

**FIRST NATIONAL ENERGY CORP.**

416 918 6987

[www.firstnationalenergy.com](http://www.firstnationalenergy.com)

[pete.wanner@firstnationalenergy.com](mailto:pete.wanner@firstnationalenergy.com)

## Quarterly Report

For the period ending **June 30 2024** (the "Reporting Period")

### **Outstanding Shares**

The number of shares outstanding of our Common Stock was:

102,974,228 as of June 30 2024

103,030,228 as of December 31 2023

### **Shell Status**

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

### **Change in Control**

Indicate by check mark whether a Change in Control<sup>4</sup> of the company has occurred during this reporting period:

Yes: ☐ No: ☒

### **1) Name and address(es) of the issuer and its predecessors (if any)**

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

<sup>4</sup> "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

First National Energy Corporation ("Company") was incorporated as Capstone International Corporation on November 16, 2000, in the state of Delaware, and has a class of shares registered with the Securities and Exchange Commission on Form SB-2 ( SEC File No. 333-62588, filed on June 8, 2001). The Company's name was changed to "First National Power Corporation" on January 28, 2004, and was changed again to "First National Energy Corporation" on February 12, 2009, at which time the Company effected a reverse stock split, adopted a holding company structure, and relocated its corporate charter from Delaware to Nevada as part of the reorganization described in the next succeeding paragraph.

On February 12, 2009, the Company effected a reorganization pursuant to that certain Agreement and Plan of Merger to Form Holding Company, dated as of December 10, 2009, which had the effect of (1) implementing a reverse stock split of its issued and outstanding common shares at the rate of 100 to 1 ; (2) merging the Company with and into First National Power Corporation, a Nevada corporation and a wholly-owned indirect (second tier) subsidiary of the Company, such that First National Energy Corporation, a Nevada corporation and a wholly-owned direct (first tier) subsidiary of the Company, succeeded the Company as a successor issuer of its registered securities, pursuant to Rule 12g-3 under the Securities Exchange Act of 1934, and continued the business of the Company for all purposes; (3) exchanging each issued and outstanding share of the Company on the record date (and after giving effect to the reverse stock split described above) into one new common share of the successor issuer; (4) shifting the Company's charter from the State of Delaware to the State of Nevada; (5) increasing the authorized capital of the Company from 100 million common shares to 300 million common shares; (6) changing the Company's name from "First National Power Corporation" to "First National Energy Corporation"; and (7) changing the Company's stock symbol from FNPR to FNEC.

Current State and Date of Incorporation or Registration: Nevada, December 10, 2009

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

None

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None

List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

On December 31, 2022, the Company issued 2,500,000 shares of common stock to complete the purchase of certain licenses and patents for a total of \$5,000,000.

Address of the issuer's principal executive office:

The company has no manufacturing and therefore no plant facilities.

All administration happens from 44 Greystone Crescent, Georgetown, ON L7G 1G9 Canada, and all marketing happens from 9826 Discovery Terrace, Bradenton, FL 34212 USA.

Address of the issuer's principal place of business:

*X Check if principal executive office and principal place of business are the same address:*

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: X      Yes: ☐ If Yes, provide additional details below:

## 2) Security Information

### **Transfer Agent**

Name: Capital Transfer Agency  
Phone: 416 350 5007  
Email: [emilia@capitaltransferagency.com](mailto:emilia@capitaltransferagency.com)  
Address: 121 Richmond Street West, Suite 401, Toronto, ON, M5H 2K1

### **Publicly Quoted or Traded Securities:**

Trading Symbol	<b>OTC:FNEC</b>	
Exact Title and class of securities Outstanding	<b>Common</b>	
Votes per share	<b>1</b>	
CUSIP	<b>321129</b>	
Par or Stated Value	<b>\$0.001</b>	
Total Shares Authorized	<b>300,000,000</b>	As of June 30 2024
Total Shares Outstanding	<b>102,974,228</b>	As of June 30 2024
Total number of shareholders of record	<b>40</b>	As of June 30 2024

### **Other classes of authorized or outstanding equity securities that do not have a trading symbol:**

*Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.*

None

### **Security Description:**

*The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:*

**1. For common equity, describe any dividend, voting and preemption rights.**

The common stock has voting rights entitling the holder to one vote per share, dividends are paid at the discretion of management

**2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

No preferred stock

**3. Describe any other material rights of common or preferred stockholders.**

As described in 1) and 2) above

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None

### 3) Issuance History

*The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.***

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

#### A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☐ Yes: X (If yes, you must complete the table below)

Number of shares outstanding as of		Opening Balances
1-Jan-22	Common	100,420,228

Date of Transaction	Transaction Type	Number of Shares	Class of Securities	Value of shares issued \$/share	Discounted ?	Issued to	Control person issued to corp entity
24-Feb-22	new issuance	60,000	common	0.250	Yes	2 Somer Romm Court, Stouffville, ON	Ray Ka
31-Dec-22	new issuance	50,000	common	2.000	Yes	c/o 44 Greystone Crescent, Georgetown, ON	Gregory B
1-Oct-22	new issuance	3,000,000	common	0.250	Yes	6 Jill Crescent, Toronto, Ontario, M9B 6B3	Alex Pop
31-Dec-22	new issuance	2,500,000	common	0.250	Yes	65 Sewell Drive, Oakville, ON L6H 1C7	Wojciech Ga
1-Apr-23	cancellation	- 3,000,000	common	0.250	Yes	6 Jill Crescent, Toronto, Ontario, M9B 6B3	Alex Pop
30-Jun-24	cancellation	- 56,000	common	0.001	Yes	2 Somer Romm Court, Stouffville, ON	Ray Ka

Net Change 2,554,000

Shares outstanding on	Closing
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30-Jun-24	Common	102,974,228
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## B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: ☐ Yes: X (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)
November 30, 2019	70,000	70,000	none	None specified	None	Frank Cavicchia, Markham ON	Purchase of turbines

## 4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on [www.OTCMarkets.com](http://www.OTCMarkets.com).

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Alternative wind power generation for unique applications

- B. List any subsidiaries, parent company, or affiliated companies.

Pavana Power Corp – subsidiary - no operations

First National Energy (Canada) Corp – subsidiary – no operations

- C. Describe the issuers' principal products or services.

Wind power generation for unique hard to access locations – previous sites included Arctic locations

## 5) Issuer's Facilities

*The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.*

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The Company has no operations and therefore no manufacturing facilities. All administration happens from 44 Greystone Crescent, Georgetown, ON L7G 1G9 Canada, and all marketing happens from 9826 Discovery Terrace, Bradenton, FL 34212 USA.

## 6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities. If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

*The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.*

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>Greg Sheller</u> 9826 Discovery Terrace Bradenton, FL 34212	<u>Consultant</u>	<u>Sarasota, FL</u>	<u>40,000</u>	<u>Common</u>	<u>.04%</u>	_____
<u>Peter Wanner</u> 44 Greystone Crescent, Georgetown, ON L7G1G9	<u>CFO</u>	<u>Georgetown, ON</u>	<u>14,395</u>	<u>Common</u>	<u>.01%</u>	_____
<u>Gianni Caputo</u> 111 Park Crescent Richmond Hill, ON L4E, 3J6	<u>Director</u>	<u>Sarasota, FL</u>	<u>1,824,600</u>	<u>Common</u>	<u>1.8%</u>	_____
<u>Frank Cavicchia</u>	_____	<u>Toronto, ON</u>	<u>87,644,760</u>	<u>Common</u>	<u>85.1%</u>	<u>majority shareholder</u>

Confirm that the information in this table matches your public company profile on [www.OTCMarkets.com](http://www.OTCMarkets.com). If any updates are needed to your public company profile, log in to [www.OTCIQ.com](http://www.OTCIQ.com) to update your company profile.

## 7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

None

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

None

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

None

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

None

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

## **8) Third Party Service Providers**

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on [www.OTCMarkets.com](http://www.OTCMarkets.com). If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).



Name: Anthony F. Newton  
Address 1: 16730 Creek Bend Drive  
Address 2: Sugar Land, Texas 77478  
Phone: (832) 452-0269  
Email: [tony.newton@yahoo.com](mailto:tony.newton@yahoo.com)  
Accountant or Auditor

Name: N/A  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

#### Investor Relations

Name: N/A  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

#### *All other means of Investor Communication:*

X (Twitter): \_\_\_\_\_  
Discord: \_\_\_\_\_  
LinkedIn: \_\_\_\_\_  
Facebook: \_\_\_\_\_  
[Other ]: \_\_\_\_\_

#### Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: Peter Wanner  
Firm: Peter Wanner, CGA  
Nature of Services: CFO and Director  
Address 1: 44 Greystone Crescent  
Address 2: Georgetown, ON L7G 1G9  
Phone: 416 918 6987  
Email: petewanner@gmail.com

## **9) Disclosure & Financial Information**

A. This Disclosure Statement was prepared by (name of individual):

Name: Peter Wanner

Title: CFO  
Relationship to Issuer: CFO and Director

B. The following financial statements were prepared in accordance with:

☐ IFRS  
☒ U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Peter Wanner  
Title: CFO  
Relationship to Issuer: CFO and Director

Describe the qualifications of the person or persons who prepared the financial statements:<sup>5</sup> CGA

Provide the following qualifying financial statements:

- ☐ Audit letter, if audited;
- ☐ Balance Sheet;
- ☐ Statement of Income;
- ☐ Statement of Cash Flows;
- ☐ Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- ☐ Financial Notes

**Financial Statement Requirements:**

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

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<sup>5</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

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**First National Energy Corporation**  
**Financial Statements**  
**June 30, 2024**  
**(Amounts expressed in US Dollars)**  
**(unaudited)**

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**TO THE STOCKHOLDERS OF FIRST NATIONAL ENERGY CORP.**

The balance sheet of First National Energy Corp. at June 30, 2024 and December 31, 2023 and the Statement of Operations and Comprehensive Loss, Changes in Stockholders' Deficiency and Cash Flows for the periods then ended have not been audited by the Company's auditors. These financial statements are the responsibility of management and have been reviewed and approved by the Company's Audit Committee and Board of Directors

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**FIRST NATIONAL ENERGY CORPORATION**  
**Balance Sheet**  
**As of June 30 2024 and December 31, 2023**  
**(Amounts expressed in US Dollars)**

	<b>June 30</b> <b>2024</b>	<b>December 31</b> <b>2023</b>
	(unaudited) (unconsolidated)	(unaudited) (consolidated)
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	37,559	3,278
Accounts Receivable	10,162	10,158
Total Current Assets	<u>47,721</u>	<u>13,436</u>
Monies held in Escrow accounts for drivers	-	7,576
Licenses for Technology (Note 4)	100	200
Investment in WOG patents (Note 11)	5,000,000	5,000,000
Vertical Wind Powered Generators	70,000	70,000
Total Assets	<u>5,117,821</u>	<u>5,091,212</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	14,001	-
Foreign exchange	-	(29,903)
	<u>14,001</u>	<u>(29,903)</u>
<b>LONG TERM LIABILITIES</b>		
Loan payable to director (Note 6)	261,031	204,393
Loan payable to related party	-	610,000
	<u>261,031</u>	<u>814,393</u>
<b>TOTAL LIABILITIES</b>	<u>275,032</u>	<u>784,490</u>
<b>Going Concern (Note 2)</b>		
<b>Related Party Transactions (Note 6)</b>		
<b>STOCKHOLDERS' DEFICIENCY</b>		
Capital Stock (\$0.001 par value, 300,000,000 common shares authorized, 102,974,228 issued and outstanding as of June 30, 2024 and 103,030,228 as of December 31, 2023 (Note 5))	102,974	103,030
Additional paid-in capital	6,031,335	5,458,302
Deficit Accumulated during the development stage	(1,291,565)	(1,254,654)
Accumulated other comprehensive loss	(10)	(10)
Total Stockholders' Deficiency Attributable to the Company's Stockholders	4,842,734	4,306,668
Non-controlling interest	53	53
Total FNEC Stockholders' Deficit	<u>4,842,787</u>	<u>4,306,721</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY</b>	<u>5,117,821</u>	<u>5,091,212</u>

Accepted on behalf of the Board  
Signed "Peter Wanner"  
/s/ Peter Wanner  
CFO

*The accompanying notes are an integral part of these interim financial statements*

**FIRST NATIONAL ENERGY CORPORATION**  
**Statement of Operations and Comprehensive Income (Loss)**  
For the periods ended  
(Amounts expressed in US Dollars)

	<b>6 Months Ended Jun 30</b>		<b>3 Months Ended Jun 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	(unconsolidated)	(consolidated)	(unconsolidated)	(consolidated)
	\$	\$	\$	\$
<b>REVENUE</b>	<u>-</u>	<u>1,610,863</u>	<u>-</u>	<u>4,162</u>
<b>EXPENSES</b>				
Cost of sales	-	1,362,427	-	-
Wages and payroll taxes	-	58,519	-	-
Public company expenses (recovery)	6,165	30,703	6,165	(19,342)
Travel	6,169	-	6,169	-
Interest and bank charges	216	18,511	63	-
General and administrative expenses (recovery)	<u>16,044</u>	<u>10,784</u>	<u>13,399</u>	<u>22,436</u>
<b>TOTAL OPERATING EXPENSES (RECOVERY)</b>	<u>28,594</u>	<u>1,480,944</u>	<u>25,797</u>	<u>3,094</u>
<b>GROSS PROFIT (LOSS)</b>	(28,594)	129,919	(25,797)	1,068
Loss on cancellation of the Diesel Systems Group transaction	-	(3,410)	-	(3,410)
Foreign exchange loss	<u>-</u>	<u>(183,950)</u>	<u>-</u>	<u>-</u>
<b>(LOSS) GAIN BEFORE INCOME TAX</b>	<u>(28,594)</u>	<u>(57,441)</u>	<u>(25,797)</u>	<u>(2,343)</u>
Income taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET (LOSS) GAIN</b>	(28,594)	(57,441)	(25,797)	(2,343)
Net income (loss) attributable to non-controlling interest	-	-	-	-
Net gain attributable to FNEC Stockholders	<u>(28,594)</u>	<u>(57,441)</u>	<u>(25,797)</u>	<u>(2,343)</u>
Gain per share, basic and diluted	<u>(0)</u>	<u>(0)</u>	<u>(0)</u>	<u>(0)</u>
Weighted average common shares outstanding	<u>102,974,228</u>	<u>106,030,228</u>	<u>102,974,228</u>	<u>103,764,195</u>
<b>COMPREHENSIVE (LOSS) INCOME</b>				
<b>NET (LOSS) GAIN INCLUDING NONCONTROLLING INTEREST</b>	(28,594)	(57,441)	(25,797)	(2,343)
Foreign exchange translation adjustment for the period	-	-	-	-
Other Comprehensive (Loss) Income	<u>(28,594)</u>	<u>(57,441)</u>	<u>(25,797)</u>	<u>(2,343)</u>
Comprehensive Income (Loss) attributable to non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Comprehensive (Loss) Income attributable to FNEC Stockholders	<u>(28,594)</u>	<u>(57,441)</u>	<u>(25,797)</u>	<u>(2,343)</u>

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

**FIRST NATIONAL ENERGY CORPORATION**  
**Statement of Changes in Stockholders' Deficiency**  
**For the periods ended December 31, 2017 to June 30 2024**  
**(Amounts expressed in US Dollars)**

	Common stock - number of shares	Common stock - dollar amount at par value	Additional paid-in capital	Accumulated Deficit	Accumulated other comprehensive loss	Non- controlling interests	Total stockholders' deficit
		\$	\$	\$	\$	\$	\$
Balance as of December 31, 2017 (audited)	<u>100,895,228</u>	<u>100,795</u>	<u>278,737</u>	<u>(1,584,022)</u>	<u>(10)</u>	<u>53</u>	<u>(1,204,447)</u>
Sale of Shares	30,000	30	14,970	99,800			114,800
Net Loss for the Period	-	-	-	(25,385)	-		(25,385)
Balance as of December 31, 2018 (unaudited)	<u>100,925,228</u>	<u>100,825</u>	<u>293,707</u>	<u>(1,509,607)</u>	<u>(10)</u>	<u>53</u>	<u>(1,115,032)</u>
Stock based compensation	40,000	40	9,960				10,000
Sale of shares	100,000	100	24,900	103,390			128,390
Net Loss for the Period	-	-	-	(48,601)	-	-	(48,601)
Balance as of December 31, 2019 (unaudited)	<u>101,065,228</u>	<u>100,965</u>	<u>328,567</u>	<u>(1,454,818)</u>	<u>(10)</u>	<u>53</u>	<u>(1,025,243)</u>
Net Loss for the Period	-	-	-	(26,017)	-	-	(26,017)
Balance as of December 31 2020 (unaudited)	<u>101,065,228</u>	<u>100,965</u>	<u>328,567</u>	<u>(1,480,835)</u>	<u>(10)</u>	<u>53</u>	<u>(1,051,260)</u>
Net Loss for the Period	-	-	-	(4,860)	-	-	(4,860)
Balance as of December 31 2021 (unaudited)	<u>101,065,228</u>	<u>100,965</u>	<u>328,567</u>	<u>(1,485,695)</u>	<u>(10)</u>	<u>53</u>	<u>(1,056,120)</u>
Sale of shares in a private placement	60,000	60	14,940				15,000
Sale of shares in a private placement	50,000	50	12,450				12,500
Shares issued for services	5,000	5	4,995				5,000
Sale of shares in a private placement	50,000	50	99,950				100,000
Shares issued to purchase Diesel Systems Group	3,000,000	3,000	1,647,000				1,650,000
Shares issued to purchase WOG patents	2,500,000	2,500	4,997,500				5,000,000
Foreign Exchange				(126,135)			(126,135)
Net Profit (Loss) for the Period	-	-	-	28,332	-	-	28,332
Balance as of Dec 31 2022 (unaudited)	<u>106,030,228</u>	<u>106,030</u>	<u>7,105,402</u>	<u>(1,583,498)</u>	<u>(10)</u>	<u>53</u>	<u>5,628,077</u>
Foreign Exchange							-
Shares retracted from Diesel Systems Group transaction cancellation	(3,000,000)	(3,000)	(1,647,000)	220,204			(1,429,796)
Net Profit (Loss) for the Period	-	-	-	108,639	-	-	108,639
Balance as of December 31 2023 (unaudited)	<u>103,030,228</u>	<u>103,030</u>	<u>5,458,402</u>	<u>(1,254,654)</u>	<u>(10)</u>	<u>53</u>	<u>4,306,821</u>
Return of subsidiary shares			(100)	(8,316)			(8,416)
Demerger of controlling interest	(56,000)	(56)	573,033				572,977
Net Profit (Loss) for the Period	-	-	-	(28,594)	-	-	(28,594)
Balance as of June 30 2024 (unaudited)	<u>102,974,228</u>	<u>102,974</u>	<u>6,031,335</u>	<u>(1,291,565)</u>	<u>(10)</u>	<u>53</u>	<u>4,842,787</u>

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

**FIRST NATIONAL ENERGY CORPORATION**  
**Statement of Cash Flows**  
**For the 6 months ended**  
**(Amounts expressed in US Dollars)**

	<b>6 Months Ended</b>	
	<b>Jun 30</b>	<b>Jun 30</b>
	<b>2024</b>	<b>2023</b>
	(unaudited)	(unaudited)
	(unconsolidated)	(consolidated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) Profit	(28,594)	(57,441)
Adjustments for items not affecting cash		
Decrease in GST receivable	-	22,778
Decrease in accounts receivable	(4)	63,489
Increase (decrease) in accounts payable	14,001	(128,141)
Decrease in payroll taxes payable	-	(24,870)
Net cash used in operating activities	<u>(14,597)</u>	<u>(124,184)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of bank loan	-	(57,303)
Loan from Director	<u>56,638</u>	<u>(8,354)</u>
Net cash used in (provided by) financing activities	<u>56,638</u>	<u>(65,657)</u>
<b>NET (DECREASE) INCREASE IN CASH</b>	42,041	(189,842)
Cash, beginning of period	3,278	115,818
Foreign currency translation adjustment	(7,760)	117,913
<b>CASH, END OF PERIOD</b>	<u><u>37,559</u></u>	<u><u>43,889</u></u>
<b>SUPPLEMENTARY DISCLOSURE</b>		
INCOME TAXES PAID	<u>-</u>	<u>-</u>
INTEREST PAID	<u>-</u>	<u>-</u>
<b>NON-CASH ACTIVITY</b>		
Write-off of loan payable to related party	\$610,000	-

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



## **1. NATURE OF OPERATIONS AND PURCHASE OF TECHNOLOGY**

### **a) Nature of operations**

First National Energy Corporation (the “Company”) was incorporated in the State of Delaware on November 16, 2000.

The Company’s business purpose is the provision of wind-driven solutions for power generation. Current projects for the Company are the completion of power generation projects from supplemental wind generation technologies.

The Company is close to commencing the marketing of its product and has been trying to establish the use of its technology in various applications.

### **b) Purchase of Technology License**

On May 25, 2009 (the “Closing”), a Technology License and Stock Purchase Agreement (the “Agreement”) was signed between the Company and Boreas, at which time the Company issued to the stockholders of Boreas 98,800,000 new restricted and unregistered common shares of the Company and agreed to pay certain future royalties to Boreas from net revenues realized by the Company from the technology license. The consideration issued in the transaction was determined as a result of arm’s-length negotiations between the parties.

The Company obtained written consent to the Agreement and the transaction from the holders of 55.82% of its issued and outstanding shares of common stock in lieu of a meeting of stockholders.

Accordingly, the Boreas Stockholders now own 95.95% of the Company’s 102,974,228 outstanding common shares. No finder’s fees were paid or consulting agreements entered into by the Company in connection with the transaction.

Prior to the transaction, there were no material relationships between the Company and Boreas, between Boreas and the Company’s affiliates, directors or officers, or between any associates of Boreas and the Company’s officers or directors. All of the Company’s transaction liabilities were settled on or immediately following the Closing.

## **1. NATURE OF OPERATIONS AND PURCHASE OF TECHNOLOGY (cont'd)**

### **b) Purchase of Technology License (cont'd)**

Upon the Closing on May 25, 2009, the Company was no longer deemed to be a “shell company” as defined in Rule 12b-2 under the Securities Exchange Act of 1934 (the “Exchange Act”). Accordingly, the Company filed an amended current report on Form 8-K/A with the SEC on May 26, 2009, setting forth the information that would be required if the Company were filing a general form for the registration of securities on Form 10 under the Exchange Act.

On April 18, 2011, First National Energy Corporation (the “Company”) entered into a Novation Agreement (the “Novation”) with all of the stockholders of Boreas revising the structure of the May 25, 2009 transaction by which the Company acquired a territorial license to certain rights in alternative energy technology of Boreas, in exchange for a quantity of newly issued common shares of the Company. The Novation amended the Technology License and Stock Purchase Agreement (the “Original Agreement”) to substitute the stockholders of Boreas as the licensor under the Original Agreement.

The Company has imported into Canada two units. One of the units has been erected on a potential client’s site in an urbanized setting. The unit was monitored for over 9 months and was found to be functioning exactly as described. The second unit has been installed at an industrial complex and the power being generated is used both as an auxiliary power unit (APU), and as a feed into the grid, reducing the condominium’s electric bill.

Discussions on funding the operations, as well as for any debt arrangements for floor plan sales to clients, are ongoing.

## **2. GOING CONCERN**

The Company’s financial statements are prepared using accounting principles generally accepted in the United States of America and applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, the Company has not generated any revenues from its planned principal operations through June 30, 2024 and has recorded losses since inception, has negative working capital, has yet to achieve profitable operations and expects further losses in the development of its business. There can be no assurance that the Company will have adequate capital resources to fund planned operations or that any additional funds will be available to the Company when needed, or if available, will be available on favorable terms in the amounts required by the Company. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Management plans to raise cash through debt offerings once the sales of the technologies begin. The facilities and equipment required for successfully completing the business model have been identified but until the resources are available, have not been acquired or engaged. In the period prior to the onset of operations, the Company will undertake to raise further cash through capital offerings. There is no assurance that the Company will be successful in raising additional capital.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **a) Basis of presentation and Consolidation**

The accompanying unaudited financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America for financial information and with the instructions to Form 10-Q and Article 8-03 of Regulation S-X related to smaller reporting companies.

The unaudited financial statements should be read in conjunction with the financial statements and Notes thereto together with management's discussion and analysis of financial condition and results of operations contained in the Company's annual report on Form 10-K for the year ended December 31, 2023. In the opinion of management, the accompanying unaudited financial statements reflect all adjustments of a normal recurring nature considered necessary to fairly state the financial position of the Company at December 31, 2023, the results of its operations for the twelve months and quarters ended December 31, 2023 and 2022, and its cash flows for the twelve months and quarters ended December 31, 2023 and 2022. In addition, some of the Company's statements in its annual report on Form 10-K may be considered forward-looking and involve risks and uncertainties that could significantly impact expected results.

#### **b) Use of Estimates**

The preparation of financial statements for any period involves the use of estimates as the precise determination of assets and liabilities, and revenues and expenses, depends on future events. Actual amounts may differ from these estimates. Significant estimates include the valuation of allowances for deferred tax assets.

#### **c) Financial Instruments**

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and loans payable to director. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values due to the relatively short period to maturity for these instruments.

The Company follows ASC 820-10, "Fair Value Measurements and Disclosures" (ASC 820-10), which among other things, defines fair value, establishes a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or a nonrecurring basis. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on the assumptions that market participants would use in pricing an asset or a liability. As a basis for considering such assumptions, a three-tier fair value hierarchy has been established, which prioritizes the inputs used in measuring fair value as follows:

- Level 1—Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2—Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### c) Financial Instruments (cont'd)

- Level 3—Unobservable inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

Assets and liabilities measured at fair value as of June 30, 2024 and December 31, 2023 are classified below based on the three fair value hierarchy tiers described above:

	2024		2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Cash	37,559	37,559	3,278	3,278
Accounts Receivable	10,162	10,162	10,158	10,158
Accounts Payable and Accrued Liabilities	14,001	14,001	-	-
Loan Payable to Director	261,031	261,031	204,393	204,393
Loan Payable to Related Party	-	-	610,000	610,000

Cash has been measured using Level 1 of the fair value hierarchy. Accounts payable and accrued liabilities, loans payable to related party and director have been measured using Level 3 of the fair value hierarchy.

#### d) Income Taxes

On December 22, 2017 the Tax Cuts and Jobs Act ("TCJA") was signed into law. Pursuant to Staff Accounting Bulletin No 118, a reasonable estimate of the specific income tax effects for the TCJA can be determined and the Company is reporting these provisional amounts. Accordingly, the Company may revise these estimates in the upcoming year. The TCJA reduces the corporate income tax rate from 34% to 21% effective January 1, 2018.

The TCJA reduces the amount of losses carried forward to 80% of taxable income in the taxable year. As the Company has not generated taxable income in the quarter ended June 30, 2024, its losses carried forward are \$nil.

#### e) Comprehensive loss

Comprehensive loss includes all changes in equity during a period from non-owner sources.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

#### **f) Intangible Assets**

Intangible assets include the technology licenses which are amortized over the estimated useful life of 10 years on a straight-line basis. However, since these licenses were previously written down to a nominal value, no amortization was recognized during the quarter for accounting purposes.

#### **g) Loss per share**

Basic loss per share is computed by dividing net loss by the weighted average number of common shares outstanding for the year. Diluted loss per share is computed by dividing net loss by the weighted average number of common shares outstanding plus common stock equivalents (if dilutive). As of June 30, 2024, there were no common stock equivalents.

#### **h) Stock-Based Compensation**

The Company accounts for equity instruments issued in exchange for the receipt of goods or services from parties other than employees using the estimated fair market value of the consideration received or estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earlier of a performance commitment or completion of performance by the provider of goods or services. The unrecognized expense related to stock-based compensation, and stock-based compensation expense relating to all employees and non-employees were \$nil and \$nil for the quarters ended June 30, 2024 and 2023, respectively.

#### **i) Foreign Currency**

The parent Company maintains its books and records in U.S. dollars which is its functional and reporting currency. One of the Company's operating subsidiaries is a foreign private company and maintains its books in Canadian dollars (the functional currency). The subsidiary's financial statements are converted to US dollars for consolidation purposes. The translation method used is the current rate method, where the functional currency of the subsidiary is the foreign currency. Under the current rate method all assets and liabilities are translated at the current rate, stockholders' equity is translated at historical rates and revenues and expenses are translated at average rates for the year. Due to the dormant status of the wholly owned subsidiary, there have been no adjustments for the past years.

#### **j) Recent Accounting Pronouncements**

There are no recent accounting pronouncements that are applicable to the Company.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### k) Non-controlling Interest

Non-controlling interests in the Company's subsidiaries are recorded in accordance with the provisions of ASC 810 and are reported as a component of equity, separate from the Company's equity.

### 4. LICENSES FOR TECHNOLOGY

Licenses are recorded at the carrying amount. No amortization was recorded during the quarter.

	<u>2024</u> <u>Cost</u>	<u>2024</u> <u>Net Book Value</u>	<u>2023</u> <u>Net Book Value</u>
	\$	\$	\$
North American			
Technology License	100	100	100
License	<u>100</u>	<u>100</u>	<u>100</u>

### 5. CAPITAL STOCK

#### a) Authorized

300,000,000 Common shares, \$0.001 par value

#### b) Issued

102,974,228 Common shares (2023: 103,030,228 Common shares) valued at \$102,974 (2023: \$103,030).

## **6. LOAN PAYABLE TO DIRECTOR**

Transactions with related parties are conducted in the normal course of business and are measured at the exchange amount which is the amount of consideration established by and agreed to by the related parties.

A director of the Company has advanced monies to the Company to pay certain expenses. The advances have no interest rate and are due on demand. The amount owing to the director was \$261,031 (2023: \$204,393).

## **7. SEGMENT DISCLOSURE**

The Company, after reviewing its reporting systems, has determined that it has one reportable segment and geographic segment. The Company's operations are all related to the provision of wind-driven solutions for power generation. All assets of the business are located in the United States of America.

## **8. CAPITAL MANAGEMENT**

The Company's capital management objective is to secure the ability to continue as a going concern and to optimize the cost of capital in order to enhance value to shareholders. As part of this objective, the Company seeks to maintain access to loan and capital markets at all times. The Board of Directors reviews the capital structure of the Group on a regular basis.

Capital structure and debt capacity are taken into account when deciding new investments and the Company may consider share buybacks and share issuances as other strategies. No share buybacks have occurred or are currently contemplated. Debt capital is managed considering the requirement to secure liquidity and the capability to refinance maturing debt. As of June 30, 2024, the Company had no interest-bearing loans.

## **9. FINANCIAL INSTRUMENTS**

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

Foreign exchange risk:

The Company's subsidiary conducts its activities in Canadian dollars. The Company is therefore subject to gains or losses due to fluctuations in Canadian currency relative to the US dollar. The Company has no exposure to this given its limited activity and assets through the year.

Liquidity risk:

The Company monitors its liquidity position regularly to assess whether it has the funds necessary to fulfill planned commitments on its alternative energy technology or viable options available to fund such commitments from new equity issuance or alternative sources, such as debt financing. However, without significant internally generated cash flow, there are inherent liquidity risks, including the possibility that additional financing may not be available to the Company, or that actual development expenditures may exceed those planned. The current uncertainty in global markets could have an impact on the Company's future ability to access capital on terms that are acceptable

to the Company. The Company has so far been able to raise the required financing to meet its obligations on time. The Company continues to pursue potential investees.

#### **10. THE 2018 OMNIBUS EQUITY COMPENSATION PLAN**

In February 2018, the Company adopted the 2018 Omnibus Equity Compensation Plan. A total of 5,000,000 shares of common stock were reserved pursuant to the Omnibus Equity Compensation Plan. As at June 30, 2024, the Company has issued 70,000 shares of common stock under this plan.

#### **11. INVESTMENTS IN SUBSIDIARIES**

On December 31, 2022, the Company issued 2,500,000 shares of common stock to complete the purchase of certain licenses and patents for a total of \$5,000,000.



## 10) Issuer Certification

*Principal Executive Officer and Principal Financial Officer:*

I, Peter Wanner, certify that:

1. I have reviewed this Disclosure Statement for FIRST NATIONAL ENERGY CORP.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Aug 1, 2024

/s/ Peter Wanner [CFO's Signature]

(Digital Signatures should appear as "/s/ Peter Wanner")