ENERGY PLUG TECHNOLOGIES CORP.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

(EXPRESSED IN CANADIAN DOLLARS)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Energy Plug Technologies Corp.

Opinion

We have audited the accompanying consolidated financial statements of Energy Plug Technologies Corp. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in equity (deficiency), and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

October 28, 2024

ENERGY PLUG TECHNOLOGIES CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30
(EXPRESSED IN CANADIAN DOLLARS)

	Note	2024	2023
ASSETS			
Current assets			
Cash		$ 16,093	$ 711,179
Sales tax recoverable		33,885	22,283
Prepaid expenses and deposits		15,807	107,325
Inventory	5	4,902	-
		70,687	840,787
Non-current assets			
Intangible asset	6	-	25,536
Total assets		$ 70,687	$ 866,323
LIABILITIES AND EQUITY (DEFICIENCY)			
Current liabilities			
Accounts payables and accrued liabilities	7	$ 265,615	$ 101,813
Amounts due to related parties	8	1,379	1,285
Total liabilities		266,994	103,098
Equity (deficiency)			
Share capital	9	6,383,952	4,900,084
Reserves	10	2,318,055	890,000
Deficit		(8,898,314)	(5,026,859)
Total equity (deficiency)		(196,307)	763,225
Total liabilities and equity (deficiency)		$ 70,687	$ 866,323

Nature of operations and going concern (Note 1)

Events after the reporting period (Note 16)

The financial statements were authorized for issue by the board of directors on October 28, 2024 and were signed on its behalf by:

"Broderick Gunning" Director *"Adam Morand"* Director

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

ENERGY PLUG TECHNOLOGIES CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
YEARS ENDED JUNE 30
(EXPRESSED IN CANADIAN DOLLARS)

	Note		2024		2023
EXPENSES					
Accounting and audit	8	$	112,771	$	18,220
Consulting fees	8		301,324		82,188
Depreciation	6		12,923		4,821
Investor relations			70,721		8,940
Legal fees			65,030		1,115
Management and director fees	8		254,000		156,000
Marketing and promotion	8		254,530		172,564
Office and miscellaneous			59,894		5,771
Research and development	8		143,265		93,080
Share-based payments	8, 10		480,440		5,375
Transfer agent and regulatory filing fees			43,524		39,590
Travel			64,314		33,310
			(1,862,736)		(620,974)
OTHER INCOME (EXPENSE)					
Interest and other income			9,301		-
Impairment of intangible asset	6		(24,666)		-
Write-down of inventory	5		(141,177)		-
Gain on reversal of accounts payables and accrued liabilities			-		16,555
Loss on acquisition of assets	4		(1,852,177)		-
Loss and comprehensive loss for the year		$	(3,871,455)	$	(604,419)
Basic and diluted loss per common share	9	$	(0.06)	$	(0.02)

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

ENERGY PLUG TECHNOLOGIES CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(EXPRESSED IN CANADIAN DOLLARS)

	Note	Number of Shares	Share capital	Reserves	Deficit	Total equity (deficiency)
Balance, June 30, 2021		35,807,780	4,048,055	1,269,563	(4,369,650)	947,968
Private placements	9	15,900,000	795,000	-	-	795,000
Exercise of warrants	9	670,000	67,000	-	-	67,000
Share issuance costs	9	-	(9,971)	-	-	(9,971)
Share-based payments	10	-	-	5,375	-	5,375
Adjustment on cancellation of stock options		-	-	(373,069)	373,069	-
Loss for the year		-	-	-	(604,419)	(604,419)
Balance, June 30, 2023		52,377,780	$ 4,900,084	$ 890,000	$ (5,026,859)	$ 763,225
Shares issued for asset acquisition	4, 9	8,000,000	960,000	-	-	960,000
Warrants issued for asset acquisition	4, 9	-	-	890,833	-	890,833
Exercise of warrants	9	6,531,500	580,650	-	-	580,650
Share issuance costs	9	-	(56,782)	56,782	-	-
Share-based payments	10	-	-	480,440	-	480,440
Loss for the year		-	-	-	(3,871,455)	(3,871,455)
Balance, June 30, 2024		66,909,280	$ 6,383,952	$ 2,318,055	$ (8,898,314)	$ (196,307)

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

ENERGY PLUG TECHNOLOGIES CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30
(EXPRESSED IN CANADIAN DOLLARS)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	$ (3,871,455)	$ (604,419)
Items not affecting cash:		
Depreciation	12,923	4,821
Impairment of intangible asset	24,666	-
Gain on reversal of accrued liabilities	-	(16,555)
Loss on acquisition of assets	1,852,177	-
Share-based payments	480,440	5,375
Changes in non-cash working capital items:		
Sales tax recoverable	(11,602)	2,972
Prepaid expenses	91,518	(65,653)
Inventory	(4,902)	-
Accounts payables and accrued liabilities	162,458	33,810
Amounts due to related parties	94	(16,725)
Net cash used in operating activities	(1,263,683)	(656,374)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures on intangible	(12,053)	(30,357)
Net cash used in investing activities	(12,053)	(30,357)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	-	862,000
Share issuance costs	-	(9,971)
Proceeds from exercise of warrants	580,650	-
Net cash provided by financing activities	580,650	852,029
Change in cash during the year	(695,086)	165,298
Cash, beginning of the year	711,179	545,881
Cash, end of the year	$ 16,093	$ 711,179

Supplemental cash flow information:

During the year ended June 30, 2024, the Company credited $56,782 of the fair value of 1,450,000 incentive warrants issued in connection with the exercise of warrants to reserves.

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Energy Plug Technologies Corp. (the "Company") was incorporated under the Business Corporations Act (*Ontario*) on September 13, 2010 and was continued under the laws of British Columbia on March 21, 2018. The Company's head office and registered office is located at Suite 400, 1681 Chestnut Street, Vancouver BC, V6J 4M6, Canada. The Company is an energy technology development company focused on battery energy storage systems. The Company's common shares are listed on the Canadian Securities Exchange (the "CSE") under the symbol "PLUG", on the OTCQB under the symbol "PLGGF", and on the Frankfurt Stock Exchange under the symbol "6GQ".

Going concern of operations

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has incurred losses since inception in the amount of $8,898,314 and has not yet achieved profitable operations. The Company's ability to continue as a going concern is dependent on its ability to obtain adequate financing on reasonable terms from lenders, shareholders and other investors and/or to commence profitable operations in the future. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements do not include adjustments that would be required if the going concern assumption is not an appropriate basis for preparation of the financial statements. These adjustments could be material.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair values. In addition these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. BASIS OF PREPARATION (cont'd…)

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Greentech Hydrogen Innovations Corp. ("Greentech") and True North Battery Storage Corp. ("True North"). All inter-company transactions, balances, income and expenses are eliminated on consolidation.

The Company owns 49 Class A common shares of Malahat Battery Technologies Corp. ("MBTC"), representing a 49% equity interest. The Company accounts for its investments in MBTC using the equity method.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

Significant estimates and assumptions

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) The determination of the fair value of stock options and agent's warrants using option pricing models, require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.

ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

Significant judgments

The preparation of these consolidated financial statements requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applied in the Company's financial statements include: (i) the assessment of the acquisition of True North as an asset acquisition and valuation of consideration; (ii) valuation of options granted as stock based compensation; (iii) the assessment of the Company's ability to continue as a going concern, which involves judgment regarding future funding available for its operations and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been consistently applied to all years presented in these consolidated financial statements, unless otherwise indicated.

Cash

Cash consists of cash on hand and at banks and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash.

Inventory

Inventory is stated at the lower of cost and net realizable value. Cost includes the purchase cost plus landing costs. Cost is determined using the first in first out method. Net realizable value represents the estimated selling price for inventory less all estimated costs necessary to make the sale.

Inventory is written down to net realizable value when the cost of inventory is determined not to be recoverable. When the circumstances that previously caused the inventory to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed, limited to the amount of the original write-down.

Intangible assets

Intangibles acquired separately

Intangibles with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization rate are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangibles with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangibles

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

Internally-generated intangible assets arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangibles is the sum of the expenditure incurred from the date when the intangibles first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

Intangible assets (cont'd…)

Subsequent to initial recognition, internally-generated intangibles are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangibles that are acquired separately.

Derecognition of intangibles

An intangible is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible, measured as the difference between the net disposal proceeds and the carrying amount of the intangible, is recognized in profit or loss when the asset is derecognized.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, management reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, management estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangibles with indefinite useful lives and intangibles not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its' carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments

The Company classifies its' financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

Financial instruments (cont'd…)

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit or loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

The following table shows the classification of financial instruments.

	Classification
Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Amounts due to related parties	Amortized cost

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

De-recognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on de-recognition are generally recognized in profit or loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

Share-based payments

Share-based payments to employees and others providing similar services are measured at grant date at the fair value of the instruments issued and amortized over the vesting periods using a graded approach. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche in an award is considered a separate grant with a different vesting date and fair value and is accounted for on that basis.

Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

The offset to the recorded cost is to share-based payments reserve. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount ultimately recognized as an expense is based on the number of options that eventually vest. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital.

The fair value of the stock options is determined using the Black-Scholes Option Pricing Model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), weighted average expected life of the instruments (based on historical experience), expected dividends, and the risk-free interest rate (based on government bonds).

Share capital

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that the shares are issued.

The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

Earnings (loss) per share

Basic earnings (loss) per share ("EPS") is calculated by dividing the EPS attributable to common shareholders by the weighted average number of common shares outstanding in the period. The diluted EPS reflects all dilutive potential common shares equivalents, in the weighted average number of common shares outstanding during the period, if dilutive.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

Income taxes

Current taxes receivable or payable are estimated on taxable income or loss for the current year at the statutory tax rates enacted or substantively enacted at the reporting date.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. Deferred income tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, only to the extent that it is probable that future taxable profit will be available against which they can be utilized.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

Amendments to existing standards and new amendments not yet effective

The Company adopted the following amendments to accounting standards, which are effective for annual reporting periods beginning on or after January 1, 2023:

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) - The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. The amendment was applied effective July 1, 2023 and did not have a material impact on the Company's consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements - IFRS 18 will replace IAS 1, Presentation of Financial Statements which aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from 1 January 2027. Companies are permitted to apply IFRS 18 before that date. The Company is not yet able to determine the impact to the consolidated financial statements from the adoption of this standard.

Certain pronouncements were issued by the IASB but are not yet effective as at June 30, 2024. The Company intends to adopt these standards when they become effective but does not expect these amendments to have a material effect on the consolidated financial statements of the Company.

(EXPRESSED IN CANADIAN DOLLARS)

4. ACQUISITION TRANSACTION

On September 14, 2023, the Company completed an acquisition of all of the issued and outstanding securities of True North Battery Storage Corp. ("True North"), a non-related Canadian based company. In consideration for all outstanding securities of True North, the Company issued 8,000,000 common shares and 8,000,000 share purchase warrants of the Company to the existing shareholders of True North. Each common share purchase warrant entitles the holder to purchase one common share of the Company at $0.10 for a period of 24 months from the date of issuance. The fair value of the common shares issued to the True North's shareholders was determined to be $960,000 based on the fair value of the consideration shares on the date of issuance. The fair value of the consideration warrants was determined to be $890,833 using the Black Scholes Option Pricing Model based on the following assumptions: stock price volatility - 245.28%, risk-free interest rate - 4.69%, stock price of $0.12, and an expected life of 2 years.

At the date of acquisition, The Company determined that True North did not constitute a business as defined under IFRS 3, Business Combinations, and the acquisition was accounted for as an asset acquisition. True North holds a Letter-of-Intent for Cooperation ("LOI") with C-Life Technologies Inc., a Taiwan registered company in the business of battery energy storage systems, whereby the parties established a cooperation framework for a proposed lithium battery production enterprise in North America. The intangible assets identified in the transaction did not meet the recognition criteria under IFRS; therefore, the excess of the consideration paid over the fair value of the monetary assets and liabilities assumed was expensed.

The following table summarizes the allocation of the purchase price to the fair value of the assets acquired and liabilities assumed at the date of acquisition

Total consideration		
8,000,000 common shares measured at a fair value of $0.12 per share	$	960,000
8,000,000 share purchase warrants		890,833
	$	1,850,833
Net identifiable liabilities assumed		
Due to related party	$	(1,344)
Loss on acquisition of assets	$	1,852,177

5. INVENTORY

As at June 30, 2024, the Company's inventory consisted of finished goods including electric vehicle chargers, inverters, and lithium batteries. During the year ended June 30, 2024, the Company recognized an inventory write-down of $141,177 (2023 - $nil) for a portion of inventory to which the Company currently has no access.

(EXPRESSED IN CANADIAN DOLLARS)

6. INTANGIBLE ASSET

	2024			2023		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Patent	$ -	$ -	$ -	$ 30,357	$ 4,821	$ 25,536

During the year ended June 30, 2024, the Company decided not to allocate additional resources to its hydrogen distribution sensor technology project. As a result, the Company recognized an impairment charge of $24,666 (2023 - $nil) related to the patent for the year ended June 30, 2024.

7. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	2024	2023
Trade payables	$ 214,075	$ 75,693
Accrued liabilities	51,540	26,120
	$ 265,615	$ 101,813

Trade payables of the Company are principally comprised of amounts outstanding for trade purchases relating to inventory purchases and general operating activities. The usual credit period taken for trade purchases is between 30 to 90 days.

8. RELATED PARTY TRANSACTIONS

Included in amounts due to related parties are $1,379 (2023 - $1,285) in advances from a director of the Company. The amounts due to related parties have no specific terms of repayment, are unsecured, and non-interest bearing.

Included in accounts payable are $29,000 (2023 - $nil) in director and management fees owe to the Company's directors and officers and are unsecured, non-interest bearing, and have no specific terms of repayment.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel during the years ended June 30 is as follows:

	2024	2023
Management and director fees	$ 254,000	$ 156,000
Accounting fees	47,000	-
Consulting fees	104,886	29,138
Marketing	25,097	-
Research and development	108,500	93,500
Share-based payments	227,893	5,342
Total	$ 767,376	$ 284,013

9. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Issued share capital

At June 30, 2024, the Company had 66,909,280 common shares outstanding (June 30, 2023 - 52,377,780).

Share issuance

During the year ended June 30, 2024, the Company:

i) The Company issued 8,000,000 common shares of the Company with a fair value of $960,000 pursuant to the True North acquisition transaction (Note 4).

ii) The Company issued 3,631,500 common shares at $0.10 per share from the exercise of warrants for gross proceeds of $363,150.

iii) The Company issued 2,900,000 common shares at $0.075 per share from the exercise of warrants for gross proceeds of $217,500.

During the year ended June 30, 2023, the Company:

a) Completed a non-brokered private placement of 15,900,000 units at a price of $0.05 per unit for gross proceeds of $795,000. Each unit is comprised of one common share and one share purchase warrant; each warrant entitles the holder to acquire one additional common share for a period of 12 months at an exercise price of $0.075. No proceeds was allocated to the warrants based on the residual method. The Company incurred filing and other expenses of $9,971 in connection with the private placement. Related Parties subscribed to 600,000 units for proceeds of $30,000.

b) Issued 670,000 common shares at $0.10 per share from the exercise of warrants for gross proceeds of $67,000.

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year ended June 30, 2024 was based on the loss attributable to common shareholders of $3,871,455 (2023 - $604,419) and a weighted average number of common shares outstanding of 61,154,653 (2023 - 37,825,588).

At June 30, 2024, 2,705,000 stock options (2023 - 400,000) and 9,450,000 warrants (2023 - 40,648,860) were excluded from the diluted weighted average number of common shares calculation as their effect would have been anti-dilutive.

(EXPRESSED IN CANADIAN DOLLARS)

10. SHARE-BASED PAYMENTS

Stock options

The Company has a rolling stock option plan (the "Plan") in place under which it is authorized to grant options to executive officers and directors, employees and consultants. Pursuant to the Plan, the Company may issue aggregate stock options totaling up to 10% of the issued and outstanding common stock of the Company. Further, the Plan calls for the exercise price of each option to be equal to the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors at the time of grant.

Stock option transactions are summarized as follows:

	Number of options		Weighted Average Exercise Price
Balance, June 30, 2022	2,500,000	$	0.17
Granted	150,000		0.15
Cancelled	(2,250,000)		0.18
Balance, June 30, 2023	400,000	$	0.10
Granted	3,350,000		0.16
Cancelled	(1,045,000)		0.15
Balance, June 30, 2024	2,705,000	$	0.15
Exercisable at June 30, 2024	2,705,000	$	0.15

Weighted average fair value of options granted during the year	$	0.14	(2023 - $0.04)

The fair value calculated for stock options granted during the year ended June 30, 2024 was $480,440 (2023 - $5,375) using the Black-Scholes option pricing model. The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	2024	2023
Risk-free interest rate	4.79%	3.78%
Expected life of options	2 Years	2 Years
Annualized volatility	247.40%	219.23%
Dividend rate	Nil	Nil

(EXPRESSED IN CANADIAN DOLLARS)

10. SHARE-BASED PAYMENTS (cont'd…)

As at June 30, 2024, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
75,000	$ 0.150	December 6, 2024
250,000	$ 0.075	February 3, 2025
2,180,000	$ 0.170	September 19, 2025
200,000	$ 0.055	December 5, 2025
2,705,000		

Warrants

Warrants are issued as private placement incentives and measured using the residual method. Agents' warrants are measured at fair value on the date of the grant as determined using the Black-Scholes Option Pricing Model.

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2022	26,642,860	$ 0.10
Granted	15,900,000	0.08
Exercised	(670,000)	0.10
Expired	(1,224,000)	0.10
Balance, June 30, 2023	40,648,860	$ 0.09
Granted	9,450,000	0.10
Exercised	(6,531,500)	0.09
Expired	(34,117,360)	0.10
Balance, June 30, 2024	9,450,000	$ 0.10

During the year ended June 30, 2024, the Company issued 1,450,000 share purchase warrants pursuant to a warrant exercise incentive program (the "Program"). Under the Program, the Company offered, to each holder of Eligible Warrants who exercises the Eligible Warrants on and before the expiry date of May 16, 2024, the issuance of one-half common share purchase warrant for each Eligible Warrant exercised (each, a half "Incentive Warrant"). Each whole Incentive Warrant entitles the Warrant Holder to purchase one common share of the Company for a period of 12 months from May 16, 2024, at a price of $0.075 per Share. The Incentive Warrants were valued at $56,782 using the Black-Scholes option pricing model (assuming a risk-free interest rate of 4.19%, an expected life of 1 year, annualized volatility of 176.27% and a dividend rate of 0%). The fair value of the Incentive Warrant was recorded as a share issuance cost, with a corresponding credit to the equity reserve.

(EXPRESSED IN CANADIAN DOLLARS)

10. SHARE-BASED PAYMENTS (cont'd…)

As at June 30, 2024, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
1,450,000	$ 0.075	May 16, 2025
8,000,000	$ 0.100	September 14, 2025
9,450,000		

11. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2024	2023
Loss before income taxes	$ (3,871,455)	$ (604,419)
Expected income tax recovery at statutory rates (27%)	$ (1,045,000)	$ (163,000)
Change in statutory rates and other	-	(10,000)
Permanent differences	629,000	2,000
Share issuance cost	-	(3,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	(2,000)	-
Unrecognized temporary differences	418,000	174,000
Deferred income tax recovery	$ -	$ -

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize these benefits.

	2024	Expiry Date Range	2023	Expiry Date Range
Temporary differences:				
Equipment	$ 167,000	No expiry date	$ 155,000	No expiry date
Financing fees	$ 23,000	2044 to 2047	$ 44,000	2044 to 2047
Intangible asset	$ 42,000	No expiry date	$ 6,000	No expiry date
Non-capital losses available for future periods	$ 5,962,000	2026 to 2043	$ 4,452,000	2026 to 2043

12. FINANCIAL INSTRUMENTS

The carrying amount of cash, accounts payable and amounts due to related parties carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments and/or the rate of interest being charged.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, foreign currency exchange risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management monitors and manages these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. Management does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. As at June 30, 2024, the Company has current assets of $70,687 and current liabilities of $266,994. The Company's financial liabilities include accrued expenses and trade and other payables and accrued fees due to related parties which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. Liquidity risk is assessed as high. Subsequent to June 30, 2024, the Company raised total gross proceeds of $681,000 through the issuance of 13,620,000 common shares of the Company (Note 16).

Foreign currency exchange risk

Foreign currency exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company funds certain international purchases and operations expenses in the United States and by using US dollars converted from its Canadian bank accounts. Management does not believe the Company is exposed to material foreign currency risk. The Company does not hedge its foreign exchange risk.

Interest rate risk

The Company is exposed to interest rate risk arising from cash held in Canadian financial institutions. The interest rate risk on cash is not considered significant due to its short-term nature and maturity. The Company has not used any financial instrument to hedge potential fluctuations in interest rates.

13. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 that are observable for the asset or liability, 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.

14. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue its business goals and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company considers the components of shareholders' equity as capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue additional shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

15. SEGMENTED INFORMATION

Operating segments

The Company operates in a single reportable segment being the development of energy technology in one geographic region being Canada.

16. EVENTS AFTER THE REPORTING PERIOD

Subsequent to June 30, 2024,

i) The Company granted stock options to directors, officers and consultants of the Company to purchase 1,675,000 common shares at an exercise price of $0.055 per share for a period of 3 years.

ii) The Company granted stock options to officers of the Company to purchase 650,000 common shares at an exercise price of $0.06 per share for a period of 3 years.

ii) The Company completed two tranches of a non-brokered private placement, issuing 13,620,000 common shares at a price of $0.05 per share for gross proceeds of $681,000. The Company paid $48,080 and issued 961,600 broker's warrants as a finder's fee.