



NU E Power Corp.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(unaudited, in Canadian dollars)

Three and six months ended June 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 six months ended June 30, 2024, have not been reviewed by the Company's auditor.

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

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

	June 30, 2024	December 31, 2023
ASSETS		
Current		
Cash	94,676	816,883
Restricted cash (note 13)	100,000	-
Trade and other receivables (note 5)	227,145	161,859
Prepays and deposits (note 6)	10,009	34,011
Loan receivable (note 7)	22,370	45,983
Total current assets	454,200	1,058,736
Non-current		
Loan receivable (note 7)	176,814	176,814
Investments (note 8)	136,216	137,509
Right-of-use assets (note 9)	44,764	79,663
Property, plant and equipment (note 10)	60,505	67,682
Total non-current assets	418,299	461,668
Total assets	872,499	1,520,404
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 11)	551,578	534,116
Loans and borrowings (note 12)	300,000	300,000
Leases (note 9)	28,113	51,280
Total current liabilities	879,691	885,396
Non-current		
Leases (note 9)	16,283	25,258
Total liabilities	895,974	910,654
SHAREHOLDERS' EQUITY		
Common shares (note 13)	10,115,997	10,085,997
Warrants (note 13)	1,040,491	1,040,491
Contributed surplus	749,003	627,674
Deficit	(11,928,966)	(11,144,412)
Total shareholders' equity	(23,475)	609,750
Total liabilities and shareholders' equity	872,499	1,520,404

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 June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Revenue (note 14)	172,885	62,041	367,434	62,041
Expenses				
General and administrative (note 15)	477,712	849,896	947,113	1,215,003
Share-based compensation (note 13)	54,091	178,772	121,329	237,694
Depreciation and amortization (notes 9, 10)	21,157	22,504	42,076	43,947
Share in (income) loss of joint venture and associate (note 8)	(4,682)	-	1,293	-
Operating income	(375,393)	(989,131)	(744,377)	(1,434,603)
Gain on sale of assets	-	73,007	-	73,007
Finance expense, net (note 16)	(1,278)	(1,237)	(40,177)	(4,097)
Loss before income tax	(376,671)	(917,361)	(784,554)	(1,365,693)
Income tax recovery	-	20,039	-	20,039
Net loss and comprehensive loss	(376,671)	(897,322)	(784,554)	(1,345,654)
Net loss per share attributable to shareholders (note 13)				
Basic and diluted, net loss per share	(0.01)	(0.04)	(0.03)	(0.06)

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 at January 1, 2024	10,085,997	1,040,491	627,674	(11,144,412)	609,750
Loss for the period	-	-	-	(784,554)	(784,554)
Shares issued for services (note 13)	30,000	-	-	-	30,000
Share-based compensation (note 13)	-	-	121,329	-	121,329
Balance, June 30, 2024	10,115,997	1,040,491	749,003	(11,928,966)	(23,475)

	Share Capital	Warrants	Contributed Surplus	Deficit	Total
Balance at January 1, 2023	4,578,012	50,491	254,277	(2,199,074)	2,683,706
Loss for the period	-	-	-	(1,345,654)	(1,345,654)
Repurchase and cancellation of shares (note 13)	(104,200)	-	(95,800)	-	(200,000)
Share-based compensation	-	-	237,694	-	237,694
Balance, June 30, 2023	4,473,812	50,491	396,171	(3,544,728)	1,375,746

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)

	Six months ended June 30,	
	2024	2023
Operating activities		
Net loss	(784,554)	(1,345,654)
Non-cash items:		
Depreciation and amortization (notes 9, 10)	42,076	43,947
Share-based compensation (note 13)	121,329	237,694
Gain on sale of assets	-	(73,007)
Loss from equity investments (note 8)	1,293	-
Shares issued for services (note 13)	30,000	-
Net change in non-cash working capital (note 20)	13,768	87,990
Cash flows used in operating activities	(576,088)	(1,049,030)
Financing activities		
Repayment of mortgage	-	(23,873)
Repurchase of common shares	-	(200,000)
Lease payments (note 9)	(32,142)	(28,902)
Repayment of shareholder loans	-	(10,672)
Net change in non-cash working capital (note 20)	(39,093)	(648)
Cash flows used in financing activities	(71,235)	(264,095)
Investing activities		
Development costs	-	(496,264)
Sale of development properties	-	1,089,402
Loan receivable (note 7)	23,613	26,097
Additions to property, plant and equipment (note 10)	-	(4,867)
Net change in non-cash working capital (note 20)	1,503	77,069
Cash flows from investing activities	25,116	691,437
Net change in cash and cash equivalents	(622,207)	(621,688)
Cash and cash equivalents, beginning of period	816,883	1,310,082
Cash and cash equivalents, end of period	194,676	688,394
Interest paid on loans and borrowings, net	-	19,912

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 is nearing completion of its Lethbridge One solar project that began construction in December 2023. 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 \$0.8 million for the three and six months ended June 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 August 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

	June 30, 2024	December 31, 2023
Trade receivables	199,977	146,088
Other receivables	27,168	15,771
	227,145	161,859

6. Prepaids and deposits

	June 30, 2024	December 31, 2023
Prepaids	4,000	28,002
Security deposit	6,009	6,009
	10,009	34,011

At June 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	(23,613)
At June 30, 2024	199,184

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 six months ended June 30, 2024, the Company recognized \$5,594 and \$11,191 (three and six months ended June 30, 2023, \$4,499 and \$4,499), respectively, of interest revenue related to the promissory note in finance expense, net. At June 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 six months ended June 30, 2024, the Company recognized \$2,379 and \$4,450 (three and six months ended June 30, 2023 - \$1,137 and \$1,966), respectively, of interest income related to the payment plan in finance expense, net. At June 30, 2024, \$34,022 (December 31, 2023 - \$45,983) of principal remained outstanding on the payment plan.

	June 30, 2024	December 31, 2023
Loans receivable	199,184	222,797
Less: current portion	22,370	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	-	(1,293)	(1,293)
At June 30, 2024	-	136,216	136,216

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

LC NU-Energy Corp.	June 30, 2024	December 31, 2023
Current assets	71,982	106,092
Non-current assets	2,058,881	1,775,718
	2,130,863	1,881,810
Current liabilities	2,184,314	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 June 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 \$129,436 million and \$242,497 million, net to the Company for the three and six months ended June 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 June 30, 2024, and December 31, 2023, the LOSC investment had the following balances of assets, liabilities, and preferred shares, gross.

Lethbridge One Solar Corp.	June 30, 2024	December 31, 2023
Current assets	1,724,491	2,610,699
Non-current assets	13,571,171	4,632,204
	15,295,662	7,242,903
Current liabilities	8,497,731	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 June 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 six months ended June 30, 2024, LOSC had income of \$4,682 and a loss of \$1,293, 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	(34,899)
At June 30, 2024	44,764

At June 30, 2024, the Company had an office lease and vehicle leases.



Lease liabilities

	June 30, 2024	December 31, 2023
Lease liabilities	44,396	76,538
Less: current portion	28,113	51,280
	16,283	25,258

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

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Total cash outflows for leases	18,418	18,418	36,534	36,273

10. Property, plant, and equipment

	Property	Plant and equipment	Total
Cost			
At December 31, 2022	1,275,000	107,981	1,382,981
Additions	-	4,867	4,867
Disposals ⁽¹⁾	(1,275,000)	-	(1,275,000)
At December 31, 2023, and June 30, 2024	-	112,848	112,848
Accumulated depreciation			
At December 31, 2022	-	26,953	26,953
Depreciation	-	18,213	18,213
At December 31, 2023	-	45,166	45,166
Depreciation	-	7,177	7,177
At June 30, 2024	-	52,343	52,343
Net book value			
At December 31, 2023	-	67,682	67,682
At June 30, 2024	-	60,505	60,505

(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

	June 30, 2024	December 31, 2023
Accounts payable	329,253	376,373
Accrued liabilities ⁽¹⁾	222,325	157,743
	551,578	534,116

(1) Accrued liabilities includes \$100,000 of cash received for the purchase of the Company's common shares which had not been issued at June 30, 2024, see note 13.

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 June 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 ⁽¹⁾	Total
At December 31, 2022	23,357,055	4,578,012
Repurchase and cancellation of common shares ⁽²⁾	(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
Issuance of shares for services	15,000	30,000
At June 30, 2024	30,209,210	10,115,997

(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 cash of \$200,000. The common shares were immediately cancelled subsequent to acquisition.

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.

Subsequent to June 30, 2024, the Company closed a \$500,000 private placement by issuing 250,000 common shares at \$2.00 per share. The Company had received \$100,000 in-trust during the second quarter related to private placement deposits and recognized the amounts as restricted cash and in accounts payables and accrued liabilities in the consolidated statement of financial position.

Warrants

	Average exercise price ⁽¹⁾	Number of warrants ⁽¹⁾	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 June 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 ⁽¹⁾	Number of Options ⁽¹⁾
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 June 30, 2024	0.67	2,091,667

(1) Restated retroactively for the Share Consolidation.

During the six months ended June 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 six months ended June 30, 2024, of \$54,091 and \$121,329 (three and six months ended June 30, 2023 – \$178,772 and \$237,694), respectively.

At June 30, 2024, the Company had 2,091,667 options outstanding with an average remaining life of 8.5 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 June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Net loss attributable to shareholders	(376,671)	(897,322)	(784,554)	(1,345,654)
Weighted average number of common shares ⁽¹⁾	30,209,210	22,939,473	30,207,232	23,147,110
Basic and diluted, net loss per share ⁽¹⁾⁽²⁾	(0.01)	(0.04)	(0.03)	(0.06)

(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 June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Revenue from contracts	172,885	62,041	367,434	62,041

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 June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Salaries and benefits	57,257	82,943	108,886	174,829
Consultants ⁽¹⁾	213,963	410,557	506,545	571,836
Administrative expenses	28,501	48,234	57,939	110,342
Professional fees	162,771	297,594	243,470	337,886
Property taxes and insurance	15,220	10,568	30,273	20,110
	477,712	849,896	947,113	1,215,003

(1) During the three and six months ended June 30, 2024, consultants included \$130,244 and \$276,594 of management fees (three and six months ended June 30, 2023 – \$250,689 and \$378,050), respectively, paid to executives of the Company, see note 19.

16. Finance expense (income), net

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Interest on borrowings ^{(1) (2)}	7,459	7,106	21,082	17,082
Interest on lease liabilities	2,033	3,455	4,421	6,371
Bank fees and other	(230)	78	30,578	851
Interest revenue	(7,984)	(2,296)	(15,904)	(3,125)
Capitalized interest ⁽²⁾	-	(7,106)	-	(17,082)
	1,278	1,237	40,177	4,097

(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:

	June 30, 2024	December 31, 2023
Trade receivables	199,977	146,088
Other receivables	27,168	15,771
	<u>227,145</u>	<u>161,859</u>

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

Outstanding	Trade and other receivables
Less than 30 days	160,798
30 days to 90 days	63,767
Greater than 90 days	2,580
	<u>227,145</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 June 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	551,578	-	-	-	551,578
Loans and borrowings	300,000	-	-	-	300,000
Leases	28,113	16,283	-	-	44,396
	<u>879,691</u>	<u>16,283</u>	<u>-</u>	<u>-</u>	<u>895,974</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 receivable (payable) balances with related parties.

	June 30, 2024	December 31, 2023
Executives	1,288	(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 \$367,434 of revenue from a contract (see note 14). At June 30, 2024, accounts receivable included \$181,529 (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 six months ended June 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 June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Changes in non-cash working capital:				
Accounts and other receivables	(60,000)	(6,222)	(65,286)	(54,162)
Prepays and deposits	7,667	(9,167)	24,002	(9,167)
Accounts payable and accrued liabilities	195,098	185,399	17,462	227,740
Net changes in non-cash working capital	142,765	170,010	(23,822)	164,411
Relating to:				
Operating activities	65,126	262,735	13,768	87,990
Financing activities	77,639	-	(39,093)	(648)
Investing activities	-	(92,725)	1,503	77,069
	142,765	170,010	(23,822)	164,411

21. Subsequent events

Private placement

On August 19, 2024, the Company closed a \$500,000 private placement by issuing 250,000 common shares at \$2.00 per share.

Shares listed on Canadian Securities Exchange

On August 20, 2024, the Company's common shares commenced trading on the CSE under the stock symbol *NUE*.

