RE ROYALTIES LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED
MARCH 31, 2025 AND 2024

(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	March 31, 2025	December 31, 2024
ASSETS			
Non-current assets			
Secured loans and royalty interests	5	$ 12,739,292	$ 17,520,819
Property, plant and equipment	6	2,394,086	2,431,150
Intangible assets	7	3,424,740	3,543,696
Deferred transaction costs		10,592	2,993
Derivative financial asset	8	1	1
Right-of-use asset		21,071	25,940
		18,589,782	23,524,599
Current assets			
Secured loans and royalty interests	5	11,714,622	10,570,972
Amounts receivable and prepaid expenses	9	1,776,882	1,699,179
Interest reserve	10	1,767,902	1,452,012
Income taxes recoverable		17,401	17,396
Cash and cash equivalents, including restricted cash	4	18,640,805	16,547,940
		33,917,612	30,287,499
TOTAL ASSETS		$ 52,507,394	$ 53,812,098
EQUITY			
Share capital	14	$ 30,418,381	$ 30,418,381
Reserves	14(b)	3,465,644	3,453,890
Accumulated deficit		(29,742,438)	(28,672,711)
Equity attributable to owners of the Company		4,141,587	5,199,560
Non-controlling interests		1,936,375	1,799,501
Total equity		6,077,962	6,999,061
LIABILITIES			
Non-current liabilities			
Green bonds	10	34,260,659	34,283,035
Deferred income tax liability		183,250	183,250
Deferred government grants	11	570,000	570,000
Decommissioning liabilities	12	299,801	294,659
Lease liability		–	3,683
		35,313,710	35,334,627
Current liabilities			
Green bonds	10	10,051,491	9,802,000
Lease liability		24,819	26,999
Cash-settled share-based payment liability		9,573	9,402
Income tax payable		43,514	9,129
Loan payable	13	395,458	389,492
Government grant payable	11	170,350	170,350
Trade payables and accrued liabilities		420,517	1,071,038
		11,115,722	11,478,410
Total liabilities		46,429,432	46,813,037
TOTAL EQUITY AND LIABILITIES		$ 52,507,394	$ 53,812,098

Nature of operations (note 1)

Events after the reporting period (note 20)

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 May 27, 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.

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

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

	Note	Three months ended March 31, 2025	2024
Revenue and income			
Royalty revenue		$ 180,485	$ 208,833
Finance income		1,369,071	2,427,908
Energy revenue		178,343	–
		1,727,899	2,636,741
Cost of sales			
Operating expenses – BESS and solar			
Amortization and depreciation		(156,021)	–
Other operating expenses		(84,375)	–
Depletion of royalty interests	5	(87,069)	(98,615)
		(327,465)	(98,615)
Gross profit		1,400,434	2,538,126
Loss on revaluation of derivative financial asset	8	–	(2,405)
Gain on revaluation of financial asset at FVTPL		12,401	2,784
Gross profit, changes in fair value of financial assets		1,412,835	2,538,505
Expenses			
Salaries and benefits		315,003	270,146
Administration		163,394	105,567
Marketing and stakeholder communication		53,171	120,546
Audit and audit related		89,862	62,691
Consulting – financing		–	16,789
Consulting – other		42,390	77,044
Regulatory and transfer agency		48,795	26,016
Office lease and information technology		13,406	11,341
Legal		5,960	5,232
Donation		–	25,000
Equity-settled share-based payments	14(b)	9,862	47,942
Change in fair value of cash-settled share-based payments	14(b)	171	(1,764)
Depreciation of right-of-use asset		4,870	4,870
		(746,884)	(771,420)
Other items			
Finance expenses		1,108,335	904,471
Provision for expected credit loss	5	–	296,270
Foreign exchange loss (gain)		2,429	(222,702)
		(1,110,764)	(978,039)
Net (loss) income before income tax		$ (444,813)	$ 789,046
Income tax expense			
Current income tax expense		34,385	77,002
Deferred income tax expense (recovery)		–	53,000
		(34,385)	(130,002)
Net (loss) income after income tax		$ (479,198)	$ 659,044
Other comprehensive income			
Items that may be subsequently reclassified to net income			
Foreign exchange translation difference		1,953	213,236
Total other comprehensive income		1,953	213,236
Total comprehensive (loss) income		$ (477,245)	$ 872,280
Net (loss) income after income tax attributable to:			
Owners of the Company		(635,959)	358,241
Non-controlling interests		156,761	300,803
		(479,198)	659,044
Total comprehensive (loss) income attributable to:			
Owners of the Company		(634,067)	532,283
Non-controlling interests		156,822	339,997
		(477,245)	872,280
Basic and diluted (loss) income per share attributable to shareholders of the Company	16	$ (0.01)	$ 0.01
Weighted average number of common shares outstanding	16	43,532,804	43,417,981

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

(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 attributable to shareholders of the Company	Non-controlling interests	Total equity
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 income for the period		–	–	–	–	–	–	358,241	358,241	300,803	659,044
Other comprehensive income for the period		–	–	–	–	–	174,042	–	174,042	39,194	213,236
Total comprehensive income for the period		–	–	–	–	–	174,042	358,241	532,283	339,997	872,280
Distribution to shareholders	14(c)	–	–	–	–	–	–	(432,620)	(432,620)	–	(432,620)
Equity-settled share-based payments	14(b)	–	–	47,942	–	–	–	–	47,942	–	47,942
Distribution to non-controlling interests - OCEP		–	–	–	–	–	–	–	–	(31,011)	(31,011)
Distribution to non-controlling interests - Delta		–	–	–	–	–	–	–	–	(15,388)	(15,388)
Balance at March 31, 2024		43,261,981	30,364,415	1,755,068	600,913	87,000	337,937	(17,663,006)	15,482,327	2,045,660	17,527,987
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		–	–	–	–	–	–	(635,959)	(635,959)	156,761	(479,198)
Other comprehensive income for the period		–	–	–	–	–	1,892	–	1,892	61	1,953
Total comprehensive (loss) income for the period		–	–	–	–	–	1,892	(635,959)	(634,067)	156,822	(477,245)
Distribution to shareholders	14(c)	–	–	–	–	–	–	(433,768)	(433,768)	–	(433,768)
Equity-settled share-based payments	14(b)	–	–	9,862	–	–	–	–	9,862	–	9,862
Distribution to non-controlling interests - OCEP		–	–	–	–	–	–	–	–	(19,948)	(19,948)
Balance at March 31, 2025		43,376,804	$30,418,381	$ 1,784,402	$ 648,913	$ 87,000	$ 945,329	$ (29,742,438)	$ 4,141,587	$ 1,936,375	$ 6,077,962

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	Three months ended March 31, 2025	2024
Operating activities			
Net (loss) income		$ (479,198)	$ 659,044
Adjustments for:			
Depreciation, depletion, and amortization		247,960	103,485
Finance income for the period, in excess of interest received		(117,000)	(712,536)
Gain on revaluation of financial asset at FVTPL		(12,401)	(2,784)
Loss on revaluation of derivative financial asset		–	2,405
Provision for expected credit loss		–	296,270
Finance expenses		1,108,335	904,471
Equity-settled share-based payments		9,862	47,942
Change in fair value of cash-settled share-based payments		171	(1,764)
Deferred income tax expense		–	53,000
Unrealized foreign exchange gain		(1,764)	(241,682)
Changes in working capital items:			
Amounts receivable and prepaid expenses		(77,706)	(335,067)
Income taxes recoverable		–	(24,765)
Interest reserve account		(315,890)	–
Income tax payable		34,385	65,187
Trade payables and accrued liabilities		(642,407)	(119,779)
Cash (used in) generated by operating activities		(245,653)	693,427
Investing activities			
Acquisition of royalty interests and secured loans, net of repayments	5	–	435,295
Proceeds from repayment of secured loan		3,675,880	–
Deferred transaction costs, net of recoveries		(7,600)	8,200
Cash provided by investing activities		3,668,280	443,495
Financing activities			
Cash distribution to shareholders	14(c)	(433,768)	(432,620)
Distributions to non-controlling interests – OCEP		(19,948)	(31,011)
Distributions to non-controlling interests – Delta		–	(15,388)
Payments of interest on Green Bonds		(870,873)	(714,401)
Lease payments		(6,396)	(6,099)
Cash used in financing activities		(1,330,985)	(1,199,519)
Increase (Decrease) in cash and cash equivalents		2,091,642	(62,597)
Effects of exchange rate fluctuations on cash held		1,223	236,642
Cash and cash equivalents, opening balance		16,547,940	14,439,932
Cash and cash equivalents, closing balance		$ 18,640,805	$ 14,613,977

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". 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 condensed consolidated interim 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 three months ended March 31, 2025 and 2024. 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.

These Financial Statements should be read in conjunction with the Company's consolidated financial statements as at and for the year ended December 31, 2024. 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) 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 (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	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%

In September 2024, RE Royalties (Canada) Ltd. was dissolved, and all its assets and liabilities were assigned to the Company.

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

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, income 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, 2024.

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

3 . BUSINESS COMBINATIONS

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

Effective November 1, 2024, pursuant to the loan agreement with SPOBOC, the Company exercised its right whereby it acquired the ownership of the shares of SPOBOC in full and final settlement of the amounts receivable from SPOBOC. 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. 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	$ 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	13	(385,117)
Government grant payable	11	(170,350)
Deferred government grants	11	(570,000)
Decommissioning liabilities	12	(110,356)
Net identifiable assets and liabilities		$ 3,797,127

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)

Effective November 1, 2024, pursuant to the loan agreement with SPOSOC, the Company exercised its right whereby it acquired the ownership of the shares of SPOSOC in full and final settlement of the amounts receivable from SPOSOC. As a result, SPOSOC became a wholly-owned subsidiary of the Company, and the financial statements of SPOSOC are included in these financial statements since November 1, 2024.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		$ 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	12	(175,671)
Net identifiable assets and liabilities		$ 1,197,862

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	March 31, 2025	December 31, 2024
Components of cash and cash equivalents and restricted cash:			
Cash held in business accounts			
Denominated in Canadian Dollars		$ 10,096,657	$ 8,042,417
Denominated in US Dollars		4,617,096	4,617,570
Cash invested in Treasury Bills – Denominated in US Dollars		3,927,052	3,887,953
Total		$ 18,640,805	$ 16,547,940
Cash and cash equivalents, including restricted cash, by currencies			
Denominated in Canadian Dollars		$ 10,096,657	$ 8,042,417
Denominated in US Dollars		8,544,148	8,505,523
		$ 18,640,805	$ 16,547,940
Cash and cash equivalents and restricted cash subject to restrictions on use by the Company:			
Cash held as collateral against a letter of credit		$ 6,300,000	$ 6,300,000
Net proceeds from the Green Bonds pending deployment (i)		12,340,805	10,247,940
		$ 18,640,805	$ 16,547,940

(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.

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

5 . SECURED LOANS AND ROYALTY INTERESTS

	Note	March 31, 2025	December 31, 2024
Secured Loans – Amortized Cost			
FuseForward Solutions		$ 3,551,279	$ 3,551,279
OCEP		6,501,774	6,309,922
Revolve		1,671,483	1,652,812
Revolve Cancun		1,565,287	1,539,526
Delta		3,684,998	3,684,353
CleanLight		3,440,350	3,369,511
Clean Communities		1,775,706	1,701,446
Revolve Windriver		–	4,024,324
Revolve Rooftop Solar		379,159	412,214
Abraxas		1,062,897	1,026,324
Alpin Sun		147,189	154,443
Solar High Yields		3,056,968	2,973,617
		26,837,090	30,399,771
Allowance for lifetime expected losses due to credit impairment (stage 3 ECL)		(7,739,031)	(7,738,502)
Total secured loans at amortized cost, net of allowance(s) for expected credit losses		19,098,059	22,661,269
Secured Loans – FVTPL			
Aeolis Wind Power Corporation	17(e)	887,500	875,099
Royalty Interests			
Northland Power Inc.		1,112,646	1,145,371
OntarioCo		221,500	225,749
Scotian Windfields		1,103,060	1,127,039
NOMAD		604,159	604,158
Revolve		67,143	69,213
Revolve Cancun		69,516	71,603
AlbertaCo		785,266	805,405
Clean Communities		133,362	133,362
Revolve Windriver		245,945	247,766
Revolve Rooftop Solar		24,956	24,956
Abraxas		28,345	28,345
Solar High Yields		72,456	72,456
		4,468,354	4,555,423
Total		$ 24,453,913	$ 28,091,791
Non-current portion		$ 12,739,292	$ 17,520,819
Current portion		11,714,621	10,570,972
Total		$ 24,453,913	$ 28,091,791

Lifetime expected credit losses	Note	Three months ended March 31, 2025	2024
Beginning balance		$ 7,738,502	$ 4,778,775
Increase in the loss allowance as a result of revaluations		–	296,270
Foreign currency revaluation adjustment		529	–
Ending balance		$ 7,739,031	$ 5,075,045

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

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

Secured Loans - Amortized Cost

For the three months ended March 31, 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	Derecognition/ Adjustments	Gross Carrying amount at March 31, 2025	Expected lifetime credit losses - Stage 3	Net Carrying amount at March 31, 2025
FuseForward Solutions	3,551,279	–	–	–	–	–	–	3,551,279	(3,551,279)	–
OCEP	6,309,922	–	–	350,064	(152,696)	(5,516)	–	6,501,774	(923,348)	5,578,426
Revolve	1,652,812	–	–	54,941	(36,270)	–	–	1,671,483	–	1,671,483
Revolve Cancun	1,539,526	–	–	60,741	(34,980)	–	–	1,565,287	–	1,565,287
Delta	3,684,353	–	–	–	–	645	–	3,684,998	(1,362,654)	2,322,344
CleanLight	3,369,511	–	–	69,769	–	1,070	–	3,440,350	(1,901,750)	1,538,600
Clean Communities	1,701,446	–	–	74,260	–	–	–	1,775,706	–	1,775,706
Revolve Windriver (i)	4,024,324	–	–	230,075	(4,254,399)	–	–	–	–	–
Revolve Rooftop Solar	412,214	–	–	15,468	(48,523)	–	–	379,159	–	379,159
Abraxas	1,026,324	–	–	36,573	–	–	–	1,062,897	–	1,062,897
Solar High Yields	2,973,617	–	–	115,721	(32,370)	–	–	3,056,968	–	3,056,968
Alpin Sun	154,443	–	–	197,481	(204,735)	–	–	147,189	–	147,189
Total	$ 30,399,771	$ –	$ –	$ 1,205,093	$ (4,763,973)	$ (3,801)	$ –	$ 26,837,090	$ (7,739,031)	$ 19,098,059

(i) In January 2025, Revolve prepaid the Windriver loan.

For the three months ended March 31, 2024

	Balance as 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 March 31, 2024	Expected lifetime credit losses - Stage 3	Net Carrying amount at March 31, 2024
Switch Power	$ 9,003,347	$ –	$ –	$ 250,404	$ (42,000)	$ –	$ –	$ 9,211,751	$ (1,313,491)	$ 7,898,260
FuseForward Solutions	3,551,279	–	–	–	–	–	–	3,551,279	(3,551,279)	–
OCEP	7,171,415	–	–	488,402	–	159,039	–	7,818,856	–	7,818,856
NOMAD	6,625,486	–	–	871,686	(7,602,283)	105,111	–	–	–	–
Revolve	1,634,897	–	–	51,384	(40,334)	–	–	1,645,947	–	1,645,947
Switch Solar	1,442,200	–	–	34,459	(5,500)	–	–	1,471,159	(210,275)	1,260,884
Revolve Cancun	1,892,724			67,164	(57,099)	–	–	1,902,789	–	1,902,789
Delta	2,842,863	–		178,178	(130,405)	61,189	–	2,951,825	–	2,951,825
Cleanlight	1,927,580	–	3,532	82,783	(61,561)	41,376	–	1,993,710	–	1,993,710
Clean Communities	–	1,517,217	25,032	47,922	–	–	–	1,590,171	–	1,590,171
Revolve Windriver	–	3,675,880	40,912	76,905	–	–	–	3,793,697	–	3,793,697
Revolve Rooftop Solar	–	385,894	5,268	1,850	–	–	–	393,012	–	393,012
Total	$ 36,091,791	$ 5,578,991	$ 74,744	$ 2,151,137	$ (7,939,182)	$ 366,715	$ –	$ 36,324,196	$ (5,075,045)	$ 31,249,151

(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
Three months ended March 31, 2025							
Northland Power Inc.	$1,871,864	$ –	$1,871,864	$ 726,493	$ 32,725	$ 759,218	$1,112,646
OntarioCo	316,559	–	316,559	90,810	4,249	95,059	221,500
Scotian Windfields	1,598,626	–	1,598,626	471,587	23,979	495,566	1,103,060
NOMAD	932,665	–	932,665	328,506	–	328,506	604,159
Revolve	85,624	–	85,624	16,411	2,070	18,481	67,143
Revolve Cancun	84,010	–	84,010	12,407	2,087	14,494	69,516
AlbertaCo	939,669	–	939,669	134,265	20,138	154,403	785,266
Clean Communities	133,362	–	133,362	–	–	–	133,362
Revolve Windriver	253,232	–	253,232	5,466	1,821	7,287	245,945
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	$6,341,368	$ –	$6,341,368	$1,785,945	$ 87,069	$ 1,873,014	$4,468,354
Three months ended March 31, 2024							
Northland Power Inc.	$1,871,864	$ –	$1,871,864	$ 595,593	$ 32,725	$ 628,318	$1,243,546
OntarioCo	316,559	–	316,559	73,814	4,249	78,063	238,496
Scotian Windfields	1,598,626	–	1,598,626	375,671	23,979	399,650	1,198,976
Switch Power	358,695	–	358,695	70,970	8,300	79,269	279,426
NOMAD	932,665	–	932,665	34,713	–	34,713	897,952
Revolve	73,155	–	73,155	9,217	1,722	10,939	62,216
Switch Solar	16,008	–	16,008	1,600	300	1,900	14,108
Revolve Cancun	70,600	–	70,600	4,756	1,774	6,530	64,070
AlbertaCo	939,669	–	939,669	53,706	20,140	73,846	865,823
CleanLight	204,432	–	204,432	9,063	5,427	14,490	189,942
Clean Communities	–	133,362	133,362	–	–	–	133,362
Revolve Windriver	–	253,232	253,232	–	–	–	253,232
Revolve Rooftop Solar	–	24,956	24,956	–	–	–	24,956
Total	$6,382,273	$ 411,550	$6,793,823	$1,229,103	$ 98,616	$ 1,327,718	$5,466,105

6. PROPERTY, PLANT AND EQUIPMENT

Equipment

	Note	Solar	Battery	Total
Cost				
Balance at January 1, 2025 and March 31, 2025		$ 894,779	$ 1,561,080	$ 2,455,859
Accumulated Depreciation				
As at January 1, 2025		$ 7,648	$ 17,061	$ 24,709
Depreciation		11,472	25,592	37,064
Balance at March 31, 2025		$ 19,120	$ 42,653	$ 61,773
Carrying value				
As at March 31, 2025		$ 875,659	$ 1,518,427	$ 2,394,086

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

7 . INTANGIBLE ASSETS

	Note	Solar	Battery	Total
Cost				
Balance at January 1, 2025 and March 31, 2025		$ 446,000	$ 3,177,000	$ 3,623,000
Accumulated Amortization				
As at January 1, 2025		$ 7,079	$ 72,225	$ 79,304
Amortization		10,619	108,338	118,956
Balance at March 31, 2025		$ 17,698	$ 180,563	$ 198,260
Carrying value				
As at March 31, 2025		$ 428,303	$ 2,996,438	$ 3,424,740

8 . DERIVATIVE FINANCIAL ASSET

Continuity of derivative financial asset	Three months ended March 31, 2025	Year ended December 31, 2024
Beginning Balance	$ 1	$ 104,356
Loss on revaluation of derivative financial asset	–	(104,355)
Ending Balance	$ 1	$ 1

9 . AMOUNTS RECEIVABLE AND PREPAID EXPENSES – CURRENT

	March 31, 2025	December 31, 2024
Accrued revenue receivable - royalty revenue	$ 832,914	$ 748,375
Accrued revenue receivable - energy revenue	541,914	513,213
Prepaid expenses	130,484	171,680
Other amounts receivable	401,411	395,752
	1,906,723	1,829,020
Expected lifetime credit losses - stage 3	(129,841)	(129,841)
Total	$ 1,776,882	$ 1,699,179

10 . GREEN BONDS

In August 2020, the Company announced the inaugural offering of its 5-year green bonds ("Green Bonds"), and since then the Company has issued the following series of Green Bonds:

			No. of bonds denominated in:	
Series	Interest rate	Maturity	CAD	USD
Series-1	6% p.a.	October 2025 - March 2026	10,166	-
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 March 31, 2025 and December 31, 2024			38,284	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) Series 1 Green Bonds were issued under a trust indenture (the "Indenture") dated August 10, 2020 with Western Pacific Trust Company, as trustee, and subsequent series of Green Bonds were issued under respective supplements to the Indenture.

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

Senior Secured Green Bonds	Note	Three months ended March 31, 2025	Year ended December 31, 2024
Beginning balance		$ 44,085,035	$ 36,230,500
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
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
Financing costs			
Legal and professional fees		–	235,417
Fair value of compensation warrants (note 14) issued pursuant to:			
Series-4 Private Placement		–	48,000
		–	(283,417)
Amortization of financing costs		224,882	812,696
Foreign exchange translation difference		2,233	809,101
Ending balance		$ 44,312,150	$ 44,085,035
Non-current portion		34,260,659	34,283,035
Current portion		10,051,491	9,802,000
Ending balance		$ 44,312,150	$ 44,085,035
Carrying amount of the Green Bond liability by series:			
Series-1 6% Green Bonds		10,051,492	10,003,140
Series-2 6% Green Bonds		10,591,126	10,542,981
Series-3 9% Green Bonds		17,134,055	17,041,441
Series-4 9% Green Bonds		6,535,477	6,497,473
Ending balance		$ 44,312,150	$ 44,085,035

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 in the interest reserve account. During the three months ended March 31, 2025, the Company contributed $315,890 to the interest reserve account for Series-4 Green Bonds.

11 . DEFERRED GOVERNMENT GRANT AND GOVERNMENT GRANT REPAYABLE

	March 31, 2025	December 31, 2024
Deferred government grant	$ 570,000	$ 570,000
Government grant payable	$ 170,350	$ 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. 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 date of these Financial Statement, the Company will not move forward with the project.

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

12 . 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%. As at March 31, 2025, the undiscounted estimated reclamation costs are approximately $135,212 (December 31, 2024: $135,166) and $220,305 (December 31, 2024: $220,243), respectively. The aggregate carrying amount of the obligation is:

		Three months ended March 31,	
	Note	2025	2024
Beginning balance		$ 294,659	$ –
Accretion		5,142	–
Ending balance		$ 299,801	$ –

13 . LOAN PAYABLE

		Three months ended March 31,	
	Note	2025	2024
Beginning balance		$ 389,492	$ –
Interest accrued		5,966	–
Ending balance		$ 395,458	$ –

Loan payable is an unsecured obligation of the Company, payable to a third-party with an outstanding principal sum of $340,000,subject to interest at the rate of Canadian Prime Interest Rate, plus 2% per annum.

14 . 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.

(b) Reserves

Share-based payment expense

	Three months ended March 31,	
	2025	2024
Expense arising from equity-settled share-based payment transactions		
Share purchase options	$ –	$ 22,302
Restricted Share Units ("RSUs")	9,862	25,640
	9,862	47,942
Changes in the fair value of cash-settled share-based awards	171	(1,764)
Total	$ 10,033	$ 46,178

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.

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

Continuity of share purchase options:	Three months ended March 31, 2025 Number of Options		Weighted average exercise price	Three months ended March 31, 2024 Number of Options		Weighted average exercise price
Outstanding Options – beginning balance	2,030,000	$	1.00	2,410,000	$	1.05
Granted during the period	–	$	–	–	$	–
Expired	–	$	–	(380,000)	$	1.32
Outstanding Options – ending balance	2,030,000	$	1.00	2,030,000	$	1.00
Options Exercisable – ending balance	1,502,000	$	1.13	1,358,000	$	1.18

Remaining contractual life of the Company's common share purchase options: Exercise price	March 31, 2025 Number of Options	Weighted average remaining contractual life (years)	December 31, 2024 Number of Options	Weighted average remaining contractual life (years)
$ 1.32	1,070,000	0.88	1,070,000	1.13
$ 0.65	960,000	1.08	960,000	1.33
	2,030,000	0.97	2,030,000	1.22

Deferred share units and restricted share units

Continuity of DSUs and RSUs:	Three months ended March 31, 2025 DSUs	RSUs	Three months ended March 31, 2024 DSUs	RSUs
Outstanding at the beginning of the period	180,501	157,000	180,501	314,000
Granted during the period	–	–	–	–
Outstanding at the end of the period	180,501	157,000	180,501	314,000
Units vested – ending balance	180,501	–	180,501	–

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

Share purchase warrant reserve

The continuity of the Company's share purchase warrants for the three months ended March 31, 2025 is as follows:

Expiry date		Exercise price	January 1, 2025	Warrants issued	Warrants exercised	Warrants expired	March 31, 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
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 11), 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 11), 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.

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

The continuity of the Company's share purchase warrants for the three months ended March 31, 2024 is as follows:

Expiry date		Exercise price	January 1, 2024	Warrants issued	Warrants exercised	Warrants expired	March 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
			11,438,296	–	–	–	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 6), 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.

(c) Distribution to shareholders

During the three months ended March 31, 2025 and 2024, the Company declared the following cash distributions to its shareholders:

Declaration date	Record date	Payment date		Amount Per share		Amount Total
Three months ended March 31, 2025						
January 8, 2025	January 29, 2025	February 19, 2025	$	0.01	$	433,768
					$	433,768
Three months ended March 31, 2024						
January 10, 2024	January 31, 2024	February 21, 2024	$	0.01	$	432,620
					$	432,620

See Note 20(a) for the cash distribution declared after the end of the current reporting period.

15 . 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 March 31, 2025		Three months ended March 31, 2024
Short-term employment benefits (i)	$	127,918	$	124,398
Equity-settled share-based compensation		1,508		5,122
Cash-settled share-based compensation		171		(1,764)
Total	$	129,597	$	127,756

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

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

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

The Company presents basic and diluted (loss) income per share data for its common shares, calculated by dividing the (loss) income attributable to common shareholders by the weighted average number of common shares and fully-vested equity-settled DSUs (requiring no additional consideration to be exercised) that were outstanding during the period. Diluted (loss) income per share does not adjust (loss) income 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 three months ended March 31, 2025, the share purchase options, RSUs, and warrants were excluded from the calculation of diluted loss per share as they were anti-dilutive. For purposes of the calculation of diluted income per share for the three months ended March 31, 2024, the share purchase options and warrants were excluded from the calculation of diluted income per share as they were anti-dilutive.

17 . 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.

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

(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 March 31, 2025		Contractual Cash Flows (i)			
	Carrying Amount	Total	Less than 12 months	Between 1 - 3 years	Between 4 - 5 years
Green Bonds (ii)	$ 44,312,150	$ 55,259,654	$ 12,357,901	$ 34,833,101	$ 8,068,652
Lease liability	24,819	25,783	25,585	198	–
Loan payable	395,458	395,458	395,458	–	–
Government grant payable	170,350	170,350	170,350	–	–
Trade payables and accrued liabilities	420,517	420,517	420,517	–	–
	$ 45,323,294	$ 56,271,762	$ 13,369,811	$ 34,833,299	$ 8,068,652

(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:

		March 31, 2025		December 31, 2024	
	Note	US Dollars	Canadian Dollars	US Dollars	Canadian Dollars
Cash	4	5,937,972	$ 8,544,148	5,912,772	$ 8,505,523
Secured loans	5	9,470,514	13,627,122	9,290,084	13,363,786
		15,408,486	22,171,270	15,202,856	21,869,309
Green Bonds	10	(5,582,000)	(8,031,940)	(5,582,000)	(8,029,707)
Net exposure, including foreign operations		9,826,486	$ 14,139,330	9,620,856	13,839,602
Less: Cash and Secured loans held in foreign operations		(8,468,014)	(12,184,625)	(5,509,371)	(7,925,230)
Net exposure, excluding foreign operaitons		$ 1,358,472	$ 1,954,705	$ 4,111,485	$ 5,914,372
Exchange rate as of the reporting date (Canadian Dollar per US Dollar)			$ 1.4389		$ 1.4385

The average exchange rate for the three months ended March 31, 2025 is $1.4350 (March 31, 2024 - $1.3488). The average exchange rate for the 12 months ended December 31, 2024 was $1.3700.

Sensitivity		
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	$ 20,000	$ 59,000
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	$ 122,000	$ 79,000

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 17(e)). An increase of 25 basis points in discount rates will result in a decrease of approximately $9,900 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.

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

<u>Aeolis Loan</u>

The Aeolis Loan is classified as a financial asset at fair value through profit and loss (note 4). At March 31, 2025, the fair value of the Aeolis Loan was determined by discounting future cash flows using annual discount rates in the range of 6.64% - 7.53% (December 31, 2024: 6.98% - 7.76%) applicable to the term of each cash flow and average annual long term inflation rate of 3% (December 31, 2024: 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) Green Bonds.

As per the Green Bond indenture (the "Indenture"), the Company is also required to maintain a minimum debt coverage ratio ("Debt Coverage Ratio") as determined by dividing its earnings, before certain items such as interest, taxes, depreciation, amortization, and extraordinary items, by total interest payments. As per the Indenture, various financial covenants, including Debt Coverage Ratio, are subject to a cure period ("Cure Period"), whereby an event of default will only occur if the Company fails to comply with such covenants by the end of the second fiscal quarter following the occurrence of non-compliance.

As of March 31, 2025 , the Company was in compliance with all debt covenants.

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

18 . 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:

	Three months ended March 31, 2025	2024
North America		
Royalty revenue	$ 180,485	$ 184,908
Finance income	1,299,302	2,296,085
Energy revenue	178,343	–
	$ 1,658,130	$ 2,480,993
South America		
Royalty revenue	$ –	$ 23,925
Finance income	69,769	131,823
	$ 69,769	$ 155,748
Total	$ 1,727,899	$ 2,636,741

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

	March 31, 2025	December 31, 2024
North America		
Canada	$ 3,702,580	$ 3,810,449
United States	604,159	604,159
Mexico	161,615	140,816
South America		
Chile	–	–
Total	$ 4,468,354	$ 4,555,423

19 . 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).

20 . 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:

Declaration date	Record date	Payment date	Amount Per share	Amount Total
April 9, 2025	April 30, 2025	May 21, 2025	$ 0.01	$ 433,768

(b) 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.