AMMPOWER CORP.

CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2024 and 2023

(Expressed in Canadian Dollars)

Crowe MacKay LLP
1100 - 1177 West Hastings Street
Vancouver, BC V6E 4T5
Main +1 (604) 687-4511
Fax +1 (604) 687-5805
www.crowemackay.ca

Independent Auditor's Report

To the Shareholders of AmmPower Corp.

Opinion

We have audited the consolidated financial statements of AmmPower Corp. (the "Group"), which comprise the consolidated statements of financial position as at May 31, 2024 and May 31, 2023 and the consolidated statements of loss and comprehensive loss, changes in equity (deficit) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at May 31, 2024 and May 31, 2023, and its consolidated financial performance and its consolidated 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 Group 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group'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 period. 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. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

Other Information

Management is responsible for the other information. The other information comprises:

- 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 identified above 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 the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. 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 as issued by the International Accounting Standards Board, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group'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 Group'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 Group 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 Group 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 period 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 Hilda Leung.

Crowe Mackay LLP

Chartered Professional Accountants
Vancouver, Canada
September 27, 2024

AMMPOWER CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
May 31, 2024 and 2023
(Expressed in Canadian Dollars)

	2024	2023
ASSETS		
Current		
Cash	$ 4,393	$ 58,554
Amounts receivable	64,560	144,420
Prepaid expenses	42,899	156,364
Lease receivable – current (Note 9)	65,019	–
Deposits (Note 6)	1,116,221	626,663
	1,293,092	986,001
Lease receivable – long-term (Note 9)	48,958	
Property, plant and equipment (Note 7)	502,134	584,731
Right of use asset (Note 9)	814,617	1,251,510
Exploration and evaluation asset (Note 8)	–	8,707
	$ 2,658,801	$ 2,830,949
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 13)	$ 4,674,660	$ 2,154,022
Due to related parties (Note 13)	488,776	212,348
Deferred revenue (Note 12)	26,526	162,863
Lease liabilities – current (Note 9)	288,756	248,686
Convertible loans (Note 10)	676,851	516,507
	6,155,569	3,294,426
Lease liabilities – long-term (Note 9)	919,279	1,196,669
	7,074,848	4,491,095
DEFICIT		
Share capital (Note 11)	51,652,673	51,207,543
Contributed surplus (Note 11)	9,139,170	8,812,340
Accumulated other comprehensive (loss) income	(2,297)	17,362
Accumulated deficit	(65,120,780)	(61,664,580)
Deficit attributable to shareholders	(4,331,234)	(1,627,335)
Non-controlling interest (Note 18)	(84,813)	(32,811)
Total deficit	(4,416,047)	(1,660,146)
	$ 2,658,801	$ 2,830,949

Going concern (Note 2)
Commitments (Notes 9 and 11)
Subsequent events (Notes 11 and 20)

APPROVED ON BEHALF OF THE BOARD:

"Alia Comai" Director — Alia Comai

"Gary Benninger" Director — Gary Benninger

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

AMMPOWER CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended May 31, 2024 and 2023
(Expressed in Canadian Dollars)

	2024	2023
Expenses		
Consulting fees (Note 13)	$ 536,922	$ 672,617
Depreciation (Notes 7 and 9)	367,923	366,733
Insurance	40,863	84,287
Interest and accretion	267,755	212,069
Investor relations	73,400	214,644
Office and general	23,770	115,370
Professional fees	183,160	283,914
Repairs and maintenance	87,995	129,083
Research, development and technology expense	116,768	275,030
Share-based payments (Notes 11 and 13)	616,830	3,030,484
Transfer agent and filing fees	31,686	19,420
Travel and meals	4,588	34,731
Wages and benefits (Note 13)	1,367,905	2,019,488
	3,719,565	7,457,870
Loss before other items	(3,719,565)	(7,457,870)
Other items:		
(Loss) Gain on debt settlement (Notes 11 and 13)	(37,743)	301
Gain on sale of exploration and evaluation asset (Note 8)	51,293	–
Impairment of intangible assets (Note 5)	–	(34,522,554)
Other income (Notes 9 and 12)	198,352	194,121
	211,902	(34,328,132)
Net loss for the year	(3,507,663)	(41,786,002)
Other comprehensive income (loss)		
Gain (loss) on translation of foreign operations	(20,198)	43,256
Total comprehensive loss for the year	$ (3,527,861)	$ (41,742,746)
Net loss attributable to:		
Shareholders of the Company	$ (3,456,200)	$ (24,537,979)
Non–controlling interest	(51,463)	(17,248,023)
Net loss for the year	$ (3,507,663)	$ (41,786,002)
Total comprehensive loss attributable to:		
Shareholders of the Company	$ (3,475,859)	$ (24,494,401)
Non–controlling interest	(52,002)	(17,248,345)
Total comprehensive loss for the year	$ (3,527,861)	$ (41,742,746)
Basic and diluted loss per share	$ (0.02)	$ (0.20)
Weighted average number of common shares outstanding	158,123,716	119,586,001

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

AMMPOWER CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)
For the years ended May 31, 2024 and 2023
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Non–Controlling Interest	Total Equity (Deficit)
Balance, May 31, 2022	94,437,064	$ 31,186,846	$ 7,376,132	$ (26,216)	$ (37,126,601)	$ –	$ 1,410,161
Private placement	5,541,913	1,274,640	–	–	–	–	1,274,640
Share issue cost – cash	–	(111,678)	–	–	–	–	(111,678)
Agents’ warrants	–	(34,240)	34,240	–	–	–	–
Exercise of share purchase warrants	2,000	200	–	–	–	–	200
Shares issued for acquisition of Progressus (Note 5)	50,000,000	17,250,000	–	–	–	–	17,250,000
Non-controlling interest Progressus (Note 5)	–	–	–	–	–	17,215,534	17,215,534
Shares issued to settle restricted share units (“RSU”)	4,701,302	1,628,516	(1,628,516)	–	–	–	–
Share-based payments – stock options	–	–	1,201,890	–	–	–	1,201,890
Share-based payments – RSU	–	–	1,828,594	–	–	–	1,828,594
Shares issued for debt	60,267	13,259	–	–	–	–	13,259
Total comprehensive loss for the year	–	–	–	43,578	(24,537,979)	(17,248,345)	(41,742,746)
Balance, May 31, 2023	154,742,546	51,207,543	8,812,340	17,362	(61,664,580)	(32,811)	(1,660,146)
Shares issued to settle RSU	4,650,000	290,000	(290,000)	-	-	–	–
Exercise of stock options	1,500,000	405,000	(180,000)	-	-	–	225,000
Return to treasury	(1,500,000)	(405,000)	180,000	-	-	–	(225,000)
Share-based payments – stock options	–	–	215,564	–	–	–	215,564
Share-based payments – RSU	–	–	401,266	–	–	–	401,266
Shares issued for debt	1,723,674	155,130	–	–	–	–	155,130
Total comprehensive loss of the year	–	–	–	(19,659)	(3,456,200)	(52,002)	(3,527,861)
Balance, May 31, 2024	161,116,220	$ 51,652,673	$ 9,139,170	$ (2,297)	$ (65,120,780)	$ (84,813)	$ (4,416,047)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

AMMPOWER CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended May 31, 2024 and 2023
(Expressed in Canadian Dollars)

	2024	2023
Operating Activities		
Net loss for the year	$ (3,507,663)	$ (41,786,002)
Items not affecting cash:		
Depreciation	367,923	366,733
Impairment of intangible assets	–	34,522,554
Interest and accretion	233,876	212,069
Share-based payments	616,830	3,030,484
Gain on sale of exploration and evaluation asset	(51,293)	–
Loss (Gain) on debt settlement	37,743	(301)
Changes in non–cash working capital items related to operations:		
Amounts receivable	130,306	(102,008)
Prepaid expenses and deposits	(376,093)	260,436
Accounts payable and accrued liabilities	2,520,638	1,320,821
Deferred revenue	(135,708)	162,863
Cash used in operating activities	(163,441)	(2,012,351)
Investing Activities		
Cash acquired from acquisition of Progressus	–	21,254
Property plant and equipment	(9,266)	(57,443)
Proceeds on sale of exploration and evaluation asset	60,000	–
Cash provided by (used in) investing activities	50,734	(36,189)
Financing Activities		
Due to related parties	376,809	202,023
Shares issued for cash	–	1,274,840
Share issue cost – cash	–	(111,678)
Lease payments and prepayment	(400,894)	(392,793)
Issue of convertible loans	104,421	500,000
Cash provided by financing activities	80,336	1,472,392
Effect of foreign exchange on cash	(21,790)	8,188
Change in cash during the year	(54,161)	(567,960)
Cash, beginning of year	58,554	626,514
Cash, end of the year	$ 4,393	$ 58,554
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year:		
Interest	$ –	$ –
Income taxes	$ –	$ –
Non-cash investing and financing transactions		
Fair value of shares on debt settlement	$ 155,130	$ 13,259
Fair value of shares issued to settle RSU	$ 290,000	$ 1,628,516
Fair value of agents' warrants issued	$ –	$ 34,240
Fair value of shares issued to acquire Progressus (Note 5)	$ –	$ 17,250,000

Changes in liabilities arising from financing activities (Note 19)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

AMMPOWER CORP. (the "Company" or "Ammpower") is a clean energy company focused on the production of green ammonia. On September 18, 2020, the Company received approval from the Canadian Securities Exchange ("CSE") for the listing of its common shares on the CSE and on October 6, 2020, commenced trading on the CSE under the symbol "SOLD" which was subsequently changed to "AMMP". The Company is also listed on the Frankfurt stock exchange under "601A" and OTC under "AMMPF".

On January 6, 2023, the Company acquired 50.05% of Progressus Clean Technologies Inc. ("Progressus"). As consideration, the Company issued 50,000,000 common shares of the Company (Note 5). The Company's cracking technology and Progressus' gas separation technology serve as means to extract green hydrogen from its carrier in the context of our clean energy initiatives. The Progressus intellectual property allows us to expand our technology–based clean energy agenda.

The Company was incorporated on December 3, 2019, in British Columbia. The head office and principal address of the Company is located at 5 Hazelton Avenue, Toronto, Ontario, Canada, M5R 2E1. The Company's registered and records office is located at 2800 Park Place – 666 Burrard Street, Vancouver, BC V6C 2Z7.

2. BASIS OF PREPARATION

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board.

The consolidated financial statements were authorized for issue by the Board of Directors on September 27, 2024.

(b) Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its Canadian subsidiary. The functional currency of the US subsidiaries is the US dollar. The functional currency of the Irish subsidiary is the Euro.

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION – (cont'd)

(c) Going Concern

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At May 31, 2024, the Company has not achieved profitable operations, has accumulated losses of $65,120,780 since inception and expects to incur further losses in the development of its business.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

The above material uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its production of green ammonia, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in the consolidated financial statements, unless otherwise indicated.

<u>Principles of Consolidation</u>

These consolidated financial statements include the accounts of the Company and its subsidiaries at the end of the reporting year.

		Percentage of ownership	
	Jurisdiction	2024	2023
AmTek Inc. (inactive)	Canada	100%	100%
Ammpower America LLC	United States	100%	100%
AmmGen Inc. (inactive)	United States	100%	100%
Naro Corporation Limited (inactive)	Ireland	100%	100%
Progressus Clean Technologies Inc.	United States	50.05%	50.05%

The results of these subsidiaries will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant intercompany accounts and transactions between the Company and its subsidiaries have been eliminated on consolidation.

3. MATERIAL ACCOUNTING POLICIES – (cont'd)

Principles of Consolidation – (cont'd)

AmTek Inc. ("AmTek") was incorporated on February 4, 2021 under the laws of the Province of Ontario. (Note 8).

Ammpower America LLC ("Ammpower America") was incorporated on May 11, 2021 under the articles of organization through the Michigan department of licensing and regulatory affairs.

AmmGen Inc. ("AmmGen") was incorporated on May 5, 2023 under the articles of organization through the Michigan department of licensing and regulatory affairs.

Naro Corporation Limited ("Naro") was incorporated on May 20, 2022 under the laws of Ireland.

Progressus Clean Technologies Inc. ("Progressus") was incorporated on January 27, 2021 under the laws of the State of Delaware (Note 5).

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided at rates calculated to write–off the cost of the furniture and equipment, less their estimated residual value, using the straight–line method at the following annual rates:

Computer equipment	Straight–line 5 years
Equipment	Straight–line 5 to 10 years
Furniture and fixtures	Straight–line 7 years
Leasehold improvements	Straight–line 5 to 7 years

Property, plant and equipment are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Research and Development

Expenditures on research activities, undertaken with the prospect of gaining new or technical knowledge and understanding, are recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. 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 and has the ability to use or sell the asset. Any expenditures capitalized include the costs of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use and borrowing costs on qualifying assets. Other development expenditures are recognized in profit or loss as incurred.

3. MATERIAL ACCOUNTING POLICIES – (cont'd)

Intangible Assets

Intangible assets consist of intellectual property and trade secrets. Intangible assets acquired in an asset acquisition are measured at fair value at the acquisition date.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable at least annually, either individually or at the cash–generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Impairment of Long–lived Assets

The Company's assets are reviewed for an indication of impairment at each statement of financial position date and whenever events suggest that the carrying amounts may not be recoverable. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash–generating unit, exceeds its recoverable amount. A cash–generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit or loss for the period. Impairment losses recognized in respect of cash–generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash–generating units and then to reduce the carrying amount of the other assets in the unit on a pro–rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash–generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3. MATERIAL ACCOUNTING POLICIES – (cont'd)

Financial Instruments

Financial Assets

The Company initially measures cash and lease receivable at fair value and subsequently measures them at amortized cost.

Financial Liabilities

The Company initially measures its accounts payable and accrued liabilities, due to related parties, lease liabilities, and convertible loans at fair value and subsequently measures it at amortized cost.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Revenue Recognition

The Company recognizes revenue in accordance with IFRS 15 – Revenue from contracts with customers. This standard contains a single model with two approaches to recognizing revenue: at a point in time or over time. The model features a contract–based five–step analysis of transactions to determine whether, how much and when revenue is recognized. The Company recognizes revenue when a contractual arrangement is in place, the fee is fixed and determinable, the services have been provided or the products have been delivered to the customer, and collectability is reasonably assured. Payments received in advance are recorded as deferred revenue and brought into revenue as earned.

With respect to the license income, there is one performance obligation to fulfill, and the revenue is recognized over time during the term of the agreement.

3. MATERIAL ACCOUNTING POLICIES – (cont'd)

Share Capital

The Company has adopted a 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. The fair value of the common shares issued in the private placements is determined to be the more easily measurable component and is valued at their fair value, as determined by the closing quoted bid price on the date of issuance. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded to contributed surplus.

Foreign Currency

The consolidated financial statements are presented in Canadian dollars which is the functional currency of Ammpower and AmTek. The functional currency of Ammpower America, AmmGen and Progressus is the US dollar. The functional currency of Naro is the Euro.

Assets and liabilities of the subsidiary having a functional currency other than the Canadian dollar are translated at the rate of exchange at the reporting period date. Revenues and expenses are translated at average rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transaction are used. The resulting foreign currency translation adjustments are recognized in the other comprehensive income (loss) included in the consolidated statements of loss and comprehensive loss.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transactions. At the end of each reporting period, foreign currency denominated monetary assets and liabilities are translated to the functional currency using the prevailing rate of exchange at the reporting period date. Gains and losses on translation of monetary items are recognized in profit or loss.

Share-Based Payments

Equity–settled share–based payments for directors, officers and employees are measured at fair value at the date of grant using the Black–Scholes valuation model and recorded as compensation expense in profit or loss, with a corresponding increase to contributed surplus. The fair value determined at the grant date of the equity–settled share–based payments is expensed on a graded vesting basis over the vesting period based on the Company's estimate of stock options that will eventually vest.

Compensation expense on stock options granted to non–employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received. When the value of goods or services received in exchange for the share–based payment cannot be reliably estimated, the fair value is measured by the use of the Black–Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non–transferability, exercise restrictions, and behavioural considerations. Expected volatility was determined based on comparison to similar companies for stock options with an expected life longer than the Company's trading history, otherwise expected volatility was estimated using the historical stock price of the Company.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

3. MATERIAL ACCOUNTING POLICIES – (cont'd)

Share–Based Payments – (cont'd)

All equity-settled share-based payments are reflected in contributed surplus until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled and settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense. Amount recorded in contributed surplus for share options which expire unexercised remain in contributed surplus.

The Company measures the cost of equity–settled share–based transactions by reference to the fair value of the equity instruments at the date at which they are granted. For restricted share units ("RSU"), the fair value of the grant is determined by multiplying the Company's share price at grant date by the number of RSU granted. The resulting fair value of the RSU is then adjusted for an estimated forfeiture rate which is determined based on historical data and is recognized over the vesting period. Actual number of RSU that will eventually vest is likely to be different from estimation.

Leases

As lessee

A contract is or contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right–of–use asset and lease liability at the lease commencement date. The right of use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The cost of the right–of–use asset includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs; and if applicable, an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The carrying amount of the right–of–use asset is depreciated on a straight–line basis over the life of the leases.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Generally, the Company uses its incremental borrowing rate as the discount rate.

3. MATERIAL ACCOUNTING POLICIES – (cont'd)

Leases – (cont'd)

As lessee – (cont'd)

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or, as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company applies judgment to determine the lease term for leases in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right–of–use assets recognized.

Lease payments from leases with a term of less than 12 months or leases where the underlying asset is of low value are expensed in profit or loss.

As lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term. Amounts due from lessees under finance leases are recognized as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Recent accounting pronouncements and changes in accounting policies

The following new standards and amendments are not yet effective and have not been applied in preparing these consolidated financial statements.

Classification of Liabilities as Current or Non–current (Amendments to IAS 1)

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2024 and are not expected to have a material impact on the Company.

3. MATERIAL ACCOUNTING POLICIES – (cont'd)

Recent accounting pronouncements and changes in accounting policies – (cont'd)

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

1. Three defined categories for income and expenses – operating, investing or financing – to improve the structure of the income statements, and require all companies to provide new defined subtotals, including operating profit;
2. Requirement for companies to disclose explanations of management–defined performance measures (MPMs) that are related to the income statement; and
3. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company will be evaluating the impact of the above amendments on its financial statements.

The following new standard was adopted during the year:

Disclosure of accounting policies (Amendments to International Accounting Standard ("IAS") 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments)

As part of the new amendments, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the consolidated financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity–specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the disclosed accounting policies and made updates to the information disclosed in certain instances in line with the amendments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in net loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Significant estimates

Estimates and assumptions where there is significant risk of material adjustments to the consolidated statement of financial position in future accounting periods include the recoverability and measurement are as follows:

Asset Acquisition

Management determines whether assets acquired and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. The Company completed the acquisition of Progressus in January 6, 2023 (Note 5) and concluded that the acquired entity did not qualify as a business under IFRS 3, "Business Combinations", as significant processes were not acquired. Accordingly, the acquisition has been accounted for as an asset acquisition. The acquired assets and assumed liabilities were adjusted to their fair values assigned through completion of a purchase price allocation, as described below. The purchase price allocation process resulting from the asset acquisition required management to estimate the fair value of the consideration paid, and the fair value of the identifiable assets acquired, including intangible assets, and liabilities assumed.

The cost of the acquisition was measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of the non–controlling interest ("NCI") in the acquiree.

Impairment of intangible assets

The Company assesses the carrying values of its intangible assets annually, or more frequently if warranted by a change in circumstances. If it is determined that carrying values of assets cannot be recovered, the unrecoverable amounts are charged against current earnings. Recoverability is dependent upon assumptions and judgments regarding sales and demand forecasts, costs of production and sustaining capital requirements. Other assumptions used in the calculation of recoverable amounts are discount rates and future cash flows. A material change in assumptions may significantly impact the potential impairment of these assets. During the year ended May 31, 2023, the Company recognized an impairment charge on the intangible assets acquired from Progressus (Note 5).

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS – (cont'd)

Going Concern

The assessment of the Company's ability to continue as a going concern require significant judgement. See Note 2(c).

Research and development

Research costs are recognized as an expense when incurred, but development costs may be capitalized as intangible assets if certain conditions are met, as described in International Accounting Standard ("IAS") 38 Intangible Assets. Management has determined that research and development costs do not meet the conditions for capitalization under IAS 38, and all research and development costs have been expensed.

Revenue

Significant management judgements and estimates must be made in connection with determination of the revenue to be recognized in any accounting period. If management made different judgements or utilized different estimates for any period, material differences in the amount and timing of revenue recognized could result. During the year ended May 31, 2023, the Company entered into a contract which included multiple promised services or products, thus management applied judgement to determine whether promised services or products are capable of being distinct and distinct in the context of the contract (Note 11). Management determined the contract comprised of one performance obligation. Management also applied judgement to determine that the performance obligation is satisfied over time.

(Expressed in Canadian Dollars)

5. ACQUISTION OF PROGRESSUS

On January 6, 2023, the Company entered into a share exchange agreement 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 will enable the Company in achieving greater vertical integration and decreasing its system expenses. As consideration for the Progressus shares, the Company issued an aggregate of 50,000,000 common shares of the Company.

Concurrent with the acquisition, the vendors agreed to provide to the Company an aggregate convertible loans of $500,000 for working capital purposes as follows:

a) $250,000 on the closing of the transaction; and
b) $250,000 on the date that is 30 days following the closing of the transaction.

The convertible loans bear interest at 10 per cent per annum, mature 12 months from the date of agreement and are convertible into the Company's shares at a deemed conversion price equal to the trading price of the Company on the date of conversion. During the year ended May 31, 2023, the Company received a total of $500,000 in convertible loans (Note 10).

At the date of acquisition, the Company determined that Progressus assets did not constitute a business defined under IFRS 3, Business Combinations, and as such, the acquisition was accounted for as an asset acquisition. The consideration paid is accounted for in accordance with IFRS 2 share–based payments whereby the Company issued shares in exchange for the net assets of Progressus.

The fair value of the 50,000,000 common shares issued ($17,250,000) was determined based on the share price of the Company on the acquisition date. The consideration was allocated to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The purchase price was allocated as follows:

Fair value of consideration	$	17,250,000
Allocated to the fair value of net assets acquired:		
Cash	$	21,254
Prepaid expenses		13,486
Accounts payable and accrued liabilities		(91,760)
Intangible assets		34,522,554
Less: portion allocated to non–controlling interest		(17,215,534)
Total net assets acquired	$	17,250,000

At the time of acquisition, the intangible assets were in an early stage of research and development, with significant uncertainties surrounding its future market demand, sales price and production costs, and as such, on January 6, 2023, the Company recognized an impairment loss of $34,522,554. The recoverable amount of $Nil was determined utilizing a five–year discounted cash flow model ("DCF") using a strategic plan based on management's expectations of market growth, industry reports and trends, and historical costs. These projections are inherently uncertain due to the growth–oriented strategies of the Company and the emerging market. The DCF model included projections surrounding revenue, cost of sales expenses, discount rate and revenue terminal growth rates of 31%. As at January 6, 2023 the discount rate used to calculate the fair value of this investment was 33%, reflecting specific risks and market conditions.

6. DEPOSITS

Deposits are comprised of $1,116,221 (2023 – $626,663) on the purchases of various equipment intended for resale.

(Expressed in Canadian Dollars)

7. PROPERTY, PLANT AND EQUIPMENT

	Furniture and Fixtures	Equipment	Computer Equipment	Leasehold Improvements	Total
Cost					
Balance at May 31, 2022	$ 27,242	$ 367,204	$ 47,318	$ 178,578	$ 620,342
Addition	–	53,546	–	3,897	57,443
Foreign Exchange	1,784	28,720	3,573	5,007	39,084
Balance at May 31, 2023	29,026	449,470	50,891	187,482	716,869
Addition	–	9,266	–	–	9,266
Foreign Exchange	63	1,206	127	186	1,582
Balance at May 31, 2024	$ 29,089	$ 459,942	$ 51,018	$ 187,668	$ 727,717
Accumulated Depreciation					
Balance at May 31, 2022	$ 2,473	$ 16,478	$ 5,355	$ 13,502	$ 37,808
Depreciation	4,354	50,112	10,084	27,887	92,437
Foreign Exchange	150	1,244	404	95	1,893
Balance at May 31, 2023	6,977	67,834	15,843	41,484	132,138
Depreciation	4,363	50,821	10,109	27,913	93,206
Foreign Exchange	14	170	40	15	239
Balance at May 31, 2024	$ 11,354	$ 118,825	$ 25,992	$ 69,412	$ 225,583
Net Book Value					
At May 31, 2023	$ 22,048	$ *381,636	$ 35,048	$ 145,999	$ 584,731
At May 31, 2024	$ 17,735	$ *341,117	$ 25,026	$ 118,256	$ 502,134

*As at May 31, 2024, equipment included $50,272 (2023 – $41,006) of asset not in use and during the year ended May 31, 2024 and 2023, no depreciation was recorded.

8. EXPLORATION AND EVALUATION ASSET

	Whabouchi Property
Balance as at May 31, 2023	$ 8,707
Sale of exploration and evaluation asset	(8,707)
Balance, as at May 31, 2024	$ –

There were no general exploration expenditures for the year ended May 31, 2024 and 2023.

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSET – (cont'd)

Whabouchi Property

On March 31, 2021, the Company completed the acquisition of all of the outstanding common shares of AmTek. AmTek is the owner of the Whabouchi South lithium exploration property located in the James Bay/Eeyou Istche region of Quebec and is working on the development of a proprietary technology to produce green ammonia, a potential carbon–free energy source.

On July 20, 2023, the Company entered into an asset purchase agreement with Consolidated Lithium Metals Inc. ("Consolidated Lithium"), a company with common officers, whereby Consolidated Lithium acquired 100% of the Whabouchi Property. As consideration, Consolidated Lithium paid $60,000 in cash (received). There is a 1% NSR of which Consolidated Lithium has the option to repurchase at any time for $250,000. During the year ended May 31, 2024, the Company recorded a gain of sale of exploration and evaluation assets for $51,293.

9. RIGHT OF USE ASSETS AND LEASE LIABILITIES

On July 14, 2021, the Company entered into a general office lease agreement in Toronto, Ontario. The lease is for five years, with an option to renew for another 5 years, commencing on August 1, 2021, with the first payment due on October 1, 2021. The annual cost of the monthly payment is $144,000 per annum. The Company paid a deposit of $36,000 which represents first and last months' rent and a security deposit ($12,000). The Company applied the first and last month's payments against the lease liability and recorded the security deposit in prepaid expenses and deposit. In accordance with IFRS 16, the Company recognized a right–of–use asset and lease liability on the lease commencement date.

On August 2, 2021, the Company entered into an agreement to lease a facility in Michigan, USA. The lease has an 86–month term with an optional 5–year extension and the first payment commencing October 1, 2021. The annual cost of the monthly payment is US$179,304, which will increase by 3% annually. In accordance with IFRS 16, the Company recognized a right–of–use asset and lease liability on the lease commencement date.

Right of use assets		**2024**		**2023**
Balance, opening	$	1,251,510	$	1,450,843
Depreciation		(274,717)		(274,296)
Disposal		(164,423)		–
Foreign exchange		2,247		74,963
Balance, ending	$	814,617	$	1,251,510

(Expressed in Canadian Dollars)

9. RIGHT OF USE ASSETS AND LEASE LIABILITIES – (cont'd)

The lease liability was measured at the present value of the remaining lease payments for the respective leases with terms of five and seven years and discounted using the Company's incremental borrowing rate of 12% per annum.

Lease liabilities	**2024**	**2023**
Balance, opening	$ 1,445,355	$ 1,569,119
Lease payments	(400,894)	(392,793)
Interest accretion	160,946	187,151
Foreign exchange	2,628	81,878
Balance, ending	$ 1,208,035	$ 1,445,355
Current portion	$ 288,756	$ 248,686
Long Term	919,279	1,196,669
Balance, ending	$ 1,208,035	$ 1,445,355

The maturity analysis of the undiscounted contractual balances of the lease liabilities is as follows:

Maturity analysis	**2024**	**2023**
Less than one year	$ 420,601	$ 400,253
One to three years	1,007,943	1,139,821
Four to seven years	89,066	362,844
Total undiscounted lease liabilities	1,517,610	1,902,918
Amount representing implicit interest	(309,575)	(457,563)
Lease liabilities	$ 1,208,035	$ 1,445,355

On July 26, 2022, the Company entered into a sublease agreement with a company with common officer to sublease an area of two–thirds of the Toronto lease property ending on July 26, 2023 and later amended to July 26, 2026. During the year ended May 31, 2024, the Company recognized a lease income of $60,000 (2023 – $55,000) and the sublease is classified as a finance lease.

The lease receivable is as follows:

Lease receivable	**2024**
Balance, opening	$ –
Additions	164,423
Interest income	9,554
Lease payments received	(60,000)
Balance, ending	$ 113,977
Current portion	$ 65,019
Long Term	48,958
Balance, ending	$ 113,977

(Expressed in Canadian Dollars)

9. RIGHT OF USE ASSETS AND LEASE LIABILITIES – (cont'd)

On October 1, 2022, the Company entered into a sublease agreement to sublease an area of one–third of the Toronto lease property. The sublease is for one year, ending on October 31, 2023. During the year ended May 31, 2024, the Company recognized a lease income of $53,090 (2023 – $30,968) and the sublease is classified as an operating lease.

10. CONVERTIBLE LOANS

	2024	2023
Balance, opening	$ 516,507	$ –
Additions	104,421	500,000
Interest expense	55,923	16,507
Balance, ending	$ 676,851	$ 516,507

On January 6, 2023, the Company entered into a convertible loan agreement with Forbes & Manhattan, Inc. for a principal amount of $250,000. The loan matured on January 6, 2024, and bears interest at a simple rate of 10% per annum. Interest is payable annually in arrears commencing one year from January 6, 2023. At any time prior to the maturity date, the principal amount and the unpaid interest outstanding may be converted at the election of the holder into common shares of the Company at a deemed conversion price equal to the trading price of the Company on the date of conversion. During the year ended May 31, 2024, the Company accrued interest of $25,069 (2023 – $9,932) and as May 31, 2024, the Company accrued interest payable of $35,001 (2023 – $9,932).

On February 3, 2023, the Company entered into a convertible loan agreement with Forbes & Manhattan, Inc. for a principal amount of $100,000. The loan matured on February 3, 2024, and bears interest at a simple rate of 10% per annum. Interest is payable annually in arrears commencing one year from February 3, 2023. At any time prior to the maturity date, the principal amount and the unpaid interest outstanding may be converted at the election of the holder into common shares of the Company at a deemed conversion price equal to the trading price of the Company on the date of conversion. During the year ended May 31, 2024, the Company accrued interest of $10,027 (2023 – $3,206) and as at May 31, 2024, the Company accrued interest payable of $13,233 (2023 – $3,206).

On March 10, 2023, the Company entered into a convertible loan agreement with Aberdeen International Inc. for a principal amount of $150,000. The loan matured on March 10, 2024, and bears interest at a simple rate of 10% per annum. Interest is payable annually in arrears commencing one year from March 10, 2023. At any time prior to the maturity date, the principal amount and the unpaid interest outstanding may be converted at the election of the holder into common shares of the Company at a deemed conversion price equal to the trading price of the Company on the date of conversion. During the year ended May 31, 2024, the Company accrued interest of $15,041 (2023 – $3,369) and as at May 31, 2024, the Company accrued interest payable of $18,410 (2023 – $3,369). A former officer of the Company, Ryan Ptolemy, is an officer of Aberdeen International Inc.

On October 5, 2023, the Company entered into a convertible loan agreement with Aberdeen International Inc. for a principal amount of US$40,000 (CAD$54,547). The loan will mature on October 4, 2024, and bears interest at a simple rate of 10% per annum. Interest is payable annually in arrears commencing one year from October 5, 2023. At any time prior to the maturity date, the principal amount and the unpaid interest outstanding may be converted at the election of the holder into common shares of the Company at a deemed conversion price equal to the trading price of the Company on the date of conversion. During the year ended May 31, 2024, the Company accrued interest of $3,572 (2023 – $Nil) and as at May 31, 2024, the Company accrued interest payable of $3,572 (2023 – $Nil). A former officer of the Company is also an officer of Aberdeen International Inc.

10. CONVERTIBLE LOANS – (cont'd)

On December 21, 2023, the Company entered into a convertible loan agreement with Aberdeen International Inc. for a principal amount of $49,874. The loan will mature on December 20, 2024, and bears interest at a simple rate of 10% per annum. Interest is payable annually in arrears commencing one year from December 21, 2023. At any time prior to the maturity date, the principal amount and the unpaid interest outstanding may be converted at the election of the holder into common shares of the Company at a deemed conversion price equal to the trading price of the Company on the date of conversion. During the year ended May 31, 2024, the Company recorded $2,214 (2023 – $Nil) in interest expense and as at May 31, 2024, the Company accrued interest payable of $2,214 (2023 – $Nil). A former officer of the Company is also an officer of Aberdeen International Inc.

The convertible loans are classified as a financial liability at amortized cost.

An aggregate of $500,000 (2023 – $Nil) are past due and in default as at May 31, 2024.

11. SHARE CAPITAL

(a) Authorized

Unlimited common shares with no par value.

(b) Issued

During the year ended May 31, 2024:

On July 26, 2023, pursuant to the exercise of stock options, the Company issued 1,500,000 common shares for total proceeds of $225,000 and transferred $180,000 from contributed surplus. On September 19, 2023, 1,500,000 shares were returned to treasury as the consultant cancelled the marketing agreement with the Company due to a conflict of interest, accordingly, the Company reversed the transaction. No proceeds from the stock options was retained by the Company and no consulting expense was recognized in the consolidated financial statements.

On October 24, 2023, the Company issued 1,723,674 common shares to debt settle $117,387 (US$85,000) in debts with the CEO of the Company, resulting in a loss on debt settlement of $37,743.

During the year ended May 31, 2024, the Company issued 4,650,000 common shares in settlement of the RSU and transferred $290,000 from contributed surplus.

During the year ended May 31, 2023:

On September 26, 2022, the Company closed its first tranche non–brokered private placement and issued 4,769,739 units at a price of $0.23 per unit for total proceeds of $1,097,040. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of $0.31 per share expiring on September 26, 2024. In connection with the offering, the Company paid a cash finders fee of $62,750 and issued 342,396 finders' warrants. Each agents' warrant is exercisable into one common share at a price of $0.31 per share expiring on September 26, 2024. These agents' warrants were fair valued at $34,240 using the Black–Scholes Option Pricing Model with the following assumptions: risk–free interest rate of 3.75%; dividend yield of 0%; volatility of 95.95% and expected life of two years and a stock price of $0.23.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL – (cont'd)

(b) Issued – (cont'd)

On October 24, 2022, the Company closed its second tranche non–brokered private placement and issued 772,174 units at a price of $0.23 per unit for total proceeds of $177,600. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of $0.31 per share expiring on October 24, 2024. In connection with the offering, the Company paid a cash finders fee of $20,000. The Company also recognized an additional share issue cost of $28,928 for legal and professional fees related to the financing.

On January 6, 2023, the Company acquired 50.05% of Progressus by issuing 50,000,000 common shares to shareholders of Progressus for a total fair value of $17,250,000 (Note 5).

On March 30, 2023, the Company issued 60,267 common shares to settle debt of $13,560 resulting in a gain on debt settlement of $301.

During the year ended May 31, 2023, the Company issued 2,000 common shares for total proceeds of $200 pursuant to the exercise share purchase warrants.

During the year ended May 31, 2023, the Company issued 4,701,302 common shares in settlement of the RSU and transferred $1,628,516 from contributed surplus.

(c) Share Purchase Warrants

The changes in warrants were as follows:

	2024	Weighted Average Exercise Price	2023	Weighted Average Exercise Price
Balance, beginning of year	20,835,114	$0.55	15,395,401	$0.64
Issued	–	–	5,541,913	0.31
Exercised	–	–	(2,000)	0.10
Expired	(8,150,343)	0.74	(100,200)	0.10
Balance, end of year	12,684,771	$0.43	20,835,114	$0.55

As at May 31, 2024, the Company had 12,684,771 share purchase warrants outstanding as follows:

Outstanding	Exercise Price	Weighted average remaining life	Expiry Date
*4,769,739	$0.31		September 26, 2024
772,174	$0.31		October 24, 2024
7,142,858	$0.52		February 16, 2027
12,684,771		1.67 years	

*Subsequent to May 31, 2024, 4,769,739 share purchase warrants expired unexercised.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL – (cont'd)

(d) Agents Warrants

The changes in warrants were as follows:

	2024	Weighted Average Exercise Price	2023	Weighted Average Exercise Price
Balance, beginning of year	1,110,413	$0.49	768,017	$0.56
Issued	–	–	342,396	0.31
Expired	(196,588)	0.99	–	–
Balance, end of year	913,825	$0.38	1,110,413	$0.49

As May 31, 2024, the Company had 913,825 agents' warrants outstanding as follows:

Outstanding	Exercise Price	Weighted average remaining life	Expiry Date
*342,396	$0.31		September 26, 2024
571,429	$0.42		February 16, 2027
913,825		1.82 years	

*Subsequent to May 31, 2024, 342,396 agents' warrants expired unexercised.

(e) Share-based compensation

On April 12, 2021, the Company adopted an equity incentive plan under which it is authorized to grant to officers, directors, employees and consultants stock options, RSU, and all other security based compensation arrangements enabling them to acquire up to 20% of the issued and outstanding common share of the Company. The options can be granted for a maximum of 10 years and vest as determined by the Board of Directors. The exercise price of each option granted may not be less than the fair market value of the common shares.

Stock Options

On October 6, 2022, the Company granted 150,000 stock options to a consultant of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at $0.35 per share expiring on October 5, 2027. The stock options vest at 50,000 stock options on March 31, 2023 and 50,000 stock options every six months thereafter. The fair value of the stock options of $33,000 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of $0.30; Risk–free interest rate of 3.41%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%, since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start–up companies. During the year ended May 31, 2024, the Company recorded $9,928 (2023 – $23,072) in share–based payments.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL – (cont'd)

(e) Share-based compensation – (cont'd)

Stock Options – (cont'd)

On July 1, 2023, the Company granted 100,000 stock options to a consultant of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at $0.165 per share expiring on July 1, 2028. The stock options vest at 50,000 stock options on July 1, 2023 and 50,000 stock options on July 1, 2024. The fair value of the stock options of $13,000 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of $0.17; Risk–free interest rate of 3.85%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%, since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start–up companies. During the year ended May 31, 2024, the Company recorded $12,449 (2023 – $Nil) in share–based payments.

On July 24, 2023, the Company granted 1,500,000 stock options to a consultant of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at $0.15 per share expiring on July 24, 2028. The 1,500,000 stock options vest on July 24, 2023. The fair value of the stock options of $180,000 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of $0.16; Risk–free interest rate of 3.85%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 100%, since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start–up companies. During the year ended May 31, 2024, the Company recorded $180,000 (2023 – $Nil) in share–based payments. These options were cancelled during the year.

During the year ended May 31, 2024, the Company recorded an aggregate $13,187 (2023 – $1,178,818) in share-based payments related to stock options granted prior to fiscal year 2023.

The changes in stock options were as follows:

	2024	**Weighted Average Exercise Price**	**2023**	**Weighted Average Exercise Price**
Balance, beginning of year	10,375,000	$0.77	11,675,000	$0.77
Granted	1,600,000	0.15	150,000	0.35
Cancelled	(1,500,000)	0.15	–	–
Forfeited	–	–	(1,450,000)	0.67
Balance, end of year	10,475,000	$0.76	10,375,000	$0.77

(Expressed in Canadian Dollars)

11. SHARE CAPITAL – (cont'd)

(e) Share-based compensation – (cont'd)

Stock Options – (cont'd)

As at May 31, 2024, the Company had 10,475,000 stock options outstanding as follows:

Outstanding	Vested	Exercise Price	Weighted Average remaining Life	Expiry Date
575,000	575,000	$0.90		April 22, 2026
1,850,000	1,850,000	$1.15		April 29, 2026
450,000	450,000	$1.15		May 13, 2026
150,000	150,000	$1.15		May 17, 2026
225,000	225,000	$1.27		May 25, 2026
300,000	300,000	$1.46		June 1, 2026
150,000	150,000	$2.07		June 15, 2026
125,000	125,000	$1.55		June 24, 2026
150,000	150,000	$1.26		July 5, 2026
250,000	250,000	$0.77		July 29, 2026
75,000	75,000	$0.57		November 15, 2026
5,425,000	5,425,000	$0.49		December 10, 2026
500,000	500,000	$0.54		January 21, 2027
150,000	150,000	$0.35		October 5, 2027
100,000	50,000	$0.165		July 1, 2028
10,475,000	10,425,000		2.33 years	

Restricted Share Unit

On April 29, 2021, the Company granted 100,000 RSU to officers of the Company. The granted RSU shall vest 50% on the date of grant and 25% on April 29, 2022 and 2023 respectively. During the year ended May 31, 2024, the Company cancelled Nil (2023 – 50,000) unvested RSU and recognized a reversal of $Nil (2023 – $15,635) to share–based payments. As at May 31, 2024, 50,000 RSU have vested and are not issued.

On June 24, 2021, the Company granted 125,000 RSU to a consultant of the Company. The granted RSU shall vest 50% on June 24, 2022 and 50% on June 24, 2023. During the year ended May 31, 2024, the Company recognized $3,185 (2023 – $54,807) as share–based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. During the year ended May 31, 2024, Nil (2023 – 62,500) common shares were issued and as at May 31, 2024, 62,500 RSU have vested and the shares are not issued.

On July 7, 2021, the Company granted 1,500,000 RSU to an officer of the Company and a consultant of the Company. The granted RSU shall vest 1/3 on November 7, 2021 and every four months thereafter. During the year ended May 31, 2024, the Company recognized $Nil (May 31, 2022 – $57,782) as share–based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. During the year ended May 31, 2024, Nil (2023 – 166,667) common shares were issued and as at May 31, 2023, 1,000,000 vested RSU have been cancelled.

11. SHARE CAPITAL – (cont'd)

(e) Share-based compensation – (cont'd)

Restricted Share Unit– (cont'd)

On January 11, 2022, the Company granted 3,500,000 RSU to an officer of the Company and to consultants of the Company. The granted RSU shall vest on May 12, 2022. The Company recognized a fair value of $1,890,000. As at May 31, 2024, 500,000 RSU have vested and have not been settled.

During the year ended May 31, 2023, the Company granted an aggregate of 5,772,135 RSU to directors and consultants of the Company. The granted RSU vested on the year ended May 31, 2023. During the year ended May 31, 2024, the Company recognized $Nil (2023 – $1,731,640) as share–based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. During the year ended May 31, 2024, 1,150,000 (2023 – 4,472,135) common shares were issued to settle the 1,150,000 (2023 – 4,472,135) RSU and as at May 31, 2024, 1,150,000 (2023 – 1,300,000) RSU have vested and have not been settled.

On June 5, 2023, the Company granted 2,000,000 RSU to employees of the Company. The granted RSU shall vest 50% on June 5, 2023 and 50% on June 1, 2024. During the year ended May 31, 2024, the Company recognized $279,613 (2023 – $Nil) as share–based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. During the year ended May 31, 2024, 1,000,000 common shares were issued to settle 1,000,000 RSU and as at May 31, 2024, 1,000,000 RSU are unvested.

On July 1, 2023, the Company granted 100,000 RSU to a consultant of the Company. The granted RSU shall vest 50% on November 2, 2023 and 50% on November 2, 2024. During the year ended May 31, 2024, the Company recognized $13,468 (2023 – $Nil) as share–based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. As at May 31, 2024, 50,000 RSU are unvested and 50,000 RSU have vested and have not been settled.

On February 15, 2024, the Company granted 3,500,000 RSU to a director and consultants of the Company. The granted RSU shall vest at the date of grant. During the year ended May 31, 2024, the Company recognized $105,000 (2023 – $Nil) as share–based payment and, as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. During the year ended May 31, 2024, 3,500,000 common shares were issued to settle the RSU.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL – (cont'd)

(e) Share-based compensation – (cont'd)

Restricted Share Unit – (cont'd)

The changes in RSU were as follows:

	2024	2023
Balance, beginning of year	1,912,500	1,891,667
Granted	5,600,000	5,772,135
Settled by issuance of shares	(4,650,000)	(4,701,302)
Cancelled	–	(1,050,000)
Balance, end of year	2,862,500	1,912,500

As at May 31, 2024, 1,812,500 (2023 – 1,850,000) RSU were vested but have not been settled.

During the year ended May 31, 2024, the Company recognized $401,266 (2023 – $1,828,594) in share–based payments on RSU vested during the year and have transferred $290,000 (2023 – $1,628,516) from contributed surplus to share capital upon the issuance of 4,650,000 (2023 – 4,701,302) common shares.

Subsequent to May 31, 2024, the Company issued 1,000,000 common shares relating to settlement of RSU.

(f) Escrow Shares

Pursuant to an escrow agreement dated September 22, 2020, an aggregate of 2,050,000 common shares were placed into escrow to be released as to 10% on the Listing Date with the remaining 90% to be released in equal tranches at six–month intervals over the 36 months following the Listing Date. As at May 31, 2024, Nil (2023 – 307,500) common shares are in escrow.

12. LICENSE AGREEMENT

On August 10, 2022, the Company entered into an agreement with Blue Ocean Salt Corp. ("Blue Ocean") (formerly known as Clean Light Acquisition Corp), a company incorporated in BC, whereby, the Company has granted Blue Ocean licensing rights for North America, the United Kingdom and the European Union for a period of two years to use certain licensed technology bundled with Blue Ocean's products. The license will allow Blue Ocean to buy, use, sell, modify, create derivative works of, and distribute the Company's licensed technology only as a bundle with Blue Ocean's products. As consideration, Blue Ocean has agreed to pay US$200,000 in cash (received) and Blue Ocean will issue 5% of its issued and outstanding common shares to the Company which will be subject to escrow.

On April 4, 2023, Blue Ocean was acquired by Vortex Energy Corp. ("Vortex"). As part of the acquisition, Blue Ocean acknowledged the error in not issuing the shares to the Company and in a subsequent agreement agreed to issue 690,000 shares of Vortex between the date of the signed acknowledgment and the initial two–year licensing term. The shares will be issued with various hold periods in various tranches. As of May 31, 2024, the Company has not received the 690,000 shares and therefore, the 690,000 shares have not been included in the transaction price.

(Expressed in Canadian Dollars)

12. LICENSE AGREEMENT – (cont'd)

During the year ended May 31, 2024, the Company recognized as other income $135,708 (2023 – $92,197). The Company expects to recognize as other income the remaining performance obligations represented by the deferred revenue balance of $26,526 as at May 31, 2024 in the next three months.

The term of this agreement may be extended within 30 days of the initial two-year term, for an additional three years, in exchange for cash payments and share issuances. The extension expired unexercised on September 9, 2024.

13. RELATED PARTY TRANSACTIONS AND BALANCES

The following expenses were incurred with key management personnel of the Company. Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. Key management compensation comprises:

	Relationship	2024	2023
Consulting fees			
Soumi Holdings Inc.	Rene Bharti, President	$ 240,000	$ 240,000
Wages and benefits			
Gary Benninger	CEO	320,729	320,540
Christopher Lilla	Former CFO	–	181,628
		320,729	502,168
Share-based payments			
Gary Benninger	CEO	33,241	1,189,755
Rene Bharti	President	–	300,000
Luisa Moreno	Director	1,557	97,814
Alia Comai	Director	1,557	92,204
Christopher Lilla	Former CFO	–	311,071
		36,355	1,990,884
		$ 597,084	$ 2,733,012

13. RELATED PARTY TRANSACTIONS AND BALANCES – (cont'd)

Included in accounts payable and accrued liabilities as at May 31, 2024 was $1,194,238 (2023 – $473,340) in unpaid consulting fees and wages to directors and officers and the former CFO of the Company and to companies controlled by directors or officers of the Company. The amounts are unsecured, non–interest bearing and payable on demand.

Due to related parties

Included in due to related parties at May 31, 2024 was $136,475 (2023 – $6,707) to a company where the former CFO is also an officer of the company, an officer of the Company, a Company controlled by the president and a former director of AmTek for advances on working capital. The amount is unsecured, non–interest bearing and payable on demand.

On September 14, 2022, the Company issued a promissory note for proceeds of $100,000 to the president of the Company. The promissory note is unsecured, bears interest at 5% per annum and compounded monthly and was due on January 14, 2024. The promissory note was extended to July 14, 2024. As at May 31, 2024, the Company accrued interest payable of $8,935 (2023 – $3,618).

On March 20, 2023, the Company issued a promissory note for proceeds of $6,802 (US$5,000) to the CEO of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and was due on September 19, 2023. During the year ended May 31, 2024, the loan and interest was repaid.

On March 22, 2023, the Company issued a promissory note for proceeds of $27,274 (US$20,000) to the president of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and is due on March 21, 2024. As at May 31, 2024, the Company accrued interest payable of $2,612 (2023 – $Nil).

On May 25, 2023, the Company issued a promissory note for proceeds of $68,185 (US$50,000) to the CEO of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and was due on July 19, 2023, and was extended 90 days to October 17, 2023. As at May 31, 2024, the Company accrued interest payable of $5,575 (2023 – $Nil).

On August 16, 2023, the Company issued a promissory note for proceeds of $10,500 to the president of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and was due on February 15, 2024.

On September 21, 2023, the Company issued a promissory note for the proceeds of $117,387 (US$85,000) to the CEO of the Company (the "Debt"). The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and was due on February 20, 2024. During the year ended May 31, 2024, the Company and the CEO entered into an agreement to settle the Debt through the issuance of 1,723,674 common shares of the Company, resulting in a loss on debt settlement of $37,743.

On December 19, 2023, the Company issued a promissory note for the proceeds of $30,266 (US$22,194) to the CEO of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and was due on June 17, 2024. As at May 31, 2024, the Company accrued interest payable of $1,101.

On January 24, 2024, the Company issued a promissory note for the proceeds of $88,640 (US$65,000) to the CEO of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and is due on July 23, 2024. As at May 31, 2024, the Company accrued interest payable of $2,506.

An aggregate of $353,612 in promissory notes (2023 – $Nil) are past due and in default as at May 31, 2024.

14. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to identify, pursue and to maintain financial strength, to protect its ability to meet its on–going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject to. Capital of the Company comprises of cash and shareholders' equity (deficit).

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 new shares.

The Company's investment policy is to invest its cash in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

There were no changes to the Company's approach to capital management during the year ended May 31, 2024.

15. FINANCIAL INSTRUMENTS AND RISKS

The company is exposed through its operations to the following financial risks:

- Liquidity risk
- Market risk
- Credit risk
- Interest rate risk
- Price risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, polices and processes for managing those risks or the methods used to measure them unless otherwise stated in the note.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections.

The Company monitors its cash flows to meet the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. All of the Company's financial liabilities except for lease liabilities (Note 9), convertible loans (Note 10) and promissory notes (Note 13) have contractual maturities of 30 days and are subject to normal trade terms. As at May 31, 2024, the Company had a working capital deficiency of \$4,862,477 (2023 working capital deficiency – \$2,308,425).

15. FINANCIAL INSTRUMENTS AND RISKS – (cont'd)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, foreign currency, commodity and equity prices. The Company's ability to raise capital to fund its operations is subject to risks associated with fluctuations in these market factors. Management closely monitors foreign exchange, commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Interest Rate Risk

The Company pays interest on its convertible notes at a fixed rate of 10% per annum and pays interest on its promissory notes at a fixed rate of 5% and 8% per annum. The Company does not have any material variable interest rates and is not exposed to any material interest rate risk on its debt instruments.

Foreign Currency Risk

The Company may be exposed to foreign currency risk on fluctuations related to financial instruments that are denominated in a foreign currency. The functional currency of the Company and its subsidiaries are disclosed in note 2(b). As at May 31, 2024, there were no material financial instruments that were denominated in a currency other than each entity's functional currency, therefore the Company has minimal exposure to this risk.

The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

Credit Risk

Financial instruments that potentially expose the Company to credit risk is cash. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

Fair Values

The Company's financial instruments include cash, lease receivable, accounts payable and accrued liabilities, due to related parties, convertible loans and lease liabilities. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their nature.

(Expressed in Canadian Dollars)

16. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

		2024		2023
Loss before income taxes	$	(3,507,663)	$	(41,786,002)
Statutory income tax rates		27%		27%
Expected tax recovery	$	(947,100)	$	(11,282,200)
Permanent differences		58,200		9,646,200
Change in unrecognized tax benefits not recognized		888,900		1,636,000
Total current and deferred income tax recovery	$	–	$	–

The significant components of the Company's deductible temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	Expiry		2024	Expiry		2023
Non–capital losses	2041–2044	$	24,646,000	2041–2043	$	21,209,000
Share issue costs	2025–2027		325,000	2024–2027		491,000
Capital asset	None		191,000	None		73,000
Leases	None		279,000	None		193,000
SR&ED	None		541,000	None		540,000
Deferred compensation (RSU)	None		2,116,000	None		1,993,000
Mineral properties	None		1,352,000	None		1,898,000
Total		$	29,450,000		$	26,397,000

(Expressed in Canadian Dollars)

17. SEGMENTED INFORMATION

The Company operates in one business segment: which is the development of a proprietary technology to produce green ammonia, a carbon–free fertilizer and energy carrier.

Geographic information with respect to the Company's assets is as follows:

	2024	2023
Canada	$ 187,926	$ 441,472
United States	1,177,783	1,403,476
Total long–term assets	$ 1,365,709	$ 1,844,948

	2024	2023
Canada	$ 344,084	$ 702,592
United States	2,314,717	2,128,357
Total assets	$ 2,658,801	$ 2,830,949

Geographic information with respect to the Company's liabilities is as follows:

	2024	2023
Canada	$ 2,416,007	$ 2,030,705
United States	4,658,841	2,460,390
Total liabilities	$ 7,074,848	$ 4,491,095

Geographic information with respect to the Company's net loss is as follows:

	2024	2023
Canada	$ 1,217,528	$ 4,135,916
United States	2,290,135	37,644,485
Ireland	–	5,601
Net loss for the year	$ 3,507,663	$ 41,786,002

(Expressed in Canadian Dollars)

18. NON-CONTROLLING INTERESTS

On January 6, 2023, the Company acquired 50.05% of the issued and outstanding common shares of Progressus (See Note 5).

As at May 31, 2024 and 2023, the non–controlling interest consisted of the following:

		2024		2023
Opening balance	$	(32,489)	$	–
Portion allocated to NCI on acquisition		–		17,215,534
Net loss attributable to NCI		(51,463)		(17,248,023)
Ending balance, NCI	$	(83,952)	$	(32,489)

The following are the summarized statements of financial position of Progressus as at May 31, 2024 and 2023:

		2024		2023
Assets	$	1,646	$	25,552
Liabilities		(169,718)		(90,595)
Total net assets (liabilities)		(168,072)		(65,043)
Total net assets (liabilities) allocated to NCI	$	(83,952)	$	(32,489)

The following table summarizes the comprehensive loss incurred by Progressus for the years ended May 31, 2024 and 2023:

		2024		2023
Loss before other items	$	(103,029)	$	(8,023)
Other items		–		(34,522,554)
Net loss		(103,029)		(34,530,577)
Other comprehensive loss		(1,079)		(644)
Comprehensive loss		(104,108)		(34,531,221)
Comprehensive loss allocated to NCI	$	(52,002)	$	(17,248,345)

(Expressed in Canadian Dollars)

19. CHANGES IN LIABILITIES FROM FINANCING ACITIVITIES

	May 31, 2022	Cash Flows	Non–cash changes		May 31, 2023
			Interest accretion/accruals	Foreign exchange movements	
	$	$	$	$	$
Due to related parties	6,707	202,023	3,618	–	212,348
Convertible loans	–	500,000	16,507	–	516,507
Lease liabilities	1,569,119	(392,793)	187,151	81,878	1,445,355
Total	**1,575,826**	**309,230**	**207,276**	**81,878**	**2,174,210**

	May 31, 2023	Cash Flows	Non–cash changes			May 31, 2024
			Debt Settlement	Interest accretion/accruals	Foreign exchange movements	
	$	$	$	$	$	$
Due to related parties	212,348	376,809	(117,387)	17,006	–	488,776
Convertible loans	516,507	104,421	–	55,923	–	676,851
Lease liabilities	1,445,355	(400,894)	–	160,946	2,628	1,208,035
Total	**2,174,210**	**80,368**	**(117,387)**	**233,843**	**2,628**	**2,373,662**

20. SUBSEQUENT EVENTS

Subsequent to May 31, 2024:

On August 5, 2024, the Company repaid USD $145,410 to settle loans from the CEO of the Company, which includes USD $137,194 of principal and USD $8,216 of accrued interests.

On August 14, 2024, the Company and the president of the Company entered into a debt settlement agreement to settle an aggregate debt of $614,697 through the issuance of 4,997,533 common shares of the Company. The shares were issued on August 30, 2024.

On September 3, 2024, the Company granted 5,000,000 RSU to directors, consultants and employees of the Company. The granted RSU shall vest immediately. On September 9, 2024, 5,000,000 common shares were issued to settle 5,000,000 RSU.