RE ROYALTIES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2024 AND 2023

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
RE Royalties Ltd.

Opinion

We have audited the accompanying consolidated financial statements of RE Royalties Ltd. (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of net loss and comprehensive loss, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Other Matters

The consolidated financial statements of RE Royalties Ltd. for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on May 2, 2024.

Key Audit Matters

Key audit matters are those matters that, in the auditor's professional judgment, were of most significance in the audit of the consolidated financial statements of the current year ended. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Acquisition of Switch Power Ontario Battery Operations Corp. ("SPOBOC") and Switch Power Ontario Solar Operating Corporation ("SPOSOC"), together the "Switch Entities"

As outlined in Note 3 to the consolidated financial statements, the Company completed the acquisition of SPOBOC and SPOSOC. The Company accounted for the business acquisition using the acquisition method under IFRS 3 Business Combinations in accordance with the accounting policy as more fully described in Note 2 to the consolidated financial statements.

The principal considerations for our determination that the acquisition of SPOBOC and SPOSOC as a key audit matter are that there were significant estimates and judgements made by management when assessing the fair value of the assets acquired and liabilities assumed based on their respective fair values at the date of acquisition. This required management to make significant estimates and assumptions to determine the fair value of assets and liabilities acquired. This in turn led to a high degree of auditor judgement, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of the fair value of the assets and liabilities acquired.

To address this key audit matter, we performed the following procedures:

- Reviewing and assessing accounting treatment to ensure transactions have been accounted for in line with applicable frameworks.
- Evaluating and assessing management's assessment of the fair value of the net assets acquired as required under IFRS 3 Business Combinations, including assessment of provisional liabilities under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.
- Evaluating correct cut-off of assets and liabilities on acquisition date.
- Utilizing valuation specialists to review and assess the reasonableness of the valuation methodology and certain key assumptions and estimates included in the valuation assessment provided by management's expert.

Assessment of Credit Losses and Impairment of Secured Loans and Royalty Interests

As described in Note 5 to the consolidated financial statements, the amount of the Company's Secured Loans were $23,536,368 and Royalty Interests were $4,555,423 as of December 31, 2024. As more fully described in Note 2 to the consolidated financial statements, the Company determines whether there has been a significant increase in the credit risk, and the stage of expected credit loss.

Management assesses whether any indication of impairment exists at the end of each reporting period for each loan and the related royalty interest, including assessing whether there are observable indications that the underlying entity related to each loan has significant increases in credit risks during the period. If such an indication exists, the Company recognizes an allowance for expected credit losses ("ECL") for all secured loans and assesses impairment of the related royalty interest. The allowance of ECL is based on an assessment of the probability of default and loss given default on the underlying loan. ECL allowances are measured at an amount equal to either (i) 12-month ECL; or (ii) lifetime ECL for loans that have experienced significant increases in credit risk since initial recognition.

Estimates and assumptions made by management with the highest degree of subjectivity in determining the lifetime ECL include future revenue and operating expense projections, ability of the underlying entity to secure future funding, and timing of future repayments. This in turn led to a high degree of auditor judgement, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments, estimates and assumptions made by management in their assessment of the change in credit risks and ECL to be recognized.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. These procedures included, among others:

- Evaluating the reasonableness of management's assessment of change in credit risks for significant secured loans.
- Evaluating the reasonableness of management's assessment of indicators of impairment for significant royalty interests.
- Evaluating the reasonableness of management's forecasted revenue and operating expense projections by comparing the forecast to historical results, third party information, discussion with independent parties associated with the loans, and/or underlying contracts and agreements.
- Evaluating collectability through a review of borrower's financial health with assistance of valuation specialists.
- Confirming outstanding amounts and inspecting payments made post year-end.

Assessment of Initial Recognition Valuation of Secured Loans and Royalty Interests

As described in Note 5 to the consolidated financial statements, the Company recognized new Secured Loans of $10,561,261 and new Royalty Interests of $590,125 during the year ended December 31, 2024. As more fully described in Note 2 to the consolidated financial statements, the Company holds investments in secured loans measured at amortized cost ("financial assets").

Upon initial recognition, financial assets are measured at fair value plus, transaction costs that are directly attributable to its acquisition. In determining the fair value of the financial assets upon initial recognition, management makes significant estimates and assumptions related to discount rates and future cash flows. In order to determine the initial cost of the Company's royalty interests, management subtracts the fair value of the financial assets from the aggregate amount of cash advanced, and the residual value is the ascribed value of the royalty interests. This in turn led to a high degree of auditor judgement, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments, estimates and assumptions made by management in their assessment of the discount rate, including the involvement of valuation specialists.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. These procedures included, among others:

- Examining the underlying agreements and supporting documents for transactions and understanding relevant terms.
- Evaluating management's determination of the accounting treatment by analyzing specific facts and circumstances against relevant accounting guidance**.**
- Utilizing valuation specialists to assess reasonableness of the discount rate and develop a range of independent estimates for the discount rates and compared to the discount rates selected by management.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

April 30, 2025

RE Royalties Ltd.

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	Note	December 31, 2024	December 31, 2023
ASSETS			
Non-current assets			
Secured loans and royalty interests	5	$ 17,520,819	$ 19,655,224
Property, plant and equipment	6	2,431,150	–
Intangible assets	7	3,543,696	–
Deferred transaction costs		2,992	46,540
Equity accounted investment	10	1	1
Derivative financial asset	8	1	104,356
Right-of-use asset		25,940	45,418
		23,524,599	19,851,539
Current assets			
Secured loans and royalty interests	5	10,570,972	17,738,595
Amounts receivable and prepaid expenses	11	1,699,179	493,241
Interest reserve	12	1,452,012	1,431,996
Income taxes recoverable		17,396	22,743
Cash and cash equivalents, including restricted cash	4	16,547,940	14,439,932
		30,287,499	34,126,507
TOTAL ASSETS		$ 53,812,098	$ 53,978,046
EQUITY			
Share capital	16	$ 30,418,381	$ 30,364,415
Reserves	17	3,453,890	2,558,934
Accumulated deficit		(28,672,711)	(17,588,627)
Equity attributable to owners of the Company		5,199,560	15,334,722
Non-controlling interests	20	1,799,501	1,752,062
Total equity		6,999,061	17,086,784
LIABILITIES			
Non-current liabilities			
Green bonds	12	34,283,035	36,230,500
Deferred income tax liability	23(b)	183,250	103,734
Deferred government grants	13	570,000	–
Decommissioning liabilities	14	294,659	–
Lease liability		3,683	30,683
		35,334,627	36,364,917
Current liabilities			
Green bonds	12	9,802,000	–
Lease liability		26,999	21,926
Cash-settled share-based payment liability		9,402	12,318
Income tax payable		9,129	–
Loan payable	15	389,492	–
Government grant payable	13	170,350	–
Trade payables and accrued liabilities		1,071,038	492,101
		11,478,410	526,345
Total liabilities		46,813,037	36,891,262
TOTAL EQUITY AND LIABILITIES		$ 53,812,098	$ 53,978,046

Nature of operations (note 1)
Events after the reporting period (note 28)

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

These consolidated financial statements are approved for issuance by the Company's Board of Directors on April 30, 2025 and are signed on the Company's behalf by the following:

/s/ Bernard Tan */s/ Rene Carrier*

Bernard Tan
Director

Rene Carrier
Director

RE Royalties Ltd.

Consolidated Statements of Net Loss and Comprehensive Loss

(Expressed in Canadian Dollars, except for weighted average number of common shares)

	Note	Year ended December 31, 2024	2023
Revenue and income			
Royalty revenue		$ 1,468,085	$ 819,388
Finance income		6,849,831	7,422,413
Energy revenue	18	269,374	–
Gain on royalty buyout	5(f)	–	1,563,783
		8,587,290	9,805,584
Cost of sales			
Operating expenses – BESS and solar			
Amortization and depreciation		(104,013)	–
Other operating expenses		(87,187)	–
Depletion of royalty interests	5	(699,488)	(352,644)
		(890,688)	(352,644)
Gross profit		7,696,602	9,452,940
Loss on revaluation of derivative financial asset	8	(104,355)	(13,462)
Gain on revaluation of financial asset at FVTPL		59,436	81,608
Gross profit, changes in fair value of financial assets		7,651,683	9,521,086
Expenses			
Salaries and benefits	21	1,163,448	1,013,185
Administration		422,469	375,212
Marketing and stakeholder communication		480,165	471,768
Audit and audit related		531,380	335,677
Consulting – financing		67,156	67,960
Consulting – other		189,540	149,619
Regulatory and transfer agency		79,130	107,763
Office lease and information technology		51,146	59,088
Legal		124,153	39,680
Donation		86,000	75,000
Equity-settled share-based payments	17(a)	141,204	409,923
Change in fair value of cash-settled share-based payments	17(a)	(2,916)	(5,296)
Depreciation of right-of-use asset		19,478	19,478
		(3,352,353)	(3,119,057)
Other items			
Finance expenses	19	3,879,572	3,432,665
Provision for expected credit loss and loss upon derecognition of secured loans	5	9,076,781	4,305,775
Impairment of royalty interest	5(e)(j)(p)	488,384	–
Foreign exchange (gain) loss		(244,499)	234,235
		(13,200,238)	(7,972,675)
Net loss before income tax		$ (8,900,908)	$ (1,570,646)
Income tax expense			
Current income tax expense	23(a)	292,088	265,522
Deferred income tax expense (recovery)	23(a)	79,516	(25,266)
		(371,604)	(240,256)
Net loss after income tax		$ (9,272,512)	$ (1,810,902)
Other comprehensive income (loss)			
Items that may be subsequently reclassified to net income			
Foreign exchange translation difference		971,521	(231,430)
Total other comprehensive income (loss)		971,521	(231,430)
Total comprehensive loss		$ (8,300,991)	$ (2,042,332)
Net loss after income tax attributable to:			
Owners of the Company		(9,353,604)	(3,123,632)
Non-controlling interests	20	81,092	1,312,730
		(9,272,512)	(1,810,902)
Total comprehensive loss attributable to:			
Owners of the Company		(8,574,062)	(3,310,032)
Non-controlling interests	20	273,071	1,267,700
		(8,300,991)	(2,042,332)
Basic and diluted loss per share attributable to shareholders of the Company	22	$ (0.22)	$ (0.07)
Weighted average number of common shares outstanding	22	43,270,765	43,242,805

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

RE Royalties Ltd.

Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars, except for number of shares)

		Share capital		Reserves							
	Note	**Number of shares**	**Amount**	**Equity-settled share-based payments**	**Share purchase warrants**	**Other reserve**	**Foreign currency translation reserve**	**Accumulated deficit**	**Total equity attributable to shareholders of the Company**	**Non-controlling interests**	**Total equity**
Balance at January 1, 2023		43,127,607	$30,282,447	$ 1,392,973	$ 411,913	$ 87,000	$ 350,295	$ (12,739,891)	$ 19,784,737	$ 603,253	$ 20,387,990
Net (loss) income for the year		–	–	–	–	–	–	(3,123,632)	(3,123,632)	1,312,730	(1,810,902)
Other comprehensive loss for the year		–	–	–	–	–	(186,400)	–	(186,400)	(45,030)	(231,430)
Total comprehensive (loss) income for the year		–	–	–	–	–	(186,400)	(3,123,632)	(3,310,032)	1,267,700	(2,042,332)
Distribution to shareholders	17(d)	–	–	–	–	–	–	(1,725,104)	(1,725,104)	–	(1,725,104)
Settlement of RSUs through issuance of shares	17(a)	134,374	81,968	(81,968)	–	–	–	–	–	–	–
Settlement of RSUs through cash	17(a)	–	–	(13,802)	–	–	–	–	(13,802)	–	(13,802)
Warrants issued pursuant to Series-3 Public Offering	17(a)	–	–	–	75,000	–	–	–	75,000	–	75,000
Warrants issued pursuant to Series-3 Private Placement	17(b)	–	–	–	114,000	–	–	–	114,000	–	114,000
Equity-settled share-based payments	17(a)	–	–	409,923	–	–	–	–	409,923	–	409,923
Distribution to non-controlling interests - OCEP		–	–	–	–	–	–	–	–	(123,358)	(123,358)
Distribution to non-controlling interests - Delta		–	–	–	–	–	–	–	–	(16,555)	(16,555)
Contributions from non-controlling interest in FP Puerto Rico Invest, LLC		–	–	–	–	–	–	–	–	21,022	21,022
Balance at December 31, 2023		43,261,981	30,364,415	1,707,126	600,913	87,000	163,895	(17,588,627)	15,334,722	1,752,062	17,086,784
Balance at January 1, 2024		43,261,981	$30,364,415	$ 1,707,126	$ 600,913	$ 87,000	$ 163,895	$ (17,588,627)	$ 15,334,722	$ 1,752,062	$ 17,086,784
Net (loss) income for the year		–	–	–	–	–	–	(9,353,604)	(9,353,604)	81,092	(9,272,512)
Other comprehensive income for the year		–	–	–	–	–	779,542	–	779,542	191,979	971,521
Total comprehensive (loss) income for the year		–	–	–	–	–	779,542	(9,353,604)	(8,574,062)	273,071	(8,300,991)
Distribution to shareholders	17(d)	–	–	–	–	–	–	(1,730,480)	(1,730,480)	–	(1,730,480)
Settlement of RSUs through issuance of shares	17(a)	114,823	53,966	(53,966)	–	–	–	–	–	–	–
Settlement of RSUs through cash	17(a)	–	–	(19,824)	–	–	–	–	(19,824)	–	(19,824)
Equity-settled share-based payments	17(a)	–	–	141,204	–	–	–	–	141,204	–	141,204
Warrants issued pursuant to Series-4 Private Placement	17(b)	–	–	–	48,000	–	–	–	48,000	–	48,000
Distribution to non-controlling interests - OCEP		–	–	–	–	–	–	–	–	(203,737)	(203,737)
Distribution to non-controlling interests - Delta		–	–	–	–	–	–	–	–	(21,895)	(21,895)
Balance at December 31, 2024		43,376,804	$30,418,381	$ 1,774,540	$ 648,913	$ 87,000	$ 943,437	$ (28,672,711)	$ 5,199,560	$ 1,799,501	$ 6,999,061

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

RE Royalties Ltd.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	Note	Year ended December 31, 2024	2023
Operating activities			
Net loss		$ (9,272,512)	$ (1,810,902)
Adjustments for:			
Depreciation, depletion, and amortization		822,979	372,122
Finance income for the period, in excess of interest received		(2,771,498)	(3,338,751)
Gain on royalty buyout		–	(1,563,783)
Gain on revaluation of financial asset at FVTPL		(59,436)	(81,608)
Loss on revaluation of derivative financial asset		104,355	13,462
Provision for expected credit loss and loss upon derecognition of secured loans		8,969,891	4,305,775
Impairment of royalty interest		488,384	–
Finance expenses		3,872,210	3,432,665
Equity-settled share-based payments		141,204	409,923
Change in fair value of cash-settled share-based payments		(2,916)	(5,296)
Deferred income tax expense		79,516	(25,266)
Unrealized foreign exchange loss		453,174	217,808
Changes in working capital items:			
Amounts receivable and prepaid expenses		(392,253)	(267,297)
Income taxes recoverable		5,347	(22,743)
Interest reserve account		–	(852,036)
Income tax payable		(26,815)	(82,000)
Trade payables and accrued liabilities		92,876	90,214
Cash generated by operating activities		2,504,506	792,287
Investing activities			
Acquisition of royalty interests and secured loans, net of repayments	5	(11,232,693)	(5,354,638)
Acquisition cost attributable to CleanLight warrants		–	(117,820)
Proceeds from royalty buyout		–	1,563,783
Proceeds from repayment of secured loan		9,377,657	326,868
Deferred transaction costs, net of recoveries		–	(8,576)
Cash used in investing activities		(1,855,036)	(3,590,383)
Financing activities			
Net proceeds from the Green Bonds offering	12	6,280,738	16,546,094
Repayment of convertible notes – principal sum		–	(1,637,176)
Repayment of convertible notes – accrued interest		–	(425,225)
Cash distribution to shareholders	17(d)	(1,730,480)	(1,725,104)
Distributions to non-controlling interests – OCEP		(203,737)	(123,358)
Distributions to non-controlling interests – Delta		(21,895)	(16,555)
Contributions from non-controlling interest in FP Puerto Rico Invest, LLC		–	21,022
Payments of interest on Green Bonds		(3,043,245)	(2,692,456)
Settlement of Restricted Share Units in cash		(19,824)	(45,196)
Lease payments		(25,189)	(23,998)
Other finance expenses		–	(7,349)
Cash provided by financing activities		1,236,368	9,870,699
Increase in cash and cash equivalents		1,885,838	7,072,603
Effects of exchange rate fluctuations on cash held		222,170	(212,803)
Cash and cash equivalents, opening balance		14,439,932	7,580,132
Cash and cash equivalents, closing balance		$ 16,547,940	$ 14,439,932

Supplemental cash flow information (note 26)

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

1. NATURE OF OPERATIONS

RE Royalties Ltd. ("RER" or the "Company") is a public company whose common shares are listed on the TSX Venture Exchange ("TSXV"), under the trading symbol "RE" and on the OTCQX under the trading symbol "RROYF". The Company was incorporated on November 2, 2016 under the laws of the Province of British Columbia, Canada. The address of the Company's corporate office is the 14th Floor, 1040 West Georgia Street, Vancouver, BC, V6E 4H1.

The Company is primarily engaged in the acquisition of revenue-based royalties from renewable energy generation facilities and other clean energy technologies by providing a non-dilutive royalty financing solution to privately-held and publicly-traded renewable energy generation and development companies and clean energy technology companies.

On November 1, 2024, the Company acquired the shares of Switch Power Ontario Battery Operations Corp. ("SPOBOC") and Switch Power Ontario Solar Operations Corp. ("SPOSOC") in full and final settlement of the outstanding debt. Consequently, the Company now owns and operates a portfolio of Battery Energy Storage Systems ("BESS") and rooftop solar projects. SPOBOC's principal activity is energy storage as a service, providing behind-the-meter solutions to industrial and real estate clients to realize global adjustment savings, and to provide grid resiliency and ancillary services through medium- to long-term Energy Service Agreements. SPOSOC's principal activity is primarily solar power generation from rooftop solar systems in Ontario.

SPOBOC, a wholly-owned subsidiary, was incorporated provincially under the Ontario Business Corporations Act on August 20, 2021. SPOBOC's principal activity is primarily global adjustment and ancillary services revenue from Battery Energy Storage Systems in Ontario.

SPOSOC, a wholly-owned subsidiary, was incorporated provincially under the Ontario Business Corporations Act on August 18, 2022. SPOBOC's principal activity is primarily solar power generation from Rooftop Solar Systems in Ontario.

These consolidated financial statements (the "Financial Statements") are comprised of RER and its subsidiaries (note 2(b)) (together referred to as the "Company" or the "Group") and are prepared for the year ended December 31, 2024 and 2023. RE Royalties Ltd. is the legal parent entity in the Group.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) *Statement of compliance*

These Financial Statements have been prepared on a going concern basis in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), effective for the Company's reporting years ended December 31, 2024 and 2023.

(b) *Basis of presentation and consolidation*

These Financial Statements have been prepared on a historical cost basis except for the loan to Aeolis Wind Power Corporation (note 5) and the fair valuation of CleanLight warrants (note 5) which is recorded at fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

These Financial Statements include the financial statements of the Company and its following subsidiaries:

Entity	Place of business	Entity type	Economic interest
RE Royalties (Canada) Ltd.	British Columbia, Canada	Acquisition of royalties in renewable projects	100.00%
RE Royalties USA Inc.	Delaware, USA	Acquisition of royalties in renewable projects	100.00%
FP OCEP Invest LLC (note 5(k))	Delaware, USA	Holds OCEP Loan	96.68%
FP Puerto Rico Invest, LLC (note 5(m))	Delaware, USA	Holds Delta Loan	98.00%
Switch Power Ontario Battery Operations Corp.	Ontario, Canada	Operates a portfolio of Battery Energy Storage Systems (BESS)	100.00%
Switch Power Ontario Solar Operations Corp.	Ontario, Canada	Solar power generation from rooftop solar Systems	100.00%

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

Intra-group balances and transactions, including any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the Financial Statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

(c) *Significant accounting estimates and judgements*

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, and expenses. Actual results may differ from these estimates. The impact of such estimates are pervasive throughout the Financial Statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Changes in subjective inputs and assumptions can materially affect accounting estimates.

Specific areas where significant estimates or judgements exist are:

<u>Estimates:</u>
- Valuation of secured loans and royalty interest (note 5);
- Estimation of the timing and amounts with respect to loan repayments from OCEP and Clean Communities (note 5);
- Depletion of royalty interests (note 5);
- Fair value of the loan to Aeolis Wind Power Corporation (note 5(a));
- Determination of the allowance for expected credit losses relating to the loan receivable (note 5);
- Inputs into the Black-Scholes model for options and warrants (note 17);
- Fair value of share purchase options subject to certain performance based vesting conditions (notes 17);
- Estimation of amount with respect to the Deferred government grant and government grant payable (notes 13);
- Fair valuation of assets and liabilities acquired as part of acquisition of SPOBOC and SPOSOC (note 3).

Judgements:

- Assessment of evidence as to whether a financial asset may be impaired, including but not limited to, assessment as to whether there has been a significant increase in the credit risk, and the stage of expected credit loss.
- Judgement with respect to accounting of acquisition of SPOBOC and SPOSOC as business combination as opposed to asset acquisition (note 3).

(d) *Foreign currency*

The functional currency is the currency of the primary economic environment in which an entity operates. The functional and presentation currency of the Company and its wholly-owned subsidiaries, SPOBOC and SPOSOC, is the Canadian Dollar. The functional currency of RE Royalties USA Inc., FP OCEP Invest, LLC and FP Puerto Rico Invest, LLC, is the US dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Gains and losses arising on translation are included in profit or loss for the year.

To translate the Company's interest in RE Royalties USA Inc. to the presentation currency, all assets and liabilities are translated using the exchange rate as of the reporting date and all income and expenses are translated using the average exchange rates during the period. All resulting exchange differences are recognized in net loss and other comprehensive loss.

(e) *Financial instruments*

The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

All financial assets that are not classified at amortised cost or fair value through other comprehensive income ("FVTOCI") are measured at fair value through profit or loss ("FVTPL") with net gains and losses on subsequent revaluation and income and expenses, including any transaction cost, associated with such assets recognised in profit or loss. All derivative financial assets and hybrid financial instruments with embedded derivatives are classified at FVTPL.

For a financial asset to be measured at amortized cost, it must meet the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition, financial assets at amortized cost are measured at fair value plus, transaction costs that are directly attributable to its acquisition. Subsequently, these financial assets are measured at amortised cost, using the effective interest method, and net of any impairment loss. Interest income, foreign exchange gains and losses, impairment losses, and gain or losses on derecognition are recognised in profit or loss. Changes in fair value of these financial instruments are recognized in net loss and other comprehensive loss.

The Company's financial assets are classified in these Financial Statements as follows:

Financial Assets	Note	Classification
Secured loan – Aeolis Wind Power Corporation	5	FVTPL
Secured loans – other	5	Amortized cost
Cash and cash equivalents and restricted cash	4	Amortized cost
Derivative financial asset	8	FVTPL
Amounts receivable	11	Amortized cost
Interest reserve	12	Amortized cost

The Company has no financial assets which are classified as at FVTOCI.

The Company classifies its non-derivative financial liabilities at amortized cost that are recognized initially at fair value net of any directly attributable transaction costs.

When a compound financial instrument is issued, its initial carrying amount is allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the fair value of the liability component.

Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Company's financial liabilities are classified in these Financial Statements as follows:

Financial Liabilities	Note	Classification
Trade payables and accrued liabilities		Amortized cost
Green bonds (including interest payable)	12	Amortized cost
Loan payable	15	Amortized cost

The Company has no significant derivative financial liabilities.

Impairment of financial assets:

The Company recognizes an allowance for expected credit losses ("ECL") for all debt instruments at amortized cost. ECLs reflect the present value of all cash shortfalls related to default events either (i) over the following twelve months or (ii) over the expected life of a debt instrument depending on the credit deterioration from inception. The ECL recorded reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognized in two stages, which are as follows:

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, an amount equal to twelve months ECLs is recorded. This is computed using a probability of default occurring over the next twelve months.

- For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance using a probability of default occurring over the remaining life of the financial instrument is calculated. The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company assesses, on an instrument-by-instrument basis, whether there has been a significant increase in credit risk since initial recognition of a financial instrument at each reporting date. Increases or decreases in the allowance for credit losses are recognized in the consolidated statement of net loss and comprehensive loss.

The following is the non-exhaustive list of factors that are considered for evaluating if the credit risk has increased significantly since initial recognition:

(i) existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.

(ii) an actual or expected significant change in the operating results of the borrower, such as actual or expected declining revenues or margins, increasing operating risks, working capital deficiencies, decreasing asset quality, increased balance sheet leverage, liquidity, management problems or changes in the scope of business or organisational structure.

(iii) significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the borrower's economic incentive to make scheduled contractual payments or to otherwise have an effect on the probability of a default occurring.

(iv) any significant change in reductions of financial support from a parent entity or other affiliate.

(v) expected changes in the loan documentation including an expected breach of contract that may lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees, or other changes to the contractual framework of the instrument.

(vi) significant changes in the expected performance and behaviour of the borrower, such as, an increase in the expected number or extent of delayed contractual payments.

(vii) past due information, where the counterparty has failed to make a payment when the payment was contractually due.

Forward-Looking Information

In the measurement of the ECL for each stage and the assessment of significant increases in credit risk, the Company considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions using probability-weighted forward-looking scenarios. The Company considers both internal and external sources of information in order to achieve an unbiased measure of the scenarios used. Judgment is applied in determining the probabilities for each scenario. When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

The Company conducted its analysis and quantification of ECL, and determined ECL to be negligible, except for the ECL relating to FuseForward (note 5(g)), Switch Power (note 5(e)), Switch Solar (note 5(j)), OCEP (note 5(k)), Delta (note 5(m)) and Cleanlight (note 5(p)).

To compute the loss allowance, Loss given default and Probability of default are used as inputs.

Loss given default is an estimate of the loss arising on default. It is based on the difference between contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

(f) *Share capital*

Common shares are classified as equity. Transaction costs directly attributable to the issuance of common shares are recognized as a deduction from equity, net of any tax effects.

(g) *Income (loss) per share*

The Company presents basic and diluted income (loss) per share information for its common shares, calculated by dividing the net income (loss) attributable to common shareholders of the Company by the weighted average number of common shares. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

(h) *Income taxes*

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: a) goodwill not deductible for tax purposes; b) the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and c) differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(i) Revenue

Revenue from finance income and royalty interest

The Company's revenue recognized in these Financial Statements comprised of revenue earned from contracts with customers under and related to its royalty interests. With the exception of the NOMAD royalty (note 5(h)) and Cleanlight royalty (5(p)), performance obligation is considered to be met and revenue is recognized when each unit of power is generated and delivered to its customer by the operator of the underlying asset through an interconnection or directly to a client.

Under the NOMAD royalty agreement, performance obligation is considered to be met and revenue is recognized when NOMAD realizes proceeds from the sale of certain manufactured units.

Under the Cleanlight royalty agreement, performance obligation is considered to be met and revenue is recognized when gross revenues related to the business or from sale of Cleanlight units are received or accrued.

Revenue is measured at the fair value of the consideration received or receivable when management can reliably estimate the amount, pursuant to the terms of the royalty agreement. Differences between estimates and actual amounts are adjusted and recorded in the period that the actual amounts are known.

Energy revenue

The Company evaluates whether the contracts it enters into meet the definition of a contract with a client at the inception of the contract and on an ongoing basis if there is an indication of significant changes in facts and circumstances. Each promise to provide a good or service within a contract is accounted for separately as a performance obligation if it is distinct. The Company's contracts may contain more than one performance obligation. The transaction price, which is the amount of consideration to which the Company expects to be entitled to within each contract, is determined and is allocated to the performance obligation in the contract.

The transaction price may include variable consideration based on, for example, future production volumes, variable costs, market prices or indices and escalators. Variable consideration is only included in the transaction price for each performance obligation when it is highly probable that a significant reversal of the cumulative variable revenue will not occur. Variable consideration is assessed at each reporting period to determine whether the constraint is lifted. Revenue is recognized when, or as, the Company satisfies the performance obligations by transferring control of the good or service to the client.

Where available, the Company has elected the practical expedient available under IFRS 15 for measuring progress toward complete satisfaction of performance obligation and for disclosure requirements of remaining performance obligations. This permits the Company to recognize revenue in the amount to which we have the right to invoice such that the Company has a right to the consideration in an amount that corresponds directly with the value to the client for performance completed to date.

Revenue is measured at the fair value of the consideration received or receivable. Revenue from the rendering of services or the sale of goods is recognized when a specific performance obligation is satisfied through the transfer of goods or services to a client. In addition to the above general principle, the Company also applies the following specific revenue recognition policies:

(i) Battery Storage:
Multiple projects governed by energy service agreements to provide battery storage services for periods of 10-20 years. Revenue is earned as a percentage of cost savings provided to the client as well as through providing grid resiliency throughout the contract term for which the Company receives a fee. Revenue is recognized over time as the service is being provided to the client.

(ii) Solar:
The Company operates a solar facility in Ontario and provides energy through a long-term contract with the client. Revenue is recognized over time as the energy is provided to the client.

The Company recognizes unconditional rights to consideration separately as a receivable. Receivables are evaluated at each reporting period to determine whether there is any objective evidence that they are impaired. Deferred revenue is recognized when the Company receives consideration from the client before the performance obligations have been satisfied.

The Company's revenue transactions do not contain significant financing components and payments are typically received within 30 to 60 days of revenue recognition.

(j) *Royalty interests*

Royalty interests are recorded at cost and capitalized as tangible assets. They are subsequently measured at cost less accumulated depletion and accumulated impairment losses, if any. Project evaluation costs that are not related to a specific agreement are expensed in the period incurred.

Producing royalty interests (note 5) are depleted over their contractual lives on a straight-line basis for all the projects except for NOMAD.

As per the terms of the royalty agreement with NOMAD, the royalty amount is payable to the Company on revenues generated by the sale of units by NOMAD. Accordingly, the royalty interest for NOMAD is depleted using the Units of Production method.

(k) *Share-based payment transactions*

The Company operates an equity-settled share-based option plan for its directors, officers, employees and service providers. The fair value of share purchase options granted is recognized as an expense with a corresponding increase in the equity-settled share-based payments reserve in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by a direct employee.

The fair value is measured at grant date for each tranche, which is expensed on a straight line basis over the vesting period, with a corresponding increase in equity. The fair value of share purchase options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the share purchase options were granted and forfeiture rates as appropriate. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share purchase options that are expected to vest.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(l) *Impairment of non-financial assets*

At the end of each reporting period the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that these assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

(m) Investments in associates

Investments over which the Company exercises significant influence but does not control or jointly control are associates. Investments in associates are accounted for using the equity method, except when classified as held for sale.

On acquisition, an equity method investment is initially recognized at cost. The carrying amount of equity method investments includes goodwill identified on acquisition, net of any accumulated impairment losses. The carrying amount is adjusted by the Company's share of post-acquisition income or loss; depreciation, amortization or impairment of the fair value adjustments made on the underlying statement of financial position at the date of acquisition; dividends; cash contributions; and the Company's share of post-acquisition movements in other comprehensive income or loss.

The Company's investment in RER US 1 LLC (note 10(a)) is classified as investment in an associate.

(n) Government Grants

Grants from the government are recognized at their fair value where there is reasonable assurance that the grant will be received, and the Company will meet the attached conditions. When the grant relates to an expense item, the Company recognizes it as a reduction to the related expense over the period necessary to match the grant with the costs that it is intended to compensate. If the grant relates to an asset, it is recognized as a reduction to the carrying value of the asset and amortized into income over the expected useful life of the asset through lower depreciation.

(o) Property, plant and equipment

The Company's investment in property, plant and equipment ("PP&E") is initially measured at the cost of each component at the time of construction, purchase or acquisition. A component is a tangible portion of an asset that can be separately identified and depreciated over its own expected useful life and is expected to provide a benefit for a period in excess of one year. Cost includes items such as materials, labour, borrowing costs and other directly attributable costs, including the initial estimate of the cost of decommissioning and restoration. Costs are recognized as PP&E assets if it is probable that future economic benefits will be realized, and the cost of the item can be measured reliably.

The cost of routine repairs and maintenance and the replacement of minor parts is charged to net earnings as incurred.

Subsequent to initial recognition and measurement at cost, all classes of PP&E continue to be measured using the cost model and are reported at cost less accumulated depreciation and impairment losses, if any. An item of PP&E or a component is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition is included in net earnings when the asset is derecognized.

The estimate of the useful lives of each component of PP&E is based on current facts and past experience, and takes into consideration existing long-term sales agreements and contracts, current and forecasted demand, and the potential for technological obsolescence. The useful life is used to estimate the rate at which the component of PP&E is depreciated. PP&E assets are subject to depreciation when the asset is considered to be available for use, which is typically upon commencement of commercial operations. Each significant component of an item of PP&E is depreciated to its residual value over its estimated useful life using the straight-line method. Estimated useful lives, residual values and depreciation methods are reviewed at least annually and are subject to revision based on new or additional information. The effect of a change in useful life, residual value or depreciation method is accounted for prospectively.

Estimated useful lives for each asset class and depreciation method, are as follows:

Equipment (including BESS)	10 – 20 years	straight-line method

(p) *Intangible assets*

Intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses recognized. Acquired intangible assets are measured at fair value at the acquisition date. Amortization of definite life intangible assets is calculated on a straight-line basis over their estimated useful lives as follows:

Energy Services Agreements ("ESAs") and Feed-in Tariff ("FIT") Agreements	Term of the agreement (3 – 10 years)	straight-line method

(q) *Business Combinations*

Business combinations are accounted for using the acquisition method when the acquisitions of companies and/or assets meet the definition of a business under IFRS. The cost of an acquisition is measured at the fair value of the assets given up, equity instruments issued, and liabilities incurred or assumed at the date of acquisition. The acquired identifiable assets and liabilities and any contingent consideration are measured at their fair value at the date of acquisition. The fair value of property, plant and equipment is the estimated amount for which these assets could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Any excess of the purchase price over the fair value of the identifiable assets and liabilities acquired is recognized as goodwill. If the cost of acquisition is less than fair value of the identifiable assets and liabilities, the difference is recorded as a gain in profit or loss. Associated transaction costs are expensed when incurred. The fair value of property, plant and equipment recognized as a result of a business combination is based on market values when available, income approach and depreciated replacement cost when appropriate.

(r) *Decommissioning liabilities*

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of BESS and solar equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the decommissioning liability in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the decommissioning liability.

(s) *Operating segments*

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. The Company's operating segments are components of the Company's business for which discrete financial information is available and which are reviewed regularly by the Company's management to make decisions about resources to be allocated to the segment and assess its performance.

(t) *New accounting standards and interpretations*

The Company has applied the following accounting standard amendment, effective January 1, 2024, that did not have any impact on the amounts recognized in these Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants — Amendments to IAS 1. New and amended accounting standards that are not applicable to the Company have not been included herein.

(Expressed in Canadian Dollars, unless otherwise stated)

The Company is currently assessing the impact of amendments to, and interpretations of, existing standards that were not effective or early adopted for the period covered by these Financial Statements. These include:

In April 2024, the International Accounting Standards Board issued IFRS 18 Presentation and Disclosure in Financial Statements, a new standard that will provide new presentation and disclosure requirements and which will replace IAS 1, Presentation of Financial Statements. IFRS 18 introduces changes to the structure of the statement of income; provides required disclosures in financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and provides enhanced principles on aggregation and disaggregation in financial statements. Many other existing principles in IAS 1 have been maintained. IFRS 18 is effective for years beginning on or after January 1, 2027, with earlier application permitted.

The International Accounting Standards Board has issued classification and measurement and disclosure amendments to IFRS 9 and IFRS 7 which clarify the date of recognition and derecognition of some financial assets and liabilities and introduce a new exception for some financial liabilities settled through an electronic payment system. Other changes include a clarification of the requirements when assessing whether a financial asset meets the solely payments of principal and interest criteria and new disclosures for certain instruments with contractual terms that can change cash flows (including instruments where cash flow changes are linked to environmental, social or governance targets). These amendments are effective for years beginning on or after January 1, 2026 with earlier application permitted.

3 . BUSINESS COMBINATIONS

(a) Switch Power Ontario Battery Operations Corp. (SPOBOC)

Refer to Note 5(e) for details of the Company's acquisition of SPOBOC pursuant to settlement of debt. The acquisition has been accounted for as a business combination using the acquisition method where the acquired assets and liabilities assumed are recorded at their estimated fair values, which are measured in accordance with the Company's accounting policies. Details of the business combination are as follows:

Consideration (full and final settlement of the Switch Power Loan (note 5(e))	Note		$ 3,797,127
Recognised amounts of identifiable net assets:			
Property, plant and equipment – Battery		$	1,561,080
Intangible assets – contracts with clients			3,177,000
Amounts receivable and prepaid expenses			768,759
Trade payables			(473,889)
Loan payable			(385,117)
Government grant payable	13		(170,350)
Deferred government grants	13		(570,000)
Decommissioning liabilities	14		(110,356)
Net identifiable assets and liabilities		$	3,797,127

As at December 31, 2024, SPOBOC had nine contracts with clients with remaining terms ranging from 3.76 years and 9.42 years, with an average remaining term of 7.17 years. For the two month period from November 1, 2024 to December 31, 2024, these Financial Statements include $257,547 in revenue and $173,561 in operating expenses from SPOBOC. The Company cannot reliably estimate the full year revenue and profit or loss of SPOBOC.

As of the date of the Financial Statements, the Company has determined that the fair value estimate of the BESS is provisionally completed; the Company intends to hire an independent appraiser to fair value the asset. The Company finalized its estimates of the fair value of all other net assets of SPOBOC acquired.

(b) Switch Power Ontario Solar Operations Corp. (SPOSOC)

Refer to Note 5(j) for details of the Company's acquisition of SPOSOC pursuant to settlement of debt. The acquisition has been accounted for as a business combination using the acquisition method where the acquired assets and liabilities assumed are recorded at their estimated fair values, which are measured in accordance with the Company's accounting policies. Details of the business combination are as follows:

Consideration (full and final settlement of the Switch Solar Loan (note 5(j))		$ 1,197,862
Recognised amounts of identifiable net assets:		
Property, plant and equipment – Solar		$ 894,779
Intangible assets – contract with client		446,000
Amounts receivable		44,926
Trade payables		(12,172)
Decommissioning liabilities	14	(175,671)
Net identifiable assets and liabilities		$ 1,197,862

As at December 31, 2024, the contract with client has a remaining term of 10.29 years (April 17, 2035). For the two month period from November 1, 2024 to December 31, 2024, these Financial Statements include $11,827 in revenue and $17,639 in operating expenses from SPOSOC. The Company cannot reliably estimate the full year revenue and profit or loss of SPOSOC.

As of the date of the Financial Statements, the Company has determined that the fair value of the Solar asset is provisionally completed; the Company intends to hire an independent appraiser to fair value the asset. The Company finalized its estimate of the fair value of all other net assets of SPOSOC acquired.

4 . CASH AND CASH EQUIVALENTS, INCLUDING RESTRICTED CASH

	Note	December 31, 2024	December 31, 2023
Components of cash and cash equivalents:			
Cash held in business accounts			
Denominated in Canadian Dollars		$ 8,042,417	$ 4,352,967
Denominated in US Dollars		4,617,570	10,086,965
Cash invested in Treasury Bills – Denominated in US Dollars		3,887,953	–
Total		$ 16,547,940	$ 14,439,932
Cash and cash equivalents, including restricted cash, by currencies			
Denominated in Canadian Dollars		$ 8,042,417	$ 4,352,967
Denominated in US Dollars		8,505,523	10,086,965
		$ 16,547,940	$ 14,439,932
Cash and cash equivalents subject to restrictions on use by the Company:			
Cash held as collateral against a letter of credit	5(u)	$ 6,300,000	$ –
Net proceeds from the Green Bonds pending deployment (i)	12	10,247,940	12,113,003
Total		$ 16,547,940	$ 12,113,003

(i) Net proceeds from the Green Bonds offering to be utilized to finance renewable energy projects and clean energy technology in accordance with the Company's Green Bond Framework.

(Expressed in Canadian Dollars, unless otherwise stated)

5. SECURED LOANS AND ROYALTY INTERESTS

	Note	December 31, 2024	December 31, 2023
Secured Loans – Amortized Cost			
Switch Power	5(e)	$ –	$ 9,003,347
FuseForward Solutions	5(g)	3,551,279	3,551,279
OCEP	5(k)	6,309,922	7,171,415
NOMAD	5(h)	–	6,625,486
Revolve Power	5(i)	1,652,812	1,634,897
Switch Solar	5(j)	–	1,442,200
Revolve Cancun	5(l)	1,539,526	1,892,724
Delta	5(m)	3,684,353	2,842,863
Cleanlight	5(p)	3,369,511	1,927,580
Clean Communities	5(q)	1,701,446	–
Revolve Windriver	5(r)	4,024,324	–
Revolve Rooftop Solar	5(s)	412,214	–
Abraxas	5(t)	1,026,324	–
Alpin Sun	5(u)	154,443	–
Solar High Yields	5(v)	2,973,617	–
		30,399,771	36,091,791
Allowance for lifetime expected losses due to credit impairment	5	(7,738,502)	(4,778,775)
		22,661,269	31,313,016
Secured Loans – FVTPL			
Aeolis Wind Power Corporation	5(a)	875,099	927,633
Royalty Interests			
Northland Power Inc.	5(b)	1,145,371	1,276,271
OntarioCo	5(c)	225,749	242,745
Scotian Windfields	5(d)	1,127,039	1,222,955
Switch Power	5(e)	–	287,725
NOMAD	5(h)	604,158	897,952
Revolve Power	5(i)	69,213	63,938
Switch Solar	5(j)	–	14,408
Revolve Cancun	5(l)	71,603	65,844
AlbertaCo	5(o)	805,405	885,963
CleanLight	5(p)	–	195,369
Clean Communities	5(q)	133,362	–
Revolve Windriver	5(r)	247,766	–
Revolve Rooftop Solar	5(s)	24,956	–
Abraxas	5(t)	28,345	–
Solar High Yields	5(v)	72,456	–
		4,555,423	5,153,170
Total		$ 28,091,791	$ 37,393,819
Non-current portion		$ 17,520,819	$ 19,655,224
Current portion		10,570,972	17,738,595
Total		$ 28,091,791	$ 37,393,819

Secured Loans measured at amortized cost are presented net of their allowance for expected credit losses within the consolidated statements of financial position.

(Expressed in Canadian Dollars, unless otherwise stated)

Provision for expected credit loss and loss upon derecognition of secured loans	Note	Year ended December 31, 2024	2023
Provision for ECL and derecognition loss – secured loans		$ 8,946,940	$ 4,305,775
Provision for ECL – amounts receivable	11	129,841	–
		$ 9,076,781	$ 4,305,775

Reconciliation of lifetime expected credit losses (stage-3) and loss upon derecognition relating to secured loans

For the year ended December 31, 2024	Note	Beginning balance	Credit losses for the year	Write-off during the year	Revaluation difference	Ending balance
Switch Power	5(e)	$ 1,017,221	$ 4,778,209	$ (5,795,430)	$ –	$ –
FuseForward Solutions	5(g)	3,551,279	–	–	–	3,551,279
OCEP	5(k)	–	914,072	–	9,276	923,348
Switch Solar	5(j)	210,275	4,459	(214,734)	–	–
Delta	5(m)	–	1,348,979	–	13,675	1,362,654
CleanLight	5(p)	–	1,901,221	–	–	1,901,221
Total		$ 4,778,775	$ 8,946,940	$ (6,010,164)	$ 22,951	$ 7,738,502

For the year ended December 31, 2023	Note	Beginning balance	ECL recorded for the year	Write-off during the year	Revaluation difference	Ending balance
Switch Power	5(e)	$ –	$ 1,017,221	$ –	$ –	$ 1,017,221
FuseForward Solutions	5(g)	473,000	3,078,279	–	–	3,551,279
Switch Solar	5(j)	–	210,275	–	–	210,275
Total		$ 473,000	$ 4,305,775	$ –	$ –	$ 4,778,775

The continuity schedules for secured loans at Amortized cost for the years ended December 31, 2024 and 2023 are as follows:

Secured Loans - Amortized Cost

For the year ended December 31, 2024

	Note	Balance at January 1, 2024	Fair value at initial recognition	Transaction costs	Accretion and accrued interest	Cash payments received	Foreign currency revaluation adjustment	Derecognition/ Adjustments	Gross Carrying amount at December 31, 2024	Expected lifetime credit losses - Stage 3	Net Carrying amount at December 31, 2024
Switch Power	5(e)	$ 9,003,347	$ –	$ –	$ 801,037	$ (211,827)	$ –	$ (9,592,557)	$ –	$ –	$ –
FuseForward Solutions	5(g)	3,551,279	–	–	–	–	–	–	3,551,279	(3,551,279)	–
OCEP	5(k)	7,171,415	–	–	1,723,651	(3,104,357)	519,213	–	6,309,922	(923,348)	5,386,574
NOMAD	5(h)	6,625,486	–	–	871,686	(7,602,283)	105,111	–	–	–	–
Revolve	5(i)	1,634,897	–	–	214,013	(183,629)	–	(12,469)	1,652,812	–	1,652,812
Switch Solar	5(j)	1,442,200	–	–	117,616	(147,220)	–	(1,412,596)	–	–	–
Revolve Cancun	5(l)	1,892,724	–	–	229,459	(569,247)	–	(13,410)	1,539,526	–	1,539,526
Delta	5(m)	2,842,863	–	–	760,960	(185,551)	266,081	–	3,684,353	(1,362,654)	2,321,699
CleanLight	5(p)	1,927,580	1,031,238	–	568,184	(388,291)	230,800	–	3,369,511	(1,901,221)	1,468,290
Clean Communities	5(q)	–	1,517,217	25,032	159,197	–	–	–	1,701,446	–	1,701,446
Revolve Windriver	5(d)	–	3,675,880	40,912	497,117	(189,585)	–	–	4,024,324	–	4,024,324
Revolve Rooftop Solar	5(s)	–	385,894	5,268	48,333	(27,281)	–	–	412,214	–	412,214
Abraxas	5(t)	–	993,488	15,362	17,474	–	–	–	1,026,324	–	1,026,324
Solar High Yields	5(v)	–	2,927,544	–	46,073	–	–	–	2,973,617	–	2,973,617
Alpin Sun	5(u)	–	30,000	64,160	60,283	–	–	–	154,443	–	154,443
Total		$ 36,091,791	$ 10,561,261	$ 150,734	$ 6,115,083	$ (12,609,271)	$ 1,121,205	$ (11,031,032)	$ 30,399,771	$ (7,738,502)	$ 22,661,269

(Expressed in Canadian Dollars, unless otherwise stated)

For the year ended December 31, 2023

	Note	Balance at January 1, 2023	Fair value at initial recognition	Transaction costs	Accretion and accrued interest	Cash payments received	Foreign currency revaluation adjustment	Derecognition/ Adjustments	Gross Carrying amount at December 31, 2023	Expected lifetime credit losses - Stage 3	Net Carrying amount at December 31, 2023
Switch Power	5(e)	$ 8,046,786	$ –	$ –	$ 978,491	$ (21,930)	$ –	$ –	$ 9,003,347	$ (1,017,221)	$ 7,986,126
Teichos Energy	5(f)	496,626	–	–	142,350	(638,936)	(40)	–	–	–	–
FuseForward Solutions	5(g)	3,163,206	–	–	388,073	–	–	–	3,551,279	(3,551,279)	–
OCEP	5(k)	6,716,750	–	–	1,810,302	(1,184,361)	(171,276)	–	7,171,415	–	7,171,415
NOMAD	5(h)	6,619,391	–	–	1,074,064	(914,982)	(152,987)	–	6,625,486	–	6,625,486
Revolve	5(i)	1,594,787	–	–	201,446	(161,336)	–	–	1,634,897	–	1,634,897
Switch Solar	5(j)	1,346,844	–	–	155,024	(59,668)	–	–	1,442,200	(210,275)	1,231,925
Revolve Cancun	5(l)	628,961	1,157,298	23,544	253,604	(170,683)	–	–	1,892,724	–	1,892,724
Delta	5(m)	564,147	1,051,122		1,417,875	(140,278)	(50,003)	–	2,842,863	–	2,842,863
Teichos Energy 2	5(n)	–	107,479	–	86,165	(194,657)	1,013	–	–	–	–
Cleanlight	5(p)	–	1,832,175	–	147,911	(46,488)	(6,018)	–	1,927,580	–	1,927,580
Total		$ 29,177,498	$ 4,148,074	$ 23,544	$ 6,655,305	$ (3,533,319)	$ (379,311)	$ –	$ 36,091,791	$ (4,778,775)	$ 31,313,016

The continuity schedules for royalty interests for the years ended December 31, 2024 and 2023 are as follows:

Royalty Interests	Cost			Depletion / Impairment				
	Beginning Balance	Additions/ (disposal)	Ending Balance	Beginning Balance	Depletion for the year	Impairment for the year	Ending Balance	Carrying Amount
Year ended December 31, 2024								
Northland Power Inc.	$1,871,864	$ –	$1,871,864	$ 595,593	$ 130,900	$ –	$ 726,493	$1,145,371
OntarioCo	316,559	–	316,559	73,814	16,996	–	90,810	225,749
Scotian Windfields	1,598,626	–	1,598,626	375,671	95,916	–	471,587	1,127,039
Switch Power	358,695	–	358,695	70,970	27,667	260,058	358,695	–
NOMAD	932,665	–	932,665	34,713	293,793	–	328,506	604,159
Revolve	73,155	12,469	85,624	9,217	7,194	–	16,411	69,213
Switch Solar	16,008	–	16,008	1,600	1,000	13,408	16,008	–
Revolve Cancun	70,600	13,410	84,010	4,756	7,651	–	12,407	71,603
AlbertaCo	939,669	–	939,669	53,706	80,559	–	134,265	805,404
CleanLight	204,432	51,895	256,327	9,063	32,346	214,918	256,327	–
Clean Communities	–	133,362	133,362	–	–	–	–	133,362
Revolve Windriver	–	253,232	253,232	–	5,466	–	5,466	247,766
Revolve Rooftop Solar	–	24,956	24,956	–	–	–	–	24,956
Abraxas	–	28,345	28,345	–	–	–	–	28,345
Solar High Yields	–	72,456	72,456	–	–	–	–	72,456
Total	$6,382,273	$ 590,125	$6,972,398	$1,229,103	$ 699,488	$ 488,384	$ 2,416,975	$4,555,423
Year ended December 31, 2023								
Northland Power Inc.	$1,871,864	$ –	$1,871,864	$ 464,694	$ 130,900	$ –	$ 595,593	$1,276,271
OntarioCo	316,559	–	316,559	56,818	16,996	–	73,814	242,745
Scotian Windfields	1,598,626	–	1,598,626	279,755	95,916	–	375,671	1,222,955
Switch Power	358,695	–	358,695	37,771	33,199	–	70,970	287,725
Teichos Energy	1	(1)	–	–	–	–	–	–
NOMAD	932,665	–	932,665	34,713	–	–	34,713	897,952
Revolve	73,155	–	73,155	2,309	6,908	–	9,217	63,938
Switch Solar	16,008	–	16,008	400	1,200	–	1,600	14,408
Revolve Cancun	17,604	52,996	70,600	–	4,756	–	4,756	65,844
AlbertaCo	–	939,669	939,669	–	53,706	–	53,706	885,963
CleanLight	–	204,432	204,432	–	9,063	–	9,063	195,369
Total	$5,185,177	$1,197,096	$6,382,273	$ 876,460	$ 352,644	$ –	$ 1,229,103	$5,153,170

(a) *Aeolis Wind Power Corporation*

In March 2016, the Company entered into a secured non-revolving term loan with Aeolis Wind Power Corporation ("Aeolis"), whereby the Company loaned Aeolis $1,239,000 (the "Aeolis Loan") subject to fixed royalty payments of $100,000 per annum, to be increased annually by an amount equal to 50% of the British Columbia Consumers Price Index. The term of the Aeolis Loan expires on July 31, 2035.

Aeolis is the owner of a gross revenue royalty interest in the Bear Mountain Wind Limited Partnership ("BMWLP"). The payments to the Company under the Aeolis Loan are paid from Aeolis' gross revenue royalty interest received from BMWLP. Aeolis has also assigned its full royalty interest to the Company as security for the Aeolis Loan and BMWLP has executed an irrevocable direction to pay the royalty into an escrow account that the Company will control in the event of default.

The Aeolis Loan is classified as a financial asset at FVTPL (note 2). Fair value was determined by discounting future cash flows using annual discount rates (in the range of 7.57% - 8.56%) applicable to the term of each cash flow and average annual inflation rate of 3.5%.

(b) *Northland Power Inc.*

In June 2019, the Company acquired a portfolio of gross revenue royalties on operational solar parks ("Ontario Solar Projects") in Ontario, Canada from Fresh Air Energy Inc. for $1,871,864. The Ontario Solar Projects are owned and operated by Northland Power Inc.

(c) *OntarioCo*

The Company holds 2% gross revenue royalty interest on a portfolio of roof-top solar projects ("Roof-Top Solar Project Portfolio"), owned by a private group of companies in Ontario ("OntarioCo"). All projects in the Roof-Top Solar Project Portfolio are qualified under the Ontario Feed-in-Tariff program.

(d) *Scotian Windfields*

On February 6, 2020, the Company acquired a portfolio of gross revenue royalties on operational wind energy generation projects in Nova Scotia, Canada ("Nova Scotia Wind Projects") from Scotian Windfields Inc. ("Scotian Windfields"), and long term power purchase agreements with fixed electricity purchase prices from Nova Scotia Power Incorporated, for $1,340,000.

(e) *Switch Power*

During the year ended December 31, 2021, the Company entered into three loan agreements ("Switch Loan Agreements") and a royalty agreement ("Switch Royalty Agreement") with Switch Power Ontario Battery Operations Corp. ("SPOBOC"), a wholly-owned subsidiary of Switch Power Corporation ("Switch Power"), to provide funding to SPOBOC for the acquisition of a portfolio (the "Switch Portfolio") of "behind the meter" battery energy storage systems ("BESS") located in Ontario.

The energy storage projects acquired by SPOBOC are located adjacent to certain existing buildings owned by large industrial sites, financial institutions, large property managers or Real Estate Investment Trust ("REITs") (collectively referred to as the "Hosts") to supply power to the Hosts during periods of peak demand, thereby reducing their overall electricity costs ("Cost Savings"), particularly on account of the Global Adjustment Charge, a premium applicable at peak times to large power consumers under the Independent Electricity System Operator's Global Adjustment program.

The Switch loans were secured by, among other things, a pledge of the shares of SPOBOC in favor of the Company and a general security agreement providing the Company with a security interest over all present and after-acquired personal property (collectively referred herein as the "SPOBOC Pledge").

Pursuant to the Switch Royalty Agreement, the Company also received royalty payments at a sliding scale of 3% to 5%, depending on aggregate operating capacity, on all gross revenues received by all projects comprising the Switch Portfolio, for the life of respective Energy Service Agreements. Under the sliding scale royalty, the Operating Projects were subject to a 5% royalty until the development projects reach commercial operation. As additional projects reached commercial operation, the royalty rate decreased.

(Expressed in Canadian Dollars, unless otherwise stated)

The original terms for the Switch Loan Agreements expired during third and fourth quarters of 2023, when the respective loans were extended to November 30, 2023. In December 2023, the Company sent a default notice relating to all loans under the Switch Loan Agreements, as the aggregate principal sum and interest accrued thereon remained unpaid on the extended maturity date. Accordingly, the Company has assessed the Switch loans for expected credit losses as of December 31, 2023 and up to November 1, 2024 under Stage-3 of ECL.

Effective November 1, 2024, pursuant to the SPOBOC Pledge, the Company exercised its right whereby it acquired the ownership of the shares of SPOBOC in full and final settlement of the Switch Loans. As a result, SPOBOC became a wholly-owned subsidiary of the Company, and the financial statements of SPOBOC are included in these financial statements since November 1, 2024. On November 1, 2024, the Company derecognised the Switch Loans and the Switch Power Royalty, and as a result, recorded losses as summarised below:

	Switch Loans	Switch Power Royalty
Initial advance	$ 7,345,838	$ –
Amount allocated to royalty interest upon initial recognition	(358,695)	358,695
Total accretion and accrued interest, net of cash received / Depletion of royalty interest	2,605,414	(98,637)
	9,592,557	260,058
Fair value of net asset (note 3(a))	(3,797,127)	–
Total loss	5,795,430	260,058
Provision for ECL at January 1, 2024	(1,017,221)	–
Credit losses recorded/ royalty interest written off, during the year ended December 31, 2024	$ 4,778,209	$ 260,058

(f) *Teichos Energy*

In October 2021, the Company entered into a secured loan agreement (the "Teichos Loan") for US$2,280,000 ($2,824,236) with Teichos Energy, LLC ("Teichos Energy"), a renewable energy development company with its headquarters in Seattle, Washington. Teichos Energy owns the Jackson Center Solar Project Phase 1 ("Jackson Center Project") located in Mercer County, Pennsylvania. Pursuant to the Teichos Loan, the Company also received a 1% gross revenue royalty (the "Jackson Center Royalty") on the Jackson Center Project for a period of 15 years once the Jackson Center Project reaches commercial operation.

Pursuant to the Teichos Loan, the Company provided a cash advance of US$80,000 ($100,033) and a US$2,200,000 ($2,750,908) letter of credit on behalf of Teichos Energy in relation to certain collateral for the Jackson Center Project's grid connection. The Teichos Loan will have an initial term of 6 months and bear an interest rate of 10% per annum, compounded annually, and payable at the end of the term.

The Company will have first-ranking security interest including a lien over Jackson Center Project assets, and a pledge of all equity capital in the Jackson Center Project.

The Teichos Loan term can be extended for two additional 6-month increments, for a total extension of up to 12 months. If the Teichos Loan term is extended, the Jackson Center Royalty will increase accordingly. In April 2022, Teichos Energy provided notice to the Company that it will extend the Teichos Loan by an additional six months. Accordingly, the Jackson Center Royalty has increased from 1% to 1.5% of gross revenues. Further, in October 2022, Teichos Energy extended the Loan term by an additional 6 months leading to an increase in the Jackson Centre Royalty rate from 1.5% to 2%. The final Maturity date of the Teichos loan was April 8, 2023.

In April 2023, the Company entered into an Agreement to amend the original Loan and Security Agreement in respect of the Jackson Centre Project, dated October 8, 2021, to extend the Maturity date to May 8, 2023. This extension will increase the interest rate from 10% per annum compounded annually to 15% per annum compounded annually.

The Jackson Center Royalty was recorded at a nominal value of $1 in these Financial Statements.

In May 2023, Teichos Energy repaid both, Teichos loan 1 and 2, including the accrued interest. Concurrently, the Company's royalty interest in the Jackson Center Solar Projects were sold for an aggregate sale proceeds of US$1,150,000 ($1,563,783), which was recorded as a gain on royalty buyout.

(g) *FuseForward Solutions*

In December 2021, the Company entered into an agreement to provide financing to FuseForward Solutions Group Ltd. ("FuseForward"), a Vancouver based technology company that provides smart infrastructure and digital transformation solutions to utilities, real estate, health care and government industries.

The Company provided a $2,000,000 secured loan with a three-year term and an 8% interest rate and concurrently acquired a royalty for $1,000,000 from FuseForward with a fixed annual royalty payment of $284,000 for 10 years (collectively, the "FuseForward Facility").

Upon initial recognition, the FuseForward Facility was accounted for as a single debt instrument and was recorded at amortized cost.

At December 31, 2022 the Company recognized an allowance for expected credit loss of $473,000 (December 31, 2021: $nil) relating to the FuseForward Solutions, based on the lifetime expected credit loss, as there has been a significant increase in credit risk since origination of the loan facility, primarily due to delinquency in certain payments for more than 90 days past their due dates. The Company determined the ECL by assigning a market-based probability of default to each contractual cash flow and discounted the cash flows using the FuseForward Solutions original effective interest rate of 16.4% under Stage-2 of ECL.

In September 2023, the Company concluded that the amounts receivable from FuseForward had become credit-impaired, and therefore, the Company recorded an impairment loss of $3,078,279 under stage-3 ECL. During the year, the Company served a notice of default to FuseForward, as the delinquency on payments continued and prolonged due to a significant deterioration of FuseForward's working capital position, which in turn significantly increased the uncertainty surrounding its ability to continue as a going concern. Moreover, it became evident that various recapitalization initiatives of FuseForward were not likely to be materialized in a foreseeable future, as the overall market conditions as well as FuseForward's working capital position significantly deteriorated. Due to the foregoing, the value of the underlying collateral linked to the Company's investment in FuseForward was adversely effected and that led to the Company recognizing a 100% allowance against the amounts receivable from FuseForward under Stage-3 of ECL. The defaul persisted as of the date when these Financial Statements were authorised for issuance and the loan remains credit impaired at December 31, 2024.

(h) *Nomad*

In April 2022, the Company entered into an agreement (the "NOMAD Agreement") with Nomad Transportable Power Systems Inc. ("NOMAD"). Pursuant to the NOMAD Agreement, the Company provided a five-year USD $5,600,000 ($7,100,000) senior secured working capital loan (the "NOMAD Loan") to enable NOMAD to manufacture units. The NOMAD Loan has an interest rate of 12% per annum, interest-only for the term, with a bullet repayment after 5 years. The Company also received a gross revenue royalty (the "NOMAD Royalty") of 3.5% on the sale of NOMAD's units manufactured using the NOMAD Loan proceeds.

The Company recorded the NOMAD Loan at its fair value, with the residual value recorded as NOMAD Royalty.

(i) *Revolve Renewable Power*

On June 15, 2022, the Company closed an agreement with Revolve Renewable Power Corp. (TSXV: REVV) ("Revolve"), a North American renewable energy developer, to provide a $1,600,000 secured loan (the "Revolve Loan") to support Revolve's acquisition of a portfolio of operational roof top solar generation projects in Mexico (the "Revolve Projects").

The Revolve Loan has a term of 24 months and bears interest at the rate of 10% per annum, compounded monthly, and payable quarterly. The Company received a structuring fee of 1.5% on the Revolve Loan value at closing, and an additional fee of 1.5% on the Revolve Loan value at the end of term. The Company will also receive a gross revenue royalty of 5% on four of the Revolve Projects and 1% on two of the Revolve Projects (collectively referred to as the "Revolve Royalty") for the remaining life of the power purchase agreements ("PPA").

The Revolve Loan is secured by, among other things, a pledge of the shares of the entity that holds the projects in favor of the Company and a general security agreement providing the Company with a security interest over all present and after-acquired personal property related to the projects (collectively referred herein as the "Revolve Collateral").

Upon initial recognition, the Company recorded the Revolve Loan at its fair value, with the residual value recorded as royalty interest.

During the year ended December 31, 2024, the Company provided two extensions, for six months each, with respect to the Revolve Loan. The extended maturity date of the Revolve Loan at December 31, 2024, was April 25, 2025. As consideration for these extensions, the interest rate for the Revolve Loan was increased to 12% per annum, and the Company's gross revenue royalty was increased to 6% on all Revolve Projects. The Revolve Royalty is subject to a buy-out option; as of December 31, 2024, the buy-out option amounts to $373,065 if exercised by Revolve.

After the end of the reporting period, in April 2025, the Revolve Loan was further extended to July 31, 2025, and the interest rate on the Revolve Loan increased to 13% per annum.

(j) *Switch Solar*

In August 2022, the Company entered into a loan agreement with Switch Power Ontario Solar Operating Corporation ("SPOSOC"), a wholly-owned subsidiary of Alberta-based independent power producer Switch Power Corporation, for $1.3 Million (the "Switch Solar Loan"). The Loan will finance the acquisition of an operational rooftop solar generation project located in Vaughan, Ontario (the "Switch Solar Project").

The Switch Solar Loan had an initial term of 6 months at a 10% interest rate per annum, compounded monthly, with the option for SPOSOC to extend the Loan by an additional 6 months. The Company had first-ranking security interest over the Switch Solar Project, including a lien over its assets, and pledge of shares in SPOSOC (the "SPOSOC Pledge"). The Company also received a gross revenue royalty of 1.0% on the Switch Solar Project for the remainder of the contract term, or approximately 12.5 years, (the "Switch Solar Royalty"). The Switch Solar Loan term was extended, and the Switch Solar Royalty increased to 2.0%.

In January 2023, SPOSOC provided notice to the Company that it will extend the Switch Solar Loan by an additional 6 months. Accordingly, the Switch Solar Royalty has increased to 2% of gross revenues.

Upon initial recognition, the Company recorded the Switch Solar Loan at its fair value, with the residual value recorded as royalty interest.

The original term for the Switch Solar Loan expired during the third quarter of 2023, when the loan's term was extended to November 30, 2023. In December 2023, the Company sent a default notice as the principal sum and interest accrued thereon remained unpaid on the extended maturity date. The Company had assessed the Switch Solar Loan for expected credit losses as of December 31, 2023.

Effective November 1, 2024, pursuant to the SPOSOC Pledge, the Company exercised its right whereby it acquired the ownership of the shares of SPOSOC in full and final settlement of the Switch Solar Loan. As a result, SPOSOC became a wholly-owned subsidiary of the Company, and the financial statements of SPOSOC are included in the Financial Statements from November 1, 2024. On November 1, 2024, the Company derecognised the Switch Solar Loan and the Switch Solar Royalty, and as a result, recorded losses as summarised below:

(Expressed in Canadian Dollars, unless otherwise stated)

	Switch Solar Loan	Switch Solar Royalty
Initial advance	$ 1,300,000	$ –
Amount allocated to royalty interest upon initial recognition	(16,008)	16,008
Total accretion and accrued interest, net of cash received / Depletion of royalty interest	128,604	(2,600)
	1,412,596	13,408
Fair value of net asset (note 3(b))	(1,197,862)	–
Total loss	214,734	13,408
Provision for ECL at January 1, 2024	(210,275)	–
Credit losses recorded/ royalty interest written off, during the year ended December 31, 2024	$ 4,459	$ 13,408

(k) Outagamie Clean Energy Partners (OCEP)

In March 2022, a newly formed co-investment vehicle, FP OCEP Invest LLC ("OCEP Invest LLC"), entered into a mezzanine financing agreement (the "OCEP Loan Agreement") with Outagamie Clean Energy Partners, a Renewable Natural Gas (“RNG”) developer to finance the construction of a biogas to RNG upgrading project located in Wisconsin, United States. Pursuant to the OCEP Loan Agreement, OCEP Invest LLC provided a US$4,600,000 ($5,800,000) secured loan (the “OCEP Loan” or the "Initial Cash Advance") for three years. During the first two years of its term, the OCEP Loan will accrue and pay interest only at 15% per annum. During the third year of the term of the OCEP Loan, the amount of Initial Cash Advance will be repaid in four equal installments, along with interest at 15% per annum. Thereafter, a fixed annual royalty payment (the “Fixed Royalty”) equal to 10% of the Initial Cash Advance will be payable for 10 years. The security on the OCEP Loan includes second priority lien on the project and on stored natural gas.

OCEP Invest LLC is governed by a shareholders' agreement (the "Shareholders' Agreement"). Under the original Shareholders' Agreement, decisions about the relevant activities of OCEP Invest LLC required the unanimous consent of all members. For the purposes of these Financial Statements, OCEP Invest LLC was initially classified as a joint venture ("OCEP JV"), and was accounted for using the equity method. In August 2022, the shareholders' agreement for FP OCEP Invest LLC was modified with mutual consent of its members, thereby the Company received certain rights that gave it the current ability to direct the relevant activities of OCEP Invest LLC, resulting in the Company gaining control over the latter (the "Change of Control").

To provide funds for the OCEP Loan, the Company contributed approximately US$4,500,000 ($5,700,000) ("RER's Contribution") to OCEP Invest LLC for a 96.68% equity/ownership interest in the entity; the remaining equity contribution was provided by certain private parties. The Shareholders' Agreement sets out, among other things, the Company's economic interest as well as that of the non-controlling interests, as summarized below:

Term of the OCEP Loan	The Company's share of cash flows from the OCEP Loan
First two years of the OCEP Loan's term	During the first two years of the term, while the OCEP Loan is interest only, the Company will receive quarterly distributions equivalent to 13.5% per annum on RER's Contribution. The remaining amount of interest payments on the OCEP Loan will be attributable to the non-controlling interests.
Third year of the OCEP Loan's term	During the third year of the term, while the OCEP Loan amortizes, the Company will receive quarterly distributions for an aggregate amount equal to RER's Contribution, plus 13.5% per annum on outstanding balance thereof. The remaining amount of repayment of the Initial Cash Advance, as well as the remaining amount of interest, will be attributable to the non-controlling interests.
Thereafter, for 10 years	After the OCEP Loan is fully repaid in the third year of its term, the Company will receive its share of the Fixed Royalty payments of approximately US$180,000 ($225,000) annually at the rate of 4% per annum on RER's Contribution as originally provided. The remaining amount of the Fixed Royalty will be attributable to the non-controlling interests.

Upon the Change of Control, the Company remeasured its previously held interest in OCEP JV, and recognized a loss of $348,792. The Company recognized the total OCEP Loan at its fair value, and the non-controlling interest was recognized at its proportionate share. Upon derecognition the Company reclassified accumulated foreign exchange translation differences of $100,475 relating to its investment in OCEP JV from other comprehensive income to net income.

Expected credit loss on the OCEP Loan

At December 31, 2024, the Company recorded US$641,904 ($914,072) in lifetime stage-3 expected credit loss with respect to the OCEP Loan. Under the term of the OCEP Loan Agreement, the principal sum of US$4,640,000 ($6,674,640) was repayable in February 2025, i.e. within a 3 year period from the date of the initial advance. In September 2024, OCEP repaid US$1,788,799 ($2,423,107), representing approximately 39% of the principal sum, while the remaining principal sum remained unpaid on the maturity date, and therefore, a default event occurred with respect to the OCEP Loan, following which event, the OCEP Loan is subject to a default interest rate of 19%. Additionally, the annual Fixed Royalty payments, which commence after full repayment of the OCEP Loan, will increase by 0.5% for each month by which the repayment of the OCEP Loan is delayed from its original maturity date.

Pursuant to certain provisions of the OCEP Loan Agreement, following a default event, the OCEP Loan and interest thereon becomes repayable from OCEP's future cash flows (including proceeds from sale of tax credits generated by OCEP), which cash flows have been estimated and discounted using the original effective interest rate (26.1%) pertaining to the OCEP Loan to determine the amount of ECL as recorded in these Financial Statements. Based on the aforesaid cash flow estimates, the OCEP Loan is expected to be fully repaid, along with accrued interest, by September 2026.

The key assumptions and estimates used in determining the ECL amount relating to the OCEP Loan in these Financial Statements are as follows: a) net cash flows from operations based on historical and expected trends in OCEP's operating results; b) sale of tax credits generated by OCEP's operations, continuous grant of these tax credits by the government throughout the life of the repayment; and c) an increase in the quarterly instalments of the Fixed Royalty income by 9%, due to a delay of repayment of the OCEP Loan by 18 months.

(l) *Revolve Renewable Power – Cancun Projects*

In September 2022, the Company entered into an agreement with Revolve Renewable Power Corp., to provide a $1,860,000 secured loan ("Revolve Cancun Loan") to support the purchase of battery and inverter equipment for three energy storage projects (the "Cancun Projects") currently under development in Punta Cancun, Mexico.

A partial cash advance amounting to $629,541 was made for the Revolve Cancun Loan in October 2022, with the remaining advanced in early 2023. The Revolve Cancun Loan has a term of two years, and bears an interest at 12% per annum, payable quarterly. The loan is subject to a 2% structuring fee on the total loan value. The Company also received a gross revenue royalty of 5% the Cancun Projects (the "Revolve Cancun Royalty"). In the first quarter of 2023, the Revolve Cancun Loan was fully drawn down.

The Revolve Cancun Loan is secured by, among other things, a pledge of the shares of the entity that holds the projects in favor of the Company and a general security agreement providing the Company with a security interest over all present and after-acquired personal property related to the projects (collectively referred herein as the "Revolve Cancun Collateral").

Upon initial recognition, the Company recorded the Revolve Cancun Loan at its fair value, with the residual value recorded as royalty interest.

(Expressed in Canadian Dollars, unless otherwise stated)

During the year ended December 31, 2024, the Company received a repayment of $342,000 against the principal sum of the Revolve Cancun Loan, and the Company provided an extension for the remaining principal sum of $1,521,379 for a six month period to April 25, 2025. As consideration for the extension, the Company's gross revenue royalty was increased to 6% on the Revolve Cancun Project. The Revolve Cancun Royalty is subject to a buy-out option; as of December 31, 2024, the buy-out of the Revolve Cancun Royalty amounts to $145,430, if exercised by Revolve.

After the end of the reporting period, in April 2025, the Revolve Cancun Loan was further extended to July 31, 2025, and the interest rate on the Revolve Cancun Loan increased to 13% per annum.

(m) *Delta*

In October 2022, a newly formed entity, FP Puerto Rico Invest LLC ("PR Invest"), entered into a financing agreement (the "Delta Loan Agreement") with Delta Energy Partners ("Delta"), a provider of energy efficiency solutions to customers in Puerto Rico, to support the procurement and installation of energy efficiency equipment in Puerto Rico. Pursuant to, and concurrently with, the Delta Loan Agreement, PR Invest also entered into a revenue sharing agreement (the "Delta Revenue Sharing Agreement") with Delta Energy Partners. PR Invest is governed by a shareholders' agreement (the "FP Invest SA"). Pursuant to the Delta Loan Agreement, PR Invest provided a US$4,000,000 ($5,421,600) secured loan (the "Delta Loan") with a term of five years. PR Invest advanced only the first tranche of loan amounting to US$400,000 ($542,160) in 2022. During the first two years of its term, the Delta Loan will accrue and pay interest only at 13.5% per annum. Beginning with the third year of the term of the Delta Loan, the amount of loan will be repaid in equal installments, along with interest at 13.5% per annum until maturity. Thereafter, pursuant to the Delta Revenue Sharing Agreement, a fixed annual royalty payment (the "Delta Royalty"), equal to 10% p.a. of the Delta Loan amount, will be payable for a 10 year term, amounting to a total of US$4,000,000 ($5,421,600) over the term of the Delta Royalty.

To provide funds for the first tranche of the Delta Loan, the Company contributed approximately US$392,000 ($522,000) ("RER's Delta Contribution") to PR Invest for 98.0% equity/ownership interest in the entity; the remaining equity contribution was provided by certain private parties. The FP Invest SA sets out, among other things, the Company's economic interest as well as that of the non-controlling interests, as summarized below:

Pursuant to the Delta Loan Agreement, an initial cash advance of US$400,000 ($542,160) was provided in November 2022, and a second advance of US$600,000 ($805,320) was provided in the first quarter of 2023 and $180,000 ($245,802) was advanced in May 2023. As of December 31, 2023, the Company has provided cash advances totaling US$1,180,000 ($1,563,146) to Delta. There were no additional advances made in 2024.

Term of the Delta Loan	The Company's share of cash flows from the Delta Loan
First two years of the Delta Loan's term	During the first two years of the term, while the Delta Loan is interest only, the Company will receive quarterly distributions equivalent to 12.15% per annum on RER's Delta Contribution. The remaining amount of interest payments on the Delta Loan will be attributable to the non-controlling interests.
Third year of the Delta Loan's term	Beginning with the third year of the term, while the Delta Loan amortizes, the Company will receive quarterly distributions for an aggregate amount equal to RER's Delta Contribution, plus 12.15% per annum on outstanding balance thereof. The remaining amount of repayment of the loan, as well as the remaining amount of interest, will be attributable to the non-controlling interests.
Thereafter, for 10 years	After 30 months from closing of the Delta Loan, the Company will receive its share of the Delta Royalty payments of approximately US$39,200 quarterly that is 40% of RER's Contribution of 98% as originally provided. The remaining amount of the Delta Royalty will be attributable to the non-controlling interests.

The Delta Loan is secured by, among other things, a pledge of the shares of the entity that holds the projects in favor of the Company and a general security agreement providing the Company with a security interest over the borrower's assets(collectively referred herein as the "Delta Collateral").

The Company regularly assesses the timing of future drawdowns relating to the Delta Loan, and any change in expected timing is accounted as a change in accounting estimate, with any impact on finance income recorded in the current period. During the year ended December 31, 2024, the Company recorded $0 (December 31, 2023: $1,017,021) in finance income as a result of the aforementioned change in accounting estimate.

Expected credit loss on the Delta Loan

At December 31, 2024, the Company recorded US$947,317 ($1,348,979) in lifetime stage-3 expected credit loss with respect to the Delta Loan, as Delta was in default with respect to the first installment of principal sum as well as outstanding quarterly interest under the Delta Loan Agreement, following which default event, the Delta Loan is subject to a default interest rate of 17.5% per annum.

The Company's estimate of ECL relating to the Delta Loan, as provided in these Financial Statements, is based on the following potential outcomes and related probabilities: a) a 33% probability that the financing opportunity that Delta is currently pursuing will not materialize in the foreseeable future, and the Delta Loan will not be repaid, resulting in a total loss of the carrying amount; b) a 22% probability, each, that Delta will complete the financing within 6 months, 9 months and 12 months, respectively, from December 31, 2024, and repay the Delta Loan. For each of these scenarios in (b) above, the original effective interest rate (20.66%) has been applied to discount the expected repayment amounts to determine ECL.

(n) *Teichos Loan 2*

In February 2023, the Company entered into another secured loan agreement (the “Teichos Loan 2”) for US$1,842,358 ($2,514,450) with Teichos Energy. Teichos Energy owned the Jackson Center Solar Project Phase 2 (“Jackson Center 2 Project”) located in Mercer County, Pennsylvania. Pursuant to the Teichos Loan 2, the Company also received a 1% gross revenue royalty (the “Jackson Center 2 Royalty”) on the Jackson Center 2 Project for a period of 15 years once the Jackson Center Project reached commercial operation.

Pursuant to the Teichos Loan 2, the Company provided a cash advance of US$80,000 ($108,152) and a US$1,762,358 ($2,345,346) letter of credit on behalf of Teichos Energy in relation to certain collateral for the Jackson Center 2 Project’s grid connection. The Teichos Loan 2 had an initial term of 6 months, with options to extend the loan by up to 12 months, which options, if exercised, would have led to an increase in the Jackson Center Royalty. The Teichos Loan 2 had an interest rate of 13% per annum, compounded annually, and payable upon maturity. The Jackson Center Royalty was recorded at a nominal value of $1 in these Financial Statements.

Repayment by Teichos Energy

In May 2023, Teichos Energy repaid both, Teichos loan 1 and 2, including the accrued interest. Concurrently, the Company's royalty interest in the Jackson Center Solar Projects were sold for an aggregate sale proceeds of US$1,150,000 ($1,560,000).

(o) *AlbertaCo*

In May 2023, the Company acquired an existing gross revenue royalty interest on an operational wind energy project (the “AlbertaCo”) in Alberta for a total purchase price of $940,000. The royalty is calculated at a rate of $0.40 per MWh of electricity generated. The AlbertaCo has a long term Power Purchase Agreement ("PPA"), expiring December 2034, with a large corporate offtaker.

(Expressed in Canadian Dollars, unless otherwise stated)

(p) CleanLight

In August 2023, the Company concurrently executed three agreements, as described below, with Butler Corporation SpA ("CleanLight"), a Chilean technology company and manufacturer of mobile solar-battery systems including solar lighting towers and solar-hybrid battery generators.

Under a loan agreement with CleanLight (the "CleanLight Loan Agreement"), the Company agreed to provide, in two equal tranches, a US$3,000,000 ($3,957,300) secured loan (the "CleanLight Loan") to provide working capital and to finance CleanLight's expansion into other countries in Latin America. The CleanLight Loan has a two-year term, and bears interest of 12% per annum. Pursuant to the CleanLight Loan Agreement, and concurrently with the execution thereof, the Company provided the first cash advance of US$1,500,000 ($1,980,000). The remaining US$1,500,000 ($1,980,000) of the CleanLight Loan will be advanced, subject to certain project related milestones.

Pursuant to a royalty agreement with CleanLight (the "CleanLight Royalty Agreement"), the Company acquired a gross revenue royalty of 5%, for a purchase price of US$200,000 ($264,000), for a period of 10 years (the "CleanLight Royalty") that commences on closing, and the royalty will reduce to 3% after certain revenue milestones are met.

The Company also received an irrevocable right, for a five year period, under a warrants agreement with CleanLight (the "CleanLight Warrants") to purchase up to 7% of CleanLight's common shares at an exercise price of 673,063,128 Chilean Pesos ("CLP").

As the aforementioned three agreements with CleanLight were negotiated and executed concurrently, the aggregate amount of the considerations provided to CleanLight has been allocated to various components of the transactions, upon initial recognition, as follows: a) the Company recorded the CleanLight Loan and the CleanLight Warrants at their respective fair values as of the date of initial recognition, and b) the Company recorded the residual value as CleanLight Royalty interest, as presented below.

Allocation of cash consideration provided to CleanLight:		
Aggregate cash consideration provided to CleanLight, including the purchase price of the CleanLight Royalty	$	2,154,425
Less: Fair value of the CleanLight Loan		1,832,175
Fair value of the CleanLight Warrants (i)		117,818
		(1,949,993)
Residual value attributable to the CleanLight Royalty	$	204,432

(i) At initial recognition, the fair value of the CleanLight Warrants was determined using the Black-Scholes Option Valuation model and the following assumptions: risk-free interest rate of 3.8%; expected annual volatility of 50%; exercise price of CLP 670,000,000 ($1,037,000); fair value of the underlying equity interest of US$350,000 ($462,000); and time to expiry of 5 years.

The Company advanced the second tranche of the CleanLight loan in April 2024 amounting to $800,000 pursuant to which the Company recorded the CleanLight Loan at fair value, and a residual value of US$38,327 ($52,818) derived by subtracting the fair value of the CleanLight Loan from the aggregate amount of cash advanced under the CleanLight Loan Agreement was allocated to the CleanLight Royalty.

The CleanLight Loan is secured by, among other things, a pledge of the shares of CleanLight in favor of the Company, an Intellectual Property pledge and Inventory pledge over CleanLight's industrial and intellectual property and inventory and moveable assets respectively (collectively referred herein as the "CleanLight Collateral").

Expected credit loss on the CleanLight Loan and accrued royalty receivable, and impairment of CleanLight Royalty interest

At December 31, 2024, the Company recorded US$1,321,669 ($1,901,221) and $129,841 in lifetime stage-3 expected credit losses with respect to the CleanLight Loan and accrued royalty receivable from CleanLight, respectively, as CleanLight was in default with respect to outstanding quarterly interest and royalty payments under the respective agreements, following which default event, the CleanLight Loan is subject to a default interest rate of 16% per annum.

At December 31, 2024, the Company also recorded $214,918 in impairment of CleanLight Royalty interest.

During the year ended December 31, 2024, CleanLight experienced negative working capital due to decrease in its revenue and certain operational challenges that affected its ability to meet its obligation, including those under various agreements with the Company. The Company's management reviewed the state of affairs of CleanLight's business, and after discussions with CleanLight's management, assessed potential outcomes, and related probabilities, pertaining to the recoverability of the CleanLight Loan.

The Company has assigned a 50% probability to a potential outcome whereby CleanLight will be able to fully repay the amount owing to the Company at December 31, 2024 under the CleanLight Loan Agreement over a 10-year extended period, commencing two years from December 31, 2024. ECL recorded under this scenario equals $216,400.

Under the second scenario considered in the Company's assessment of ECL pertaining to CleanLight Loan at December 31, 2024, CleanLight will not be able to repay the full amount due under the CleanLight Loan. The Company has assigned a 50% probability to this scenario, and has recorded $1,684,822 in ECL under this scenario.

(q) *Clean Communities*

In January 2024, the Company announced that it had entered into a loan agreement (the “Clean Communities Loan Agreement”) and a royalty agreement with Clean Communities Corporation ("Clean Communities"), an Alberta-based Indigenous-led cleantech company, to support the construction of a solar project (“Sunrise Solar Project”) currently under development in Cardston, Alberta.

As per the agreement, the Company advanced a $1,700,000 secured loan (the "Clean Communities Loan") having a 60-month term and an interest rate of 13% per annum, compounded monthly. The Company received a structuring fee of 1.5% on the Clean Communities Loan value at closing. The Company received a gross revenue royalty of 5.0% on the Project for 20 years after reaching commercial operations (the "Clean Communities Royalty"). The transaction deploys a cash-sweep structure allowing the Company to sweep all cash generated by the Project net of operating expenses to pay the royalty, interest, and principal on a quarterly basis while the Clean Communities Loan is outstanding.

At initial recognition, the Company recorded the Clean Communities Loan at fair value, plus transaction costs, and a residual value of $133,362 derived by subtracting the fair value of the Clean Communities Loan from the aggregate amount of cash advanced under the Clean Communities Loan Agreement was allocated to the Clean Communities Royalty.

(r) *Revolve Windriver*

In February 2024, the Company provided a $4,000,000 secured loan (the “Windriver Loan”) to support Revolve’s acquisition of Windriver Power Corporation (“Windriver”), a Canadian based owner, operator and developer of wind and hydro projects in the Provinces of British Columbia and Alberta.

The Windriver Loan has a term of 36 months and bears interest at the rate of 12% per annum, compounded monthly, and payable semi-annually. The Company also received a structuring fee of 1.0% on the Windriver Loan value at closing, and a gross revenue royalty of 0.5% on the acquired operating projects during the term of the Loan, growing to a gross revenue royalty of 1.0% upon repayment of the Loan for the remaining life of the power purchase agreements (the "Windriver Royalty").

The Windriver Loan is secured by, among other things, a pledge of the shares of the wholly-owned subsidiary of Revolve, that acquired Windriver, in favor of the Company, general security over all assets, property and bank accounts (collectively referred herein as the "Windriver Collateral").

At initial recognition, the Company recorded the Windriver Loan at fair value, plus transaction costs, and a residual value of $253,232 derived by subtracting the fair value of the Windriver Loan from the aggregate amount of cash advanced under the WindriverLoan Agreement was allocated to the Windriver Royalty.

(s) *Revolve Rooftop Solar*

In March 2024, the Company advanced $415,000 loan to Revolve (the "Revolve Rooftop Solar Loan") to fund construction of a new rooftop solar project in Central Mexico.

The Revolve Loan has a term of two years and is secured against the assets of the Project, bearing interest at 12% per annum, payable quarterly, and Revolve paid a 1% closing fee on the total Revolve Rooftop Solar Loan value. A gross revenue royalty of 5% will apply to all revenues received by Revolve from the Revolve Rooftop Solar Project over the term of the PPA (the "Revolve Rooftop Solar Royalty").

At initial recognition, the Company recorded the Revolve Rooftop Solar Loan at fair value, plus transaction costs, and a residual value of $24,956 derived by subtracting the fair value of the Revolve Rooftop Solar Loan from the aggregate amount of cash advanced under the Revolve Rooftop Solar Loan was allocated to the Revolve Rooftop Solar Royalty.

(t) *Abraxas*

On November 18, 2024, the Company entered into an agreement with Abraxas Power Maldinvest Ltd., a United Arab Emirates-incorporated wholly-owned subsidiary of Abraxas Power Corp. ("Abraxas"), to provide up to a $10,000,000 secured loan (the "Abraxas Loan") to support the construction of solar projects in the Maldives ("Abraxas Projects").

The Loan will have an 18-month term and an interest rate of 13% per annum on funds advanced, compounded monthly, and payable quarterly, beginning a year after the advance . The Company received a fee of $200,000 at closing to cover legal and due diligence expenses. The Company will also receive a non-refundable standby fee based on the amount of the unutilized and uncancelled portion of the Abraxas Loan at the rate of 4% per annum. The Company will receive a gross revenue royalty of 2.0% on the Abraxas Projects for the term of the power purchase agreement. The Loan will have multiple tranches. Under Tranche 1 , the Company can draw up to $1,382,353 in the aggregate, and for Tranche 2, the Company can draw up to $8,617,647 in the aggregate. The first tranche of $1,400,000 was closed on November 18, 2024.

At initial recognition, the Company recorded the Abraxas Loan at fair value, plus transaction costs, and a residual value of $28,345 derived by subtracting the fair value of the Abraxas Loan from the aggregate amount of cash advanced under the Trache 1 of the Abraxas Loan Agreement was allocated to the Abraxas Royalty.

(u) *Alpin Sun Sol Aurora*

On November 28, 2024, the Company entered into a secured loan agreement (the "Alpin Sun Loan") for $6,630,000 with Alpin Sun, SA ("Alpin"), a wholly-owned subsidiary of Alpin Sun, to develop a solar project (the "Sol Aurora Project") in Alberta, Canada. Pursuant to the Alpin Sun Loan, the Company also received a gross revenue royalty of $0.25 per MWh of energy production (the "Alpin Sun Royalty") on the Sol Aurora Project for the life of the project.

Pursuant to the Alpin Sun Loan, the Company provided a cash advance of $30,000 and a $6,300,000 letter of credit on behalf of Alpin to meet their security requirement with the Alberta Electricity System Operator ("AESO") with respect to the Generator Unit Owner's Contribution when required by AESO. The Alpin Sun Loan will have an initial term of 12 months and bear an interest rate of 13% per annum, compounded monthly, and payable quarterly, beginning on March 31, 2025.

(Expressed in Canadian Dollars, unless otherwise stated)

The Company will have first-ranking security interest including a lien over Sol Aurora Project assets, and a pledge of all equity capital in the Sol Aurora Project.

(v) *Solar High Yields*

In November 2024, the Company has entered into a loan agreement with Solar High Yield Projects #1 Ltd. (the "Solar High Yields"), a wholly-owned subsidiary of SolarBank Corporation and advanced $3,000,000 (the "Solar High Yields Loan") to fund development and construction of three Battery Energy Storage System projects (the "Solar High Yields Projects") to be located in Ontario, Canada.

The Solar High Yields Loan has a term of 12 months and bears interest at the rate of 11% per annum, compounded and payable quarterly, beginning in January 2025. The Company will also receive a gross revenue royalty of 0.4% for the life of the Solar High Yields Projects, reducing to a gross revenue royalty of 0.25% upon repayment of the Solar High Yields Loan within the first six months (the "Solar High Yields Royalty").

At initial recognition, the Company recorded the Solar High Yields Royalty at fair value, plus transaction costs, and a residual value of $72,456 derived by subtracting the fair value of the Solar High Yields Loan from the aggregate amount of cash advanced under the Solar High Yields Loan Agreement was allocated to the Solar High Yields Royalty.

6 . PROPERTY, PLANT AND EQUIPMENT

Equipment

	Note	Solar	Battery	Total
Cost				
As at January 1, 2024		$ –	$ –	$ –
Additions	3	894,779	1,561,080	2,455,859
Balance at December 31, 2024		$ 894,779	$ 1,561,080	$ 2,455,859
Accumulated Depreciation				
As at January 1, 2024		$ –	$ –	$ –
Depreciation		7,648	17,061	24,709
Balance at December 31, 2024		$ 7,648	$ 17,061	$ 24,709
Carrying value				
As at December 31, 2024		$ 887,131	$ 1,544,019	$ 2,431,150

7 . INTANGIBLE ASSETS

	Note	Solar	Battery	Total
Cost				
As at January 1, 2024		$ –	$ –	$ –
Additions	3	446,000	3,177,000	3,623,000
Balance at December 31, 2024		$ 446,000	$ 3,177,000	$ 3,623,000
Accumulated Amortization				
As at January 1, 2024		$ –	$ –	$ –
Amortization		7,079	72,225	79,304
Balance at December 31, 2024		$ 7,079	$ 72,225	$ 79,304
Carrying value				
As at December 31, 2024		$ 438,921	$ 3,104,775	$ 3,543,696

(Expressed in Canadian Dollars, unless otherwise stated)

8 . DERIVATIVE FINANCIAL ASSET

Continuity of derivative financial asset	Note	CleanLight Warrants
Balance at January 1, 2022		$ –
Initial recognition	5(p)	117,818
Loss on revaluation of derivative financial asset		(13,462)
Balance at December 31, 2023 (i)		$ 104,356

(i) On the reporting date, the fair value of the CleanLight Warrants was determined using the Black-Scholes Option Valuation model and the following assumptions: risk-free interest rate of 3.12%; expected annual volatility of 50%; exercise price of CLP 670,000,000 ($1,042,000); fair value of the underlying equity interest of US$350,000 ($464,000) ; and time to expiry of 4.58 years.

	Note	CleanLight Warrants
Balance at January 1, 2024		$ 104,356
Loss on revaluation of derivative financial asset		(104,355)
Balance at December 31, 2024 (i)		$ 1

9 . DEFERRED TRANSACTION COSTS

The Company incurs legal and due diligence costs relating to potential royalty financing opportunities and records such costs as deferred transaction costs, to be transferred to royalty interests and secured loans, as applicable, upon completion of each transaction.

10 . EQUITY ACCOUNTED INVESTMENT

Year ended December 31, 2024	Note	RER US 1 LLC 10(a)
Beginning balance, January 1, 2024		$ 1
Ending balance, December 31, 2024		$ 1

Year ended December 31, 2023	Note	RER US 1 LLC 10(a)
Beginning balance, January 1, 2023		$ 1
Ending balance, December 31, 2023		$ 1

(a) RER US 1 LLC ("RER US")

During the year ended December 31, 2024, there was no change in the Company's interest in RER US.

11 . AMOUNTS RECEIVABLE AND PREPAID EXPENSES

	Note	December 31, 2024	December 31, 2023
Accrued revenue receivable - royalty revenue		$ 748,375	$ 219,633
Accrued revenue receivable - energy revenue		513,213	–
Prepaid expenses		171,680	203,451
Other amounts receivable		395,752	70,157
		1,829,020	493,241
Expected lifetime credit losses - stage 3	5(p)	(129,841)	–
Total		$ 1,699,179	$ 493,241

12 . GREEN BONDS

In August 2020, the Company announced the inaugural public offering (Green Bonds Public Offering) of its Series-1 6% Green Bonds under available exemptions from the prospectus requirement, including the offering memorandum exemption. Series-1 Green Bonds mature on various dates in the fourth quarter of 2025 and the first quarter of 2026. Each Green Bond has a principal amount of $1,000 and bears interest at a rate of 6%, per annum, payable quarterly, and are senior secured obligations of the Company that are secured against the Company's portfolio of royalty and loan investments.

On December 30, 2021, the Company closed a brokered private placement of Series-2 6% Green Bonds, issuing 5,166 Green Bonds denominated in Canadian Dollars and 4,000 Green Bonds denominated in (US$1,000) United States dollars. Series-2 Green Bonds will mature in December 2026.

During the first quarter of 2023, the Company closed its marketed public offering (the "Public Offering") of Series 3 senior secured green bonds of the Company (the "Series-3 9% Green Bonds"). The Company also closed its non-brokered private placement offering (the "Series-3 Private Placement") of Green Bonds, as originally announced on January 27, 2023. The Series-3 Green Bonds will have a maturity date of January 30, 2028 and bear interest at a rate of 9% per annum, payable quarterly, and will be senior obligations of the Company secured against the Company's portfolio of royalty and loan investments.

When taken in total aggregate, including each closing of both the Public Offering and Series-3 Private Placement, the Company issued a total of 16,423 Canadian dollar denominated Green Bonds, with principal amount of $1,000 each, for aggregate gross proceeds of $16,423,000 and 1,242 United States dollar denominated Green Bonds, with principal amount of US$1,000 each, for aggregate gross proceeds of US$1,242,000 ($1,679,060).

In connection with the Public Offering, the Company paid cash fees of $495,180 and US$1,190 and issued 330,913 warrants (the "Broker Warrants") to the agents. Each Broker Warrant will entitle the holder thereof to acquire one common share of the Company at an exercise price equal to $0.75 for a period of 36 months from the date of issuance of the warrants.

In connection with the Series-3 Private Placement, the Company paid corporate advisory fees in cash to certain parties in the amounts of $654,430 and US$85,750 ($115,925), and also issued 493,453 warrants. Each warrant will entitle the holder thereof to acquire one common share of the Company at an exercise price equal to $0.75 for a period of 36 months from the date of issuance of the warrants.

On August 29, 2024, the Company completed the initial closing of its marketed private placement offering (the "Series-4 Private Placement") of Green Bonds. Pursuant to the initial closing, the Company issued 3,804 Canadian dollar denominated Green Bonds, with a principal amount of $1,000 per Green Bond for aggregate gross proceeds of $3,804,000 and 50 United States dollar (US$) denominated Green Bonds, with a principal amount of US$1,000 per Green Bond for aggregate gross proceeds of US$50,000 ($67,475).

In connection with the initial closing, the Company paid the agents a cash fee of $266,280 and US$3,500 ($4,723) and issued to the agents an aggregate of 269,780 warrants (the "Series-4 Broker Warrants"). Each Series-4 Broker Warrant will entitle the holder thereof to acquire one common share of the Company at an exercise price equal to $0.50 for a period of 36 months from the date of the initial closing.

The Company also issued, pursuant to a non-brokered private placement (the "Series-4 Non Brokered Private Placement"), 350 Canadian dollar denominated Green Bonds, with a principal amount of $1,000 per Green Bond for aggregate gross proceeds of $350,000 and 150 United States dollar (US$) denominated Green Bonds, with a principal amount of US$1,000 per Green Bond for aggregate gross proceeds of US$150,000 ($202,425).

In connection with the initial closing of the Series-4 Non Brokered Private Placement, the Company has paid a corporate advisory fee to certain parties consisting of $17,500 and US$10,500 ($14,170) in cash, and issued 28,000 warrants (the "Series-4 warrants"). Each Series-4 warrant will entitle the holder thereof to acquire one common share of the Company at an exercise price equal to $0.50 for a period of 36 months from the date of the Initial Closing.

On November 13, 2024, the Company completed the second tranche closing of its Series-4 Private Placement of Green Bonds. Pursuant to the closing, the Company issued 1,725 Canadian dollar denominated Green Bonds, with a principal amount of $1,000 per Green Bond for aggregate gross proceeds of $1,725,000 and 140 United States dollar (US$) denominated Green Bonds, with a principal amount of US$1,000 per Green Bond for aggregate gross proceeds of US$140,000 ($196,392).

In connection with the second tranche closing, the Company paid the agents a cash fee of $120,750 and US$9,800 ($13,747) and issued to the agents an aggregate of 130,550 warrants (the "Series-4 Broker Warrants"). Each Series-4 Broker Warrant will entitle the holder thereof to acquire one common share of the Company at an exercise price equal to $0.50 for a period of 36 months from the date of the second tranche closing.

On December 10, 2024, the Company completed the final tranche closing of its Series-4 Non Brokered Private Placement of Green Bonds, as originally announced on July 4, 2024. Pursuant to the final closing, the Company issued 650 Canadian dollar denominated Green Bonds, with a principal amount of $1,000 per Green Bond for aggregate gross proceeds of $650,000.

In connection with the final closing, the Company has paid a corporate advisory fee to certain parties consisting of $45,500 in cash, and the issuance of 45,500 warrants. Each warrant will entitle the holder thereof to acquire one common share of the Company at an exercise price equal to $0.50 for a period of 36 months from the date of the final closing.

Together with the initial closing and second closing of the Series-4 Private Placement, and the initial closing of the Series-4 Non-Brokered Private Placement, the Company has issued an aggregate of 6,529 Canadian dollar denominated Green Bonds for aggregate gross proceeds of $6,529,000 and 340 United States dollar denominated Green Bonds for aggregate gross proceeds of US$340,000 ($489,090).

The Series-4 Private Placement and Series-4 Non-Brokered Private Placement (collectively "Series-4 Green Bonds") have a maturity date of August 29, 2029 and bear interest at a rate of 9% per annum, payable quarterly, and will be senior obligations of the Company secured against the Company's portfolio of royalty and loan investments.

Series-3 Green Bond offering (number of bonds)	Total	Series-3 Public Offering (Brokered)	Series-3 Private Placement (Non-brokered)
Denominated in Canadian dollars	16,423	7,074	9,349
Denominated in US dollars	1,242	17	1,225
Total	17,665	7,091	10,574
Number of warrants issued	824,366	330,913	493,453

Series-4 Green Bond offering (number of bonds)	Total	Series-4 Private Placement (Brokered)	Series-4 Private Placement (Non-brokered)
Denominated in Canadian dollars	6,529	5,529	1,000
Denominated in US dollars	340	190	150
Total	6,869	5,719	1,150
Number of warrants issued	473,830	400,330	73,500

Senior Secured Green Bonds	Note	Year ended December 31, 2024	Year ended December 31, 2023
Beginning balance		$ 36,230,500	$ 19,442,949
Net proceeds from Green Bond – Series-3 Public Offering (brokered)			
Aggregate gross proceeds from issuance of Green Bonds		–	7,097,042
Cash commission		–	(496,793)
Net proceeds from Green Bond – Series-4 Private Placement(brokered)			
Aggregate gross proceeds from issuance of Green Bonds		5,793,135	–
Cash commission		(405,519)	–
		5,387,616	6,600,249
Net proceeds from Green Bond – Series-3 Private Placement (non-brokered)			
Aggregate gross proceeds from issuance of Green Bonds		–	11,003,710
Advisory fees		–	(769,524)
Net proceeds from Green Bond – Series-4 Private Placement (non-brokered)			
Aggregate gross proceeds from issuance of Green Bonds		1,207,135	–
Advisory fees		(78,596)	–
		1,128,539	10,234,186
Financing costs			
Legal and professional fees		235,417	413,635
Fair value of compensation warrants (note 16) issued pursuant to:			
Series-3 Public Offering	17(b)	–	75,000
Series-3 Private Placement	17(b)	–	114,000
Series-4 Private Placement	17(b)	48,000	–
		(283,417)	(602,635)
Amortization of financing costs		812,696	711,025
Foreign exchange translation difference		809,101	(155,274)
Ending balance (i)		$ 44,085,035	$ 36,230,500
Non-current portion		34,283,035	36,230,500
Current portion		9,802,000	–
Ending balance		$ 44,085,035	$ 36,230,500

(Expressed in Canadian Dollars, unless otherwise stated)

Carrying amount of the Green Bond liability by series:		
Series-1 6% Green Bonds	$ 10,003,140	$ 9,806,512
Series-2 6% Green Bonds	10,542,981	9,898,496
Series-3 9% Green Bonds	17,041,441	16,525,492
Series-4 9% Green Bonds	6,497,473	–
Ending balance (i)	$ 44,085,035	$ 36,230,500

(i) Includes USD-denominated Green Bonds for an aggregate principal sum of US$5,242,000 ($7,540,617) (note 24(c))

Pursuant to the Green Bonds indenture, the Company is required to maintain, with the Bond Trustee, a deposit equivalent to interest payments for six months. The balance of the interest reserve account is as follows:

	December 31, 2024	December 31, 2023
Interest reserve account	$ 1,452,012	$ 1,431,996

13 . DEFERRED GOVERNMENT GRANT AND GOVERNMENT GRANT REPAYABLE

	December 31, 2024	December 31, 2023
Deferred government grant	$ 570,000	$ –
Government grant payable	$ 170,350	$ –

As of November 1, 2024, the date of acquisition of SPOBOC by the Company (note 3(a)), SPOBOC had received a grant from Natural Resources Canada ("NRCAN") under their Smart Renewables and Electrification Pathways program (the "SREP") for an aggregate amount of $2,263,344 which was used towards capital expenditures and overheads related to the SPOBOC's BESS projects in Ontario. The grant is subject to claw back on net income from the operating projects to which the grant pertains. At November 1, 2024 as well as December 31, 2024, the Company recognized$570,000 in deferred government grant based on its expectation of future net income from the operating projects.

The Company also recognized a liability of $170,350 as government grant payable, which amount represents over-contribution by NRCAN with respect to one of SPOBOC's unfinished project. The payable is due either at commissioning or formal termination of the project. As of the dates of these Financial Statement, the Company will not move forward with the project.

14 . DECOMMISSIONING LIABILITIES

Decommissioning liabilities represent the present value of future cash outflows required to dismantle BESS and solar assets and restore the sites per legal and regulatory requirements. The amount recognized as a provision is the best estimate of the expenditures required to settle the provision. The reclamation provision related to the BESS and Solar assets has been recorded using a discount rate of 3.33% and an inflation factor of 2%. As at December 31, 2024, the undiscounted estimated reclamation costs are approximately $135,166 and $220,243, respectively. The aggregate carrying amount of the obligation is:

(Expressed in Canadian Dollars, unless otherwise stated)

	Note	Year ended December 31, 2024	2023
Beginning balance		$ –	$ –
Initial recognition upon acquisition of:			
SPOBOC	3(a)	110,356	–
SPOSOC	3(b)	175,671	–
		286,027	–
Accretion		8,632	–
Ending balance		$ 294,659	$ –

15 . LOAN PAYABLE

As of November 1, 2024, the date of acquisition of SPOBOC by the Company (note 3(a)), SPOBOC had an unsecured loan payable to a third-party with an outstanding principal sum of $340,000, and accrued interest of $35,117 at the rate of Canadian Prime Interest Rate, plus 2% per annum.

	Note	Year ended December 31, 2024	2023
Beginning balance		$ –	$ –
Initial recognition upon acquisition of SPOBOC	3(a)	385,117	–
Interest accrued		4,375	–
Ending balance		$ 389,492	$ –

16 . SHARE CAPITAL

(a) Authorized share capital

The authorized share capital of the Company was comprised of an unlimited number of common shares without par value (the "Common Shares"). All issued shares are fully paid.

17 . RESERVES

	Note	December 31, 2024	December 31, 2023
Share-based payment reserve	17(a)	$ 1,774,540	$ 1,707,126
Share warrants reserve	17(b)	648,913	600,913
Other reserves		87,000	87,000
Foreign currency translation reserve	17(c)	943,437	163,895
Total reserves		$ 3,453,890	$ 2,558,934

(Expressed in Canadian Dollars, unless otherwise stated)

(a) Share-based payment reserve

Share-based payment expense

		Year ended		
		2024		2023
Expense arising from equity-settled share-based payment transactions				
Share purchase options	$	38,644	$	131,839
Deferred Share Units ("DSUs")		–		104,520
Restricted Share Units ("RSUs")		102,560		173,564
		141,204		409,923
Change in fair value of cash-settled share-based payments		(2,916)		(5,296)
Total	$	138,288	$	404,627

The equity-settled share-based payment expenses represent amortization of the fair value of the Company's share purchase options over the vesting term of the options.

Share purchase options

The Company's stock option compensation plan (the "Option Plan") allows it to grant, subject to regulatory terms and approval, to its directors, officers, employees, consultants, and service providers, options exercisable to acquire up to a total of 10% of the issued and outstanding shares of the Company at any one time, provided it does not result in the total shares issuable under all the Company's share-based compensation plans (i.e. including the Company's DSU and RSU plans) exceeding 10% of the total number of issued outstanding shares. The exercise price of each option may be set equal to or greater than the closing market price of the common shares of the Company on the day prior to the date of the grant of the option, less any allowable discounts. Awards typically vest in several tranches ranging from 6 months to 18 months. Options can have a maximum term of ten years and terminate 90 days following the termination of the optionee's employment, or one year following the optionee's death or disability.

Continuity of share purchase options

	Year ended December 31, 2024			Year ended December 31, 2023		
	Number of Options		Weighted average exercise price	Number of Options		Weighted average exercise price
Outstanding Options – beginning balance	2,410,000	$	1.05	1,585,000	$	1.29
Granted(i)	–	$	–	960,000	$	0.65
Expired	(380,000)	$	1.32	(135,000)	$	(1.00)
Outstanding Options – ending balance	2,030,000	$	1.00	2,410,000	$	1.05
Options Exercisable – ending balance	1,502,000	$	1.13	1,738,000	$	1.21

(i) Weighted average fair value of the options granted in the prior year was determined to be $0.18 per option, using the Black-Scholes pricing model and based on the following assumptions: risk-free interest rate of 3.37%; expected volatility of 50.71%; underlying market price of $0.67 per share; time to expiry of 3 years; and dividend yield of 5.97%.

The options granted in the prior year will vest in tranches over a 12-month period with a term of three years. 528,000 of these stock options are awarded on the basis of meeting certain financial, Environmental, Social and Governance ("ESG") and investment related non-market performance metrics and will vest upon achievement of those metrics.

(Expressed in Canadian Dollars, unless otherwise stated)

Remaining contractual life of share purchase options

	December 31, 2024		December 31, 2023	
Exercise price	Number of Options	Weighted average remaining contractual life	Number of Options	Weighted average remaining contractual life
$ 1.32	1,070,000	1.13	1,450,000	1.61
$0.65	960,000	1.33	960,000	2.33
	2,030,000	1.22	2,410,000	1.90

Deferred share units ("DSU") and restricted share units ("RSU")

The Company has a DSU plan approved by its shareholders, which allows the Board, at its discretion, to award DSUs to non-executive directors for services rendered to the Company and provides that non-executive directors may elect to receive up to 100% of their annual compensation in DSUs. The aggregate number of DSUs outstanding pursuant to the DSU plan may not exceed 10% of the issued and outstanding shares from time to time provided the total does not result in the total shares issuable under all the Company's share-based compensation plans (i.e. including the Company's option and RSU plans) exceeding 10% of the total number of issued outstanding shares. DSUs are payable when the non-executive director ceases to be a director including in the event of death.

The Company has an RSU plan approved by its shareholders, which allows the Board, at its discretion, to award RSUs to the Company's employees, directors and eligible consultants for services rendered to the Company. The aggregate number of RSUs outstanding pursuant to the RSU plan may not exceed 10% of the issued and outstanding shares from time to time provided the total does not result in the total shares issuable under all the Company's share-based compensation plans (i.e. including the Company's option and DSU plans) exceeding 10% of the total number of issued outstanding shares. The RSUs are granted conditionally and entitle the recipient to receive one common share (or the cash equivalent) upon attainment of a time-based vesting period, which period is typically one year from the date of grant.

DSUs and RSUs may be settled in Common Shares issued from treasury, in Common Shares purchased by the Company in the open market, in cash, or any combination thereof, at the discretion of the Company.

The fair value of DSUs and RSUs is determined with reference to market price of the Company's common shares.

Continuity of DSUs and RSUs:

	Year ended December 31, 2024		Year ended December 31, 2023	
	DSUs	RSUs	DSUs	RSUs
Outstanding at the beginning of the year	180,501	314,000	24,501	38,011
Granted during the year (i)	–	–	156,000	471,000
Settlement during the year	–	(157,000)	–	(195,011)
Outstanding at the end of the year	180,501	157,000	180,501	314,000
Units vested – ending balance	180,501	157,000	180,501	157,000

(i) The grant date fair value for these DSUs and RSUs was $0.67 per unit.

The liability for the cash settled DSUs for the current year is $9,402 (December 31, 2023 - $12,318).

(Expressed in Canadian Dollars, unless otherwise stated)

(b) Share purchase warrant reserve

	Year ended 2024	Year ended 2023
Opening Balance	$ 600,913	$ 411,913
Add: Warrants issued	48,000	189,000
Less: Warrants exercised	–	–
Closing balance	$ 648,913	$ 600,913

The continuity of the Company's share purchase warrants for the year ended December 31, 2024 is as follows:

Expiry date	Exercise price	January 1, 2024	Warrants issued	Warrants exercised	Warrants expired	December 31, 2024
June 15, 2024	$ 1.10	9,837,680	–	–	(9,837,680)	–
June 15, 2024	$ 0.82	776,250	–	–	(776,250)	–
January 30, 2026 (i)	$ 0.75	239,493	–	–	–	239,493
February 3, 2026 (i)	$ 0.75	319,853	–	–	–	319,853
February 28, 2026 (i)	$ 0.75	91,420	–	–	–	91,420
March 1, 2026 (i)	$ 0.75	159,740	–	–	–	159,740
March 31, 2026 (i)	$ 0.75	13,860	–	–	–	13,860
August 29, 2027 (ii)	$ 0.50	–	297,780	–	–	297,780
November 13, 2027 (ii)	$ 0.50	–	130,550	–	–	130,550
December 10, 2027 (ii)	$ 0.50	–	45,500	–	–	45,500
		11,438,296	473,830	–	(10,613,930)	1,298,196

(i) These represent the warrants issued to the underwriters for the Series-3 Public offering and Series -3 Private placement of Series-3 Green Bonds (note 12), and their weighted average fair value as of the date of issuance was $0.2296 per warrant, which fair value was determined using the Black-Scholes Option Valuation model and the following assumptions: weighted average risk-free interest rate of 3.45% ; expected volatility of 55%; exercise price of $0.75; underlying weighted average market price of $0.76 per share; and time to expiry of 3 years.

(ii) These represent the warrants issued to the underwriters for the Series -4 Private placement of Series-4 Green Bonds (note 12), and their weighted average fair value as of the date of issuance was $0.1007 per warrant, which fair value was determined using the Black-Scholes Option Valuation model and the following assumptions: weighted average risk-free interest rate of 3.01% ; expected volatility of 53.29%; exercise price of $0.5; underlying weighted average market price of $0.47 per share; and time to expiry of 3 years.

The continuity of the Company's share purchase warrants for the year ended December 31, 2023 is as follows:

Expiry date	Exercise price	January 1, 2023	Warrants issued	Warrants exercised	Warrants expired	December 31, 2023
March 1, 2023	$ 1.25	17,472	–	–	(17,472)	–
June 15, 2024	$ 1.10	9,837,680	–	–	–	9,837,680
June 15, 2024	$ 0.82	776,250	–	–	–	776,250
January 30, 2026 (i)	$ 0.75	–	239,493	–	–	239,493
February 3, 2026 (i)	$ 0.75	–	319,853	–	–	319,853
February 28, 2026 (i)	$ 0.75	–	91,420	–	–	91,420
March 1, 2026 (i)	$ 0.75	–	159,740	–	–	159,740
March 31, 2026 (i)	$ 0.75	–	13,860	–	–	13,860
		10,631,402	824,366	–	(17,472)	11,438,296

(i) These represent the warrants issued to the underwriters for the Series-3 Public offering and Series -3 Private placement of Series-3 Green Bonds (note 12), and their weighted average fair value as of the date of issuance was $0.2296 per warrant, which fair value was determined using the Black-Scholes Option Valuation model and the following assumptions: weighted average risk-free interest rate of 3.45% ; expected volatility of 55%; exercise price of $0.75; underlying weighted average market price of $0.76 per share; and time to expiry of 3 years.

(Expressed in Canadian Dollars, unless otherwise stated)

(c) Foreign currency translation reserve

Foreign exchange translation reserve relating to foreign operations	Year ended 2024	2023
Opening Balance	$ 163,895	$ 350,295
Foreign exchange gain (loss) arising from foreign operations during the year	779,542	(186,400)
Closing balance	$ 943,437	$ 163,895

(d) Distribution to shareholders

The Company declared the following cash distributions to its shareholders:

Declaration date	Record date	Payment date	Amount Per share	Total
Year ended December 31, 2024				
January 10, 2024	January 31, 2024	February 21, 2024	$ 0.01	$ 432,620
April 10, 2024	May 1, 2024	May 22, 2024	0.01	432,620
July 10, 2024	July 31, 2024	August 21, 2024	0.01	432,620
October 9, 2024	October 30, 2024	November 20, 2024	0.01	432,620
		Total	$ 0.04	$ 1,730,480
Year ended December 31, 2023				
January 11, 2023	February 1, 2023	February 22, 2023	$ 0.01	431,276
April 12, 2023	May 3, 2023	May 24, 2023	0.01	431,276
July 12, 2023	August 2, 2023	August 23, 2023	0.01	431,276
October 11, 2023	November 1, 2023	November 22, 2023	0.01	431,276
		Total	$ 0.04	$ 1,725,104

See Note 28(a) for the cash distribution declared after the end of the current reporting period.

18 . ENERGY REVENUE

	Year ended December 31, 2024	2023
Battery Storage revenue	$ 257,547	$ –
Solar revenue	11,827	–
	269,374	–

19 . FINANCE EXPENSES

	Year ended December 31, 2024	2023
Finance expenses relating to the Green Bonds (note 12)		
Interest expense	$ 3,043,245	$ 2,692,456
Amortization of capitalized finance costs	812,696	711,025
Other expenses	7,362	7,382
	3,863,303	3,410,863
Finance expenses relating to the 2020-Convertible Note:		
Interest expense	–	15,410
Accretion and amortization of capitalized finance costs	–	1,492
	–	16,902
Other finance expenses	16,269	4,900
Total	$ 3,879,572	$ 3,432,665

(Expressed in Canadian Dollars, unless otherwise stated)

20 . NON-CONTROLLING INTERESTS

(a) Non-controlling interests in FP OCEP Invest, LLC

Continuity of Non-Controlling Interests	Note	Year ended December 31, 2024	2023
Beginning balance		$ 1,243,442	$ 582,246
Net income		358,380	810,766
Other comprehensive income		133,970	(26,212)
Distributions to non-controlling interests		(203,737)	(123,358)
Ending balance		$ 1,532,055	$ 1,243,442

Information relating to FP OCEP Invest LLC	December 31, 2024		December 31, 2023	
	Total	NCI's share	Total	NCI's share
Non-current assets	$ –	$ –	$ 2,561,459	$ 1,090,439
Current assets	5,386,574	1,532,055	4,609,956	153,003
Non-current liabilities	–	–	–	–
Current liabilities	–	–	–	–
Net assets	$ 5,386,574	$ 1,532,055	$ 7,171,415	$ 1,243,442
Finance income	$ 1,723,651	$ 771,860	$ 1,810,302	$ 810,766
Net income	$ 800,303	$ 358,380	$ 1,810,302	$ 810,766
Total other comprehensive income	$ 1,319,516	$ 492,350	$ 1,639,026	$ 784,554

(b) Non-controlling interests in FP Puerto Rico Invest, LLC

Continuity of Non-Controlling Interests	Note	Year ended December 31, 2024	2023
Beginning balance		$ 508,620	$ 21,007
Initial recognition	5(m)	–	21,022
Net (loss)/income		(277,288)	501,964
Other comprehensive income/(loss)		58,009	(18,818)
Distributions to non-controlling interests		(21,895)	(16,555)
Ending balance		$ 267,446	$ 508,620

Information relating to FP Puerto Rico Invest LLC	December 31, 2024		December 31, 2023	
	Total	NCI's share	Total	NCI's share
Non-current assets	$ –	$ –	$ 2,627,595	$ 493,436
Current assets	2,321,699	267,446	215,268	15,184
Non-current liabilities	–	–	–	–
Current liabilities	–	–	–	–
Net assets	$ 2,321,699	$ 267,446	$ 2,842,863	$ 508,620
Finance income	$ 760,960	$ 350,685	$ 1,417,875	$ 501,964
Net (loss)/income	$ (601,694)	$ (277,288)	$ 1,417,875	$ 501,964
Total other comprehensive (loss)/ income	$ (335,613)	$ (219,279)	$ 1,367,872	$ 483,146

(Expressed in Canadian Dollars, unless otherwise stated)

21 . RELATED PARTY TRANSACTIONS

Transactions relating to the Company's interest in an associate and joint venture are disclosed in Note 10. Intra-group balances and transactions are eliminated in these Financial Statements (note 2(b)).

Key management personnel ("KMP") are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company.

Transactions with KMP were as follows:

	Year ended December 31,	
Remuneration for services rendered	2024	2023
Short-term employment benefits (i)	$ 485,119	$ 474,000
Equity-settled share-based compensation	34,900	25,200
Cash-settled share-based compensation	(2,916)	(5,296)
Total	$ 517,103	$ 493,904

(i) Includes executive salaries and directors' fees relating to the Company's key management personnel.

22 . BASIC AND DILUTED LOSS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The Company presents basic and diluted income (loss) per share data for its common shares, calculated by dividing the income (loss) attributable to common shareholders by the weighted average number of common shares that were outstanding during the period. Diluted income (loss) per share does not adjust income (loss) attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. For the purposes of the calculation of diluted income (loss) per share for the years ended December 31, 2024 and 2023, the share purchase options, DSUs, RSUs, and warrants were excluded from the calculation of diluted income (loss) per share as they were antidilutive.

23 . INCOME TAXES

(a) Provision for current and deferred tax

The following current and deferred income tax expenses relate to the income earned by the Company's wholly-owned subsidiary, RE Royalties (USA) Inc., which owns equity interest in FP OCEP Invest, LLC and FP Puerto Rico Invest, LLC (note2(b)):

	Year ended December 31,	
	2024	2023
Current income tax expense	$ 292,088	$ 265,522
Deferred income tax expense (recovery)	79,516	(25,266)
Total income tax expense	$ 371,604	$ 240,256

(Expressed in Canadian Dollars, unless otherwise stated)

(b) *Reconciliation of effective tax rate*

As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized.

	Year ended December 31, 2024	2023
Net loss before income tax	$ 8,900,908	$ 1,570,646
Total income tax expense	371,604	240,256
Net loss after income tax	$ 9,272,512	$ 1,810,902
Income tax recovery using the Company's tax rate	$ (2,403,000)	$ (424,000)
Non-deductible expenses and other	1,977,647	(352,744)
Change in tax rate	(229,895)	–
Difference in tax rate	(9,296)	(9,000)
Change in unrecognized temporary differences	806,253	1,026,000
Total	$ 371,604	$ 240,256
Statutory tax rate	27%	27%
Effective tax rate	Nil	Nil
Deferred Income Tax Assets (Liabilities)		
Deferred income tax assets with respect to tax losses	$ 2,237,000	$ 1,359,000
Deferred income tax liabilities with respect to secured loans, royalty interest, Green Bonds, property, plant & equipment	(2,420,250)	(1,463,000)
Net deferred tax asset (liability)	$ (183,250)	$ (104,000)

	At December 31, 2024	2023
Unused non-capital loss carry forwards	$ 14,179,000	$ 11,518,000

As at December 31, 2024, the Company had the following tax losses and other temporary differences for which no deferred tax asset was recognized:

Expiry	Tax Losses	Other
Within 1 year	$ –	$ –
1 to 5 years	–	2,089,000
After 5 years	8,010,000	3,961,000
No expiry date	2,788,000	570,000
Total	$ 10,798,000	$ 6,620,000

24 . FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(Expressed in Canadian Dollars, unless otherwise stated)

(a) *Credit Risk*

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its secured loans (note 5) and other financial assets, including cash and cash equivalents and restricted cash and amounts receivable.

The Company limits the exposure to credit risk for cash and cash equivalents and restricted cash by only investing it with high-credit quality financial institutions in business and saving accounts, which are available on demand by the Company. The Company limits the exposure to credit risk with respect to secured loans through securing the Company's right therein against the underlying renewable energy assets or against the borrowers' ownership interest in the underlying renewable energy assets.

The group's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognizing expected credit losses**
Performing	The counterparty has a low risk of default and does not have any past due amounts	Stage 1 - 12-month ECL
Doubtful	There has been a significant increase in credit risk	Stage 2 - Lifetime ECL - not credit impaired
In default	There is evidence indicating the asset is credit impaired	Stage 3 - Lifetime ECL - credit impaired
Write off	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery	Amount is written off

The table below presents the Company's financial assets measured at amortized cost, the stages they are in for ECL measurement and the balance of the ECL as at December 31, 2024. The gross carrying value of the financial asset best represents the maximum exposure to credit risk at the reporting date:

December 31, 2024	Note	ECL Stage	Gross Carrying Value	Allowance for Credit Loss	Net Carrying Value
Secured loans, other than mentioned below (i)	5	1	$ 13,484,706	$ –	$ 13,484,706
FuseForward Solutions	5(g)	3	3,551,279	(3,551,279)	–
Cleanlight	5(p)	3	3,369,511	(1,901,221)	1,468,290
OCEP	5(k)	3	6,309,922	(923,348)	5,386,574
Delta	5(m)	3	3,684,353	(1,362,654)	2,321,699
			16,915,065	(7,738,502)	9,176,563
Total			$ 30,399,771	$ (7,738,502)	$ 22,661,269

(i) Considering a negligible probability of default, as well as collateral available to the Company, no ECL provision has been recorded for the secured loans classified under stage 1.

(Expressed in Canadian Dollars, unless otherwise stated)

The table below presents the Company's financial assets measured at amortized cost, the stages they are in for ECL measurement and the balance of the ECL as at December 31, 2023. The gross carrying value of the financial asset best represents the maximum exposure to credit risk at the reporting date:

December 31, 2023	Note	ECL Stage	Gross Carrying Value	Allowance for Credit Loss	Net Carrying Value
Secured loans, other than mentioned below (i)	5	1	$ 22,094,965	$ –	$ 22,094,965
Switch Power	5(e)	3	9,003,347	(1,017,221)	7,986,126
Switch Solar	5(j)	3	1,442,200	(210,275)	1,231,925
FuseForward Solutions	5(g)	3	3,551,279	(3,551,279)	–
			13,996,826	(4,778,775)	9,218,051
Total			$ 36,091,791	$ (4,778,775)	$ 31,313,016

(i) Considering a negligible probability of default, as well as collateral available to the Company, no ECL provision has been recorded for the secured loans classified under stage 1.

(b) *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, it will have sufficient capital in order to meet short to medium term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company's cash is currently invested in business accounts.

The Company's financial liabilities are comprised of the following:

December 31, 2024		Contractual Cash Flows(i)			
	Carrying Amount	Total	Less than 12 months	Between 1 - 3 years	Between 4 - 5 years
Green Bonds(ii)	$ 44,085,035	$ 56,128,878	$ 13,229,591	$ 16,481,982	$ 26,417,305
Lease liability	30,682	32,180	25,585	6,595	–
Loan payable	389,492	389,492	389,492	–	–
Government grant payable	170,350	170,350	170,350	–	–
Trade payables and accrued liabilities	1,071,038	1,071,038	1,071,038	–	–
Total	$ 45,746,597	$ 57,791,937	$ 14,886,055	$ 16,488,577	$ 26,417,305

(i) The amounts are gross and undiscounted, and include contractual interest payments.

(ii) Contractual cash flows relating to the US Dollar-denominated Green Bonds are converted into the reporting currency based on the exchange rate as of the reporting date.

(Expressed in Canadian Dollars, unless otherwise stated)

(c) *Foreign exchange risk*

The Company is exposed to foreign currency risk in respect of its US Dollar-denominated cash is summarized as follows:

		December 31, 2024		December 31, 2023	
	Note	US Dollars	Canadian Dollars	US Dollars	Canadian Dollars
Cash and cash equivalents	4	$ 5,912,772	$ 8,505,523	$ 7,614,528	$ 10,086,965
Secured Loans	5	9,290,084	13,363,786	14,016,263	18,567,344
		15,202,856	21,869,309	21,630,791	28,654,309
Green Bonds	12	(5,582,000)	(8,029,707)	(5,242,000)	(6,944,077)
Net exposure		9,620,856	$ 13,839,602	16,388,791	$ 21,710,232
Less: Cash and Secured loans held in foreign operations		(5,509,371)	(7,925,230)	(8,317,705)	(11,018,464)
Net exposure, excluding foreign operations		$ 4,111,485	$ 5,914,372	$ 8,071,086	$ 10,691,768
Exchange rate as of the reporting date (Canadian Dollar per US Dollar)			$ 1.4385		$ 1.3247

The average exchange rate for the year ended December 31, 2024 is $1.3700 (year ended December 31, 2023: $1.3495).

Sensitivity	2024	2023
Exchange loss that would have been recorded in net income/loss with a 1% increase in the value of the U.S. dollar relative to the Canadian dollar	$ 59,000	$ 107,000
Exchange loss that would have been recorded in other comprehensive income/loss with a 1% increase in the value of the U.S. dollar relative to the Canadian dollar	$ 79,000	$ 110,000

The Company does not have any hedging arrangement with respect to its net exposure to foreign currency risks.

The exchange differences arising on translation of foreign operations are recognised in other comprehensive loss.

(d) *Interest rate risk*

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

The Company is subject to interest rate cash flow risk with respect to its investments in cash and cash equivalents and restricted cash. The Company's policy is to invest cash at variable rates of interest and cash reserves are to be maintained in cash in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates and when cash and cash equivalents mature impact interest income earned.

The Company is subject to interest rate fair value risk with respect to the secured loan to Aeolis, which is carried at fair value. An increase of 25 basis points in discount rates will result in a decrease of approximately $11,000 in the fair value of the secured loan to Aeolis (note 5).

All other investments in financial assets and borrowings through financial liabilities of the Company are subject to fixed interest rates and are carried at amortized cost in these Financial Statements, and are therefore not subject to interest rate risk.

(Expressed in Canadian Dollars, unless otherwise stated)

(e) Fair Value

Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same – to estimate the price at which an orderly transaction to sell an asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means.
- Level 3 inputs are unobservable (supported by little or no market activity).

The following table sets forth the Company's financial assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy as at December 31, 2024 and December 31, 2023:

Year ended December 31, 2024

	Total	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
ASSETS				
Secured loans - FVTPL	$ 875,099	$ –	$ –	$ 875,099
Derivative financial asset	$ 1	$ –	$ –	$ 1
LIABILITIES				
Cash-settled share-based payment liability	$ 9,402	$ 9,402	$ –	$ –
Total	$ 884,502	$ 9,402.00	$ –	$ 875,100

(Expressed in Canadian Dollars, unless otherwise stated)

Year ended December 31, 2023

	Total	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
ASSETS				
Secured loans - FVTPL	$ 927,633	$ –	$ –	$ 927,633
Derivative financial asset	$ 104,356	$ –	$ –	$ 104,356
LIABILITIES				
Cash-settled share-based payment liability	$ 12,318	$ 12,318	$ –	$ –
Total	$ 1,044,307	$ 12,318	$ –	$ 1,031,989

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Aeolis Loan

The Aeolis Loan is classified as a financial asset at fair value through profit and loss (note 5). At December 31, 2024, the fair value of the Aeolis Loan was determined by discounting future cash flows using annual discount rates in the range of 6.98% - 7.76% (December 31, 2023: 7.57% - 8.56%) applicable to the term of each cash flow and average annual inflation rate of 3% (December 31, 2023: 3.5%).

At the end of the reporting period, the fair value measurement of the Aeolis Loan (note 5) has been categorized within level 3 of the fair value hierarchy. The Company has assessed the fair value of the instrument based on a valuation technique using unobservable discounted future cash flows. Significant inputs used in the valuation of the Aeolis Loan that are not observable market data were the credit spread and other elements constituting the discount rates and inflation rates used; these inputs require judgement. An increase in average future annual inflation rate used in valuation of the Aeolis Loan from 3% to 3.1% would increase its fair value by approximately $2,500.

Reconciliation of Level 3 fair value measurements of financial instruments

	Amount
Balance at January 1, 2023	$ 956,123
Total gains or losses:	
- in profit or loss	81,608
- in other comprehensive income	
Cash received during the year	(110,098)
Balance at January 1, 2024	$ 927,633
Total gains or losses:	
- in profit or loss	59,436
- in other comprehensive income	
Cash received during the year	(111,970)
Balance at December 31, 2024	$ 875,099

There were no transfers between the levels of the fair value hierarchy during the reporting period.

(Expressed in Canadian Dollars, unless otherwise stated)

(f) *Capital Management*

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of the following: a) equity, comprising share capital, net of reserves and accumulated deficit; and b) debt, comprising the Green Bonds.

At the end of the current reporting period, the Company was required to maintain a debt to equity ratio of 3:1 under certain covenants in the Green Bonds indenture (note (12)), respectively.

The Green Bond indenture also requires the Company to maintain, subject to a cure period, a minimum debt coverage ratio ("Debt Coverage Ratio") as determined pursuant to the Indenture by dividing its quarterly earnings, before certain items such as interest, taxes, depreciation, amortization, and extraordinary items, by total interest expenses for a fiscal quarter. There has been no change in management's approach since December 31, 2023.

As of December 31 2024 and 2023, the Company was in compliance with all debt covenants.

25 . SEGMENT INFORMATION

As the Company operates as a single segment, the Financial Statements should be read as a whole for the results of this single reporting segment.

The following is a breakdown of the Company's revenue and income by geographical areas:

	Year ended December 31, 2024	2023
North America		
Royalty revenue	$ 1,298,454	$ 738,339
Finance income	6,281,647	7,274,502
Energy revenue	269,374	–
Gain on royalty buyout	–	1,563,783
	$ 7,849,475	$ 9,576,624
South America		
Royalty revenue	$ 169,631	$ 81,049
Finance income	568,184	147,911
	$ 737,815	$ 228,960
Total	$ 8,587,290	$ 9,805,584

The geographical break down of the Company's royalty interests is as follows:

	December 31, 2024	December 31, 2023
North America		
Canada	$ 3,810,449	$ 3,930,067
United States	604,158	897,952
Mexico	140,816	129,782
South America		
Chile	–	195,369
Total	$ 4,555,423	$ 5,153,170

(Expressed in Canadian Dollars, unless otherwise stated)

26 . SUPPLEMENTAL CASH FLOW INFORMATION

	Year ended December 31, 2024	2023
Interest received		
Interest received on secured loans classified in operating activities	$ 3,343,584	$ 3,316,551
Interest on cash and cash equivalents and restricted cash classified in operating activities	734,861	767,108
Total	$ 4,078,445	$ 4,083,659

	Note	Year ended December 31, 2024	2023
Non-cash financing activities			
Agent and other warrants issued pursuant to the Green Bonds offering	12	$ 48,000	$ 189,000

A reconciliation of liabilities arising from financing activities is as follows:

Year ended December 31, 2024

	Note	Liabilities Green Bonds	Lease Liability
Balance as at January 1, 2024		$ 36,230,500	$ 52,609
Changes from financing cash flows			
Net proceeds from Green Bonds offering	12	6,232,738	–
Repayment of lease liability		–	(25,188)
Total changes from financing cash flows		6,232,738	(25,188)
Other changes			
Foreign exchange translation difference – USD Green Bonds	12	809,101	–
Accrued interest and/or amortization of financing costs		812,696	3,261
Total liability-related other changes		1,621,797	3,261
Balance as at December 31, 2024		$ 44,085,035	$ 30,682

Year ended December 31, 2023

	Note	Green Bonds	Liabilities Convertible Notes	Lease Liability
Balance as at January 1, 2023		$ 19,442,949	$ 2,045,468	$ 71,707
Changes from financing cash flows				
Net proceeds from Green Bonds offering		16,231,800	–	–
Repayment of convertible notes		–	(2,062,370)	–
Repayment of lease liability		–	–	(23,998)
Total changes from financing cash flows		16,231,800	(2,062,370)	(23,998)
Other changes				
Foreign exchange translation difference – USD Green Bonds	12	(155,274)	–	–
Accrued interest and amortization of financing costs		711,025	16,902	4,900
Total liability-related other changes		555,751	16,902	4,900
Balance as at December 31, 2023		$ 36,230,500	$ –	$ 52,609

(Expressed in Canadian Dollars, unless otherwise stated)

27 . COMMITMENT

The principal activity of SPOBOC is global adjustment and ancillary services revenue from Battery Energy Storage Systems in Ontario. Peak Power Inc. provides software maintenance services, predicting the co-incident peaks related to Global Adjustment abatement in Ontario, in order for the Company to continue providing energy as outlined in the agreements with clients. The term of each software maintenance service agreement aligns with respective energy service agreement's term detailed herein, and consists of an annual fixed fee of $92,300 and an additional variable fee based on the energy discharged each month (note 3).

28 . EVENTS AFTER END OF THE REPORTING PERIOD

(a) Declaration and Payment of Dividend

After the end of the reporting period and before these Financial Statements were authorized for issuance, the Board of Directors of the Company had declared the following quarterly cash distributions:

			Amount	
Declaration date	Record date	Payment date	Per share	Total
January 8, 2025	January 29, 2025	February 19, 2025	$ 0.01	$ 433,768
April 9, 2025	April 30, 2025	May 21, 2025	0.01	$ 433,768
		Total		$ 867,536

(b) Revolve Windriver repayment

In January 2025, Revolve made an early repayment of the three-year $4,000,000 Revolve Windriver Loan including the outstanding interest. The Company will receive a gross revenue royalty of 1% of the project revenue amount as defined in the Revolve Windriver Royalty agreement, increased from gross revenue royalty of 0.5% due to early repayment.

(c) Revolve Cascade Letter of Intent

In April 2025, the Company entered into a letter of intent for a secured loan (the "Revolve Cascade Loan") with Revolve Renewable Power Corp. to support Revolve's proposed acquisition (the "Revolve Cascade Proposed Acquisition") of an operating wind energy project in the United States (the "Revolve Cascade Project"), which consists of wind turbines generating revenue through a power purchase agreement with a regional utility.

As of the date of issuance of these Financial Statements, the closing of the Revolve Cascade Loan was subject to several closing conditions including the completion of the Revolve Cascade Proposed Acquisition. The Revolve Cascade Loan will have a term of 24 months and bear interest at 12% on drawn funds, with interest payable on a quarterly basis during the term. The Company will also receive a royalty of 5% on gross revenues generated by the Revolve Cascade Project for its remaining life.