NU E Power Corp.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(unaudited, in Canadian dollars)

Three and six months ended June 30, 2025

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), released by the Canadian Securities Administrators, the Company discloses that its external auditor has not reviewed these condensed consolidated interim financial statements, notes to the condensed consolidated interim financial statements, or to the related Management's Discussion and Analysis.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by the Company's management and are the responsibility of management. The unaudited condensed consolidated interim financial statements as at and for the three and six months ended June 30, 2025, have not been reviewed by the Company's auditor.

NU E Power Corp.
Calgary, Alberta
August 26, 2025

NU E Power Corp.
Condensed Consolidated Interim Statements of Financial Position
(unaudited, in Canadian dollars)

	June 30, 2025	December 31, 2024
ASSETS		
Current		
Cash	$10,465	$48,228
Trade and other receivables (note 4)	67,107	180,695
Prepaids and deposits (note 5)	27,827	48,999
Loans receivable (note 6)	-	3,642
Total current assets	105,399	281,564
Non-current		
Loans receivable (note 6)	176,814	176,814
Right-of-use assets (note 8)	70,711	88,203
Property, plant and equipment (note 9)	7,874	8,988
Total non-current assets	255,399	274,005
Total assets	$360,798	$555,569
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 10)	$491,219	$1,843,906
Loans and borrowings (note 11)	637,181	587,780
Leases (note 8)	33,856	31,672
Total current liabilities	1,162,256	2,463,358
Non-current		
Leases (note 8)	40,981	57,515
Total liabilities	1,203,237	2,520,873
SHAREHOLDERS’ EQUITY (DEFICIENCY)		
Common shares (note 12)	12,361,652	10,612,913
Warrants (note 12)	276,560	50,491
Reserves	47,032	-
Contributed surplus	2,264,358	2,185,166
Deficit	(15,792,041)	(14,813,874)
Total shareholders’ equity (deficiency)	(842,439)	(1,965,304)
Total liabilities and shareholders’ equity (deficiency)	$360,798	$555,569

Going concern (note 1)
Subsequent events (note 20)

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

Approved by the Board of Directors.

Mandy Adamowski

Mandy Adamowski
Chair of the Audit Committee and Director

NU E Power Corp.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(unaudited, in Canadian dollars)

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Revenue (note 13)	$-	$172,885	$-	$367,434
Expenses				
General and administrative (note 14)	290,687	477,712	930,825	947,113
Share-based compensation (note 12)	10,142	54,091	7,692	121,329
Depreciation and amortization (notes 8, 9)	9,302	21,157	18,606	42,076
Share in loss of joint venture and associate (note 7)	-	(4,682)	-	1,293
Loss from operations	(310,131)	(375,393)	(957,123)	(744,377)
Finance income (expense), net (note 15)	(21,329)	(1,278)	(21,044)	(40,177)
Loss before income tax	(331,460)	(376,671)	(978,167)	(784,554)
Income tax	-	-	-	-
Net loss and comprehensive loss	($331,460)	($376,671)	($978,167)	($784,554)
Net loss per share attributable to shareholders (note 12)				
Basic and diluted, net loss per share	($0.01)	($0.01)	($0.03)	($0.03)

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

NU E Power Corp.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)
(unaudited, in Canadian dollars)

	Share Capital	Warrants	Contributed Surplus	Reserves	Deficit	Total
Balance, January 1, 2025	$10,612,913	$50,491	$2,185,166	$-	($14,813,874)	($1,965,304)
Loss for the period	-	-	-	-	(978,167)	(978,167)
Shares issued for services (note 12)	919,283	-	-	-	-	919,283
Shares issued for debt (note 12)	275,000	-	-	-	-	275,000
Shares issued in private placement, net (note 12)	552,525	228,000	-	-	-	780,525
Exercise of warrants (note 12)	1,931	(1,931)	71,500	-	-	71,500
Equity component of convertible debt (note 11)	-	-	-	47,032	-	47,032
Share-based compensation (note 12)	-	-	7,692	-	-	7,692
Balance, June 30, 2025	$12,361,652	$276,560	$2,264,358	$47,032	($15,792,041)	($842,439)

	Share Capital	Warrants	Contributed Surplus	Reserves	Deficit	Total
Balance, January 1, 2024	$10,085,997	$1,040,491	$627,674	$-	($11,144,412)	$609,750
Loss for the period	-	-	-	-	(784,554)	(784,554)
Shares issued for services (note 12)	30,000	-	-	-	-	30,000
Share-based compensation (note 12)	-	-	121,329	-	-	121,329
Balance, June 30, 2024	$10,115,997	$1,040,491	$749,003	$-	($11,928,966)	($23,475)

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

NU E Power Corp.
Condensed Consolidated Interim Statements of Cash Flows
(unaudited, in Canadian dollars)

	Six months ended June 30, 2025	2024
Operating activities		
Net loss	($978,167)	($784,554)
Non-cash items:		
Depreciation and amortization (notes 8, 9)	18,606	42,076
Share-based compensation (note 12)	7,692	121,329
Loss from equity investments (note 7)	-	1,293
Shares issued for services (note 12)	919,283	30,000
Shares issued for debt (note 12)	175,000	-
Accretion of convertible debt discount	1,078	-
Changes in foreign exchange	(9,900)	-
Net change in non-cash working capital (note 19)	(1,217,927)	13,768
Cash flows used in operating activities	(1,084,335)	(576,088)
Financing activities		
Payment of convertible debenture (note 11)	(100,000)	-
Proceeds from convertible debentures, net (note 11)	125,255	-
Promissory note (note 11)	80,000	-
Proceeds from private placements, net (note 12)	780,525	-
Issuance of shares for debt	100,000	-
Exercise of warrants (note 12)	71,500	-
Lease payments (note 8)	(14,350)	(32,142)
Net change in non-cash working capital (note 19)	-	(39,093)
Cash flows from (used) in financing activities	1,042,930	(71,235)
Investing activities		
Loan receivable repayments (note 6)	3,642	23,613
Net change in non-cash working capital (note 19)	-	1,503
Cash flows from investing activities	3,642	25,116
Net change in cash and cash equivalents	(37,763)	(622,207)
Cash and cash equivalents, beginning of period	48,228	816,883
Cash and cash equivalents, end of period	$10,465	$194,676
Interest paid on loans and borrowings, net	$75,000	$-

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

1. Incorporation and nature of business

The Company's core activity is the development of solar photovoltaic infrastructure projects, including site identification, land acquisition, regulatory and interconnection processes.

NU E Power Corp. (the "Company" or "NU E") is a Canadian based company incorporated under the laws of British Columbia, Canada. The Company's corporate office and principal place of business is located at Unit 240, 1209 – 59th Avenue SE, Calgary, Alberta, Canada, T2H 2P6.

On August 20, 2024, the Company's corporate status changed from a private company to a publicly listed company in Canada when its common shares commenced trading on the Canadian Securities Exchange ("CSE"). The Company's stock symbol on the CSE is *NUE*.

The Company has three solar power generation projects that are in various stages of development and are held in separate special purpose vehicles "SPV(s)" owned by Low Carbon NU-Energy Corp. ("LC NU-Energy") a joint venture. Additionally, the Company has a 25% interest in Lethbridge One Solar Corp. ("LOSC"), which commenced producing power at its Lethbridge One solar facility in October 2024. See note 7 for information regarding the Company's investments.

On May 15, 2024, NU E carried out a share consolidation of the Company's common shares at a consolidation ratio of 2 for 1 (the "Share Consolidation"). As a result, the numbers for the average basic and diluted shares outstanding, the net loss per share, and the number of stock options and warrants for the prior periods presented in these condensed consolidated interim financial statements have been restated to reflect the effect of the Share Consolidation.

Going concern

The Company has not yet generated sufficient revenue from the development of its solar power generation assets to provide positive cash flow from operating activities and has incurred a loss of $331,460 and $978,167 for three and six months ended June 30, 2025, respectively, and a loss of $3,669,462 for the year ended December 31, 2024. The Company will require additional capital to fund development of its solar power generation assets through its joint venture with Low Carbon and other corporate activities over the next year and beyond.

These condensed consolidated interim financial statements ("consolidated financial statements") have been prepared on a going concern basis, which assumes the realization of assets and settlement of liabilities in the normal course of business. The long-term viability of the Company will depend on its ability to develop new solar power generation projects or other long-term sources of income to provide positive cash flow from operating activities, which is dependent on the Company's ability to successfully access additional financing. These matters create a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern.

These consolidated financial statements do not include any adjustments to the carrying value or classification of recorded asset amounts and carrying value or classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.

These consolidated financial statements were approved by the Board of Directors on August 26, 2025.

2. Basis of presentation

The consolidated financial statements have been prepared under the historical cost basis, unless otherwise required. These consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting, under IFRS® Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The Company has consistently applied the same accounting policies throughout the periods presented.

3. Critical accounting estimates and judgements

The Company has made estimates, assumptions and judgements regarding certain assets, liabilities, revenues, and expenses in the preparation of the consolidated financial statements, primarily related to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, actual results may differ from estimated amounts.

4. Trade and other receivables

	June 30, 2025	December 31, 2024
Trade receivables	$19,234	$142,281
Other receivables	47,873	38,414
	$67,107	$180,695

5. Prepaids and deposits

	June 30, 2025	December 31, 2024
Prepaids	$16,167	$32,167
Security deposit	11,660	16,832
	$27,827	$48,999

At June 30, 2025, prepaids and deposits consisted of insurance premiums paid in advance and a security deposit for the Company's head office.

6. Loans receivable

	Total
At December 31, 2023	$222,797
Payments of principal	(42,341)
At December 31, 2024	180,456
Payments of principal	(3,642)
At June 30, 2025	$176,814

On May 29, 2023, the Company received a $425,145 promissory note as part of the formation of the LC NU-Energy joint venture, see note 7. The promissory note has an interest rate of 7.5% plus SONIA (Sterling Overnight Index Average), which is accrued monthly until settled. Repayment of principal and interest are due on a pari-passu basis, if there is excess cash after the LC NU-Energy joint venture sells a ready-to-build development project or upon the sale or transfer, as applicable, of any Project SPV or any of the assets. During the six months ended June 30, 2025, the Company recognized $10,460 (six months ended June 30, 2024 - $11,119) of interest revenue related to the promissory note in finance expense, net. At June 30, 2025, $176,814 (December 31, 2024 - $176,814) of principal remained outstanding on the promissory note.

On August 1, 2022, the Company provided the purchaser of Helix a payment plan requiring $4,643 to be paid monthly for 28 months, commencing September 1, 2022. The original payment stream was valued at $115,020 based on an interest rate of 8.9% and the undiscounted amount was $130,000. The full amount of loan receivable had been repaid during the first quarter of 2025.

	June 30, 2025	December 31, 2024
Loans receivable	$176,814	$180,456
Less: current portion	-	3,642
	$176,814	$176,814

7. Investments

	Low Carbon NU-Energy Corp.	Lethbridge One Solar Corp.	Total
At December 31, 2023	$-	$137,509	$137,509
Loss from equity investment	-	(137,509)	(137,509)
At December 31, 2024, and June 30, 2025	$-	$-	$-

Low Carbon NU-Energy Corp.

The Company is party to a joint venture with Low Carbon Canada Solar Limited ("Low Carbon"), an unrelated party, established for the purpose of developing existing and future solar energy projects through LC NU-Energy. NU E and Low Carbon each have a 50% ownership of the common shares of LC NU-Energy and they exercise joint control.

The Company, Low Carbon, and LC NU-Energy have a Development Services agreement whereby NU E provides solar energy development services and Low Carbon provides services and investment capital to LC NU-Energy.

When a solar development project in a SPV owned by LC NU-Energy reaches the ready-to-build stage, Low Carbon is given the right of first refusal to acquire 100% of the SPV's equity at market value from LC NU-Energy. Concurrent to Low Carbon exercising its right to purchase 100% of a given project's SPV equity, NU E has the option to acquire 25% of the SPV at the same price per share. If Low Carbon does not elect to acquire the solar development SPV at the ready-to-build stage, NU E has the option to purchase 100% of the project equity. On December 11, 2023, Low Carbon exercised its right of first refusal to purchase 100% of LOSC and NU E exercised its option to purchase 25% of LOSC, resulting in an effective decrease in the Company's ownership of LOSC from 50% to 25%.

At June 30, 2025, and December 31, 2024, the joint venture had the following balances of assets, liabilities, and preferred shares, gross.

LC NU-Energy Corp.	June 30, 2025	December 31, 2024
Current assets	$38,886	$39,101
Non-current assets	3,042,041	3,205,831
	$3,080,927	$3,244,932
Current liabilities	$2,418,993	$3,230,740
Preference shares	$1,601,446	$457,742

The current assets of LC NU-Energy primarily consist of cash and the non-current assets are capitalized development costs. The current liabilities primarily consist of revolving loans to fund the development of the SPVs until completion the specific project reaches the ready-to-build stage. The preferred shares of LC NU-Energy are non-voting non-cumulative and at June 30, 2025, were redeemable at a fixed redemption value of $1.6 million, gross, upon excess cash availability from operations and they are held by Low Carbon.

LC NU-Energy incurred losses of $73,510 and $198,200 (three and six months ended June 30, 2024 – losses of $129,436 and $242,497, respectively), net to the Company for the three and six months ended June 30, 2025, respectively. The Company did not recognize the losses in 2025 due to the investment balance being $nil. The Company has no obligation to fund its proportionate share of losses from the joint venture.

Lethbridge One Solar Corp.

LOSC operates the Lethbridge One solar power facility that was completed in late December 2024. The Company has a 25% common share interest in LOSC. The construction funding for the Lethbridge One solar project is provided by loans from Low Carbon under the terms of the shareholder agreement.

At June 30, 2025, and December 31, 2024, the LOSC investment had the following balances of assets, liabilities, and preferred shares, gross.

Lethbridge One Solar Corp.	June 30, 2025	December 31, 2024
Current assets	$1,485,340	$179,640
Non-current assets	20,016,432	20,051,184
	$21,501,772	$20,230,824
Current liabilities	$16,259,877	$14,022,998
Preference shares	$6,823,645	$6,823,545

The current assets of LOSC primarily consists of cash and the non-current assets are capitalized development costs. The current liabilities primarily consist of revolving loans to fund the development and construction of the Lethbridge One solar project until completion. At June 30, 2025, the preferred shares of LOSC are non-voting non-cumulative and redeemable at a fixed redemption value of $6.8 million gross upon excess cash availability from operations and are primarily owned by Low Carbon.

During the three and six months ended June 30, 2025, LOSC had losses of $131,875 and $242,296, respectively, net to the Company. The Company did not recognize the losses in 2025 due to the investment balance being $nil. The Company has no obligation to fund its proportionate share of losses from LOSC.

8. Leases

Right-of-use assets

	Total
At December 31, 2023	$79,663
Additions	71,937
Disposal of ROU asset	(5,470)
Depreciation	(57,927)
At December 31, 2024	88,203
Depreciation	(17,492)
At June 30, 2025	$70,711

At June 30, 2025, the Company had a lease for its head office and a vehicle lease.

Lease liabilities

	June 30, 2025	December 31, 2024
Lease liabilities	$74,837	$89,187
Less: current portion	33,856	31,672
	$40,981	$57,515

The lease liabilities consisted of the vehicle leases and office lease described above.

Total lease cash outflows including principal and interest are provided below:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Total cash outflows for leases	$10,046	$9,998	$17,992	$19,912

9. Property, plant, and equipment

	Total
Cost	
At December 31, 2023	$112,848
Disposals (1)	(92,709)
At December 31, 2024, and June 30, 2025	$20,139
Accumulated depreciation	
At December 31, 2023	$45,166
Depreciation	11,672
Disposal (1)	(45,687)
At December 31, 2024	11,151
Depreciation	1,114
At June 30, 2025	$12,265
Net book value	
At December 31, 2024	$8,988
At June 30, 2025	$7,874

(1) During 2024, the Company disposed of surplus equipment to an executive of the Company as payment for services valued at $43,000 and other equipment, resulting in a loss of $4,022.

10. Accounts payable and accrued liabilities

	June 30, 2025	December 31, 2024
Accounts payable	$415,630	$776,521
Accrued liabilities (1)	75,589	1,067,385
	$491,219	$1,843,906

(1) December 31, 2024, includes $793,096 of corporate marketing fees.

At June 30, 2025, accounts payable and accrued liabilities primarily consisted of professional fees and other general and administrative costs.

11. Loans and borrowings

	June 30, 2025	December 31, 2024
Convertible Debenture A	$200,000	$300,000
Convertible Debenture B	403,135	-
Promissory notes (1)	80,000	287,780
	683,135	587,780
Convertible debenture discount	(45,954)	-
	$637,181	$587,780

(1) The promissory note was denominated in USD and adjusted to CAD at the prevailing foreign exchange rate in 2024.

Convertible debentures

On June 23, 2025, the Company issued $403,135 of convertible debentures ("Debenture B") with a one-year term and an annual interest rate of 6%. Holders may convert the principal into common shares of the Company at $0.15 per share. The proceeds were allocated between liability and equity components based on their relative fair values at issuance. The liability component was measured at $356,103 using a discount rate of 20%, representing the fair value of a comparable debt instrument without a conversion option. The residual value of $47,032 was allocated to reserves in equity.

The liability is subsequently measured at amortized cost using the effective interest method. The equity component is not remeasured after initial recognition. The Company recognized accretion of $1,078 on the convertible debenture liability during the period, which was recorded as interest expense.

On October 17, 2023, the Company issued a $300,000 convertible debenture ("Debenture A") that had an annual interest rate of 10%. The convertible feature of the debenture had been valued at $nil at the date of issuance and therefore no amount has been reflected as equity on the statement of financial position.

On April 10, 2025, the Company entered into a settlement agreement with the holder of Debenture A. The total amount outstanding under Debenture A, including principal, interest, and extension fees, was $375,000. As part of the settlement, the holder was issued 583,333 common shares of the Company in satisfaction of $175,000 of the amount owing. The remaining $200,000 will be settled in cash and continues to bear interest at 20% per annum until repaid.

Promissory notes

On April 28, 2025, certain shareholders of the Company provided $30,000 of short-term loans to the Company. The short-term loans are to be repaid six months from the date of issue and carry an annual interest rate of 3%.

On March 26, 2025, certain shareholders of the Company provided $50,000 of short-term loans to the Company. The short-term loans are to be repaid six months from the date of issue and carry an annual interest rate of 3%.

On October 18, 2024, the Company issued a one-year USD $200,000 (CAD $278,000) promissory note that had an annual interest rate of 3% and was unsecured. On June 23, 2025, the USD promissory note, accrued interest and fees were cancelled and replaced with Debenture B.

12. Share capital

Authorized

The Company has authorized an unlimited number of common shares to be issued without par value.

Preferred shares are issuable in series with the number of shares and the designation, rights, privileges, restrictions, and conditions attached to the shares to be determined by the Board of Directors prior to issuance. No preferred shares had been issued as of the date of these consolidated financial statements.

Common shares

	Number of common shares (1)	Total
At December 31, 2023	30,194,210	$10,085,997
Issued during private placement	250,000	500,000
Share issue costs, net	-	(3,084)
Issuance of shares for services	15,000	30,000
At December 31, 2024	30,459,210	10,612,913
Issued during private placement	2,633,331	562,000
Share issue costs, net	-	(9,475)
Issuance of shares for services	2,298,213	919,283
Shares issued for debt	833,333	275,000
Exercise of warrants	143,000	1,931
At June 30, 2025	36,367,087	$12,361,652

(1) Restated retroactively for the Share Consolidation.

On April 3, 2025, the Company issued 583,333 common shares of the Company in consideration of $175,000 owed to the holder of Debenture A.

On April 3, 2025, a creditor of the Company agreed to settle $100,000 of outstanding debt through the issuance of 250,000 common shares of the Company.

In February of 2025 certain warrant holders exercised warrants, resulting in the issuance of 143,000 common shares at $0.50.

On January 30, 2025, the Company raised funds through a private placement with multiple closings, issuing 2,633,331 units comprised of one common share and one common share purchase warrant for $0.30. Each warrant gives the holder the right to purchase an additional common share at $0.35. The warrants expire two years after issuance. Total proceeds were $790,000 and share issue costs of $9,475 were recognized on the issuance.

On January 7, 2025, the Company issued 2,298,213 common shares at a price of $0.40 per share to settle outstanding amounts, including $432,500 owed to Company management for services rendered and $486,783 owed to suppliers.

Warrants

	Average exercise price (1)	Number of warrants (1)	Amount
At December 31, 2023	$0.63	7,425,000	$1,040,491
Expired	0.90	(3,000,000)	(990,000)
At December 31, 2024	0.45	4,425,000	50,491
Issued during private placement	0.35	2,633,331	228,000
Exercise of warrants	0.50	(143,000)	(1,931)
At June 30, 2025	$0.42	6,915,331	$276,560

(1) Restated retroactively for the Share Consolidation.

The warrants are measured at fair value using the Black-Scholes options pricing model. The fair value of warrants issued during the first quarter of 2025, were estimated using the following assumptions:

Risk free interest rate	1.58% to 1.84%
Expected life	2 years
Expected volatility	66%
Fair value of warrant per unit	$0.12 to $0.28

Share-based payments

The Company has a long-term incentive plan "Stock Option Plan" to provide stock options to certain employees, consultants and directors, to purchase common shares.

	Weighted average exercise price (1)	Number of Options (1)
At December 31, 2023	$0.68	2,966,667
Granted	0.33	965,000
Forfeited	0.71	(875,000)
At December 31, 2024	0.56	3,056,667
Forfeited	0.67	(475,000)
At June 30, 2025	$0.54	2,581,667

(1) Restated retroactively for the Share Consolidation.

During 2025, 475,000 options were forfeited with an average option price of $0.67 per share.

At June 30, 2025, the Company had 2,581,667 options outstanding with an average remaining life of 6.4 years and weighted average exercise price of $0.54.

Net loss per share

The net loss and weighted average number of common shares used in the calculation of basic and diluted net loss per share are as follows.

	Three months ended June 30, 2025	2024	Six months ended June 30, 2025	2024
Net loss attributable to shareholders	($331,460)	($376,671)	($978,167)	($784,554)
Weighted average number of common shares (1)	36,275,512	30,209,210	35,681,224	30,207,232
Basic and diluted, net loss per share (1) (2)	($0.01)	($0.01)	($0.03)	($0.03)

(1) Restated retroactively for the Share Consolidation.

(2) The effect of any potential exercise of warrants and stock options is excluded from the calculation of diluted loss per share for the periods presented, as the effect would be anti-dilutive.

13. Revenue

	Three months ended June 30, 2025	2024	Six months ended June 30, 2025	2024
Revenue from contracts	$-	$172,885	$-	$367,434

On June 7, 2023, the Company commenced recognizing revenues in accordance with the Development Services agreement between NU E, Low Carbon and LC NU-Energy. The transaction price for the services provided is determined based on the cost of direct employee and consultancy services provided by NU E in the process of developing solar projects, plus a portion of the general and administrative costs to support those activities. During the first quarter of 2025, LC NU-Energy suspended all spending under the Development Services agreement, partly due to continued delays in the Alberta government's finalization of regulatory changes for green energy projects.

14. General and administrative

	Three months ended June 30, 2025	2024	Six months ended June 30, 2025	2024
Salaries and benefits	$-	$57,257	$-	$108,886
Consultants (1)	237,488	213,963	515,701	506,545
Administrative expenses	305	28,501	50,830	57,939
Professional fees	40,710	162,771	141,950	243,470
Property taxes and insurance	12,184	15,220	24,368	30,273
Corporate marketing and investor relations (2)	-	-	197,976	-
	$290,687	$477,712	$930,825	$947,113

(1) During the six months ended June 30, 2025, consultants included $313,719 of management fees (six months ended June 30, 2024 – $276,594), respectively, paid to executives of the Company, see note 18.

(2) During the six months ended June 30, 2025, the company engaged certain corporate marketing and investor relations firms in an effort to raise capital for the Company. These efforts were largely unsuccessful, in part due to the uncertainty created by the provincial government in investing in renewable energy projects in Alberta.

15. Finance (income) expense, net

	Three months ended June 30, 2025	2024	Six months ended June 30, 2025	2024
Interest on convertible debentures (1)	$25,371	$7,459	$25,371	$21,082
Interest on promissory notes	(1,000)	-	1,208	-
Interest on lease liabilities	1,719	2,033	3,642	4,421
Bank fees and other (2)	450	(230)	1,298	30,578
Interest revenue	(5,211)	(7,984)	(10,475)	(15,904)
	$21,329	$1,278	$21,044	$40,177

(1) Includes accretion of convertible debt discount, see note 11.
(2) Bank fees and other included the $30,000 extension fee for the Debenture in the first quarter of 2024, see note 11.

16. Financial instruments

Fair values

The Company classifies and measures its cash, restricted cash, trade and other receivables, deposits, trade and other payables, shareholder loans at amortized cost and their fair values are not materially different from their carrying amounts due to their short-term nature.

Fair value hierarchy

IFRS 13, Fair value measurement, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities,

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs that are not based on observable market data.

Financial assets valued at amortized cost are cash, restricted cash, trade and other receivables, deposits, and loans receivable. The Company has no financial assets valued at FVTPL or FVTOCI.

The Company's financial liabilities measured at amortized costs are accounts payables and accrued liabilities, and loans and borrowings.

The Company has exposure to credit, foreign exchange, liquidity, and interest rate risk as follows:

Credit risk

Credit risk is the risk that a counterparty to a financial asset will default, resulting in the Company incurring a financial loss. The Company is exposed to credit risk on its cash and accounts receivable to a maximum of the carrying value of the items at the reporting date.

The Company mitigates its exposure to credit risk by maintaining its bank accounts with major Canadian financial institutions with strong investment-grade ratings by a primary ratings agency.

Accounts receivable is comprised of the following:

	June 30, 2025	December 31, 2024
Trade receivables	$19,234	$142,281
Other receivables	47,873	38,414
	$67,107	$180,695

An analysis of the age of trade and other receivables at June 30, 2025, is as follows:

Outstanding	Trade and other receivables
Less than 30 days	$64,576
30 days to 90 days	-
Greater than 90 days	2,531
	$67,107

Foreign exchange risk

The Company incurs certain operating expenses, capital expenditures, and loans and borrowings in U.S. dollars. Accordingly, the fluctuations in the exchange rate between the U.S. and Canadian dollar can impact the Company's reported results.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial obligations.

The Company monitors its ability to meet its short-term operating expenditures by raising additional funds through share issuances when required. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market or other alternative forms of financing is hindered, whether as a result of a downturn in stock market conditions or related to matters specific to the Company (see note 1).

The following summarizes the Company's contract maturities for financial instrument liabilities at June 30, 2025.

	Less than 1 year	1 to less than 3 years	3 to less than 5 years	Thereafter	Total
Accounts payable and accrued liabilities	$491,219	$-	$-	$-	$491,219
Loans and borrowings	683,135	-	-	-	683,135
Leases	33,856	40,981	-	-	74,837
	$1,208,210	$40,981	$-	$-	$1,249,191

17. Capital management

The Company defines its capital as follows:

- shareholders' equity, comprising of issued common shares, reserves and deficit;
- long term loans and borrowings; and
- short term loans and borrowings

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the funding of its marketing and operational plans and any joint venture and project commitments extending beyond one year. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements.

18. Related party transactions

Transactions with key management personnel

Transactions with key management personnel were in the normal course of operations and were valued in these consolidated financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties, see note 15.

The Company had the following payable balances with related parties.

	June 30, 2025	December 31, 2024
Executives (1)	$201,519	$470,506
Directors (2)	38,000	-
	$239,519	$470,506

(1) Balances include management and consulting fees payable to executives.

(2) Directors that are not management of the Company are entitled to a monthly stipend, which is paid through the issuance of deferred shares units ("DSUs") of the Company.

Transactions with joint venture

The Company has joint control over LC NU-Energy (see note 7) and considers the joint venture to be a related party. There were no transactions with LC NU-Energy during the six months ended June 30, 2025 (six months ended June 30, 2024 - $367,434) related to the revenue from a contract (see note 14). At June 30, 2025, accounts receivable included $176,814 (December 31, 2024 - $176,814) from LC NU-Energy related to a promissory note. The promissory note with LC NU-Energy is recognized at the exchange amount and has been classified as a long-term receivable. None of the balances are secured.

No expense has been recognised in the current year or prior year for credit losses in respect of amounts owed by LC NU-Energy.

Transactions with associate

The Company has significant influence over LOSC (see note 7) and classifies its ownership interest as an investment in an associate and is a related party. There were no transactions with LOSC during 2025 or 2024.

19. Supplemental disclosure of cash flow information

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Changes in non-cash working capital:				
Accounts and other receivables	$13,614	($60,000)	$113,588	($65,286)
Prepaids and deposits	3,000	7,667	21,172	24,002
Accounts payable and accrued liabilities	(19,415)	195,098	(1,352,687)	17,462
Net changes in non-cash working capital	($2,801)	$142,765	($1,217,927)	($23,822)
Relating to:				
Operating activities	($2,801)	$65,126	($1,217,927)	$13,768
Financing activities	-	77,639	-	(39,093)
Investing activities	-	-	-	1,503
	($2,801)	$142,765	($1,217,927)	($23,822)

20. Subsequent events

Acquisition of Blu Dot Systems Inc.

On January 20, 2025, the Company entered into a Letter of Intent to acquire 100% of the issued and outstanding shares of Blu Dot Systems Inc. (“Blu Dot”). Blu Dot is a private solar farm construction company that is majority owned and operated by an executive of the Company. In consideration for the acquisition, the Company has agreed to issue 8,500,000 of its common shares to the shareholders of Blu Dot. On February 28, 2025, the LOI became binding and the term to completion was extended to June 30, 2025.

On April 14, 2025, the Company announced it had entered into a binding share purchase agreement with the principal shareholder of Blu Dot, along with a concurrent offer to acquire all remaining shares from other shareholders, pursuant to which it expects to acquire 100% ownership of Blu Dot in an all-share transaction.

At the date of these financial statements the Company had not yet acquired 100% of the Blu Dot shares but is expected to do so. The acquisition of Blu Dot is subject to various closing conditions, including approval from the CSE, and is anticipated to close in late 2025.

Legal claim

On July 21, 2025, Northern DC Solar Inc. (“NDC”), a subsidiary of NUE, together with various third parties, was served with a Statement of Claim in connection with a transformer failure at a solar project for which NDC provided construction services in 2020. The failure occurred in August 2022. The Company has notified its insurers and submitted a claim under applicable policies. The matter is at an early stage; accordingly, the ultimate outcome and any financial effect, net of insurance recoveries, cannot be reasonably estimated at this time and no provision has been recognized in these financial statements.