Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the Three Sixty Solar Ltd. (formerly, Liberty One Lithium Corp.) (the "Company") condensed interim consolidated financial statements. The information provided herein should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and six-months ended June 30, 2022, and the audited consolidated financial statements for the year-ended December 31, 2021, and related notes attached thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars ("CAD"). The effective date of this report is October 3, 2022.

Management is responsible for the preparation and integrity of the condensed interim consolidated financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the condensed interim consolidated financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee reviews with management on a quarterly basis the condensed interim consolidated financial statements including the MD&A as well as other financial, operating, and internal control matters.

Subsequent to the period ended June 30, 2022, on July 26, 2022, the Company effected a consolidation of its common shares (the "Shares") on the basis of one (1) post-consolidation Share for each two (2) pre-consolidation Shares. The Company had, on a pre-consolidation basis, 9,344,393 Shares issued and outstanding and, on a post-consolidation basis, the Company has 4,671,283 Shares outstanding. All common share, stock option and per share amounts for all periods presented have been restated to reflect this consolidation.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. See "Forward-Looking Statements" that are subject to risk factors set out in a cautionary note contained herein.

The reader is encouraged to review Company statutory filings on www.sedar.com.

DESCRIPTION OF BUSINESS AND OVERVIEW

Three Sixty Solar Ltd. (formerly, Liberty One Lithium Corp.) was a development stage company, focused on the acquisition and development of resource deposits, which now focuses on solar-related business. On May 2, 2017, the Company received approval for the reactivation and graduation for trading on the TSX Venture Exchange ("TSX-V") under the symbol "LBY." On June 29, 2022, the Company's common shares (the "Shares") were voluntarily de-listed from the TSX-V and were listed on the NEO Exchange (the "NEO") under the symbol "LBY" in a halted state, pending completion of the Transaction (as defined below).

Outlook

With the continued, and now extended, depression in lithium prices, the Company has sought opportunities in several other industries. Given the Company's proven ability to raise capital quickly and efficiently, combined with significant cash reserves, the Company is a sought-after joint venture partner.

The Company entered into an amalgamation agreement dated February 10, 2022, as amended May 6, 2022, (the "Amalgamation Agreement") with Three Sixty Solar Ltd. (the "Predecessor Company") and 1345100 B.C. Ltd. ("SubCo"), a wholly-owned subsidiary of the Company, pursuant to which the parties agreed to effect a business combination transaction (the "Transaction"), following which, the Company intends move into the solar power industry. The Transaction received the approval of the Company's shareholders on May 18, 2022.

Subsequent to the period ended June 30, 2022, the Transaction was completed on August 4, 2022 (see "Three Sixty Solar Transaction").

THREE SIXTY SOLAR TRANSACTION

On July 5, 2022, Brad Nichol and Nathan Steinke resigned as CEO and CFO of the Company, respectively, and Kyle Stevenson was appointed interim CEO pending completion of the Transaction

On July 26, 2022, the Company effected a consolidation of its Shares on the basis of one (1) post-consolidation Share for each two (2) pre-consolidation Shares. The Company had, on a pre consolidation basis, 9,344,393 Shares issued and outstanding and, on a post consolidation basis, the Company has 4,671,283 Shares outstanding.

On August 4, 2022, the company completed the Transaction by way of three-cornered amalgamation under the terms of the Amalgamation Agreement with the Predecessor Company and SubCo, pursuant to which the Predecessor Company and SubCo amalgamated under the name "Three Sixty Solar Operations Ltd." ("Amalco"). Upon completion of the Transaction, the Company changed its name from "Liberty One Lithium Corp." to "Three Sixty Solar Ltd."

Effective August 4, 2022, the Company acquired ownership and control of 19,413,447 common shares of Amalco, representing 100% of the formerly issued and outstanding common shares in the capital of the Predecessor Company on the basis of one (1) Share of the Company in exchange for one (1) common share of the Predecessor Company.

On August 4, 2022, an offering (the "Offering") of financing warrants of the Predecessor Company (the "Predecessor Financing Warrants") closed raising gross proceeds of $1,996,000. In connection with the Offering, pursuant to the agency agreement dated August 4, 2022, Research Capital Corporation (the "Agent") acted as agent on a commercially reasonable best efforts basis. On closing of the Offering, the Agent received a cash commission of $63,765 and an advisory fee of $39,920 in addition to an aggregate of 60,425 compensation warrants and 39,920 advisory warrants entitling the Agent to purchase up to 100,345 common shares of the Company at a price of $2.00 per share until August 4, 2024. The Agent also received a cash corporate finance fee in addition to reimbursement of certain expenses in connection with the Offering.

On August 4, 2022, in connection with the completion of the Transaction, Patrick Whibley resigned from the board of directors of the Company, and Brian Roth, Peter Sherba and Scott McLeod were appointed as directors. Brian Roth and Austin Thornberry were appointed CEO and CFO of the Company, respectively.

In connection with the completion of the Transaction, pursuant to the terms of the Amalgamation Agreement, the holders of the Predecessor Financing Warrants issued by the Predecessor Company exchanged such Predecessor Financing Warrants for the financing warrants (the "Company Financing Warrants") of the Company. Each Company Financing Warrant entitles the holder thereof, upon exercise at any time prior to February 4, 2023, to acquire, without additional consideration and at the option of the holder, one common share of the Company. If not earlier exercised, then on February 4, 2023, the Company Financing Warrants will be deemed to be exercised into one common share of the Company and one common share purchase warrant of the Company with each such warrant entitling the holder to acquire one additional common share of the Company at the exercise price of $2.00 per common share of the Company until February 4, 2025.

In connection with the completion of the Transaction the Company issued an aggregate of 3,833,334 performance warrants to certain directors, officers, employees and consultants of the Company. Each performance warrant is exercisable for one common share at a price of $0.05 upon the Company achieving an aggregate of $10 million in cumulative revenue.

Following completion of the Transaction and the Offering, the Company has outstanding 24,084,730 common shares, 1,996,000 Financing Warrants, 24,580,127 common share purchase warrants, 3,833,334 performance warrants, 75,000 stock options and 100,345 agent's warrants.

On August 9, 2022 the Company granted an aggregate of 1,555,000 stock options to certain directors, officers and consultants of the Company.

On August 15, 2022, the Company's common shares resumed trading on the NEO under the symbol VSOL.

On August 23, 2022, the Company terminated the option agreement for the Jackfish Lake Property.

OPERATING AND FINANCIAL SUMMARY

For the three-months ended June 30, 2022:

- Incurred a loss of $0.4 million compared to $0.3 million in the comparable quarter in 2021.
- Cash used in operating activities was $0.4 million, compared to $0.3 million in the comparable quarter in 2021.

SUMMARY OF SELECTED RESULTS

$ (except per share amounts)	Three-months ended June 30, 2022	Three-months ended June 30, 2021	Six-months ended June 30, 2022	Six-months ended June 30, 2021
Expenses	565,503	413,572	931,283	816,245
Loss and comprehensive loss	557,704	407,156	918,169	802,225
Per share – basic and diluted (1)	0.12	0.10	0.20	0.20
Cash used in operating activities	761,781	392,278	1,138,637	745,389
Per share – basic and diluted (1)	0.16	0.08	0.24	0.16
Cash used in investing activities	—	97,774	—	97,774
Cash used in financing activities	14,264	12,932	28,128	25,552
Working capital			3,174,118	4,829,706
Shareholders' equity (deficit)			3,264,830	5,926,337
Total assets			3,459,650	6,181,192

(1) Based on the same weighted average number of common shares outstanding used to calculate loss and comprehensive loss per share.

EXPENSES

Cash expenses

Cash expenses for the three and six-months ended June 30, 2022, and 2021 are as follows:

$	Three-months ended June 30, 2022	Three-months ended June 30, 2021	Six-months ended June 30, 2022	Six-months ended June 30, 2021
Total expenses	565,503	413,572	931,283	816,245
Less depreciation	(21,647)	(22,432)	(43,449)	(45,144)
Total cash expenses	543,856	391,140	887,834	771,101

For the three and six-months ended June 30, 2022 as compared to the same periods in 2021, total cash expenses have increased mainly due to increased consulting fees as a result of a one-time payment of $138,000 to the Company's CFO incurred in June 2022.

LOSS AND COMPREHENSIVE LOSS

Loss and comprehensive loss for the applicable comparative periods are as follows:

$	Three-months ended June 30, 2022	Three-months ended June 30, 2021	Six-months ended June 30, 2022	Six-months ended June 30, 2021
Loss and comprehensive loss	557,704	407,156	918,169	802,225
Loss and comprehensive loss per share – basic and diluted	0.12	0.10	0.20	0.20

For the three and six-months ended June 30, 2022, the Company incurred a loss and comprehensive loss of $557,704 and $918,169, respectively ($0.12 and $0.20 per share), compared to a loss and comprehensive loss of $407,156 and $802,225 ($0.10 and $0.20 per share) for the same periods in 2021. The increased losses are due to increased consulting fees as a result of a one-time separation payment of $138,000 to the Company's outgoing CFO, Nathan Steinke, incurred in June 2022 as noted above.

The Company expects to continue to incur losses in the near term as it is still in the start-up phase of its development.

CASH USED IN OPERATING ACTIVITIES

Cash used in operating activities for the applicable comparative periods are as follows:

	Three-months ended June 30,		Six-months ended June 30,	
$	2022	2021	2022	2021
Cash used in operating activities	761,781	392,278	1,138,637	745,389
Cash used in operating activities - basic and diluted[(1)]	0.16	0.10	0.24	0.16

[(1)] Based on the same weighted average number of common shares outstanding used to calculate loss and comprehensive loss per share.

For the three and six-months ended June 30, 2022, cash used in operating activities was $761,781 and $1,138,637 respectively ($0.12 and $0.24 per share) as compared to $392,278 and $745,389 ($0.10 and $0.16 per share) in the comparable prior periods. Cash used in operating activities increased in the current periods mainly due to the increased consulting fees as a result of a one-time separation payment of $138,000 to the Company's outgoing CFO, Nathan Steinke, incurred in June 2022 as noted above and an increase in prepaid assets as a result of a one-time separation payment of $152,250 to the Company's outgoing CEO, Brad Nichol, incurred in June 2022.

CASH USED IN INVESTING ACTIVITIES

	Three-months ended June 30,		Six-months ended June 30,	
$	2022	2021	2022	2021
Cash used in investing activities	—	97,774	—	97,774

During the three- and six-months ended June 30, 2022, the Company had no investing expenditures. During the three-months ended June 30, 2022, the Company was focused on completing the Transaction.

CASH USED IN FINANCING ACTIVITIES

	Three-months ended June 30,		Six-months ended June 30,	
$	2022	2021	2022	2021
Cash used in financing activities	14,264	12,932	28,182	25,552

For the three and six-months ended June 30, 2022, cash used in financing activities was $14,264 and $28,182 respectively as compared to $12,932 and $25,552 in the comparable prior periods. Cash used in financing activities is related to lease repayments and has not materially change period-over-period.

SUMMARY OF SELECTED QUARTERLY RESULTS

The following table sets forth certain quarterly financial information of the Company's previous quarters:

$000s	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Loss and comprehensive loss	557	360	1,441	311	407	395	393	394
Per share – basic and diluted	0.12	0.08	0.30	0.06	0.10	0.10	0.10	0.10
Cash used in operating activities	761	377	283	289	392	353	403	292
Per share – basic and diluted	0.16	0.08	0.06	0.06	0.10	0.10	0.08	0.08
Cash used in investing activities	—	—	15	—	98	—	5	—
Cash used in financing activities	14	14	14	13	13	13	12	12
Working capital	3,174	3,726	4,080	4,526	4,830	5,333	5,719	6,107
Total assets	3,264	4,126	4,576	5,822	6,181	5,839	6,221	6,599
Weighted average shares - basic and diluted	9,344	9,344	9,336	9,324	8,369	7,825	7,781	7,774

The above results reflect relatively minimal corporate activity as the Company searched for new opportunities to develop after it derecognized its properties in 2018 and 2021. The Transaction with Three Sixty Solar Ltd. (see "Three Sixty Solar Transaction" section), is a new direction for the Company.

LIQUIDITY AND CAPITAL RESOURCES

These condensed interim 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. Management uses judgment to assess the Company's ability to continue as a going concern and the conditions that cast doubt upon the use of the going concern assumption. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

As at June 30, 2022, the Company had working capital of $3,174,118 (December 31, 2021 – $4,079,918) and has an accumulated deficit of $27,070,364 since inception. The Company has not yet reached a profitable level operations. While the Company has been successful in obtaining financing in the past, there is no assurance that it will be able to continue to do so in the future. Additional financing will be required by the Company for company operations and to carry out the business development required to achieve a self-sustaining level of revenue.

The Company does not have self-sustaining revenues at this time and must rely on equity financing to fund working capital and to carry out its business goals.

The primary capital management objective of the Company is to ensure adequate working capital is available to fund its operations and its working capital requirements, while also seeking to minimize the risk-adjusted cost of capital.

Capital is raised and retained for the purposes and to the extent necessary to fund operations and corporate overhead costs, subject to the availability of financing on acceptable terms. Given its objectives, the Company determines the amount of capital to be raised and retained based on the scope of its planned operations and management's assessment of the expected availability of acceptably priced capital in future periods.

The Company defines capital as share capital. The Company's targeted capital structure as at June 30, 2022 is 100% shareholders' equity. Management believes that such a capital structure is the most suitable for a pre-operations company.

The chief source of working capital is equity financing obtained through the sale of common shares and any related warrants. The Company from time to time may receive loans from related parties and trade credit, but such financial instruments are typically only supplementary to equity financings. In any case, the Company does not consider debt to be a sustainable source of capital, as in the absence of positive cash flows from operations; any debt obtained must be retired with funds raised through equity financing.

A significant measure used in assessing capital adequacy is the expected number of days of operations that can be funded from current working capital. Capital levels are deemed sufficient if they can fund the balance of the Company's operations and fund corporate overhead expenses in the near term. Management believes there is insufficient capital to carry out its planned activities over the next twelve months and thus, additional capital will need to be raised.

Equity financings will generally be limited to the extent that capital is available on acceptable terms. The acceptability of financing terms is generally determined by reference to the prevailing market price of the Company's shares. The terms on which the Company obtains financings are furthermore subject to the guidelines of the NEO.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following is an analysis of the contractual maturities of the Company's financial liabilities as at June 30, 2022:

		Within one year		**Between one and five years**		**Total**
Trade payables and accrued liabilities	$	128,816	$	—	$	128,816
Lease obligation	$	60,675	$	5,329	$	66,004

Jackfish Lake Project, Ontario, Canada

Pursuant to an option agreement, with an effective date of June 15, 2020, between the Company and a certain optionor (the "Optionor"), the Company can earn a 100% interest in certain gold claims comprising the Jackfish Lake Property located in Thunder Bay, Ontario.

To exercise the option, the Company is required to make the following payments to the Optionor:

- Cash payments totaling $110,000, payable over four years as follows:
    - $15,000 within 5 days of June 15, 2020
    - $15,000 on or before each of the first, second and third anniversaries of the date the TSX Venture Exchange approves the option agreement, being November 9, 2020 (the "Exchange Approval Date"); and
    - $50,000 on or before the fourth anniversary of the Exchange Approval Date.

- 80,000 common shares of the Company, issuable over four years as follows:
    - 25,000 common shares within 10 business days of the Exchange Approval Date;
    - an additional 10,000 common shares on or before each of the first, second and third anniversary of the Exchange Approval Date; and
    - an additional 25,000 common shares on or before the fourth anniversary of the Exchange Approval Date.

The Company paid the above noted $15,000 in June 2020 and issued the 25,000 common shares to the Optionor in November 2020. The common shares were valued at $1.20 per share, being the value of the shares on the date for this portion of option exercise, for a total cost of $30,000. The Company paid the next instalment of $15,000 and 10,000 common shares in November 2021, and the common shares were valued at $0.80 per shares, being the value of the shares on the date for this portion of the option exercise.
If the property or an ore deposit contained within the property is sold or optioned to a third party by the Company, the Company, in its sole discretion, shall make a payment to the Optionor equal to five percent of the net sale price in cash or shares of the Company.

The Company must conduct sufficient exploration work to keep the claims in good standing during the earn-in period and file applicable assessment reports with authorities.

In addition, the Optionor will retain a 2% Net Smelter Royalty (the "NSR"), subject to the Company's right to purchase half of the NSR by paying $1,000,000 to the Optionor.

The number of common shares issuable pursuant to this option agreement have been adjusted for the 10 for 1 share consolidation completed in December 2020 and for the 2 for 1 share consolidation completed in July 2022.

Pursuant to the Transaction, the Company did not expect to continue developing this property or find ways to recover its' carrying value. Accordingly, all costs associated with the property were impaired and included in the exploration and evaluation expense in the consolidated statement of loss for the year-ended December 31, 2021.

Subsequent to the period ended June 30, 2022, and following completion of the Transaction, the Company terminated the property option agreement for the Jackfish Lake property on August 23, 2022.

James Bay Project, Quebec, Canada

On May 28, 2021, the Company acquired all the issued and outstanding shares of Victory Exploration Inc. ("PrivCo"), in exchange for 749,998 common shares of the Company and $250,000. The primary assets of PrivCo are mineral claims in the James Bay region of northern Quebec.

The Company must conduct sufficient exploration work to keep the claims in good standing and file applicable assessment reports with authorities to continue to hold title to the claims.

The number of common shares issuable pursuant to this asset acquisition have been adjusted for the 10 for 1 share consolidation completed in December 2020 and for the 2 for 1 share consolidation completed in July 2022.

Pursuant to the Transaction, the Company does not expect to continue developing this property or find ways to recover its' carrying value. Accordingly, all costs associated with the property were impaired and included in the exploration and evaluation expense in the consolidated statement of loss for the year-ended December 31, 2021.

RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

(a) Related party transactions

The Company had the following transactions with related parties:

i. For the three and six-months ended June 30, 2022, the Company incurred $30,000 and $60,000, respectively, of consulting fees (2021 – $30,000 and $60,000) in provision of CEO, engineering, and director services from FiveN Consulting Inc., of which the Company's outgoing CEO, Brad Nichol, is the principal shareholder. These fees are included in consulting and management fees in the consolidated statement of loss. As at June 30, 2022, $152,250 is included in prepaids related to services from FiveN Consulting Inc. for which the expense has not yet been accrued.

ii. For the three and six-months ended June 30, 2022, the Company incurred $168,000 and $204,000, respectively, of consulting fees in consideration of the provision of services by the Company's outgoing CFO, Nathan Steinke (2021 – $36,000 and $72,000). These fees are included in consulting and management fees in the consolidated statement of loss.

iii. For the three and six-months ended June 30, 2022, the Company incurred $18,000 and $36,000 respectively of consulting fees (2021 – $36,000 and $72,000) in provision of corporate development and director services from Backcountry Capital Corp., of which a director, Patrick Whibley, is the principal shareholder. These fees are included in consulting and management fees in the consolidated statement of loss.

iv. As at June 30, 2022, the Company is owed $105 (2021 – $807) from a company that shares certain directors and officers of the Company. The amount results from office space expenses that the companies share. The amount is included in prepaids.

v. As at June 30, 2022, the Company is owed $4,000 (2021 – nil) from Roderick Nichol whom shares a relationship with the Company's outgoing CEO. The amount results from services rendered by the individual. The amount is included in prepaids.

(b) Key management compensation

The remuneration of directors, and management of the Company is set out below:

	Three-months ended June 30				Six-months ended June 30			
		2022		**2021**		**2022**		**2021**
Management fees and salaries								
FiveN Consulting Inc.	$	30,000	$	30,000	$	60,000	$	60,000
Nathan Steinke		168,000		36,000		204,000		72,000
Backcountry Capital Corp.		18,000		36,000		36,000		72,000
Director fees and salaries								
Robert Birmingham		3,000		3,000		6,000		6,000
Kyle Stevenson		6,000		6,000		12,000		12,000
Benefits								
Brad Nichol		—		7,000		—		16,000
Nathan Steinke		—		2,000		—		4,000
Total	$	225,000	$	120,000	$	318,000	$	242,000

SHARE CAPITAL

(a) ***Authorized share capital***

Preferred shares
500,000 non-participating, voting preferred shares.
Issued: Nil.

Common shares
Unlimited number of common shares with no par value

(b) ***Issued and outstanding***

Common Shares	**Number of Shares (3)**		**$**
Balance, December 31, 2020	3,911,285	$	25,904,129
Issue of common shares pursuant to an asset acquisition (1)	749,998		825,000
Issue of common shares pursuant to an option payment (2)	10,000		8,000
Balance, December 31, 2021 and June 30, 2022	4,671,283	$	26,737,129

(1) On May 28, 2021, the Company acquired all the issued and outstanding shares of Victory Exploration Inc. ("PrivCo"), in exchange for 749,998 common shares of the Company and $250,000. The primary assets of PrivCo are mineral claims in the James Bay region of northern Quebec.

(2) In 2021, The Company issued 10,000 common shares as per the Jackfish Lake option agreement (Note 5), which were recorded at $0.80 per share, being the value of the shares on issuance, for a total value of $8,000.

(3) In July 2022, the Company completed a 2 for 1 share consolidation. All historical share numbers have been adjusted to reflect this consolidation.

(c) ***Warrants***

	Number [4]	Weighted average exercise price
Balance, and December 31, 2020	555,729	$ 2.40
Expired	(555,729)	$ 2.40
Balance, December 31, 2021 and June 30, 2022	—	—

[4] In July 2022, the Company completed a 2 for 1 share consolidation. All historical share numbers have been adjusted to reflect this consolidation.

(d) ***Stock-based compensation***

Stock option plan

The Company has a rolling stock option plan (the "Plan") to provide incentive for the directors, officers, and consultants of the Company. The maximum number of shares which may be set aside for issuance under the Plan is 10% of the issued and outstanding common shares of the Company.

The exercise price of options granted under the Plan will be fixed by the Board at the time of grant, provided that such exercise price may not be less than the discounted market price of the common shares. The options granted under the Plan will vest and be exercisable on a basis determined by the board at the time of the grant and will be exercisable for a period not exceeding ten years.

There were no stock option transactions during the year-ended December 31, 2021, and the three-months and six-months ended June 30, 2022.

Information about the stock options outstanding and exercisable at June 30, 2022 are as follows:

Number of options – outstanding [5]	Number of options - exercisable [5]	Exercise price [5]	Expiry date
25,000	25,000	$ 3.00	August 15, 2023
50,000	50,000	$ 3.10	August 16, 2023
75,000	75,000		

[5] In July 2022, the Company completed a 2 for 1 share consolidation. All historical share numbers have been adjusted to reflect this consolidation.

(e) ***Securities outstanding***

As at October 3, 2022 and following completion of the Transaction, there were 24,084,730 common shares, 1,996,000 Financing Warrants, 24,580,127 common share purchase warrants, 3,833,334 performance warrants, 1,630,000 stock options and 100,345 agent's warrants. outstanding. See "Three Sixty Solar Transaction" for more information.

FINANCIAL RISK MANAGEMENT

The Company's activities expose it to certain financial risks, including credit risk, liquidity risk, and market risk. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies, and processes for managing risk.

a. Credit risk

Credit risk is the risk that a counterparty will fail to discharge an obligation and cause the Company to incur a financial loss. The Company's primary exposure to credit risk relates to its cash and cash equivalents held with a major financial institution and its accounts receivable which primarily consist of amounts to be received from the government.

Cash and cash equivalents consist of cash bank balances and term deposits. In order to manage credit risk, the Company holds cash balances and term deposits only with financial institutions with high credit ratings.

The Company's receivables are aged as follows:

Aging		June 30, 2022		December 31, 2021
Current (less than 90 days)	$	36,183	$	54,019
Past due (more than 90 days)		—		—
	$	36,183	$	54,019

Since the Company's receivables primarily consist of amount due from the government, the Company does not have an allowance for doubtful accounts as at June 30, 2022 or December 31, 2021, and believes all amounts will be collected in due course. The Company's historical expected credit loss is $Nil. At June 30, 2022, the amount subject to credit risk relating to amounts receivable equates to their carrying value.

b. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

The following is an analysis of the contractual maturities of the Company's financial liabilities as at June 30, 2022:

		Within one year		Between one and five years		Total
Trade payables and accrued liabilities	$	128,816	$	—	$	128,816
Lease obligation	$	60,675	$	5,329	$	66,004

c. Market risk

i. Foreign currency risk and sensitivity analysis

The Company is minimally exposed to foreign currency risk on fluctuations related to cash and trade payables and accrued liabilities that are denominated in USD. As at June 30, 2022, financial assets less financial liabilities totaling $3,000 (December 31, 2021 – $3,400) were held in USD. The Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this minimal exposure.

Based on the above net exposure as at June 30, 2022 and assuming all other variables remain constant, a 2% depreciation or appreciation of the USD against the Canadian dollar would result in an increase or decrease of approximately $30 (December 31, 2021 – $51) in the Company's loss and comprehensive loss.

ii. Commodity price risk

The nature of the Company's operations may expose the Company to commodity price risks.

As at June 30, 2022, the Company has no derivative financial instruments. It may in the future enter into derivative financial instruments in order to manage price risk, and it will only enter into derivative financial instruments with highly rated investment grade counterparties.

iii. Interest rate risk

Interest rate risk is the risk the future cash flows will fluctuate as a result of changes in market interest rate. The Company is not exposed to interest rate risk as the Company had no interest-bearing debt as June 30, 2022.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgment in applying the Company's condensed interim consolidated financial statements is the determination of discount rates, and terms related to the Company's lease obligations.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

RISKS AND UNCERTAINTIES

The Company's principal activity is to commercialize and implement vertical solar systems on a global basis. The Company is relying on the migration of energy consumption from fossil fuels to renewable energy sources. If consumer demand for renewable energy significantly subsides, the Company's growth potential could be put in jeopardy. The Company is dependent on the adoption of solar powered energy solutions. If other types of renewable energy are markedly cheaper to adopt than solar energy solutions, this would be a disincentive to widespread adoption of the Company's products. Other types of renewable energy include but are not limited to wind, hydroelectric, geothermal, ocean, hydrogen, geothermal and biomass. The long-term profitability of the Company's operations will be directly related to continued adoption of solar energy solutions and widespread commercialization of its products, which may be affected by several factors outside the Company's control. Decreased demand for solar power may have a material adverse effect on the Company's profitability, results of operation and financial condition. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The risks and uncertainties are considered by management to be the most important in the context of the Company's business. The risks and uncertainties are not limited to but include risks associated with the Company's dependence on the commercialization and implementation of vertical solar systems are: demand for solar power; exposure and sensitivity to macro-economic conditions; risks of technological change; availability of solar energy and other natural variables; inability to achieve, maintain, or obtain profitability; management of growth; intellectual property; insurance and uninsured risks; market development and growth; operating hazards and risks; laws and regulations; and negative public or community response.

FORWARD-LOOKING STATEMENTS

Statements herein that are not historical facts are forward-looking statements that are subject to risks and uncertainties. Words such as "expects", "intends", "may", "could", "should", "anticipates", "likely", "believes" and words of similar import also identify forward-looking statements. Forward-looking statements are based on current facts and analyses and other information that are based on forecasts of future results, estimates of amounts not yet determined and assumptions of management, including, but not limited to, the Company's ability to raise additional debt and/or equity financing to fund operations and working capital requirements. Actual results may differ materially from those currently anticipated due to a number of factors including, but not limited to, general economic conditions, the price of steel and other significant inputs for the Company's products, solar industry conditions, the Company's ability to generate sufficient cash flows from operations and financing to support general operating activities and capital expansion plans, and laws and regulations and changes thereto that may affect operations, and other factors beyond the reasonable control of the Company.

Management periodically reviews information reflected in forward-looking statements. The Company has and continues to disclose in its Management Discussion and Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur.

Historical results of operations and trends that may be inferred from the above discussions and analysis may not necessarily indicate future results from operations.

OTHER INFORMATION

Additional information on factors that may affect the business and financial results of the Company can be found on www.sedar.com.