nine months ended September 30, 2024, have not been reviewed by the Company's auditor.

NU E Power Corp.  
Calgary, Alberta  
November 29, 2024

**NU E Power Corp.**  
**Condensed Consolidated Interim Statements of Financial Position**  
(unaudited, in Canadian dollars)

	September 30, 2024	December 31, 2023
<b>ASSETS</b>		
<b>Current</b>		
Cash	311,571	816,883
Trade and other receivables (note 5)	122,509	161,859
Prepays and deposits (note 6)	51,176	34,011
Loan receivable (note 7)	11,030	45,983
<b>Total current assets</b>	<b>496,286</b>	<b>1,058,736</b>
<b>Non-current</b>		
Loan receivable (note 7)	176,814	176,814
Investments (note 8)	118,729	137,509
Right-of-use assets (note 9)	24,078	79,663
Property, plant and equipment (note 10)	56,916	67,682
<b>Total non-current assets</b>	<b>376,537</b>	<b>461,668</b>
<b>Total assets</b>	<b>872,823</b>	<b>1,520,404</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 11)	468,634	534,116
Loans and borrowings (note 12)	300,000	300,000
Leases (note 9)	11,222	51,280
<b>Total current liabilities</b>	<b>779,856</b>	<b>885,396</b>
<b>Non-current</b>		
Leases (note 9)	12,452	25,258
<b>Total liabilities</b>	<b>792,308</b>	<b>910,654</b>
<b>SHAREHOLDERS' EQUITY</b>		
Common shares (note 13)	10,612,912	10,085,997
Warrants (note 13)	1,040,491	1,040,491
Contributed surplus	789,249	627,674
Deficit	(12,362,137)	(11,144,412)
<b>Total shareholders' equity</b>	<b>80,515</b>	<b>609,750</b>
<b>Total liabilities and shareholders' equity</b>	<b>872,823</b>	<b>1,520,404</b>

Going concern (note 1)  
Subsequent events (note 21)

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

**NU E Power Corp.**  
**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss**  
(unaudited, in Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
<b>Revenue</b> (note 14)	103,998	186,644	471,432	248,685
<b>Expenses</b>				
General and administrative (note 15)	459,941	687,024	1,407,054	1,902,027
Share-based compensation (note 13)	40,246	67,111	161,575	304,805
Depreciation and amortization (notes 9, 10)	18,805	21,561	60,881	65,508
Share in (income) loss of joint venture and associate (note 8)	17,487	-	18,780	-
<b>Operating loss</b>	(432,481)	(589,052)	(1,176,858)	(2,023,655)
Gain (loss) on sale of assets	432	(1,950)	432	71,057
Finance (expense) income, net (note 16)	(1,122)	4,826	(41,299)	729
<b>Loss before income tax</b>	(433,171)	(586,176)	(1,217,725)	(1,951,869)
Income tax recovery	-	4,490	-	24,529
<b>Net loss and comprehensive loss</b>	(433,171)	(581,686)	(1,217,725)	(1,927,340)
<b>Net loss per share attributable to shareholders</b> (note 13)				
Basic and diluted, net loss per share	(0.01)	(0.03)	(0.04)	(0.08)

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

**NU E Power Corp.**  
**Condensed Consolidated Interim Statements of Changes in Shareholders' Equity**  
(unaudited, in Canadian dollars)

	Share Capital	Warrants	Contributed Surplus	Deficit	Total
Balance, January 1, 2024	10,085,997	1,040,491	627,674	(11,144,412)	609,750
Loss for the period	-	-	-	(1,217,725)	(1,217,725)
Shares issued for services (note 13)	30,000	-	-	-	30,000
Shares issued in private placement, net (note 13)	496,915	-	-	-	496,915
Share-based compensation (note 13)	-	-	161,575	-	161,575
<b>Balance, September 30, 2024</b>	<b>10,612,912</b>	<b>1,040,491</b>	<b>789,249</b>	<b>(12,362,137)</b>	<b>80,515</b>

	Share Capital	Warrants	Contributed Surplus	Deficit	Total
Balance, January 1, 2023	4,578,012	50,491	254,277	(2,199,074)	2,683,706
Loss for the period	-	-	-	(1,927,340)	(1,927,340)
Repurchase and cancellation of shares (note 13)	(104,200)	-	(95,800)	-	(200,000)
Shares issued for services (note 13)	150,000	-	10,000	-	160,000
Share-based compensation	-	-	304,805	-	304,805
<b>Balance, September 30, 2023</b>	<b>4,623,812</b>	<b>50,491</b>	<b>473,282</b>	<b>(4,126,414)</b>	<b>1,021,171</b>

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

**NU E Power Corp.**  
**Condensed Consolidated Interim Statements of Cash Flows**  
(unaudited, in Canadian dollars)

	Nine months ended September 30,	
	2024	2023
<b>Operating activities</b>		
Net loss	(1,217,725)	(1,927,340)
Non-cash items:		
Depreciation and amortization (notes 9, 10)	60,881	65,508
Share-based compensation (note 13)	161,575	304,805
Gain on sale of assets	(432)	(71,057)
Loss from equity investments (note 8)	18,780	-
Shares issued for services (note 13)	30,000	160,000
Net change in non-cash working capital (note 20)	94,293	99,460
<b>Cash flows used in operating activities</b>	<b>(852,628)</b>	<b>(1,368,624)</b>
<b>Financing activities</b>		
Repayment of mortgage	-	(35,902)
Proceeds from private placements, net (note 13)	496,915	-
Repurchase of common shares	-	(200,000)
Lease payments (note 9)	(46,963)	(43,898)
Repayment of shareholder loans	-	(10,017)
Net change in non-cash working capital (note 20)	(139,093)	(648)
<b>Cash flows used in financing activities</b>	<b>310,859</b>	<b>(290,465)</b>
<b>Investing activities</b>		
Development costs	-	(498,214)
Sale of development properties	-	1,089,402
Loan receivable (note 7)	34,954	38,681
Additions to property, plant and equipment (note 10)	-	(4,867)
Net change in non-cash working capital (note 20)	1,503	(35,879)
<b>Cash flows from investing activities</b>	<b>36,457</b>	<b>589,123</b>
Net change in cash and cash equivalents	(505,312)	(1,069,966)
Cash and cash equivalents, beginning of period	816,883	1,310,082
<b>Cash and cash equivalents, end of period</b>	<b>311,571</b>	<b>240,116</b>
Interest paid on loans and borrowings, net	-	29,775

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

## 1. Incorporation and nature of business

The Company's core activity is the development of solar photovoltaic infrastructure projects, including site identification, land acquisition, regulatory and interconnection processes.

NU E Power Corp. (the "Company" or "NU E") (formerly NU E Corp.) is a Canadian based company incorporated under the laws of British Columbia, Canada. The Company's corporate office and principal place of business is located at 6404, 6A St. SE, Calgary, Alberta, Canada, T2H 2B7.

On August 20, 2024, the Company's corporate status changed from a private company to a publicly listed company in Canada when its common shares commenced trading on the Canadian Securities Exchange ("CSE"). The Company's stock symbol on the CSE is *NUE*.

The Company has four solar power generation projects that are in various stages of development and are held in separate special purpose vehicles "SPV(s)" owned by Low Carbon NU-Energy Corp. ("LC NU-Energy") a joint venture. Additionally, the Company has a 25% interest in Lethbridge One Solar Corp. ("LOSC"), which commenced producing power at its Lethbridge One solar facility in October 2024. See note 8 for information regarding the Company's investments.

On October 16, 2023, the Company amalgamated with 2514148 Alberta Ltd., a wholly owned subsidiary of Vinza Capital Management Inc. ("Vinza"), in exchange for 23,007,055 shares of Vinza, resulting in the shareholders of NU E Corp. acquiring control of Vinza to effect a reverse takeover ("RTO") of Vinza by NU E Corp. Pursuant to the amalgamation Vinza changed its name to NU E Power Corp. These financial statements reflect the historical information of NU E Corp. prior to the amalgamation, as NU E Corp.'s operations are the continuing business.

On May 15, 2024, NU E carried out a share consolidation of the Company's common shares at a consolidation ratio of 2 for 1 (the "Share Consolidation"). As a result, the numbers for the average basic and diluted shares outstanding, the net loss per share, and the number of stock options and warrants for all periods presented in these condensed consolidated interim financial statements have been restated to reflect the effect of the Share Consolidation.

### *Going concern*

The Company has not yet generated sufficient revenue from the development of its solar power generation assets to provide positive cash flow from operating activities and has incurred losses of \$0.4 million and \$1.2 million for the three and nine months ended September 30, 2024, respectively, and a loss of \$8.9 million for the year ended December 31, 2023. The Company will require additional capital to fund development of its solar power generation assets through its joint venture with Low Carbon and other corporate activities over the next year and beyond.

These condensed consolidated interim financial statements ("consolidated financial statements") have been prepared on a going concern basis, which assumes the realization of assets and settlement of liabilities in the normal course of business. The long-term viability of the Company will depend on its ability to develop new solar power generation projects or other long-term sources of income to provide positive cash flow from operating activities, which is dependent on the Company's ability to successfully access additional financing. These matters create a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern.

These consolidated financial statements do not include any adjustments to the carrying value or classification of recorded asset amounts and carrying value or classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.

## 2. Basis of presentation

These consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting, under IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), following the same accounting policies as the audited consolidated financial statements of the Company as at December 31, 2023. These consolidated financial statements contain disclosures that are supplemental to the Company's annual audited consolidated financial statements. Certain disclosures normally required to be included in the notes to the annual audited consolidated financial statements have been condensed. These consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2023.

These consolidated financial statements were approved by the Board of Directors on November 29, 2024.

## 3. Critical accounting estimates and judgements

The Company has made estimates, assumptions and judgements regarding certain assets, liabilities, revenues, and expenses in the preparation of the consolidated financial statements, primarily related to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, actual results may differ from estimated amounts.

## 4. Reverse takeover

*Reverse takeover of Vinza Capital Management Inc.*

On October 16, 2023, the company completed the acquisition of all the outstanding common shares and warrants of Vinza. The asset acquisition of Vinza resulted in the issuance of 7,187,155 common shares and 3,000,000 warrants (see note 13). The number of common shares and warrants have been restated to reflect the effect of the Share Consolidation. The transaction was accounted for under IFRS 2, *Share Based Payment*, resulting in the excess of the fair value of the shares and warrants issued in the transaction over the fair value of the identifiable assets and liabilities of \$6,436,937 being recorded as transaction costs.

Vinza was a non-publicly listed reporting issuer with no active operations.

The following provides a summary of the fair value of the assets and liabilities acquired relating to this transaction:

Cash	63,131
Accounts payable and accrued liabilities	(47,883)
	15,248

## 5. Trade and other receivables

	September 30, 2024	December 31, 2023
Trade receivables	89,649	146,088
Other receivables	32,860	15,771
	122,509	161,859

## 6. Prepaids and deposits

	September 30, 2024	December 31, 2023
Prepaids	45,167	28,002
Security deposit	6,009	6,009
	51,176	34,011

At September 30, 2024, prepaids and deposits consisted of insurance premiums paid in advance and a security deposit for the Company's head office.



## 7. Loans receivable

	Total
At December 31, 2022	96,936
Addition	425,145
Payments of principal	(299,284)
At December 31, 2023	222,797
Payments of principal	(34,953)
At September 30, 2024	187,844

On May 29, 2023, the Company received a \$425,145 promissory note as part of the formation of the LC NU-Energy joint venture, see note 8. The promissory note has an interest rate of 7.5% plus SONIA (Sterling Overnight Index Average), which is accrued monthly until settled. Payment of principal and interest are received if there is excess cash after the LC NU-Energy joint venture sells a ready-to-build development project. During the three and nine months ended September 30, 2024, the Company recognized \$5,588 and \$16,779 (three and nine months ended September 30, 2023, \$17,993), respectively, of interest revenue related to the promissory note in finance expense, net. At September 30, 2024, \$176,814 (December 31, 2023 - \$176,814) of principal remained outstanding on the promissory note.

On August 1, 2022, the Company provided the purchaser of Helix a payment plan requiring \$4,643 to be paid monthly for 28 months, commencing September 1, 2022. The original payment stream was valued at \$115,020 based on an interest rate of 8.9% and the undiscounted amount was \$130,000. During the three and nine months ended September 30, 2024, the Company recognized \$2,692 and \$7,591 (three and nine months ended September 30, 2023 - \$1,966 and \$3,414), respectively, of interest income related to the payment plan in finance expense, net. At September 30, 2024, \$11,029 (December 31, 2023 - \$45,983) of principal remained outstanding on the payment plan.

	September 30, 2024	December 31, 2023
Loans receivable	187,844	222,797
Less: current portion	11,030	45,983
	176,814	176,814

## 8. Investments

	Low Carbon NU-Energy Corp.	Lethbridge One Solar Corp.	Total
At December 31, 2022	-	-	-
Equity investment	50	143,750	143,800
Loss from equity investment	(50)	(6,241)	(6,291)
At December 31, 2023	-	137,509	137,509
Loss from equity investment	-	(18,780)	(18,780)
At September 30, 2024	-	118,729	118,729

### *Low Carbon NU-Energy Corp.*

The Company is party to a joint venture with Low Carbon Canada Solar Limited ("Low Carbon"), an unrelated party, established for the purpose of developing existing and future solar energy projects through LC NU-Energy. NU E and Low Carbon each have a 50% ownership of the common shares of LC NU-Energy and they exercise joint control.

The Company, Low Carbon, and LC NU-Energy have a Development Services agreement whereby NU E provides solar energy development services and Low Carbon provides services and investment capital to LC NU-Energy.

When a solar development project in a SPV owned by LC NU-Energy reaches the ready-to-build stage, Low Carbon is given the right of first refusal to acquire 100% of the SPV's equity at market value from LC NU-Energy. Concurrent to Low Carbon exercising its right to purchase 100% of a given project's SPV equity, NU E has the option to acquire 25% of the SPV at the same price per share. If Low Carbon does not elect to acquire the solar development SPV at the ready-to-build stage, NU E has the option to purchase 100% of the project equity. On December 11, 2023, Low Carbon exercised its right of first refusal to purchase 100% of LOSC and NU E exercised its option to purchase 25% of LOSC, resulting in an effective decrease in the Company's ownership of LOSC from 50% to 25%.



At September 30, 2024, and December 31, 2023, the joint venture had the following balances of assets, liabilities, and preferred shares, gross.

LC NU-Energy Corp.	September 30, 2024	December 31, 2023
Current assets	28,105	106,092
Non-current assets	2,103,989	1,775,718
	2,132,094	1,881,810
Current liabilities	2,374,650	1,460,266
Preference shares	457,742	457,742

The current assets of LC NU-Energy primarily consist of cash and the non-current assets are capitalized development costs. The current liabilities primarily consist of revolving loans to fund the development of the SPVs until completion the specific project reaches the ready-to-build stage. The preferred shares of LC NU-Energy are non-voting non-cumulative and at September 30, 2024, were redeemable at a fixed redemption value of \$0.5 million, gross, upon excess cash availability from operations and they are held by Low Carbon.

LC NU-Energy incurred losses of \$94,552 and \$337,049, net to the Company for the three and nine months ended September 30, 2024, respectively. The Company did not recognize these losses due to the investment balance being \$nil. The Company has no obligation to fund its proportionate share of losses from the joint venture.

#### *Lethbridge One Solar Corp.*

LOSC commenced construction on its Lethbridge One solar power development in late December 2023. The Company has a 25% common share interest in LOSC. The construction funding for the Lethbridge One solar project is provided by loans from Low Carbon under the terms of the shareholder agreement.

At September 30, 2024, and December 31, 2023, the LOSC investment had the following balances of assets, liabilities, and preferred shares, gross.

Lethbridge One Solar Corp.	September 30, 2024	December 31, 2023
Current assets	580,731	2,610,699
Non-current assets	15,863,078	4,632,204
	16,443,809	7,242,903
Current liabilities	9,726,171	6,448,512
Preference shares	6,823,545	823,613

The current assets of LOSC primarily consists of cash and the non-current assets are capitalized development costs. The current liabilities primarily consist of revolving loans to fund the development and construction of the Lethbridge One solar project until completion. At September 30, 2024, the preferred shares of LOSC are non-voting non-cumulative and redeemable at a fixed redemption value of \$6.8 million gross upon excess cash availability from operations and are primarily owned by Low Carbon.

During the three and nine months ended September 30, 2024, LOSC had losses of \$20,073 and \$18,780, net to the Company, respectively. The Company has no obligation to fund its proportionate share of losses from LOSC.

## **9. Leases**

### *Right-of-use assets*

	Total
At December 31, 2022	149,110
Depreciation	(69,447)
At December 31, 2023	79,663
Depreciation	(50,115)
Disposal of ROU asset	(5,470)
At September 30, 2024	24,078

At September 30, 2024, the Company had leases for its head office and a vehicle lease. The Company disposed of a vehicle lease during the third quarter of 2024, realizing a gain of \$432 at the time of derecognizing the right-of-use lease asset and related lease liability.



### Lease liabilities

	September 30, 2024	December 31, 2023
Lease liabilities	23,674	76,538
Less: current portion	11,222	51,280
	12,452	25,258

The lease liabilities consisted of the vehicle leases and office lease described above.

Total lease cash outflows including principal and interest are provided below:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Total cash outflows for leases	16,405	18,144	52,939	54,417

### 10. Property, plant, and equipment

	Property	Plant and equipment	Total
<b>Cost</b>			
At December 31, 2022	1,275,000	107,981	1,382,981
Additions	-	4,867	4,867
Disposals <sup>(1)</sup>	(1,275,000)	-	(1,275,000)
At December 31, 2023, and September 30, 2024	-	112,848	112,848
<b>Accumulated depreciation</b>			
At December 31, 2022	-	26,953	26,953
Depreciation	-	18,213	18,213
At December 31, 2023	-	45,166	45,166
Depreciation	-	10,766	10,766
At September 30, 2024	-	55,932	55,932
<b>Net book value</b>			
At December 31, 2023	-	67,682	67,682
At September 30, 2024	-	56,916	56,916

(1) On December 22, 2023, the Company sold this land to LOSC, an associated company (see note 8), for cash proceeds of \$1,600,000, resulting in a gain of \$243,750.

### 11. Accounts payable and accrued liabilities

	September 30, 2024	December 31, 2023
Accounts payable	339,768	376,373
Accrued liabilities <sup>(1)</sup>	128,866	157,743
	468,634	534,116

At September 30, 2024, accounts payable and accrued liabilities primarily consisted of professional fees and other general and administrative costs.

### 12. Loans and borrowings

#### Convertible Debenture

On October 17, 2023, the Company issued a \$300,000 convertible debenture ("Debenture") that has an interest rate of 10%. During the first quarter of 2024, the maturity date was extended from January 24, 2024, to the earlier of July 24, 2024, and the date the Company lists its common shares for trading on a recognized Canadian securities exchange (the "Conversion Date"). The Company issued 15,000 common shares as a fee for the extension, see note 13. Subsequent to July 24, 2024, the Company and debenture holder entered into discussions to extend the term of the Debenture. The debenture holder indicated a willingness to extend the term but that they would prefer not to convert into common shares of the Company. As of the date of these consolidated financial statements, the Company and debenture holder have not agreed upon the terms of the extension or a fee for an extension. The convertible feature of the debenture had been valued at \$nil at the date of issuance and therefore no amount has been reflected as equity on the statement of financial position.

### 13. Share capital

#### Authorized

The Company has authorized an unlimited number of common shares to be issued without par value.

Preferred shares are issuable in series with the number of shares and the designation, rights, privileges, restrictions, and conditions attached to the shares to be determined by the Board of Directors prior to issuance. No preferred shares had been issued as of September 30, 2024.

On May 15, 2024, NU E carried out a Share Consolidation of the Company's common shares at a consolidation ratio of 2 for 1. As a result, the numbers for the average basic and diluted shares outstanding, the number of stock options and warrants, and the net loss per share for the current and prior periods have been adjusted and restated to reflect the effect of the Share Consolidation.

#### Common shares

	Number of common shares <sup>(1)</sup>	Total
At December 31, 2022	23,357,055	4,578,012
Repurchase and cancellation of common shares <sup>(2)</sup>	(500,000)	(104,200)
Issuance of shares for services	150,000	150,000
Issued during acquisition of Vinza	7,187,155	5,462,185
At December 31, 2023	30,194,210	10,085,997
Issued during private placement	250,000	500,000
Share issue costs, net	-	(3,085)
Issuance of shares for services	15,000	30,000
At September 30, 2024	30,459,210	10,612,912

(1) Restated retroactively for the Share Consolidation.

(2) On April 15, 2023, the Company purchased 500,000 common shares from existing shareholders at \$0.40 per common share for total consideration of \$200,000. The common shares were immediately cancelled subsequent to acquisition.

On August 19, 2024, the Company closed a \$500,000 private placement by issuing 250,000 common shares at \$2.00 per share. On August 20, 2024, the Company's common shares began trading on the CSE.

On January 22, 2024, the Company issued 15,000 common shares to the holder of its Debenture as a fee to extend the borrowing. The value of service was \$30,000 and was recorded in finance expense, net.

On October 16, 2023, the Company completed an RTO of Vinza (see note 4), which included the issuance of 5,437,155 common shares on a one for one basis and a finders' fee of 1,750,000 common shares. The common shares issued were recorded at their estimated fair value of \$0.76 per common share. The fair value of the consideration paid of \$5,462,185 was recorded in share capital with the offset of \$5,449,834 recognized as an RTO expense in the consolidated statement of loss and comprehensive loss. The reverse takeover expense recognized in the consolidated statement of loss was the difference of the common share proceeds and the prorated allocation of the fair value of assets received.

#### Warrants

	Average exercise price <sup>(1)</sup>	Number of warrants <sup>(1)</sup>	Amount
At December 31, 2022	0.46	4,425,000	50,491
Issued during acquisition of Vinza	0.90	3,000,000	990,000
At December 31, 2023, and September 30, 2024	0.63	7,425,000	1,040,491

(1) Restated retroactively for the Share Consolidation.

On October 16, 2023, the Company completed an RTO of Vinza (see note 1), which included the issuance of 1,500,000 warrants to purchase common shares at \$0.60 and 1,500,000 warrants to purchase common shares at \$1.20, that expire on December 13, 2024. The warrants issued were recorded at their estimated fair value at an average of \$0.33 per warrant. The \$0.33 average price per warrant was determined based on the Black Scholes model using a risk-free rate of 5.1%, expected life of 1.2 years and expected volatility of 55%. The fair value of the consideration paid of \$990,000 was recorded in share capital with the offset of \$987,103 recognized as an RTO expense in the consolidated statement of loss and comprehensive loss. The RTO expense recognized in the consolidated statement of loss was the difference of the warrant proceeds and the prorated allocation of the fair value of assets received.



### Share-based payments

The Company has a long-term incentive plan “Stock Option Plan” to provide stock options to certain employees, consultants and directors, to purchase common shares.

On May 15, 2023, NU E carried out a Share Consolidation of the Company’s common shares at a consolidation ratio of 2 for 1. As a result, the number of stock options for the current and prior periods have been adjusted and restated to reflect the effect of the Share Consolidation.

	Weighted average exercise price <sup>(1)</sup>	Number of Options <sup>(1)</sup>
At December 31, 2022	0.50	1,875,000
Granted	1.00	1,466,667
Forfeited	1.00	(375,000)
At December 31, 2023	0.68	2,966,667
Forfeited	0.71	(875,000)
At September 30, 2024	0.67	2,091,667

(1) Restated retroactively for the Share Consolidation.

During the nine months ended September 30, 2024, 875,000 options were forfeited with an average option price of \$0.71 per share.

The Company recognized a share-based compensation expense for the three and nine months ended September 30, 2024, of \$40,246 and \$161,575 (three and nine months ended September 30, 2023 – \$67,111 and \$304,805), respectively.

At September 30, 2024, the Company had 2,091,667 options outstanding with an average remaining life of 8.3 years and weighted average exercise price of \$0.67.

### Net loss per share

On May 15, 2023, NU E carried out a Share Consolidation of the Company’s common shares at a consolidation ratio of 2 for 1. As a result, the numbers for the average basic and diluted common shares outstanding, the number of stock options and warrants, and the EPS for the current and prior periods have been adjusted and restated to reflect the effect of the Share Consolidation.

The net loss and weighted average number of common shares used in the calculation of basic and diluted net loss per share are as follows.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net loss attributable to shareholders	(433,171)	(581,686)	(1,217,725)	(1,927,340)
Weighted average number of common shares <sup>(1)</sup>	30,320,623	22,883,142	30,245,305	23,058,154
Basic and diluted, net loss per share <sup>(1)(2)</sup>	(0.01)	(0.03)	(0.04)	(0.08)

(1) Restated retroactively for the Share Consolidation.

(2) The effect of any potential exercise of warrants and stock options is excluded from the calculation of diluted loss per share for the periods presented, as the effect would be anti-dilutive.

## 14. Revenue

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Revenue from contracts	103,998	186,644	471,432	248,685

On June 7, 2023, the Company commenced recognizing revenues in accordance with the Development Services agreement between NU E, Low Carbon and LC NU-Energy. The transaction price for the services provided is determined based on the cost of direct employee and consultancy services provided by NU E in the process of developing solar projects, plus a portion of the general and administrative costs to support those activities.

## 15. General and administrative

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Salaries and benefits	43,487	17,857	152,373	192,686
Consultants <sup>(1)</sup>	247,454	491,924	753,999	1,063,760
Administrative expenses	53,893	68,720	111,832	179,062
Professional fees	98,177	97,232	341,647	435,118
Property taxes and insurance	16,930	11,291	47,203	31,401
	459,941	687,024	1,407,054	1,902,027

(1) During the three and nine months ended September 30, 2024, consultants included \$130,201 and \$406,795 of management fees (three and nine months ended September 30, 2023 – \$210,122 and \$588,172), respectively, paid to executives of the Company, see note 19.

## 16. Finance expense (income), net

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Interest on borrowings <sup>(1) (2)</sup>	7,541	12,446	28,623	29,528
Interest on lease liabilities	1,586	3,148	6,007	9,519
Bank fees and other	279	510	30,857	1,361
Interest revenue	(8,284)	(20,930)	(24,188)	(24,055)
Capitalized interest <sup>(2)</sup>	-	-	-	(17,082)
	1,122	(4,826)	41,299	(729)

(1) In 2023, the Company capitalized the interest on its collateral mortgage to development costs up to June 7, 2023, and expensed the collateral mortgage interest costs after that date.

(2) Bank fees and other included the \$30,000 extension fee for the Debenture in the first quarter of 2024, see note 12.

## 17. Financial instruments

### *Fair values*

The Company classifies and measures its cash, restricted cash, trade and other receivables, prepaids and deposits, trade and other payables, shareholder loans at amortized cost and their fair values are not materially different from their carrying amounts due to their short-term nature.

### *Fair value hierarchy*

FRS 13, Fair value measurement, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities,

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs that are not based on observable market data.

Financial assets valued at amortized cost are cash, restricted cash, trade and other receivables, deposits, and loans receivable. The Company has no financial assets valued at FVTPL or FVTOCI.

The Company's financial liabilities measured at amortized costs are accounts payables and accrued liabilities, and loans and borrowings.

The Company has exposure to credit, foreign exchange, liquidity, and interest rate risk as follows:

### *Credit risk*

Credit risk is the risk of that a counterparty to a financial asset will default, resulting in the Company incurring a financial loss. The Company is exposed to credit risk on its cash and accounts receivable to a maximum of the varying value of the items at the reporting date.

The Company mitigates its exposure to credit risk by maintaining its bank accounts with major Canadian financial institutions with strong investment-grade ratings by a primary ratings agency.



Accounts receivable is comprised of the following:

	September 30, 2024	December 31, 2023
Trade receivables	89,649	146,088
Other receivables	32,860	15,771
	<u>122,509</u>	<u>161,859</u>

An analysis of the age of trade and other receivables at September 30, 2024, is as follows:

Outstanding	Trade and other receivables
Less than 30 days	86,739
30 days to 90 days	33,055
Greater than 90 days	2,715
	<u>122,509</u>

#### *Foreign exchange risk*

The Company incurs certain operating expenses and capital expenditures in U.S. dollars. Accordingly, the fluctuations in the exchange rate between the U.S. and Canadian dollar can impact the Company's reported results.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial obligations.

The Company's monitors its ability to meet its short-term operating expenditures by raising additional funds through share issuances when required. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market or other alternative forms of financing is hindered, whether as a result of a downturn in stock market conditions generated or related to matters specific to the Company (see note 1).

The following summarizes the Company's contract maturities for financial instrument liabilities at September 30, 2024.

	Less than 1 year	1 to less than 3 years	3 to less than 5 years	Thereafter	Total
Accounts payable and accrued liabilities	468,634	-	-	-	468,634
Loans and borrowings	300,000	-	-	-	300,000
Leases	11,222	12,452	-	-	23,674
	<u>779,856</u>	<u>12,452</u>	<u>-</u>	<u>-</u>	<u>792,308</u>

## **18. Capital management**

The Company defines its capital as follows:

- shareholders' equity, comprising of issued common shares, reserves and deficit;
- long term loans and borrowings; and
- short term loans and borrowings

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the funding of its marketing and operational plans and any joint venture and project commitments extending beyond one year. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements.

## 19. Related party transactions

### *Transactions with key management personnel*

Transactions with key management personnel were in the normal course of operations and were valued in these consolidated financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties, see note 15.

The Company had the following payable balances with related parties.

	September 30, 2024	December 31, 2023
Executives	61,098	33,002

### *Transactions with joint venture*

The Company has joint control over LC NU-Energy (see note 8) and considers the joint venture to be a related party. Transactions with LC NU-Energy during 2024 include \$471,432 of revenue from a contract (see note 14). At September 30, 2024, accounts receivable included \$73,658 (December 31, 2023 - \$118,994) from LC NU-Energy. All outstanding balances with LC NU-Energy are recognized at the exchange amount and are to be settled in cash within one month of the reporting date. None of the balances are secured. No expense has been recognised in the current year or prior year for credit losses in respect of amounts owed by LC NU-Energy.

### *Transactions with associate*

The Company has significant influence over LOSC (see note 8) and classifies its ownership interest as an investment in an associate and is a related party. There were no transactions with LOSC during the nine months ended September 30, 2024, and transactions with LOSC during 2023 were limited to the sale of the Lethbridge land in the fourth quarter (see note 10).

## 20. Supplemental disclosure of cash flow information

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Changes in non-cash working capital:				
Accounts and other receivables	104,636	(32,927)	39,350	(87,089)
Prepays and deposits	(41,167)	(19,500)	(17,165)	(28,667)
Accounts payable and accrued liabilities	(82,944)	(49,051)	(65,482)	178,689
Net changes in non-cash working capital	(19,475)	(101,478)	(43,297)	62,933
Relating to:				
Operating activities	80,525	11,470	94,293	99,460
Financing activities	(100,000)	-	(139,093)	(648)
Investing activities	-	(112,948)	1,503	(35,879)
	(19,475)	(101,478)	(43,297)	62,933

## 21. Subsequent events

### *Intent to Acquire Diloo Energy Corp.*

On September 18, 2024, the Company entered into a Letter of Intent to acquire 49% of the issued and outstanding shares ("Diloo Acquisition") of Diloo Energy Corp. ("Diloo"), a private Canadian green hydrogen developer that is majority owned and operated by Indigenous Canadians. NU E and Diloo are related due to common ownership.

Diloo is developing 120 megawatts of clean energy in Alberta by permitting and constructing green hydrogen infrastructure. As consideration for the Diloo Acquisition, the Company will issue common shares Diloo shareholders based on a transaction valuation of \$4.0 million at an exchange ratio to be determined at the time of signing the definitive agreement.