RE ROYALTIES LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2026 AND 2025

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE TO READER

In accordance with National Instrument 51-102 subsection 4.3 (3), management of the Company advises that the Company's auditors have not performed a review of these interim financial statements.

RE Royalties Ltd.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited – Expressed in Canadian Dollars)

	Note		June 30, 2026		December 31, 2025
ASSETS					
Non-current assets					
Secured loans and royalty interests	5	$	11,180,597	$	13,577,204
Property, plant and equipment	6		2,811,011		2,929,866
Intangible assets	7		615,077		649,350
Deferred transaction costs			133,685		131,305
Derivative financial asset and marketable securities	8		54,611		113,334
Right-of-use asset			–		6,462
			14,794,981		17,407,521
Current assets					
Secured loans and royalty interests	5		11,066,556		9,050,041
Amounts receivable and prepaid expenses	9		1,716,523		909,766
Interest reserve account	10		1,459,195		1,461,185
Income taxes recoverable			57,734		55,900
Cash and cash equivalents, including restricted cash	4		1,836,243		2,745,954
			16,136,251		14,222,846
TOTAL ASSETS		$	30,931,232	$	31,630,367
Deficiency					
Share capital	12	$	30,455,182	$	30,455,182
Reserves	12(b)		3,252,847		2,962,926
Accumulated deficit			(40,589,924)		(39,282,404)
Deficiency attributable to owners of the Company			(6,881,895)		(5,864,296)
Non-controlling interests			1,997,428		1,756,525
Total Deficiency			(4,884,467)		(4,107,771)
LIABILITIES					
Non-current liabilities					
Green bonds	10		24,102,185		23,766,890
Decommissioning liabilities	11		268,245		264,521
			24,370,430		24,031,411
Current liabilities					
Green bonds	10		10,748,942		10,830,677
Lease liability			–		6,511
Cash-settled share-based payment liability			5,999		2,740
Distribution payable	12(c)		–		435,220
Advance received against royalty buyout	18(c)		300,000		–
Trade payables and accrued liabilities			390,328		431,579
			11,445,269		11,706,727
Total liabilities			35,815,699		35,738,138
TOTAL EQUITY AND LIABILITIES		$	30,931,232	$	31,630,367

Nature of operations (note 1)

Events after the reporting period (note 9 and 18)

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

These condensed consolidated interim financial statements are approved for issuance by the Audit and Risk Committee of the Company's Board of Directors on August 31, 2026 and are signed on the Company's behalf by the following:

/s/ Bernard Tan

Bernard Tan
Director

/s/ Rene Carrier

Rene Carrier
Director

RE Royalties Ltd.

Condensed Consolidated Interim Statements of Net Income (Loss) and Comprehensive Income (Loss)

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

		Three months ended June 30,		Six months ended June 30,	
	Note	**2026**	**2025**	**2026**	**2025**
Revenue and income					
Royalty revenue		$ 640,511	$ 441,894	$ 875,250	$ 622,379
Finance income		801,232	1,048,254	1,488,074	2,417,325
Energy revenue		443,281	394,463	444,066	572,806
		1,885,024	1,884,611	2,807,390	3,612,510
Cost of sales					
Operating expenses – BESS and solar					
Amortization and depreciation		(76,564)	(156,021)	(153,128)	(312,042)
Other operating expenses		(121,305)	(193,173)	(239,574)	(277,548)
Depletion of royalty interests	5	(89,324)	(201,824)	(178,602)	(288,893)
		(287,193)	(551,018)	(571,304)	(878,483)
Gross profit		1,597,831	1,333,593	2,236,086	2,734,027
Loss on revaluation of derivative financial asset/marketable securities		(42,778)	(5,000)	(58,723)	(5,000)
Gain on revaluation of other financial asset at FVTPL		19,210	22,304	31,472	34,705
Gross profit, changes in fair value of financial assets		1,574,263	1,350,897	2,208,835	2,763,732
Expenses					
Salaries and benefits		309,196	335,930	642,355	650,933
Administration		74,884	128,208	143,944	291,602
Marketing and stakeholder communication		121,350	109,017	221,465	162,188
Audit and audit related		97,646	225,538	292,937	315,400
Consulting – financing		–	20,000	–	20,000
Consulting – other		145,452	69,918	204,903	112,308
Regulatory and transfer agency		14,034	17,373	29,819	66,168
Office lease and information technology		22,761	31,171	31,966	44,577
Legal		23,386	24,481	36,553	30,441
Donation		–	25,000		25,000
Equity-settled share-based payments	12(b)	75,422	9,861	186,195	19,723
Change in fair value of cash-settled share-based payments	12(b)	(747)	(49)	3,259	122
Depreciation of right-of-use asset		1,592	4,869	6,462	9,739
		(884,976)	(1,001,317)	(1,799,858)	(1,748,201)
Other items					
Finance expenses		909,528	1,181,075	1,813,474	2,289,410
Foreign exchange loss (gain)		160,423	(311,371)	245,092	(308,942)
Recovery of expected credit loss	9	(615,945)	–	(641,196)	–
		(454,006)	(869,704)	(1,417,370)	(1,980,468)
Net income (loss) before income tax		$ 235,281	$ (520,124)	$ (1,008,393)	$ (964,937)
Income tax expense					
Current income tax expense		22,658	43,570	44,726	77,955
		(22,658)	(43,570)	(44,726)	(77,955)
Net income (loss) after income tax		$ 212,623	$ (563,694)	$ (1,053,119)	$ (1,042,892)
Other comprehensive income (loss)					
Items that may be subsequently reclassified to net income					
Foreign exchange translation difference		107,381	(646,837)	168,966	(644,884)
Total other comprehensive income (loss)		107,381	(646,837)	168,966	(644,884)
Total comprehensive income (loss)		$ 320,004	$ (1,210,531)	$ (884,153)	$ (1,687,776)
Net income (loss) after income tax attributable to:					
Owners of the Company		87,930	(713,345)	(1,307,520)	(1,349,304)
Non-controlling interests		124,693	149,651	254,401	306,412
		212,623	(563,694)	(1,053,119)	(1,042,892)
Total comprehensive income (loss) attributable to:					
Owners of the Company		155,652	(1,253,029)	(1,203,794)	(1,887,096)
Non-controlling interests		164,352	42,498	319,641	199,320
		320,004	(1,210,531)	(884,153)	(1,687,776)
Basic and diluted income (loss) per share attributable to shareholders of the Company	14	$ 0.00	$ (0.02)	$ (0.03)	$ (0.03)
Weighted average number of common shares outstanding	14	43,521,967	43,296,927	43,521,967	43,532,804

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

RE Royalties Ltd.

Condensed Consolidated Interim Statements of Changes in Equity (Deficiency)

(Unaudited – 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 (deficiency) attributable to shareholders of the Company**	**Non-controlling interests**	**Total equity (deficiency)**
Balance at January 1, 2025		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
Net (loss) income for the period		–	–	–	–	–	–	(1,349,304)	(1,349,304)	306,412	(1,042,892)
Other comprehensive loss for the period		–	–	–	–	–	(537,792)	–	(537,792)	(107,092)	(644,884)
Total comprehensive (loss) income for the period		–	–	–	–	–	(537,792)	(1,349,304)	(1,887,096)	199,320	(1,687,776)
Distribution to shareholders	12(c)	–	–	–	–	–	–	(867,536)	(867,536)	–	(867,536)
Equity-settled share-based payments	12(b)	–	–	19,723	–	–	–	–	19,723	–	19,723
Distribution to non-controlling interests - OCEP		–	–	–	–	–	–	–	–	(53,303)	(53,303)
Balance at June 30, 2025		43,376,804	30,418,381	1,794,263	648,913	87,000	405,645	(30,889,551)	2,464,651	1,945,518	4,410,169
Balance at January 1, 2026		43,521,967	$30,455,182	$ 1,768,047	$ 648,913	$ 87,000	$ 458,966	$ (39,282,404)	$ (5,864,296)	$ 1,756,525	$ (4,107,771)
Net (loss) income for the period		–	–	–	–	–	–	(1,307,520)	(1,307,520)	254,401	(1,053,119)
Other comprehensive income for the period		–	–	–	–	–	103,726	–	103,726	65,240	168,966
Total comprehensive (loss) income for the period		–	–	–	–	–	103,726	(1,307,520)	(1,203,794)	319,641	(884,153)
Equity-settled share-based payments	12(b)	–	–	186,195	–	–	–	–	186,195	–	186,195
Distribution to non-controlling interests - OCEP		–	–	–	–	–	–	–	–	(78,738)	(78,738)
Balance at June 30, 2026		43,521,967	$30,455,182	$ 1,954,242	$ 648,913	$ 87,000	$ 562,692	$ (40,589,924)	$ (6,881,895)	$ 1,997,428	$ (4,884,467)

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

RE Royalties Ltd.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited – Expressed in Canadian Dollars)

	Note	Six months ended June 30, 2026	2025
Operating activities			
Net loss		$ (1,053,119)	$ (1,042,892)
Adjustments for:			
Depreciation, depletion, and amortization		338,192	610,674
Finance income for the period, in excess of interest received		(213,521)	–
Interest received in excess of finance income for the period		–	156,081
Gain on revaluation of financial asset at FVTPL		(31,472)	(34,705)
Loss on revaluation of derivative financial asset/marketable securities		58,723	5,000
Finance expenses		1,813,474	2,289,410
Equity-settled share-based payments		186,195	19,723
Change in fair value of cash-settled share-based payments		3,259	122
Recovery of expected credit loss		(641,196)	–
Unrealized foreign exchange loss (gain)		249,560	(735,990)
Changes in working capital items:			
Amounts receivable and prepaid expenses		(165,556)	(110,567)
Income taxes recoverable		(1,834)	17,396
Interest reserve account		10,467	(315,592)
Income tax payable		–	6,744
Trade payables and accrued liabilities		(41,251)	(760,190)
Cash generated by operating activities		511,921	105,214
Investing activities			
Acquisition of royalty interests and secured loans	5	(1,104,160)	(11,430,193)
Proceeds from repayment of secured loan		1,685,008	4,102,870
Advance received against royalty buyout		300,000	–
Deferred transaction costs, net of recoveries		(2,380)	2,992
Cash provided by (used in) investing activities		878,468	(7,324,331)
Financing activities			
Repayment of Series 1 Green Bonds		(364,000)	–
Cash distribution to shareholders	12(c)	(435,220)	(867,536)
Distributions to non-controlling interests – OCEP		(78,738)	(53,303)
Interest on Green Bonds paid		(1,441,141)	(1,747,423)
Other finance expenses paid		(7,352)	(100,000)
Lease payments		(6,557)	(12,793)
Cash used in financing activities		(2,333,008)	(2,781,055)
Decrease in cash and cash equivalents		(942,619)	(10,000,172)
Effects of exchange rate fluctuations on cash held		32,908	(5,291)
Cash and cash equivalents, opening balance		2,745,954	16,547,940
Cash and cash equivalents, closing balance		$ 1,836,243	$ 6,542,477

Supplemental cash flow information (note 4)

The accompanying notes are an integral part of these condensed consolidated interim 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 OTCQB under the trading symbol "RROYF". In September 2025, the Company obtained a listing of its common shares on the Frankfurt Stock Exchange under the trading symbol "Y2V". 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 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 Financial Statements are prepared on the basis that the Company will continue as a going concern which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. During the six months ended June 30, 2026, the Company recorded a net loss of $1,053,119 (for the three months ended June 30, 2025: $1,042,892). At June 30, 2026, the Company's shareholders' equity was negative $6.9 million (December 31, 2025 - $5.9 million), and the Company had working capital of $4.7 million (December 31, 2025 -$2.5 million). There can be no assurances that the Company will be successful in obtaining additional financing when required. If the Company is unable to raise the necessary equity and/or debt capital and generate sufficient revenue and income, the Company may, at some point, consider curtailing its operations, or liquidating certain of its assets. As such, there is a material uncertainty that raises substantial doubt about the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements (the "Financial Statements") are comprised of RER and its subsidiaries (note 2(c)) (together referred to as the "Company" or the "Group") and are prepared for the three and six months ended June 30, 2026 and 2025. RE Royalties Ltd. is the ultimate legal parent entity in the Company.

2 . MATERIAL ACCOUNTING POLICY INFORMATION

(a) Statement of compliance

These Financial Statements have been prepared on a going concern basis in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). These Financial Statements do not include all of the information and footnotes required by IFRS Accounting Standards ("IFRS") for complete financial statements for year-end reporting purposes.

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

These Financial Statements should be read in conjunction with the Company's consolidated financial statements as at and for the year ended December 31, 2025. Accounting policies applied herein are the same as those applied in the Company's annual financial statements.

Results for the current reporting period are not necessarily indicative of future results. The Company earns royalty revenue from several renewable power generation sources, which exhibit seasonal behaviors individually but tend to counterbalance each other in a well-diversified portfolio. For instance, wind power generation is stronger in winter than in summer. The opposite is true for solar power generation.

(b) Restatement of prior year's comparatives

At November 1, 2024, the Company provisionally completed the purchase price allocation upon acquisition of SPOBOC (note 3(a)) and SPOSOC (note 3(b)). Subsequent to the finalization of the Company's consolidated financial statements for the year ended December 31, 2024, the Company hired an independent appraiser to ascertain the value of equipment to finalize the purchase price allocation as of the acquisition date, and restated its consolidated statement of financial position as at December 31, 2024 to reflect the revised purchase price allocation.

The effects of the restatement on the individual line items within the Company's consolidated statement of financial position as at December 31, 2024:

	Note	Property, plant and equipment	Intangible assets
Cost, as previously reported		$ 2,455,859	$ 3,623,000
Reallocation due to revision to purchase price allocation			
SPOBOC	3(a)	1,377,000	(1,377,000)
SPOSOC	3(b)	(273,734)	273,734
As restated, cost		3,559,125	2,519,734
Amortization, as previously reported		24,709	79,304
Revision to amortization and depreciation due to the reallocation above		23,787	(23,787)
		48,496	55,517
As restated, net carrying value as at December 31, 2024		$ 3,510,629	$ 2,464,217

The effects of the restatement on the individual line items within the Company's consolidated statement of financial position as at June 30, 2025:

	Note	Property, plant and equipment	Intangible assets
Cost, as previously reported		$ 2,455,859	$ 3,623,000
Reallocation due to revision to purchase price allocation			
SPOBOC	3(a)	1,377,000	(1,377,000)
SPOSOC	3(b)	(273,734)	273,734
As restated, cost		3,559,125	2,519,734
Accumulated amortization, as previously reported		98,837	317,218
Revision to amortization and depreciation due to the reallocation above		76,853	(76,853)
		175,690	240,365
As restated, net carrying value as at June 30, 2025:		$ 3,383,435	$ 2,279,369

(c) 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) 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 USA Inc.	Delaware, USA	Acquisition of royalties in renewable projects	100.00%
FP OCEP Invest LLC	Delaware, USA	Holds the OCEP Loan	96.68%
FP Puerto Rico Invest, LLC	Delaware, USA	Holds the 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.

(d) Significant accounting estimates and judgements

In preparing these Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expense. Actual results may differ from these estimates.

There was no change in the use of estimates and judgments during the current period as compared to those described in Note 2 in the Company's consolidated financial statements for the year ended December 31, 2025.

3. BUSINESS COMBINATIONS

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

The Company's acquisition of SPOBOC, pursuant the Switch Loan settlement, in November 2024 was 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)	$ 3,797,127

	As originally reported	Adjustments note 3(c)	As revised
Recognised amounts of identifiable net assets:			
Property, plant and equipment – Battery	$ 1,561,080	$ 1,377,000	$ 2,938,080
Intangible assets – contracts with clients	3,177,000	(1,377,000)	1,800,000
Amounts receivable and prepaid expenses	768,759	–	768,759
Trade payables	(473,889)	–	(473,889)
Loan payable	(385,117)	–	(385,117)
Government grant payable	(170,350)	–	(170,350)
Deferred government grants	(570,000)	–	(570,000)
Decommissioning liabilities	(110,356)	–	(110,356)
Net identifiable assets and liabilities	$ 3,797,127	$ –	$ 3,797,127

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

The Company's acquisition of SPOSOC, pursuant the Switch Solar Loan settlement, in November 2024 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)	$ 1,197,862

	As originally reported	Adjustments note 3(c)	As revised
Recognised amounts of identifiable net assets:			
Property, plant and equipment – Solar	$ 894,779	$ (273,734)	$ 621,045
Intangible assets – contract with client	446,000	273,734	719,734
Amounts receivable	44,926	–	44,926
Trade payables	(12,172)	–	(12,172)
Decommissioning liabilities	(175,671)	–	(175,671)
Net identifiable assets and liabilities	$ 1,197,862	$ –	$ 1,197,862

(c) *Finalization of purchase price allocation*

In the Company's Consolidated Financial Statements for the year ended December 31, 2024, the fair value estimate of equipment of SPOBOC and SPOSOC was provisionally completed, whereas the fair value estimate of all other assets and liabilities was finalized. Subsequent to the issuance of the Company's consolidated financial statements for the year ended December 31, 2024, the Company hired an independent appraiser to ascertain the value of equipment to finalize the purchase price allocation as of the acquisition date, and restated its consolidated statement of financial position as at December 31, 2024 to reflect the revised purchase price allocation (note 2(b)).

4. CASH AND CASH EQUIVALENTS, INCLUDING RESTRICTED CASH

	Note	June 30, 2026	December 31, 2025
Components of cash and cash equivalents and restricted cash:			
Cash held in business accounts			
Denominated in Canadian Dollars		$ 836,400	$ 2,454,446
Denominated in US Dollars		999,843	291,508
Total		$ 1,836,243	$ 2,745,954

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

Cash and cash equivalents and restricted cash subject to restrictions on use by the Company:		
Cash held as collateral against a letter of credit	$ –	$ 1,575,000
Net proceeds from the Green Bonds pending deployment (i)	1,836,243	1,170,954
	$ 1,836,243	$ 2,745,954

(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.

5 . SECURED LOANS AND ROYALTY INTERESTS

	Note	June 30, 2026	December 31, 2025
Secured Loans – Amortized Cost			
OCEP		$ 5,204,840	$ 5,731,166
Delta		3,515,918	3,515,918
CleanLight		3,328,692	3,328,692
Clean Communities	18(b)	1,303,444	1,556,655
Abraxas		1,377,808	1,338,958
Alpin Sun Sol Aurora		294,033	577,198
Clear Blue Technologies		284,982	358,544
Solar High Yields		3,162,248	3,051,820
Revolve consolidated	18(b)	2,370,162	2,676,806
		20,842,127	22,135,757
Allowance for lifetime expected losses due to credit impairment (stage 3 ECL)		(8,164,623)	(8,121,136)
Total secured loans at amortized cost, net of allowance(s) for expected credit losses		12,677,504	14,014,621
Secured Loans – FVTPL			
Aeolis Wind Power Corporation	15(e)	855,582	824,115
Royalty Interests			
Northland Power Inc.		949,021	1,014,471
OntarioCo		200,255	208,753
Scotian Windfields	18(c)	983,165	1,031,123
Revolve CBS Mexico		56,664	60,823
Revolve Cancun		58,941	63,138
AlbertaCo		684,567	724,847
Clean Communities		126,250	129,806
Revolve Windriver		236,835	240,479
Revolve Rooftop Solar		22,375	23,235
Abraxas		33,591	33,591
Solar High Yields		117,642	117,642
Clear Blue Technologies		1	1
Solaris Energy	18(a)	5,244,760	4,140,600
		8,714,067	7,788,509
Total		$ 22,247,153	$ 22,627,245
Non-current portion		$ 11,180,597	$ 13,577,204
Current portion		11,066,556	9,050,041
Total		$ 22,247,153	$ 22,627,245

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

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

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

For the six months ended June 30, 2026	Note	Beginning balance	Credit losses for the period	Write-off during the period	Revaluation difference	Ending balance
OCEP		$ 1,276,526	$ –	$ –	$ 43,487	$ 1,320,013
Delta		3,515,918	–	–	–	3,515,918
CleanLight		3,329,221	–	–	(529)	3,328,692
Total		$ 8,121,665	$ –	$ –	$ 42,958	$ 8,164,623

For the six months ended June 30, 2025	Note	Beginning balance	Credit losses for the period	Write-off during the period	Revaluation difference	Ending balance
FuseForward Solutions		$ 3,551,279	$ –	$ –	$ –	$ 3,551,279
OCEP		923,348	–	–	(49,771)	873,577
Delta		1,362,654	–	–	(73,436)	1,289,218
CleanLight		1,901,221	–	–	(102,429)	1,798,792
Total		$ 7,738,502	$ –	$ –	$ (225,636)	$ 7,512,866

The continuity schedules for secured loans at amortized cost are as follows:

Secured Loans - Amortized Cost

For the six months ended June 30, 2026

	Balance as at January 1, 2026	Fair value at initial recognition	Transaction costs	Accretion and accrued interest	Cash payments received	Foreign currency revaluation adjustment	Gross Carrying amount at June 30, 2026	Expected lifetime credit losses - Stage 3	Net Carrying amount at June 30, 2026
OCEP	$ 5,731,166	$ –	$ –	$ 568,105	$ (1,272,288)	$ 177,857	$ 5,204,840	$ (1,320,013)	$ 3,884,827
Delta	3,515,918	–	–	–	–	–	3,515,918	(3,515,918)	–
CleanLight	3,328,692	–	–	–	–	–	3,328,692	(3,328,692)	–
Clean Communities	1,556,655	–	–	312,666	(565,877)	–	1,303,444	–	1,303,444
Abraxas	1,338,958	–	–	106,087	(67,237)	–	1,377,808	–	1,377,808
Solar High Yields	3,051,820	–	–	196,219	(85,791)	–	3,162,248	–	3,162,248
Alpin Sun Sol Aurora	577,198	–	–	66,835	(350,000)	–	294,033	–	294,033
Clear Blue Technologies	358,544	–	–	43,537	(117,099)	–	284,982	–	284,982
Revolve Consolidated	2,676,806	–	–	160,590	(467,234)	–	2,370,162	–	2,370,162
Total	$ 22,135,757	$ –	$ –	$ 1,454,039	$ (2,925,526)	$ 177,857	$ 20,842,127	$ (8,164,623)	$ 12,677,504

For the six months ended June 30, 2025

	Balance as at January 1, 2025	Fair value at initial recognition	Transaction costs	Accretion and accrued interest	Cash payments received	Foreign currency revaluation adjustment	Gross Carrying amount at June 30, 2025	Expected lifetime credit losses - Stage 3	Net Carrying amount at June 30, 2025
FuseForward Solutions	3,551,279	–	–	–	–	–	3,551,279	(3,551,279)	–
OCEP	6,309,922	–	–	684,253	(721,376)	(360,382)	5,912,417	(873,577)	5,038,840
Revolve	1,652,812	–	–	100,220	(361,752)	–	1,391,280	–	1,391,280
Revolve Cancun	1,539,526	–	–	105,789	(358,079)	–	1,287,236	–	1,287,236
Delta	3,684,353	–	–	–	–	(198,578)	3,485,775	(1,289,218)	2,196,557
Cleanlight	3,369,511	–	–	69,769	–	(184,248)	3,255,032	(1,798,792)	1,456,240
Clean Communities	1,701,446	–	–	152,891	(300,000)	–	1,554,337	–	1,554,337
Revolve Windriver	4,024,324	–	–	230,075	(4,254,399)	–	–	–	–
Revolve Rooftop Solar	412,214	–	–	66,913	(66,367)	–	412,760	–	412,760
Abraxas	1,026,324	–	–	73,552	–	–	1,099,876	–	1,099,876
Solar High Yields	2,973,617	–	–	234,086	(113,951)	–	3,093,752	–	3,093,752
Alpin Sun	154,443	–	–	388,871	(204,735)	–	338,579	–	338,579
Clear Blue Technologies	–	323,889	2,992	15,289	–	–	342,170	–	342,170
Total	$ 30,399,771	$ 323,889	$ 2,992	$ 2,121,708	$ (6,380,659)	$ (743,208)	$ 25,724,493	$ (7,512,866)	$ 18,211,627

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

The continuity schedules for royalty interests are as follows:

Royalty Interests	Cost			Depletion / Impairment			
	Beginning Balance	Additions/ (disposal)	Ending Balance	Beginning Balance	Depletion for the period	Ending Balance	Carrying Amount
Six months ended June 30, 2026							
Northland Power Inc.	$ 1,871,864	$ –	$ 1,871,864	$ 857,393	$ 65,450	$ 922,843	$ 949,021
OntarioCo	316,559	–	316,559	107,806	8,498	116,304	200,255
Scotian Windfields	1,598,626	–	1,598,626	567,503	47,958	615,461	983,165
Revolve	85,624	–	85,624	24,801	4,159	28,960	56,664
Revolve Cancun	84,010	–	84,010	20,872	4,197	25,069	58,941
AlbertaCo	939,669	–	939,669	214,822	40,280	255,102	684,567
Clean Communities	133,362	–	133,362	3,556	3,556	7,112	126,250
Revolve Windriver	253,232	–	253,232	12,753	3,644	16,397	236,835
Revolve Rooftop Solar	24,956	–	24,956	1,721	860	2,581	22,375
Abraxas	33,591	–	33,591	–	–	–	33,591
Solar High Yields	117,642	–	117,642	–	–	–	117,642
Clear Blue Technologies	1	–	1	–	–	–	1
Solaris Energy (i)	4,140,600	1,104,160	5,244,760	–	–	–	5,244,760
Total	$ 9,599,736	$ 1,104,160	$ 10,703,896	$ 1,811,227	$ 178,602	$ 1,989,829	$ 8,714,067
Six months ended June 30, 2025							
Northland Power Inc.	$ 1,871,864	$ –	$ 1,871,864	$ 726,493	$ 65,450	$ 791,943	$ 1,079,921
OntarioCo	316,559	–	316,559	90,810	8,498	99,308	217,251
Scotian Windfields	1,598,626	–	1,598,626	471,587	47,958	519,545	1,079,081
NOMAD	932,665	–	932,665	328,506	113,847	442,353	490,312
Revolve	85,624	–	85,624	16,411	4,162	20,572	65,052
Revolve Cancun	84,010	–	84,010	12,407	4,197	16,604	67,406
AlbertaCo	939,669	–	939,669	134,265	40,277	174,542	765,127
Clean Communities	133,362	–	133,362	–	–	–	133,362
Revolve Windriver	253,232	–	253,232	5,466	3,643	9,109	244,123
Revolve Rooftop Solar	24,956	–	24,956	–	861	861	24,095
Abraxas	28,345	–	28,345	–	–	–	28,345
Solar High Yields	72,456	–	72,456	–	–	–	72,456
Clear Blue Technologies	–	1	1	–	–	–	1
Total	$ 6,341,368	$ 1	$ 6,341,369	$ 1,785,945	$ 288,893	$ 2,074,837	$ 4,266,532

6. PROPERTY, PLANT AND EQUIPMENT

Equipment

	Solar	Battery	Total
Cost			
As at January 1, 2026	$ 621,045	$ 2,938,080	$ 3,559,125
Additions	–	–	–
Balance at June 30, 2026	$ 621,045	$ 2,938,080	$ 3,559,125
Accumulated Depreciation and Impairment			
As at January 1, 2026	$ 32,705	$ 596,554	$ 629,259
Depreciation	15,924	102,931	118,855
Balance at June 30, 2026	$ 48,629	$ 699,485	$ 748,114
Carrying value			
As at June 30, 2026	$ 572,416	$ 2,238,595	$ 2,811,011

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

	Note		Solar		Battery		Total
Cost							
As at January 1, 2025 – Restated	2(b)	$	621,045	$	2,938,080	$	3,559,125
Additions			–		–		–
Balance at June 30, 2025	3	$	621,045	$	2,938,080	$	3,559,125
Accumulated Depreciation and Impairment							
As at January 1, 2025 – Restated	2(b)	$	4,672	$	43,824	$	48,496
Depreciation – Restated	2(b)		13,466		113,728		127,194
Balance at June 30, 2025		$	18,138	$	157,552	$	175,690
Carrying value							
As at June 30, 2025	2(b)	$	602,907	$	2,780,528	$	3,383,435

7 . INTANGIBLE ASSETS

		Solar		Battery		Total
Cost						
As at January 1, 2026	$	719,734	$	1,800,000	$	2,519,734
Additions		–		–		–
Balance at June 30, 2026	$	719,734	$	1,800,000	$	2,519,734
Accumulated Amortization and Impairment						
As at January 1, 2026	$	70,384	$	1,800,000	$	1,870,384
Amortization		34,273		–		34,273
Balance at June 30, 2026	$	104,657	$	1,800,000	$	1,904,657
Carrying value						
As at June 30, 2026	$	615,077	$	–	$	615,077

	Note		Solar		Battery		Total
Cost							
As at January 1, 2025 – Restated	2(b)	$	719,734	$	1,800,000	$	2,519,734
Additions			–		–		–
Balance at June 30, 2025		$	719,734	$	1,800,000	$	2,519,734
Accumulated Amortization and Impairment							
As at January 1, 2025	2(b)	$	10,055	$	45,462	$	55,517
Amortization – Restated	2(b)		28,982		155,866		184,848
Balance at June 30, 2025		$	39,037	$	201,328	$	240,365
Carrying value							
As at June 30, 2025	2(b)	$	680,697	$	1,598,672	$	2,279,369

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

8 . DERIVATIVE FINANCIAL ASSET AND MARKETABLE SECURITIES

Continuity of derivative financial asset and marketable securities	Six months ended June 30, 2026	Year ended December 31, 2025
Beginning Balance	$ 113,334	$ 1
Initial recognition of the Clear Blue Units (i)	–	176,111
Loss on revaluation of derivative financial asset	(58,723)	(62,778)
Ending Balance (ii)	$ 54,611	$ 113,334

(i) At initial recognition, the fair value of the Clear Blue shares was determined using the market price of the shares as of the grant date and the fair value of the Clear Blue warrants was determined using the Black-Scholes Option Valuation model and the following assumptions: risk-free interest rate of 2.58%; expected annual volatility of 166%; exercise price of $0.30; market price of $0.08; and time to expiry of 2 years.

(ii) At June 30, 2026, the fair value of the Clear Blue shares was determined using the market price of the shares and the fair value of the Clear Blue warrants was determined using the Black-Scholes Option Valuation model and the following assumptions: risk-free interest rate of 2.43%; expected annual volatility of 166%; exercise price of $0.30; market price of $0.035; and time to expiry of 0.81 years.

9 . AMOUNTS RECEIVABLE AND PREPAID EXPENSES – CURRENT

	June 30, 2026	December 31, 2025
Accrued revenue receivable - royalty revenue	$ 1,314,132	$ 966,101
Accrued revenue receivable - energy revenue	302,396	180,752
Prepaid expenses	114,758	113,476
Interest and transation cost recoverable pursuant to Revolve LOI	–	338,835
Other amounts receivable	115,078	81,638
	1,846,364	1,680,802
Expected lifetime credit losses - stage 3	(129,841)	(771,036)
Total	$ 1,716,523	$ 909,766

At December 31, 2025, the Company recorded an expected credit loss of $641,195 against the amount receivable from NOMAD with respect to accrued royalty revenue. The Company reversed the loss during the six months ended June 30, 2026, as it fully recovered the overdue amounts receivable from NOMAD after the end of the reporting period in July 2026.

10 . GREEN BONDS

In August 2020, the Company announced the inaugural offering of its 5-year green bonds ("Green Bonds"), and has issued four series of Green Bonds. The following Green Bonds were outstanding at June 30, 2026:

			No. of bonds denominated in:	
Series	Interest rate	Maturity	CAD	USD
Series-2	6% p.a.	December 2026	5,166	4,000
Series-3	9% p.a.	January 2028	16,423	1,242
Series-4	9% p.a.	August 2029	6,529	340
Total outstanding at June 30, 2026			28,118	5,582

(i) Each canadian dollar denominated Green Bond has principal amount of $1,000 per Green Bond, and each US dollar denominated Green Bond has principal amount of US$1,000 per Green Bond.

(ii) The Green Bonds are senior obligations of the Company, secured against the Company's portfolio of royalty and loan investments, and BESS and solar operating projects.

(iii) The Green Bonds were issued under a trust indenture (the "Indenture") dated August 10, 2020 with Western Pacific Trust Company, as trustee, and subsequent supplements to the Indenture.

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

Senior Secured Green Bonds	Six months ended June 30, 2026	Year ended December 31, 2025
Beginning balance	$ 34,597,567	$ 44,085,035
Repayment of Series-1 Green Bonds	(364,000)	(9,802,000)
Amortization of financing costs	356,880	876,918
Foreign exchange translation difference	260,680	(562,386)
Ending balance	$ 34,851,127	$ 34,597,567
Non-current portion	24,102,185	23,766,890
Current portion	10,748,942	10,830,677
Ending balance (i)	$ 34,851,127	$ 34,597,567
Carrying amount of the Green Bond liability by series:		
Series-1 6% Green Bonds	$ –	$ 362,128
Series-2 6% Green Bonds	10,748,942	10,468,549
Series-3 9% Green Bonds	17,576,563	17,333,303
Series-4 9% Green Bonds	6,525,622	6,433,587
Ending balance	$ 34,851,127	$ 34,597,567

(i) Includes USD-denominated Green Bonds for an aggregate principal sum of US$5,242,000 ($7,540,617) (note 15(c))

Interest reserve account

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:

	June 30, 2026	December 31, 2025
Interest reserve account	$ 1,459,195	$ 1,461,185

11 . 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 3.23% and an inflation factor of 2% (December 31, 2025: discount rate of 3.85% and an inflation factor of 2%). As at June 30, 2026, the undiscounted estimated reclamation costs of SPOBOC and SPOSOC are approximately $127,275 (December 31, 2025: $127,275) and $209,755 (December 31, 2025: $209,755), respectively. The aggregate carrying amount of the obligation is:

	June 30, 2026	December 31, 2025
Beginning balance	$ 264,521	$ 294,659
Accretion and remeasurement	3,724	(30,138)
Ending balance	$ 268,245	$ 264,521

12 . SHARE CAPITAL AND RESERVES

(a) 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.

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

(b) Reserves

		June 30, 2026		June 30, 2025
Share-based payment reserve	$	1,954,242	$	1,768,047
Share warrants reserve		648,913		648,913
Other reserves		87,000		87,000
Foreign currency translation reserve		562,692		458,966
Total reserves	$	3,252,847	$	2,962,926

Share-based payment expense

	Six months ended June 30,			
		2026		2025
Expense arising from equity-settled share-based payment transactions				
Share purchase options	$	114,455	$	–
Restricted Share Units ("RSUs")		71,740		19,723
		186,195		19,723
Changes in the fair value of cash-settled share-based awards		3,259		122
Total	$	189,454	$	19,845

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

Continuity of share purchase options:	Six months ended June 30, 2026			Six months ended June 30, 2025		
	Number of Options		Weighted average exercise price	Number of Options		Weighted average exercise price
Outstanding Options – beginning balance	2,030,000	$	1.00	2,030,000	$	1.00
Granted during the period	1,195,000	$	0.30	–	$	–
Expired	(2,030,000)	$	1.00	–	$	–
Outstanding Options – ending balance	1,195,000	$	0.30	2,030,000	$	1.00
Options Exercisable – ending balance	398,333	$	0.30	1,502,000	$	1.13

Remaining contractual life of the Company's common share purchase options:	June 30, 2026		December 31, 2025	
Exercise price	Number of Options	Weighted average remaining contractual life (years)	Number of Options	Weighted average remaining contractual life (years)
$ 1.32	–	–	1,070,000	0.13
$ 0.65	–	–	960,000	0.33
$ 0.30	1,195,000	2.80	–	–
	1,195,000	2.80	2,030,000	0.22

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

Deferred share units and restricted share units

Continuity of DSUs and RSUs:	Six months ended June 30, 2026		Six months ended June 30, 2025	
	DSUs	RSUs	DSUs	RSUs
Outstanding at the beginning of the period	153,334	–	180,501	157,000
Granted during the period (i)	–	800,000	–	–
Outstanding at the end of the period	153,334	800,000	180,501	157,000
Units vested – ending balance	153,334	–	180,501	–

(i) The grant date fair value for these RSUs was $0.29 per unit.

Share purchase warrant reserve

The continuity of the Company's share purchase warrants for the six months ended June 30, 2026 is as follows:

Expiry date		Exercise price	January 1, 2026	Warrants issued	Warrants exercised	Warrants expired	June 30, 2026
Sunday, August 29, 2027	$	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
			473,830	–	–	–	473,830

The continuity of the Company's share purchase warrants for the six months ended June 30, 2025 is as follows:

Expiry date		Exercise price	January 1, 2025	Warrants issued	Warrants exercised	Warrants expired	June 30, 2025
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
Sunday, August 29, 2027	$	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
			1,298,196	–	–	–	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 10), 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 10), 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.

(c) Distribution to shareholders

No dividend was declared during the six months ended June 30, 2026. During six months ended 2025, the Company's declared the following cash distributions to its shareholders:

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

			Amount	
Declaration date	Record date	Payment date	Per share	Total
Six months ended June 30, 2025				
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
				$ 867,536

In December 2025, the Company's Board of Directors declared a cash distribution for the total amount of $435,220 to its shareholders, which distribution was paid in January 2026.

13 . RELATED PARTY TRANSACTIONS

Key management personnel ("KMP") are those persons, including its directors and executive officers, that have the authority and responsibility for planning, directing and controlling the activities of the Company. Transactions with KMP were as follows:

Remuneration for services rendered	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Short-term employment benefits (i)	$ 74,227	$ 128,982	$ 163,309	$ 256,900
Equity-settled share-based compensation	22,400	1,507	64,100	3,015
Cash-settled share-based compensation	(747)	(49)	3,259	122
Total	$ 95,880	$ 130,440	$ 230,668	$ 260,037

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

14 . BASIC AND DILUTED INCOME (LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares that were outstanding during the period. Diluted loss per share does not adjust loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. For purposes of the calculation of diluted loss per share for the six months ended June 30, 2026 and June 30, 2025, the share purchase options, DSUs, RSUs, and warrants were excluded from the calculation of diluted loss per share as they were anti-dilutive.

15 . 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:

(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.

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

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 June 30, 2026. The gross carrying value of the financial asset best represents the maximum exposure to credit risk at the reporting date:

June 30, 2026	ECL Stage	Gross Carrying Value	Allowance for Credit Loss	Net Carrying Value
Secured loans				
Cleanlight	3	$ 3,328,692	$ (3,328,692)	$ –
OCEP	3	5,204,840	(1,320,013)	3,884,827
Delta	3	3,515,918	(3,515,918)	–
		12,049,450	(8,164,623)	3,884,827
Amounts receivable				
Cleanlight	3	129,841	(129,841)	–
		129,841	(129,841)	–
		12,179,291	(8,294,464)	3,884,827
Secured loans, under Stage 3 as mentioned above (i)	1	8,792,677	–	8,792,677
Total		$ 20,971,968	$ (8,294,464)	$ 12,677,504

(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.

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, 2025. The gross carrying value of the financial asset best represents the maximum exposure to credit risk at the reporting date:

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

December 31, 2025	ECL Stage	Gross Carrying Value	Allowance for Credit Loss	Net Carrying Value
Secured loans				
Cleanlight	3	$ 3,328,692	$ (3,328,692)	$ –
OCEP	3	5,731,166	(1,276,526)	4,454,640
Delta	3	3,515,918	(3,515,918)	–
		12,575,776	(8,121,136)	4,454,640
Amounts receivable				
NOMAD	3	641,195	(641,195)	–
Cleanlight	3	129,841	(129,841)	–
		771,036	(771,036)	–
		13,346,812	(8,892,172)	4,454,640
Secured loans, under Stage 3 as mentioned	1	9,559,981	–	9,559,981
Total		$ 22,906,793	$ (8,892,172)	$ 14,014,621

(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 and other liabilities are comprised of the following:

As of June 30, 2026		Contractual Cash Flows (i)			
	Carrying Amount	Total	Less than 12 months	Between 1 - 3 years	Between 4 - 5 years
Green Bonds (ii)					
Principal sum	$ 34,851,127	$ 36,041,091	$ 10,843,600	$ 25,197,491	$ –
Interest payments		4,925,624	2,593,973	2,331,651	–
	34,851,127	40,966,715	13,437,573	27,529,142	–
Trade payables and accrued liabilities	390,328	390,328	390,328	–	–
	$ 35,241,455	$ 41,357,043	$ 13,827,901	$ 27,529,142	$ –

(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.

(Unaudited – 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 monetary assets and liabilities as summarized below:

		June 30, 2026		December 31, 2025	
	Note	US Dollars	Canadian Dollars	US Dollars	Canadian Dollars
Cash	4	704,412	$ 999,843	212,361	$ 291,508
Secured loans	5	2,736,950	3,884,827	3,245,166	4,454,640
		3,441,362	4,884,670	3,457,527	4,746,148
Green Bonds	10	(5,582,000)	(7,923,091)	(5,582,000)	(7,662,411)
Net exposure, including foreign operations		(2,140,638)	$ (3,038,421)	(2,124,473)	(2,916,263)
Less: Cash and Secured loans held in foreign operations		(3,392,075)	(4,814,711)	(3,422,143)	(4,697,576)
Net exposure, excluding foreign operaitons		$ (5,532,713)	$ (7,853,132)	$ (5,546,616)	$ (7,613,839)
Exchange rate as of the reporting date (Canadian Dollar per US Dollar)			$ 1.4194		$ 1.3727

	Six months ended June 30, 2026	Six months ended June 30, 2025
Average exchange rate	$1.3877	$1.4099

Sensitivity	June 30, 2026	December 31, 2025
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	$ (79,000)	$ (76,000)
Exchange income 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	$ 48,000	$ 47,000

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 difference.

(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 fixed 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 (note 15(e)). An increase of 25 basis points in discount rates will result in a decrease of approximately $10,000 in the fair value of the secured loan to Aeolis.

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.

(Unaudited – 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 of June 30, 2026

	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	$ 855,582	$ –	$ –	$ 855,582
Derivative financial asset and marketable securities	$ 54,611	$ 48,611	$ 6,000	$ –
LIABILITIES				
Cash-settled share-based payment liability	$ 5,999	$ 5,999	$ –	$ –
Total	$ 916,192	$ 54,610	$ 6,000	$ 855,582

As of December 31, 2025

	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	$ 824,115	$ –	$ –	$ 824,115
Derivative financial asset and marketable securities	$ 113,334	$ 83,334	$ 30,000	$ –
LIABILITIES				
Cash-settled share-based payment liability	$ 2,740	$ 2,740	$ –	$ –
Total	$ 940,189	$ 86,074	$ 30,000	$ 824,115

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

Aeolis Loan

The Aeolis Loan is classified as a financial asset at fair value through profit and loss (note 5). At June 30, 2026, the fair value of the Aeolis Loan was determined by discounting future cash flows using annual discount rates in the range of 6.37% - 7.84% (December 31, 2025: 6.40% - 7.93%) applicable to the term of each cash flow and average annual long term inflation rate of 3% (December 31, 2025: 3%).

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 3.0% to 3.1% would increase its fair value by approximately $2,000.

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

(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. There has been no change in management's approach since December 31, 2025.

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 (10)), respectively.

Prior to May 28, 2026, the Green Bond indenture also required 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. On May 28, 2026, an extraordinary resolution was approved in the special meeting of bondholders to amend the Indenture thereby removing the Interest Coverage Ratio covenant and increasing the principal payable, at the option of the bondholders, by the Company to 102% of principal value to the bondholders in the event of a change of control of the Company.

16 . SEGMENT INFORMATION

During the six months ended June 30, 2026, the Company operated in the following three reportable segments:

	RER (i)	SPOBOC	SPOSOC	Total
Segment revenue and income (no internal revenue is generated)				
Royalty revenue	$ 875,250	$ –	$ –	$ 875,250
Finance income	1,486,261	786	1,027	1,488,074
Energy revenue	–	330,801	113,265	444,066
	2,361,511	331,587	114,292	2,807,390
Segment cost of sales				
Amortization and depreciation	–	(102,931)	(50,197)	(153,128)
Other operating expenses	–	(216,286)	(23,288)	(239,574)
Depletion of royalty interests	(178,602)	–	–	(178,602)
	(178,602)	(319,217)	(73,485)	(571,304)
Segment gross (loss) profit	$ 2,182,909	$ 12,370	$ 40,807	$ 2,236,086
Segment net (loss) profit	$ (1,100,169)	$ 8,910	$ 38,140	$ (1,053,119)

(i) RER segment in the table above includes all other activities of the Company besides SPOBOC and SPOSOC.

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

At June 30, 2026, total assets and liabilities of the Company's reportable segments were as follows:

	RER	SPOBOC	SPOSOC	Total
Total segment assets	$ 26,992,053	$ 2,623,415	$ 1,315,764	$ 30,931,232
Total segment Liabilities	$ 35,452,666	$ 188,571	$ 174,462	$ 35,815,699

During the six months ended June 30, 2025, the Company operated in the following three reportable segments:

	RER (i)	SPOBOC	SPOSOC	Total
Segment revenue and income (no internal revenue is generated)				
Royalty revenue	$ 622,379	$ –	$ –	$ 622,379
Finance income	2,415,208	1,482	635	2,417,325
Energy revenue	–	463,943	108,863	572,806
	3,037,587	465,425	109,498	3,612,510
Segment cost of sales				
Amortization and depreciation	–	(269,594)	(42,448)	(312,042)
Other operating expenses	–	(261,592)	(15,956)	(277,548)
Depletion of royalty interests	(288,893)	–	–	(288,893)
	(288,893)	(531,186)	(58,404)	(878,483)
Segment gross (loss) profit	$ 2,748,694	$ (65,761)	$ 51,094	$ 2,734,027
Segment net (loss) profit	$ (924,851)	$ (128,716)	$ 10,675	$ (1,042,892)

At December 31, 2025, total assets and liabilities of the Company's reportable segments were as follows:

	RER	SPOBOC	SPOSOC	Total
Total segment assets	$ 27,594,316	$ 2,649,206	$ 1,386,845	$ 31,630,367
Total segment Liabilities	$ 35,363,283	$ 186,182	$ 188,673	$ 35,738,138

The Company's earns its revenue and income from various projects primarily in North America.

The geographical breakdown of the Company's non-current assets, other than financial assets, is as follows:

	June 30, 2026	December 31, 2025
North America		
Canada	$ 6,757,415	$ 7,079,929
United States	5,244,760	4,140,600
Mexico	137,980	147,196
Total	$ 12,140,155	$ 11,367,725

17 . 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).

18 . EVENTS AFTER THE REPORTING PERIOD

(a) The payment of third tranche of Investment in Solaris Energy's Portfolio

On August 5, 2026, the Company announced that a further investment of US$1 million ($1.4 million) was completed toward the purchase of royalties on a portfolio of Solaris Energy distributed generation solar projects located throughout the United States.

(b) Repayment of secured loans receivable (note 5)

After the end of the reporting period and before these Financial Statements were approved for issuance, the Company received full repayments of the Revolve Consolidated loan ($2.4 million) and the secured loan receivable from Clean Communities ($1.3 million).

(c) Partial royalty buyback by Scotian Windfields

Effective July 1, 2026, the Royalty Agreement between the Company and Scotian Windfields was amended, whereby the royalty rate was reduced from 8% to 6.8% following a partial buyback of the royalty interest for total consideration of $300,000, which amount was received in June 2026.