FORM 51-102F4

BUSINESS ACQUISITION REPORT

Item 1 Identity of Company

1.1 Name and Address of Company

Ammpower Corp. (the "**Company**")
5 Hazelton Avenue
Toronto, Ontario
M5R 2E1

1.2 Executive Officer

The following executive officer of the Company is knowledgeable about the significant acquisition and this report:

Gary Benninger, Chief Executive Officer of the Company, who can be contacted at gary@ammpower.com.

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

On January 6, 2023, the Company entered into a share exchange agreement (the “Progressus Acquisition”) with two vendors to acquire 50.05% of the issued and outstanding common shares of Progressus Clean Technologies, Inc. (“Progressus”). The acquisition of Progressus was an important step to acquire intellectual property that has the potential to directly improve the efficiency of ammonia production. The intellectual property of Progressus has the potential to enable the Company to achieve greater vertical integration and decrease its system expenses. As consideration for the acquisition of 50.05% of the issued and outstanding Progressus shares, the Company issued an aggregate of 50,000,000 common shares of the Company.

2.2 Date of Acquisition

The effective date of the Progressus Acquisition is January 6, 2023.

2.3 Consideration

On closing of the Progressus Acquisition, the Company issued a total of 50,000,000 common shares from treasury to acquire 50.05% of the issued and outstanding common shares of Progressus.

2.4 Effect on Financial Position

The Progressus Acquisition had no material effect on the financial performance and financial position of the Company as the Company issued common shares as consideration for the Progressus Acquisition.

2.5 Prior Valuations

Not applicable.

2.6 Parties to Transaction

On the closing date, the Progressus Acquisition was not with informed persons, associates or affiliates of the Company.

2.7 Date of Report

February 6, 2024

Item 3 Financial Statements

The following financial statements are attached hereto and form an integral part of this business acquisition report:

(i) Attached as Schedule "A" hereto, the audited financial statements of Progressus and the notes thereto as at and for the year ended December 31, 2022, together with the report of the auditors thereon.

SCHEDULE "A"
Progressus Annual Financial Statements

See attached.

Progressus Clean Technologies Inc.

Financial Statements

For the year ended December 31, 2022 and for the period from Incorporation on January 27, 2021 to December 31, 2021

(Expressed in United States Dollars)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of Progressus Clean Technologies Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Progressus Clean Technologies Inc. (the "Company") as of December 31, 2022 and December 31, 2021, and the related statements of operations and comprehensive loss, changes in shareholders' equity, and cash flows for the year ended December 31, 2022 and for the period of incorporation on January 27, 2021 to December 31, 2021, and the related notes (collectively referred to as the financial statements).

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and December 31, 2021, and the results of its operations and its cash flows for the year ended December 31, 2022 and for the period of incorporation on January 27, 2021 to December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

Material Uncertainty Related to Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has incurred a net loss for the year ended December 31, 2022 and has an accumulated deficit that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants
We have served as the Company's auditor since 2022

Mississauga, Canada

June 15, 2023

PROGRESSUS CLEAN TECHNOLOGIES INC.
Balance Sheet
(Expressed in United States Dollars)

As at:	Notes		December 31, 2022		December 31, 2021
ASSETS					
Current					
Cash		$	15,830	$	-
Prepaid expenses	4		10,000		66,414
Total current assets			25,830		66,414
Noncurrent assets					
Equipment	5		-		65,159
Total noncurrent assets			-		65,159
Total assets			25,830		131,573
LIABILITIES					
Current					
Accounts payable and accrued liabilities	6, 8	$	68,041	$	-
Total current liabilities			68,041		-
SHAREHOLDERS' (DEFICIT) EQUITY					
Share capital	7,8		60,000		60,000
Contributed Surplus	7,8		802,262		573,952
Deficit			(904,473)		(502,379)
Total Shareholders' (Deficit) Equity			(42,211)		131,573
Total Liabilities and Shareholders' (Deficit) Equity		$	25,830	$	131,573

Nature and going concern (Note 1)
Subsequent events (Note 11)

Approved on behalf of the Directors:

"Martin Schuermann"
Director

"Raghu Kilambi"
Director

The accompanying notes are an intergral part of these financial statements

PROGRESSUS CLEAN TECHNOLOGIES INC.

Statement of Operations and Comprehensive Loss

(Expressed in United States Dollars)

	Note		Year ended December 31, 2022		For the period from incorporation on January 27, 2021 to December 31, 2021
Expenses					
Subcontrators	**3, 8**	$	252,971	$	488,820
Consulting fees			10,000		-
General and administration			628		-
Shareholder Communications			1,857		-
Professional fees			37,320		-
Materials and supplies	**3**		2,720		7,959
Bad debts			-		5,600
Foreign Exchange Gain/Loss			843		-
Impairment of equipment	**5**		95,755		
Net loss for the year/period		**$**	**402,093**	**$**	**502,379**
Loss per share, basic and diluted		$	0.01	$	0.01
Weighted average numer of common shares outstanding - basic and diluted			60,000,000		60,000,000

The accompanying notes are an intregal part of these financial statements

PROGRESSUS CLEAN TECHNOLOGIES INC.

Statement of Changes in Shareholders' (Deficit) Equity

(Expressed in United States Dollars)

	Note	Common shares		Contributed Surplus	Deficit	Total Shareholders' (Deficit) Equity
		#	$	$	$	$
Balance, January 27, 2021		-	-	-	-	-
Founders shares	7	60,000,000	60,000	-	-	60,000
Net loss for the period		-	-	-	(502,379)	(502,379)
Contributions by owners	8	-		573,952	-	573,952
Balance, December 31, 2021		**60,000,000**	**60,000**	**573,952**	**(502,379)**	**131,573**
Balance, December 31, 2021		60,000,000	60,000	573,952	(502,379)	131,573
Net loss for the year		-	-	-	(402,093)	(402,093)
Contributions by owners	7	-	-	228,309	-	228,309
Balance, December 31, 2022		**60,000,000**	**60,000**	**802,262**	**(904,473)**	**(42,211)**

The accompanying notes are an intregal part of these financial statements

PROGRESSUS CLEAN TECHNOLOGIES INC.

Statement of Cash Flow

(Expressed in United States Dollars)

		Year ended December 31, 2022	For the period of incorporation on January 27, 2021 to December 31, 2021
OPERATING ACTIVITIES			
Net loss for year/period		$ (402,093)	$ (502,379)
Adjustment for:			
Impairment of equipment	**5**	95,755	
Changes in working capital items			
Prepaid expenses	**4**	56,414	(66,414)
Accounts payable and accrued liabilities	**6**	68,041	-
Net cash from operating activities		(181,883)	(568,793)
Cash flows from investing activities			
Acquisition of equipment	**5**	(30,596)	(65,159)
Net cash from investing activities		(30,596)	(65,159)
Cash flows from financing activities			
Capital contributions - Share Capital		-	60,000
Capital contributions - Contributed Surplus	**7**	228,309	573,952
Net cash from financing activities		228,309	633,952
Net change in cash		15,830	-
Cash, beginning of year/period		-	-
Cash, end of year/period		**$ 15,830**	**$ -**

The accompanying notes are an intregal part of these financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Progressus Clean Technologies Inc. (the “Company”) was incorporated under the *General Corporation Law* of Delaware on January 27, 2021. On November 24, 2021 the Company changed its name from AES-100 Inc. to Powerhouse Clean Technologies Inc, and on February 9, 2022 the Company changed its name to Progressus Clean Technologies Inc. The registered head office of the Company is located at 1013 Centre Road, Suite 403-A, Wilmington, DE 19805.

The Company is a venture stage green technology company focused on the development of novel hydrogen generation and separation technologies. The Company owns the exclusive rights and intellectual property through an intellectual property agreement, currently valued at nil, pertaining to the Advanced Electrolyzer System for the production of hydrogen from dilute syngas.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will be able to 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 a net loss of $402,093 for the year ended December 31, 2022 (2021 – net loss of $502,379) and as at that date has an accumulated deficit of $904,473 (December 31, 2021 - $502,379), has limited resources, no source of operating cash flow and no assurance that sufficient funding will be available. Management will be required to raise funds through a combination of equity and/or debt financing for the further development of its hydrogen technology business. The success of these plans will depend upon the ability of the Company to generate cash flows from equity and/or debt financing. These conditions indicate the existence of material uncertainties which may cast substantial doubt on the Company’s ability to continue as a going concern.

These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going concern. Such amounts could be material.

2. BASIS OF PREPARATION

Basis of Presentation

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (US GAAP).

The financial statements were authorized for issue by the Board of Directors on June 15, 2023.

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

2. BASIS OF PREPARATION (CONTINUED)

Use of estimates and judgements

The preparation of financial statements in accordance with US GAAP requires management to make estimates, judgements, and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expense during the reporting period. The most significant estimates relate to the selection of useful lives of equipment, and capitalization of internally developed hardware and associated useful lives. Management evaluates its estimates, judgements, and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, and makes adjustments when facts and circumstances dictate. These estimates are based on information available as of the date of the financial statements; therefore, actual results could differ from those estimates.

Significant accounting estimates

a) Income taxes

In assessing probability of realizing income tax assets in tax jurisdictions where the Company may be subject to tax in the future, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary tax differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

b) Depreciation and amortization of non-current assets

Depreciation and amortization expenses are based on management estimates of useful life, residual value and amortization method of equipment. The useful lives of equipment are reviewed annually.

Significant accounting judgements

a) Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast substantial doubt upon the Company’s ability to continue as a going concern.

b) Research and development expenditures

The application of the Company’s accounting policy for research and development expenditures requires judgement in determining whether it is likely that the future economic benefits will flow to the company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures is unlikely, the amount capitalized is written off to the statement of operations and comprehensive loss in the period the new information becomes available.

2. BASIS OF PREPARATION (CONTINUED)

While management believes that these judgements and estimates are reasonable, actual results could be different from those estimates and could impact future results of operations and cash flows. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

Functional and presentation currency

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The US dollar has been determined as the functional currency of the Company as it is the currency in which funds from financing activities (i.e. issuing equity instruments) are generated.

Foreign currency translation

Foreign currency transactions are translated into the functional currency of the Company in which they occur using the exchange rates prevailing at the dates of transactions. After initial recognition, monetary assets and liabilities denominated in foreign currency are translated at the end of each reporting period into the functional currency at the exchange rate at that date. Exchange differences are recognized in the statement of operations and comprehensive loss. Non-monetary assets and liabilities are measured at cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currency and measured at fair value are translated into the functional currency using the exchange rate prevailing at the date when the fair value was determined.

Cash

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash. Cash are recorded at cost, which approximates fair value. Cash held in financial institutions, at times, may exceed federal insured limits.

Equipment

Equipment are stated at cost, less accumulated depreciation, and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recorded as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs and maintenance costs are charged to the statement of operations and comprehensive loss during the period in which they are incurred.

Depreciation is calculated on a straight-line method to write off the cost of the asset to their residual values over their estimated useful lives.

Gains and losses on disposals of equipment are determined by comparing the proceeds with the carrying value of the asset and are included as part of other gains and losses in operations.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Research and development

Research costs are expensed as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development to use or sell the asset. Other development expenditures are recognized as research and development expenses on the statement of operation and comprehensive loss as incurred.

Income Taxes

The liability method is used in accounting for income taxes. Deferred tax assets and liabilities are recorded for temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements using the statutory tax rates in effect for the year in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax laws or rates is recorded in the results of operations in the period that includes the enactment date under the law.

We establish valuation allowances for deferred tax assets based on a more likely than not standard. The ability to realize deferred tax assets depends on the ability to generate sufficient taxable income within the carryback or carryforward periods provided for in the tax law for each applicable tax jurisdiction. The assessment regarding whether a valuation allowance is required or should be adjusted also considers all available positive and negative evidence factors. It is difficult to conclude a valuation allowance is not required when there is significant objective and verifiable negative evidence, such as cumulative losses in recent years.

Income tax expense (benefit) for the period is allocated between continuing operations and other categories of income such as Other comprehensive income (loss). In periods in which there is a pre-tax loss from continuing operations and pre-tax income in another income category, the tax benefit allocated to continuing operations is determined by taking into account the pre-tax income of other categories. The Company record Global Intangible Low Tax Income (GILTI) as a current period expense when incurred.

The Company record uncertain tax positions on the basis of a two-step process whereby we determine whether it is more likely than not that the tax positions will be sustained based on the technical merits of the position, and for those tax positions that meet the more likely than not criteria, the Company recognizes the largest amount of tax benefit that is greater than 50% likely to be realized upon ultimate settlement with the related tax authority. The Company records interest and penalties on uncertain tax positions in Income tax expense (benefit).

Fair Value – Definition and Hierarchy

Fair value accounting is applied for all assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). Fair value is defined as the exchange price that would be received for an asset or an exit price that would be paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company follows the established framework for measuring fair value and expands disclosures about fair value measurements.

(Expressed in United States Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value – Definition and Hierarchy (Continued)

The Company reports all financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The authoritative guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1—Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2—Inputs are observable, unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities.

Level 3—Inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety.

The financial statements as of December 31, 2022, do not include any nonrecurring fair value measurements relating to assets or liabilities.

4. PREPAID EXPENSES

	2022	2021
Subcontractor fees	$ -	$ 66,414
Legal fees	10,000	-
	$ 10,000	$ 66,414

5. EQUIPMENT

The Company acquired hardware to build AES-100 prototypes. The Company has determined the AES-100 prototype has no future economic benefit, and therefore has been impaired.

	2022	2021
Hardware	$ 95,755	$ 65,159
Impairmant	(95,755)	$ -
Equipment - net	$ -	$ 65,159

(Expressed in United States Dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Trade and other payables	$ 68,041	$ -
Total accounts payable and accrued liabilities	$ 68,041	$ -

7. SHARE CAPITAL

a) Authorized

60,000,000 common shares with a par value of $0.001

b) Issued and fully paid

On February 10, 2021 the Company had issued 60,000,000 founders shares with Par value of $0.001 per share for gross proceeds of $60,000.

In 2021, Aberdeen International Inc. (“Aberdeen”) and Powertap Hydrogen Capital Corp. (“Powertap”) have agreed to each invest CAD$500,000 per year for 24 months. As of December 31, 2022, both Aberdeen and Powertap have contributed $481,662 and $320,600 respectively, net of amount attributed to share capital of $25,000 and $29,400, respectively. Aberdeen and Powertap will continue to contribute to the Company to meet the targeted investment of CAD$500,000, per year for 24 months as agreed.

8. RELATED PARTY TRANSACTIONS

Key management personnel include the directors and officers of the Company. Key management transactions consist of the following:

	December 31, 2022	December 31, 2021
	$	$
Subcontractor Fees paid or accured to a company controlled by a former Director of the Company	219,723	561,939
Amounts payable to a company controlled by a former Director of the Company	66,564	-
Prepaid balance to a subcontracting company controlled by a Director of the Company	-	66,414
Founder Shares issued to a Director of the company	-	300
Total	**286,287**	**628,653**

9. INCOME TAXES

The Company is subject to income taxes in the U.S. federal jurisdiction. Tax regulations are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. The Company’s tax years remain open for examination by all tax authorities since inception as well as Carryover attributes beginning December 31, 2022, remain open to adjustment by the U.S. and state authorities.

(Expressed in United States Dollars)

9. INCOME TAXES (CONTINUED)

A reconciliation of the provision for income taxes, with the amount computed by applying the statutory federal income tax rate of 21% (2021 – 21%) to income before provision for income taxes is as follows.

	2022 $	2021 $
Operating tax losses	169,831	105,500
Less		
Valuation allowance	(169,831)	(105,500)
Total deferred tax assets, net -	-	-
Accounting loss	402,093	502,379
Tax adjustments	(95,755)	-
Taxable loss	306,338	502,379
Rate	0.21	0.21
Tax effected	64,331	105,500
Cummulative	169,831	-

The utilization of the Company's net operating losses may be subject to a limitation due to the "change in ownership provisions" under Section 382 of the Internal Revenue Code and similar state and foreign provisions. Such limitation may result in the expiration of the net operating loss carryforwards before their utilization.

The Company recognizes interest and penalties related to unrecognized tax benefits within the income tax expense line in the statements of operations and comprehensive loss. Accrued interest and penalties are included within the related tax liability line in the balance sheets. No accrued interest and penalties have been recorded as of December 31, 2022.

10. SUBSEQUENT EVENT

On January 6, 2023, AmmPower Corp ("AmmPower") entered into a share exchange agreement with Aberdeen International Inc. and other shareholders for controlling interest of 30,300,000 shares (50.05%) of the Company.