Management's Discussion and Analysis
For the three and six months ended
December 31, 2024

Caution Regarding Forward Looking Information

The following Management Discussion and Analysis ("MD&A") has been prepared in accordance with Form 51-102F1. This MD&A includes forward-looking statements. All statements other than statements of historical fact contained in this MD&A, including statements regarding the future financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. The words "believe", "may". "will", "estimate", "forecast", "continue", "anticipate", "intend", "should", "plan", "expect" and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. The Company has based these forward-looking statements on the current expectations and projections about business strategy and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions as described elsewhere in this MD&A.

Other sections of this MD&A may include additional factors that could adversely affect the Company and its financial performance. Moreover, the Company operates in a very competitive and rapidly changing business environment. New risk factors emerge from time to time and it is not possible for management to predict all risk factors, nor can the Company assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Readers should not rely upon forward-looking statements as predictions of future events or performance. The Company cannot provide assurance that the events and circumstances reflected in the forward-looking statements will be achieved or will occur. Although the Company believes that the expectations reflected in the forward-looking statements are within reason, the Company cannot assure future results, levels of activity, performance, or achievements.

Management's Discussion and Analysis

The following discussion is management's assessment and analysis of the results and financial condition of Revolve Renewable Power Corp. ("Revolve" or the "Company") and should be read in conjunction with the accompanying condensed unaudited consolidated financial statements and related notes for the quarter ended December 31, 2024, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are reported in United States dollars unless otherwise indicated. The effective date of this report is February 26, 2025.

1. Corporate Governance

Revolve's Board of Directors is responsible for the stewardship of the Company. It has the duty to oversee the strategic direction of the Company and to supervise the management of the Company's business and affairs, with a view to the best interests of the Company and suitable governance and ethical leadership principles.

The Board of Directors of the Company is comprised as follows:

- Steve Dalton, Executive Chairman (non-independent)
- Myke Clark (non-independent)
- Omar Bojorquez (non-independent)
- Roger Norwich (independent)
- Joseph O'Farrell (independent)
- JP Maguire (independent)
- Craig Lindsay (independent)
- Susan Shaw (independent)

The Executive Management team is comprised as follows:

- Myke Clark, *Chief Executive Officer*
- Omar Bojorquez, *Chief Operating Officer*
- Tania Ontiveros, *Chief Financial Officer*
- Valerie Bojorquez, *Vice President, General Counsel & Head of Legal*
- Humberto Bustamante, *Group Technical Manager*
- Rigoberto Bojorquez, *Vice President, Head of Project Development.*
- Erik Hickert, *Head of Distributed Generation*
- Janet Bates*, Financial Controller and Corporate Secretary*

On November 6, 2024, the Company announced significant changes to its Executive Management team as follows:

a) Steve Dalton, the former Chief Executive Officer ("CEO"), transitioned to the role of Executive Chairman.

b) Roger Norwich, the former Chairman, stepped down from this position but will remain active as a Non-Executive Director.

c) Myke Clark was appointed as the new CEO and Director of the Company. In connection with his appointment, the Company has issued Mr. Clark 500,000 stock options to acquire common shares of the Company at an exercise price of $0.50.

d) Omar Bojorquez, previously serving as the President of the Company, was appointed Chief Operating Officer ("COO").

e) Jonathan Clare, a Non-Executive Director of the Company, retired from his position as Director and will remain as a consultant of the Company.

2. Business Overview

The Company's principal business is that of a developer and operator of renewable energy electricity generation projects located in the US, Mexico and Canada. Revolve has two business units: Utility Scale Assets and Distributed Generation. The Utility Scale Assets division develops large- and mid-sized renewable energy projects. The Company targets ownership of mid-sized projects up to 50 megawatts ("MW") and targets the sale of projects larger than 50MW. The Distributed Generation division is focused on smaller, rapidly deployable renewable energy projects that deliver low-cost electricity to commercial and industrial customers.

Revolve has an accomplished management team with a demonstrated track record of taking projects from "greenfield" through to "ready to build" status and successfully concluding project sales to large operators of utility-scale renewable energy projects. To date, Revolve has developed and sold over 1,550MW of projects and operates more than 12 MW of wind, solar and hydro projects.

2.1. Utility Scale Assets

The Utility Scale Assets division of the Company consists of an active development portfolio of over 3,000MWs of wind, solar, hydro and battery storage projects. This portfolio currently includes projects ranging in capacity from 50MW to 400MW located in the USA (New Mexico, Utah and Colorado), Canada (British Columbia, Alberta and Saskatchewan) and Mexico (Tamaulipas and Nuevo Leon).

In March 2021, the Company formed a joint venture company, MRE Wind & Solar Corp. ("MRE US"), with Running Foxes Wind & Solar Inc. ("RFW&S") based in Colorado, USA with a view to expanding its development activities into the US renewable energy market. Revolve owns 90% of MRE US and 10% is owned by RFW&S. The Company leads the development of the joint venture, including providing working capital funding at its discretion, with RFW&S providing land acquisition, rights of way and other project development support.

The Company's 90% owned subsidiaries; MRE US Wind & Solar Corp., Revolve Afton Solar LLC, Revolve Lordsburg Solar LLC, Revolve Vernal BESS LLC, and Revolve Primus Wind LLC, serve as development entities for its utility scale renewable projects located in the USA.

In January 2023, the Company sold its 250MW Parker Solar and Storage project and its 1,000MW Bouse Solar and Storage project to ENGIE IR Holdings LLC through a Membership Interest Purchase Agreement ("MIPA") in which ENGIE IR Holdings LLC acquired 100% of the membership interest in Revolve Renewable Power AZ LLC and Revolve Parker Solar LLC ("the Parker & Bouse Sale").

On February 13, 2024, the Company completed the acquisition of WindRiver Power Corporation ("WindRiver"), a Canadian based owner, operator and developer of wind and hydro projects in the Provinces of British Columbia and Alberta. Following the acquisition, WindRiver became a wholly-owned subsidiary of the Company. The acquisition adds 96.63MW of net operational and development capacity to the Company's portfolio, which is split between 6.63MW of net operational capacity and 90MW of development assets, all located within Canada.

2.2. Distributed Generation Assets

In April 2022, the Company established Revolve Renewable Power Business Solutions to focus on the distributed generation market and sub-20MW renewable energy projects. This new division targets both "behind the meter" and grid-connected wind, rooftop solar, ground-mounted solar, battery storage and energy efficiency (or "DG") projects (collectively, "DG Projects") in the USA, Mexico and Canada. The Company has since acquired a c.6MW portfolio of operating and under construction DG Projects and completed construction of a further 3.2MWh battery storage project (see below for further details). In addition to these, the Company is currently advancing a portfolio of over 140MW of additional DG Projects.

In August 2022, the Company completed the acquisition of a 100% interest in Centrica Business Solutions Mexico S.A. de C.V. ("CBS Mexico"). This acquisition provided the Company with an ongoing recurring revenue stream from six operating distributed generation projects totaling 2.85MW, and near-term visibility to revenues from one additional 3MW distributed generation project.

In September 2022, the Company signed an energy services contract with a hotel operator in Cancun, Mexico for a new 3.2MWh ("megawatt per hour") Battery Energy Storage System ("BESS") (the "Cancun BESS Project"). Revolve was responsible for the financing, installation and operation of the BESS system. During the fiscal year ended June 30, 2024, the Company redeployed 1.6MWh of the BESS system to a new customer under a 15-year energy services agreement on similar terms. This project is operational.

On January 15, 2025, the Company announced the commissioning of a 450-kilowatt solar project in Colima, Mexico (the "Colima Solar Project"). The Colima Solar Project is generating clean, renewable energy for a local commercial customer under a 15-year power purchase agreement.

Values shown in US dollars.	Three-months ended			
	Dec 31, 2023 $	Sept 30, 2023 $	June 30, 2023 $	March 31, 2023 $
Other income	130,882	1,199,880	123,356	888,185
Net income (loss)	(421,257)	921,776	(2,106,589)	523,085
Comprehensive income (loss)	(688,947)	331,124	(1,526,554)	234,388
Basic and diluted income (loss) per share	(0.01)	0.01	(0.03)	0.00

The comprehensive loss for the period ended March 31, 2024, is due to the revenue for the distributed generation business unit totalling $286,929, asset management income of $50,510 and an unrealized gain on derivative instrument of $68,822. This was offset by general operating expenses of $1,297,170 cost of sales of $102,721 and other items totalling $105,094, which included share-based compensation of $74,060.

The comprehensive income for the period ended June 30, 2024, is largely due to revenues totalling $4,360,000 related to a milestone payment of $3,400,000 and recognition of deferred revenue as revenue of $960,000, in relation to the sale of utility scale development rights to ENGIE. Along with this was other revenue totalling $714,096. This was offset by general operating expenses of $1,230,237, and other items totalling $928,310.

The comprehensive loss for the period ended September 30, 2024, is largely due to a decrease in revenue to $448,842 for the current year period, which was offset by an increase in general operating expenses of $1,148,188. And other expenses totalling $313,027 due to increased company activity during the period.

The comprehensive loss for the period ended December 31, 2024, is largely due to an increase in revenue to $1,070,769 for the current year period, which was offset by an increase in general operating expenses to $2,298,177. And other expenses totalling $563,822 due to increased company activity during the period.

3. Outstanding Share Data

3.1. Issued and fully paid common shares

As at the date of this MD&A, there were 63,036,116 common shares outstanding. Share capital and equity reserves of $158,842 were issued for the six-month period ended December 31, 2024.

3.2. Escrowed shares

Certain shares are held in escrow pursuant to an Escrow Agreement dated March 7, 2022 (the "Escrowed Shares"). The Escrowed Shares are released as follows (i) 10% of the Escrowed Shares on the date of publication of the TSXV exchange bulletin in respect of the reverse takeover ("RTO"), and (ii) 15% of the Escrowed Shares every nine months thereafter. As of December 31, 2024, there were 4,765,870 shares held in escrow, and as at the date of this report, there are 4,765,870 shares in escrow.

3.3. Incentive share options

As at December 31, 2024, the following share options were outstanding:

Date of grant	Options outstanding	Price	Vesting period	Expiry date
		C$		
March 7, 2022	3,500,000	0.50	On grant	March 7, 2025
November 7, 2022	1,300,000	0.50	On grant	November 7, 2025
May 29, 2024	100,000	0.50	1 year	May 29, 2027
August 30, 2024	475,000	0.50	1 year	August 30, 2027
December 16, 2024	500,000	0.50	1 year	December 16, 2027
	5,875,000			

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As of the date of this report, there were 5,875,000 share options outstanding.

3.4. Warrants

On November 16, 2023, as part of the first tranche of the non-brokered private placement unit offering the Company issued 5,267,062 non-transferrable warrants, exercisable at a price of C$0.45 per share until May 16, 2025. The Company attributed no value to these warrants with all the value being attributed to the common shares the subscriber of the unit offering received.

On December 22, 2023, as part of the second tranche of the non-brokered private placement unit offering the Company issued 1,147,947 non-transferrable warrants, exercisable at a price of C$0.45 per share until June 22, 2025. The Company attributed no value to these warrants with all the value being attributed to the common shares the subscriber of the unit offering received.

On January 25, 2024, the Company closed the third and final tranche of a non-brokered private placement for a total of 1,715,542 units at a price of C$0.285 per Unit. Each unit is comprised of one common share of the Company and one common purchase warrant. Each warrant is exercisable to acquire one additional Common Share at a price of C$0.45 for a period of eighteen (18) months following the closing date, subject to certain acceleration rights.

As at December 31, 2024 there were 8,130,551 warrants outstanding, and as at the date of this report, there were 8,130,551 warrants outstanding.

The following table summarizes information about warrants outstanding at December 31, 2024:

Number of Warrants	Exercise Price (C$)	Expiry Date
5,267,062	0.45	May 16, 2025
1,147,947	0.45	June 22, 2025
1,715,542	0.45	July 25, 2025
8,130,551		

The table below summarizes the outstanding share capital of the Company as at the date of this MD&A:

	Shares Issued or Issuable
Common shares	63,036,116
Stock options	5,875,000
Warrants	8,130,551

3.5. Deferred share units ("DSUs")

On July 6, 2022, the Company adopted an Omnibus Employee Incentive Plan (the "Incentive Plan"), which became effective on December 9, 2022, which contemplates the granting of DSUs to certain Participants at the discretion of the Board. On December 5, 2024, the Incentive Plan was re-approved by the Board.

The aggregate number of shares reserved for issuance under the Stock Option and DSU plan may not exceed 10% of the issued and outstanding common shares on the date of grant, The aggregate number of Shares reserved for issuance under the Omnibus Employee Incentive Plan may not exceed 6,303,612 Shares.

As at December 31, 2024, the Company had outstanding DSUs as follows:

Grant Date	**DSUs Granted**	**Price**	**Fair Value**	**US$ FX rate at Date of Grant**	**US$ Fair Value**	**Vesting Date**
March 1, 2024	1,140,421	C$ 0.24	C$ 273,701	0.736954	$ 201,705	March 1, 2025
April 18, 2024	335,784	C$ 0.30	C$ 88,983	0.726630	$ 64,658	April 18, 2025
August 30, 2024	308,944	C$0.295	C$ 91,138	0.741434	$ 67,573	August 30,2025
December 16, 2024	300,957	C$0.245	C$ 73,735	0.702522	$ 51,800	December 16, 2025
	2,086,106		C$ 527,557		$ 385,736	

4. Related Party Transactions

Included within management fees, directors' fees and salaries are amounts paid to key management personnel, which are those people having responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

During the period ended December 31, 2024, key management personnel compensation, including directors and officers, was comprised of $577,892 (December 31, 2023: $527,933), of which $13,246 related to share based compensation, $160,023 related to directors' fees, in which $86,613 are accrued, and $73,410 were issued in the form of a deferred share unit grant, and $404,624 related to management, consulting, administrative and accounting fees, and salaries (December 31, 2023: $Nil, $155,083, $155,083, $Nil, and $372,850, respectively).

As at December 31, 2024, amounts included in accounts payable and accrued liabilities due to related parties was $85,211 (June 30, 2024: $132,029), of which $83,247 will be met via share-based compensation and not cash (June 30, 2024: $117,730).

During the year end June 30, 2024, management, employees and insiders took part in a non-brokered private placement and invested a total of $226,740 in the Company (refer to Note 15 in the accompanying financial statements).

5. Critical Accounting Policies and Estimates

The Company has prepared the accompanying condensed interim consolidated financial statements in accordance with IFRS. Significant accounting policies are described in Note 2 of the Company's financial statements as at December 31, 2024, except for newly adopted accounting policies as noted below, if any.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

6. Financial instruments and Financial Risk Management

Financial Instruments

The Company's financial instruments consist of investments, cash, receivables, interconnection and security deposits and accounts payable.

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

As at December 31, 2024, the fair values of the Company's financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments or market rates of interest.

Financial Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The WindRiver acquisition has brought to the Company a recurring source of income to settle its current liabilities. WindRiver has secured long-term power purchase agreements with the local utilities in the jurisdictions where its projects operate. As at December 31, 2024, the Company had a cash balance of $527,153 (June 30, 2024 - $3,181,827) to settle current liabilities of $9,443,606 (June 30, 2024 - $8,924,202). Most of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms, except for the RE Royalty Ltd. loans and the Box Springs loan (refer to Note 16 in the accompanying financial statements).

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash, sales tax receivable and deposits. The Company limits its exposure to credit loss by placing its cash with major financial institutions. Majority of the sales tax receivable arose from refundable sales tax from government taxation authorities in Mexico.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity prices.

Interest rate risk

As of December 31, 2024, the Company has a cash balance of $527,153 (June 30, 2024 - $3,181,827) and fixed interest-bearing loans as follows:

US$ loan amount	C$ loan amount	Maturity date	Fixed interest rate	Interest rate swap	Credit spread
$ 1,1113,181	$ 1,600,000	April 25, 2025	12% p.a.	-	-
$ 1,058,481	$ 1,521,379	April 25, 2025	12% p.a.	-	-
$ 2,761,245	$ 3,968,800	February 9, 2027	12% p.a.	-	-
$ 288,731	$ 415,000	March 19, 2026	12% p.a.	-	-
$ 4,247,343	$ 6,104,802	January 4, 2033	4.61% p.a.	2.46%	2.15%*

*The credit spread of 2.15%, is fixed until March 8, 2025.

Since all the loans have fixed interest rates, the Company is not significantly exposed to interest risk in the event of interest risk fluctuations.

Foreign currency risk

The Company has operations in Canada, the Republic of Ireland, Mexico, and the USA and is therefore exposed to foreign exchange risk arising from transactions denominated in foreign currencies including revenues earned in Mexican Pesos, US Dollars and loan facilities in Canadian Dollars. The operating results and the financial position of the Company are reported in US dollars. The fluctuations of the operating currencies in relation to the US dollar will, consequently, have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risk. The Company held a cash position of €2,451 in Euros, MXN$1,138,500 in Mexican Peso, $14,552 in USD and C$646,365 in Canadian dollars as of December 31, 2024, with the effect on profit or loss before tax of a 10% fluctuation to the US dollar would not be material.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices and the stock market to determine the appropriate course of action to be taken by the Company.

7. Risk and Uncertainties

The operations of the Company are speculative due to the high-risk nature of its business, which includes the acquisition, financing, development and operation of renewable energy projects. These risk factors could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. The risks and uncertainties incorporated in this section by reference are not exhaustive but are considered by management to be the most important in the context of the Company's business.

Development Activities and Going Concern

While the Company has a history of profitable operations, the majority of its present portfolio of projects are still under development with no certainty on the likelihood of generating future profits for the Company. As such, the Company is subject to many risks including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenue. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the current stage of development of its portfolio of development projects.

The Company is currently actively seeking various sources of future revenue in order to maintain operations and seek further growth and expects to obtain financing in the future primarily through further equity and/or debt financing, as well as through joint venturing and/or optioning out the Company's projects to other larger companies operating in the renewable energy sector. With the acquisition of WindRiver, the Company has and will have a recurring source of income from the operations of the wind and hydro projects in Canada as these projects have long-term power purchase agreements for the sale of electricity.

The Company expects to incur further losses in the development of its business particularly as it relates to its expansion plans for the US and Canadian markets, all of which cast doubt on the Company's ability to continue as a going concern. It is expected that the Company will require additional financing in order to meet ongoing levels of corporate overhead, discharge its liabilities as they come due, to make further investments in both its current active project development portfolio and to take advantage of future growth opportunities. The ability of the Company to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as upon the business success of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, or that such financing will be available on terms satisfactory to the Company. If additional financing is raised by the issuance of shares or other forms of convertible securities from treasury, control of the Company may change, and shareholders may suffer additional dilution. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and eventually to forfeit or sell its interest in one or more of its project development or operating assets.

Dependence on Management and Key Personnel

The Company depends on the business and technical expertise of its management team and there is little possibility that this dependence will decrease in the near term. The Company's success will depend in large measure on certain key personnel. The loss of the services of such key personnel may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. The contributions of the existing management team are likely to be of central importance. In addition, the competition for qualified personnel in the Company's industry is significant and there can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity, and good faith of the management of the Company. To mitigate these risks, the Company is committed to continually strengthening its management team to support its strategic goals and business growth.

Economic Conditions

Current and future unfavorable economic conditions could negatively impact the Company's financial viability. Unfavorable economic conditions could also increase the Company's financing costs, decrease net income or increase net loss, limit access to capital markets and negatively impact the availability of financing for the Company.

Regulations, Permits and Licenses

The Company's operations are principally based in the US, Canada and Mexico where it is subject to various laws and regulations governing the electricity sector, the protection of the environment and government policy. The Company requires permits, licenses and authorizations from various Federal, State and local authorities within these countries and such operations are governed by laws and regulations applicable for the development, construction and operation of renewable electricity generation facilities. The Company believes that it is in substantial compliance with all material laws and regulations which currently apply to its activities.

There can be no assurance that all permits, licenses and authorizations which the Company may require for its project operational and development activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations would not have an adverse effect on any renewable energy project which the Company might undertake.

In addition, the Company's project development activities require the submission and approval of environmental impact assessments and reports as well as ongoing environmental monitoring for its operational projects. Environmental legislation is evolving in the direction of stricter standards and enforcement, and higher fines and penalties for noncompliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to increase the development cost associated with any project being undertaken by the Company. The Company intends to fully comply with all environmental regulations.

Competition and Agreements with Other Parties

The renewable energy industry is highly competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to secure suitable project sites, secure interconnection capacity as well as generally affect the future prospects of the Company.

Customer Concentration

The Company has established recurring revenue stream through the acquisition and construction of various distributed generation and utility scale operating projects. While the Company continues to diversify this revenue stream it currently relies on a small number of customers for the revenue generated through these projects. The Company also signed a MIPA for the sale of its Parker Solar and Storage Project and its Bouse Solar and Storage Project, with payments of $6,200,000 received to date and further consideration to be received as certain development milestones are reached. In February 2024, the Company has established a revenue stream with the acquisition of the WindRiver hydro and wind projects in the Provinces of British Columbia and Alberta, in Canada.

Currency Risks

The principal business activities of the Company will be denominated in Mexican pesos and US and Canadian dollars. As a result, the cost of the Company's ongoing activities will be affected by currency fluctuations between the US dollar, the Canadian dollar and the Mexican peso in particular.

Epidemics and Pandemics

The spread of any outbreak has caused and could continue to cause severe disruptions in the global economy and financial markets and could potentially create future widespread business continuity issues of an as yet unknown magnitude and duration.

The actual or potential threatened spread of any pandemic or epidemic globally could adversely affect global economies and financial markets resulting in a prolonged economic downturn. The extent to which any disease, epidemic or pandemic impacts business activity or financial results, and the duration of any such negative impact, will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning current epidemics and the actions required to contain or treat its impact.

We continue to closely monitor the potential impact of any potential pandemic or epidemic on our financial results and cash flows at a Company and project level and at present do not expect any significant impact.

8. Off-Balance Sheet Arrangements

In 2023, the Company began the second phase of the interconnection process for its Vernal BESS project. PacifiCorp, formerly Pacific Power & Light Company, a transmission system operator, confirmed that the upgrade costs for the Vernal BESS project were $1.87 million dollars less $60,000 in deposits made. To meet PacifiCorp's requirement for financial security equal to the upgrade costs from phase 1, the Company secured a Surety Bond Agreement for $1.8 million and provided $724,000 in cash as collateral. In the fiscal year ended June 30, 2024, the Company changed security providers and successfully reduced the cash collateral to $452,500.

During the period ended December 31, 2024, as part of Tri-State Generation and Transmission Association Inc.'s ("Tri-State") network upgrade requirements under the interconnection process, the Company was required to provide financial security in the form of a surety bond in the amount of $2,546,502. To meet this requirement, the Company entered into a Surety Bond Agreement with a surety provider, posting $636,626 in cash as collateral.

On January 6, 2025, the Company announced the closing of a $2,900,000 Account Performance Security Guarantee ("APSG") facility with EDC, which was later increased to $4,500,000 on January 23, 2025. The Company used this facility to replace the surety bonds previously issued to PacifiCorp and Tri-State with Irrevocable Letters of Credit ("ILoCs"), resulting in the release of $1,089,126 in previously posted cash collateral.

9. Subsequent Events

Financial partnership with Export Development Canada ("EDC")

On January 6, 2025, the Company announced the closing of a $2,900,000 Account Performance Security Guarantee ("APSG") facility with EDC, which was later increased to $4,500,000 on January 23, 2025. The Company used this facility to replace the surety bonds previously issued to PacifiCorp and Tri-State with Irrevocable Letters of Credit ("ILoCs"), resulting in the release of $1,089,126 in previously posted cash collateral.

Commencement of operations of a 450kW solar project in Mexico

On January 15, 2025, the Company announced the commissioning of a 450-kilowatt solar project in Colima, Mexico (the "Colima Solar Project"). The Colima Solar Project is generating clean, renewable energy for a local commercial customer under a 15-year power purchase agreement.

Refinancing of WindRiver acquisition loan with Vancity Capital Corporation ("Vancity")

On January 29, 2025, the Company entered into a 9-year loan facility with a 9.25% fixed interest rate with Vancity to refinance the $2,761,245 (CA$3,968,800) WindRiver acquisition loan originally provided by RE Royalties.

Project sale in Mexico

On February 18, 2025, the Company announced the sale of a 3MW combined heat and power ("the CHP") project from its distributed generation portfolio for a total cash consideration received of $1,500,000.

10. Proposed Transactions

The Company does not have any proposed transactions as at December 31, 2024, other than what has already been disclosed in the subsequent event section above.

11. Management's Report on Internal Control over Financial Reporting

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited annual consolidated financial statements and respective accompanying MD&A. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Additional information relating to the Company is available on SEDAR at www.sedar.com.