SOLSHARE ENERGY CORPORATION
OFFERING MEMORANDUM

January 15, 2018

BC Securities Commission
Form 45-106F2
Offering Memorandum for Non-Qualifying Issuers

OFFERING MEMORANDUM
SOLSHARE ENERGY CORPORATION
January 15, 2018

The Issuer

Name:	Solshare Energy Corporation ("Solshare")
Head office:	c/o Vancouver Renewable Energy 130 West Broadway Vancouver, BC V5Y 1P3 Phone: 778-869-8333 Fax: 604-909-1988 E-mail: main@solshare.ca
Currently listed or quoted?	These securities do not trade on any exchange or market
Reporting issuer?	No
SEDAR filer?	No

The Offering

Securities offered:	Class C2 Shares - Solshare Energy Corporation
Price per security:	$50
Minimum/Maximum offering:	There is no minimum. You may be the only purchaser. Funds available under the offering may not be sufficient to accomplish our proposed objectives.
Minimum subscription amount:	$1,000 through the purchase of 20 Class C2 shares. No partial shares may be purchased.
Payment terms:	Payment must be made in full, immediately due upon notification of acceptance, by certified cheque, bank draft, or electronic funds transfer. Payment must be made upon execution of the Subscription Agreement.
Proposed closing date(s):	January 24, 2018
Income tax consequences:	There are important tax consequences to these securities. See item 6.
Selling agent?	No

Resale restrictions
You will be restricted from selling your securities for 4 months and a day. See item 10.

Purchaser's rights
You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, you have the right to sue either for damages or to cancel the agreement. See item 11.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. This is a risky investment. See item 8.

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ITEM 1: USE OF AVAILABLE FUNDS

1.1. Available Funds

		Assuming min. offering	Assuming max. offering
A.	Amount to be raised by this offering [1]	$ 0	$ 77,000
B.	Selling commissions and fees	$ 0	$ 0
C.	Estimated offering costs (legal, accounting, audit)	$ 7,000	$ 7,000
D.	Available funds: D = A - (B+C)	$ (7,000)	$ 70,000
E.	Additional sources of funding available at Nov 15, 2017 [2]	$ 0	$ 0
F.	Working capital deficiency	$ 0	$ 0
G.	Total: G = (D+E) - F	$ 0	$ 70,000

(1) There is no minimum offering. Solshare will issue shares on a continuous basis to investors at a price of $50 per share.

1.2. Use of Available Funds

We plan to spend the available funds from the Offering as follows:

Description of intended use of available funds listed in order of priority	Assuming min. offering	Assuming max. offering
capital cost to complete second project [1]	$ 0	$ 70,000
Total: Equal to G in the Funds table above	$ 0	$ 70,000

(1)The total capital cost of the Parc Elise solar photovoltaic system (the 'second project') is $77,000.

We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons, in accordance with Solshare's mission.

ITEM 2. BUSINESS OF THE CORPORATION

2.1. Business Structure, Purpose, Goals, and Model

Structure

Solshare Energy Corporation (Solshare) is a corporation incorporated under the Business Corporations Act in British Columbia, pursuant to a Certificate of Incorporation dated January 29, 2014. Solshare's head office is located at 130 West Broadway in Vancouver, British Columbia.

Solshare is a subsidiary of Vancouver Renewable Energy Corporation (VREC), with 100% of its Class A voting shares owned by VREC. VREC was incorporated on July 5, 2004 under the laws of the Province of British Columbia. The head office is the same as Solshare's, located at 130 West Broadway in Vancouver.

VREC is a workers' cooperative, governed by its members who are restricted to employees, contractors, and volunteers of VREC. The board of directors may nominate non-members for election to the board as long as the total of non-member directors does not exceed 25% of the board.

Purpose

Solshare was formed for the purpose of creating community-owned renewable energy projects to allow residents of BC to pool their money and invest in energy projects. In return for their investment, Solshare shareholders receive dividends based on the lease income from renewable energy equipment, owned by Solshare and leased to purchasers seeking sources of renewable energy for their building(s).

Solshare will purchase complete and installed solar energy systems from VREC, its parent company, at fair market value. VREC's mandate is to reduce greenhouse gas emissions, other pollution and the consumption of non-renewable energy sources by installing affordable renewable energy systems in BC.

The audited financial statements of Solshare for the fiscal year ended January 31, 2017 are included in this Offering Memorandum under Item 13. These financial statements are expressed in accordance with International Financial Reporting Standards (IFRS).

Goals

Solshare is envisioned as an enterprise with financial and wider social and environmental goals, including:

1. Accelerating the adoption of non-polluting, low greenhouse gas emitting, distributed renewable energy production in BC.
2. Increasing the public knowledge of the benefits and availability of renewable energy by allowing the public to invest directly in the production of renewable energy.
3. Giving individuals in BC the opportunity to invest in a local green business and earn a rate of return better than a traditional savings account.
4. Giving VREC customers who cannot afford the high capital cost of a photovoltaic system the ability to generate solar energy on-site with a leased system.
5. Increasing employment opportunities and job stability for members/employees of VREC by increasing the number of projects available.

Model

Community-owned energy projects allow groups of community members to pool their money and invest in energy projects. In return for their investment, shareholders receive a dividend based on the sale of energy. This system is common in Europe, and there have also been community-owned projects started recently in Ontario.

Generally, community-owned energy projects sell directly to the utility. However, the economics and connection requirements in BC make this difficult. Instead we will lease these systems to building owners. The lease amount will be tied to the actual amount of energy generated by the system. Solshare's projects will be grid-tie solar photovoltaic installations in the 20-50 kW range. VREC would provide the installation and equipment and sell the complete system to Solshare.

2.2. Customers, Investors, and Competitors

Customers

Initially we will target building operators seeking LEED certification. LEED buildings can get credits for renewable energy generation, with the option of on-site or off-site generation. Most LEED projects choose the off-site option which is an annual fee paid for renewable energy certificates. This is much less expensive than the large capital costs required for the on-site option. We would make the customer's lease payments equivalent to the cost of purchasing renewable energy certificates.

The customer would sign a ten-year lease agreement with Solshare with the option to renew for another ten years. The lease agreement would guarantee that the annual increase in energy costs would be less than the increase in BC Hydro rates.

The BC Utilities Commission will be setting hydro rate increases for the final five years (2019 to 2024) of their ten-year plan, which have not been announced yet. The annual rate increases charged to Solshare's customers will be half the nominal amount charged by BC Hydro.

Solshare allows the purchaser to acquire a showcase renewable energy system and the LEED credit for the same cost as LEED renewable energy certificates. In addition, they obtain energy that will decline in cost, relative to the electricity that they are buying from BC Hydro.

Investors

Investors would buy shares in Solshare. We are projecting dividends that offer a rate of return between 3-4% during the first five years.

Based on our experience, there is a significant segment of the population in BC that is interested in supporting renewable energy. Over the past decade, citizens have funded carbon offset renewable energy projects as a voluntary measure to offset their personal carbon emissions. These are essentially donations with no return on investment, and often fund projects that are not in BC or even Canada.

With a rate of return higher than savings accounts or guaranteed investment certificates from financial institutions, and with the accountability and verifiability that local renewable energy projects offer investors, we expect that there will be considerable interest in Solshare's projects.

Competitors

There are currently no other companies offering solar energy leases or power purchase agreements (PPAs) in British Columbia.

There are several companies that do offer leasing arrangements or PPAs in other parts of Canada and the United States. Traditionally these services have only been offered in jurisdictions that had a strong Feed-In-Tariff (FIT) program or significant incentives (grants, rebates or tax credits) for solar energy. BC has none of these.

It is unlikely that these companies would move into BC given the current low prices that can be charged for the electricity sold. These companies generally have a higher cost of capital than Solshare since they rely on more traditional financing models rather than a community-owned model.

As the cost of electricity rises in BC, and if the rates paid under the net-metering and standing offer programs rise, there is the possibility that we would see competitors move into BC.

2.3. Development of Business

Our first client was Vancouver Cohousing (www.vancouvercohousing.com). They approached VREC about purchasing a system and the leasing option was offered. Although, originally, they were not using the on-site photovoltaic system for pursuing LEED credits for renewable energy, and consensus was required from all the owners of the units, the decision was quickly made to lease a 23 kW photovoltaic system. This suggests to us that there is an enthusiastic market for Solshare's leasing services. Our second client is also a multi-family residential project that is required to meet LEED certification.

Our initial marketing efforts for additional systems will be directed at LEED consultants. The client (the lessee) will be paying a premium for 'green' power. Since this will often be used to obtain LEED credits, we analyzed this premium in relationship to the cost of other LEED credits, focusing initially on those related to renewable energy (through the purchase of renewable energy certificates). In one pro-forma scenario, the incremental cost of obtaining LEED credits is equivalent or more than the premium paid for electricity generated by the Solshare leased system.

2.4. Long-term Objectives

Five year plan

Our five-year plan after the first year is to add an additional 280 kW of projects to Solshare's investment portfolio of lease agreements. The estimated cost for these projects is $800,000 including equipment, supplies, direct labour, and permits.

Vertical integration

As the supplier to Solshare, it is important that VREC minimizes its capital and operating costs for leased equipment so that Solshare's investors receive anticipated returns on their investment.

For installations that involve significant travel, VREC may sub-contract or partner with local installers to reduce costs. VREC has already begun discussions with another installation co-op to this end. VREC is also in active discussions regarding bulk-buying programs which may further reduce equipment costs.

Other products

Solshare may explore offering other products (such as heat pumps) for leasing if they are related to greenhouse gas emission reductions, and offer a rate of return equal to, or better than the photovoltaic systems.

2.5. Short-term Objectives and How We Intend to Achieve Them

What we must do and how we will do it	Target completion date or number of months to complete	Our cost to complete
commission Parc Elise 27 kW solar PV installation	Feb 1, 2018	$ 70,000 to complete
begin work on new 50 kW project	12 months	$ 150,000 from a new offering

2.6. Insufficient Funds

Proceeds from this offering will first be used to pay for the cost of completing the Parc Elise project.

If proceeds from this offering are insufficient, Solshare may seek loans to cover the cost of the Parc Elise installation.

Solshare does not intend to hold any significant cash reserves. The proceeds of this offering may not be sufficient to accomplish all of Solshare's proposed objectives and there is no assurance that alternative financing will be available. Refer to Item 8 - Risk Factors.

2.7. Material Agreements

a) Lease agreement with Parc Elise Project, Inc.

On April 26, 2016, Solshare signed an agreement with Parc Elise Project, Inc. (the lessee) to lease a 27 kW solar voltaic system for a ten-year term, with the option to renew for another ten years under the same terms and conditions. The equipment, supplies, and labour were supplied by VREC. As of the date of this Offering Memorandum, the project is in the final stages of completion. As per the lease agreement, the lessee will soon begin to pay holding costs for the equipment.

The initial rate, as outlined in the lease agreement with the lessee, is $0.1506 per kWh (plus taxes), which comprises BC Hydro's Small General Service Rate ($0.1139) plus the Rate Rider (5%) plus Solshare's Green Power Premium ($0.0310). If BC Hydro changes its kWh rate for commercial customers during the term, Solshare will change the rate by an amount that is no greater than 50% of the corresponding BC Hydro rate increase. For example, if BC Hydro's Small General Service rate increases by 4% or $0.0043, Solshare will increase its Green Power Premium to the lessee by $0.0021 (50% of $0.0043).

Solshare will take readings from the inverters of the lessee's system every three months, and will issue an invoice to the lessee within 30 days of the reading, indicating the electricity generated during the previous three months, the current kWh rate charge, and the amount owing to Solshare. The lessee will pay the amount owing within 30 days of receipt of the invoice. Any excess electricity generated can be fed to the grid and credited by the utility.

b) Purchase of assets by Solshare from Vancouver Renewable Energy (VREC)

As of the date of this Offering Memorandum, the cost to Solshare of the Parc Elise solar photovoltaic system, designed and installed by VREC, is $50,000. The total cost after the system is completed and commissioned is expected to be $70,000.

ITEM 3. INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1. Compensation and Securities Held

Name and municipality of principal residence	Positions held	Compensation paid by issuer or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the issuer held after completion of min. offering	Number, type and percentage of securities of the issuer held after completion of max. offering
Robert Baxter, Vancouver BC	CEO, founder	$327 in cash dividends paid to date Robert has not received any salary directly from Solshare Energy. He has received a salary from VREC, some of which may be related to work administrating Solshare Energy (less than $5,000 salary paid since inception)	170 Class C2 shares; 11 %	170 Class C2 shares; 6 %
Bullfrog Power, Toronto ON	principal holder	$929 in cash dividends paid to date	600 Class C3 shares; 40%	600 Class C3 shares; 20%
Tom Green, Vancouver BC	principal holder, former director	$146 in cash dividends paid to date	80 Class C2 shares; 5.3%	80 Class C2 shares; 2.6%
VREC, Vancouver BC	controlled by Robert Baxter and 11 other members (> 50% voting rights)	$67 in cash dividends paid to date	30 Class C1 shares; 100% 5 Class A shares; 100% 5 Class B shares; 100%	30 Class C1 shares; 100% 5 Class A shares; 100% 5 Class B shares; 100%
Dan Schubart Port Alberni BC	principal holder	$67 in cash dividends paid to date	200 Class C2 shares; 13%	200 Class C2 shares; 7%
Niki Westman, Vancouver BC	CFO	$130 in cash dividends paid to date	80 Class C2 shares; 5%	80 Class C2 shares; 3%

3.2. Management Experience

Robert Baxter, CEO of Solshare, Director, and co-founder of VREC
- has provided consulting and project management services for renewable energy systems for 10 years
- helped initiate and complete the first grid-tie photovoltaic install in Vancouver
- taught a course on solar energy for Langara College Continuing Studies
- completed photovoltaic training at BCIT
- completed ISO 14001 auditing courses accredited by IEMA and ANSI-RAB
- holds an MBA from the University of Western Ontario
- spoke at regional green building conferences, appeared on CityTV, Global TV, CTV and CBC discussing sustainability and energy issues
- owned an IT consulting firm that worked with clients across North America

Niki Westman, CFO of Solshare
- Chartered Professional Accountant (CPA, CGA)
- provided financial administration of Vancouver-based social enterprise initiative giving BC First Nations equity financing for run-of-river hydro power projects
- conducted energy audits of commercial buildings for Ontario Hydro, provided reports to building operators outlining energy usage and suggestions for conservation measures, created presentations summarizing data and results of audits

3.3. Penalties, Sanctions and Bankruptcy

No penalties or sanctions have been in effect during the last 10 years, nor has there been any cease trade order issued that was in effect for more than 30 days during the past 10 years against:
(a) any of the directors, executive officers or control persons of Solshare; or
(b) a company of which any of the directors, executive officers or control persons of Solshare was a director, executive officer or control person at the time.

None of the directors, executive officers or control persons of Solshare (or any company of which any of the directors, executive officers or control persons of Solshare was a director, executive officer or control person at that time) have ever declared bankruptcy or been involved in a voluntary assignment in bankruptcy or a proposal under any bankruptcy or insolvency legislation, or any proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets during the last 10 years.

3.4 Indebtedness

There are no current loans. Previous loans have been repaid in full.

ITEM 4. CAPITAL STRUCTURE

4.1. Share Capital of the Corporation

Description of security	Number of shares authorized to be issued	Price per share	Number of shares outstanding at Dec 31, 2017	Number outstanding after min. offering	Number outstanding after max. offering
Class A common, voting, no par, non-redeemable, non-retractable shares - VREC only	100	$50	5	5	5
Class B common (participating), non-voting, no par, non-redeemable, non-retractable equity -VREC only	100,000	$50	5	5	5
Class C1 participating, non-voting, no par, redeemable, retractable, paid up capital redemption amount equity - VREC only	100,000	$50	30	30	30
Class C2 participating, non-voting, no par, redeemable, retractable, paid up capital redemption amount dividend sprinkling – community shares	100,000	$50	880	880	2,420
Class C3 participating, non-voting, no par, redeemable, retractable, paid up capital redemption amount dividend sprinkling – corporate investor shares	100,000	$50	600	600	600
Class C4 participating, non-voting, no par, redeemable, retractable, paid up capital redemption amount dividend sprinkling – flexibility shares	100,000	$50	0	0	0
Class D preferred, non-voting, no par, redeemable, retractable, redemption amount set by directors (potential s85 tax-free rollover of assets for shares to defer capital gain on assets)	100,000	set by directors	0	0	0
Class E preferred, non-voting, no par, redeemable, retractable, redemption amount set by directors (potential s85 tax-free rollover of goodwill for shares)	100,000	set by directors	0	0	0

4.2. Long-term Debt

Description of long-term debt	Interest rate	Repayment terms	Amount outstanding at Jan 31, 2017
none	N/A	N/A	0

4.3. Prior Sales

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
Aug 1, 2015	Class C2 shares	40	$50	$2,000
Sep 8, 2015	Class C2 shares	20	$50	$1,000
Dec 5, 2015	Class C2 shares	80	$50	$4,000
Dec 8, 2015	Class C2 shares	80	$50	$4,000
Dec 8, 2015	Class C3 shares	600	$50	$30,000
Jan 1, 2016	Class C2 shares	570	$50	$28,500
Feb 24, 2016	Class C2 shares	90	$50	$4.500

ITEM 5. DESCRIPTION OF SECURITIES

5.1. Terms of Securities

The securities being offered are Class C2 participating, non-voting, community shares at $50 each, with a minimum subscription per investor of $1,000 for 20 shares. These shares have no par value, are redeemable and retractable, and the redemption amount is the paid-up capital.

Cash dividends paid in December 2015 were $0.41 per Class C2 share. In January 2016 dividends of $1.63 were paid. Dividends are anticipated to be $1.78 per share in the fourth round, to be paid just prior to this offering.

Investors from this offering will be paid dividends either at 12 months from the offering date or prior to the next round of offerings, whichever comes first. The expected dividend rate for shareholders is in the range of 3% to 4% over the first five years.

These anticipated dividend and rates are forward-looking statements based on pro-forma projections only. Please note disclaimer below.

5.2. Forward-looking Statements

This Offering Memorandum contains forward-looking statements. These statements relate to future events of Solshare's future performance. All statements other than statements of historical fact are forward-looking statements. These statements are only predictions.

By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur and may cause actual results or events to differ materially from those anticipated in such forward-looking statements.

The forward-looking statements contained in this Offering Memorandum are expressly qualified by this cautionary statement. Solshare is not under any duty to update any of the forward-looking statements after the date of this Offering Memorandum to conform such statements to actual results or to changes in Solshare's expectations except as otherwise required by applicable legislation.

5.3. Subscription Procedure

(a) A purchaser can subscribe for the securities by receiving and reviewing this Offering Memorandum, completing and signing two copies of the Subscription Agreement and the Risk Acknowledgment Form, and returning one signed copy of the Subscription Agreement and the Risk Acknowledgement Form together with a cheque, bank draft payable, or electronic funds transfer to Solshare Energy, and delivering them to Solshare Energy at the address shown on the Subscription Agreement.

(b) The consideration will be held in trust for at least the mandatory two-day period and otherwise until the subscription is accepted by Solshare by signing the acceptance on the completed Subscription Agreement. The acceptance will normally take place on the next closing date shown on the Subscription Agreement.

ITEM 6. INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

6.1. Dividend Tax Credit

Dividends from Solshare Energy are taxable but also qualify for the Non-Eligible (Small Business) Dividend Tax Credit.

6.2. Flow-through Shares

Solshare Energy has investigated the possibility of issuing flow-through shares to provide tax savings to investors. Under Canadian tax legislation, these tax breaks are allowed for Canadian Renewable Conservation Expenses (CRCE). The eligible expenses (CRCE) are only for costs associated with pre-construction project development. For most projects that Solshare Energy will undertake, the CRCE eligible costs would be quite low and would not offer significant savings for investors. For this reason we are not currently offering flow-through shares, but we may re-examine this issue with future projects.

The new federal government may modify this tax incentive, or create new tax incentives for the renewable energy sector. Solshare's investors will be notified of further developments regarding tax incentives as they become known.

Investors should consult an accountant regarding personal income tax consequences that may apply to their particular tax situation.

6.3. RRSP and TFSA

Solshare is a Canadian Controlled Private Corporation (CCPC) and is eligible for RRSP and TFSA accounts. There is an annual fee for both types of accounts.

ITEM 7. COMPENSATION PAID TO SELLERS AND FINDERS

There will be no commission, corporate finance fee, or finder's fee paid in connection with this offering.

ITEM 8. RISK FACTORS

8.1. Investment Risk

The shares offered by this offering memorandum are speculative and there is no market for the shares, which are subject to resale restrictions imposed under applicable Canadian securities legislation. Refer to Item 10 - Resale Restrictions. There is no market through which the shares may be resold and none is expected to develop. Subscribers may not be able to resell shares purchased under this offering memorandum. As with all private equity investments, there is no guarantee that investors will be able to withdraw funds invested in Solshare, that shares will be redeemed, or that the shares will retain their value in the long term.

This Offering Memorandum constitutes a private offering of shares in British Columbia pursuant to prospectus and registration exemptions under the securities laws of BC. This offering memorandum is not, and under no circumstances is to be construed as, a prospectus, advertisement, or public offering of these shares. Neither this offering memorandum nor any other material relating to this offering has been reviewed or considered by the province of BC, Canada Revenue Agency, or any other governmental or regulatory authority.

Although Solshare intends to pay dividends on the shares, it may only do so if it receives sufficient lease income and profits. There are no assurances that Solshare will earn sufficient profits, or that it will have sufficient funds to pay dividends to shareholders. There is no assurance that an investment in Solshare will earn a specified rate of return.

Canadian federal and provincial tax aspects and local tax aspects should be considered prior to investing in the shares. The return on a shareholder's investment, and the tax consequences to investors of holding or disposing of the shares may be affected by changes in Canadian federal, provincial and local tax laws.

Prospective purchasers should seek independent professional advice regarding the tax consequences of acquiring the shares in an RRSP, RRIF or TFSA. Investors are responsible for preparing and filing their own tax returns in respect of this investment, and are urged to consult their own tax advisors, prior to investing in Solshare, with respect to the specific tax consequences to them from the acquisition of shares.

8.2. Issuer Risk

The size of the offering will directly affect the degree of risk. A shortage of capital increases the risk that projects will not be initiated or completed. The agreements necessary to secure new projects and conduct business are yet to be consummated.

Although Solshare has minimized the risk of ownership during construction by having the equipment purchased and installed by VREC, there is a lack of history of revenue, overhead and other costs for the leasing of solar PV systems by Solshare, and therefore, an accurate measure of profitability is a risk.

Dependence on key personnel is a risk. The loss of any of the management of Solshare or VREC would likely have a material adverse effect on the management and business of both or one of the corporations.

VREC relies on several key vendors for solar PV equipment, and the purchase of these system components at a reasonable cost. However, the market is growing for new suppliers of solar PV products, both domestic and international, and costs are decreasing due to competition, new technologies, and efficiencies of scale.

Solshare is a wholly-owned subsidiary of VREC, and thus, the two corporations are separate entities and independent of one another. VREC is not responsible for Solshare's business activities and financial obligations. VREC does not have and is not expected to have significant financial resources which would enable it to satisfy the obligations of Solshare. Prospective investors should not rely on VREC to provide any additional capital or loans to Solshare in the event of any contingency.

8.3. Industry Risk

The renewable energy sector is unpredictable and may contract during periods of economic slowdown, government cutbacks or changes to the incentive framework at all levels of government. The sector is also risky when there is an oversupply of a particular product, process or service provider.

Any changes proposed by BC Hydro, or that are enacted by the government, would directly impact the future success of Solshare. Solshare's annual planning is determined by BC Hydro's policies and rates, and any changes to utility incentive programs.

Product obsolescence and failure to adopt new technologies pose risks, as older systems may fail to perform or compete with newer more efficient systems or components. Sourcing quality components and systems is necessary to ensure equipment performs optimally and generates sufficient electricity to provide a return on investment.

Partnerships with other cooperatives to pool resources, share knowledge and best practices, and obtain access to project financing, and the creation of a purchasing cooperative to obtain volume discounts on supplies and equipment, may be necessary if larger companies (such as SolarCity in the US) encroach on the independent alternative energy service sector in BC. When there was a change in utility incentive programs in 2011 in Colorado, large national US solar integrators and developers came with third-party-owned lease offerings to the Colorado market, and smaller solar installation cooperatives without lease products could not compete and had to close.

ITEM 9. REPORTING OBLIGATIONS

We are not required to send investors any documents on an annual or ongoing basis. Investors in Solshare cannot expect to have material or detailed financial and business information concerning Solshare's renewable energy projects made available to them. Solshare intends to invest in renewable energy projects built by VREC, none of which have any requirements for financial or other disclosure.

Consequently, investors in Solshare cannot expect to have material financial and business information concerning either Solshare's or VREC's operations made available to them. Solshare and VREC are not required to send investors any documents on an annual or ongoing basis.

No corporate or securities information about Solshare is available from a government, securities regulatory authority or regulator, self-regulatory organization or quotation and trade reporting system.

ITEM 10. RESALE RESTRICTIONS

These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date that Solshare Energy Corporation becomes a reporting issuer in any province or territory of Canada.

ITEM 11. PURCHASERS' RIGHTS

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

You can cancel your agreement to purchase these securities within two days. To do so, you must send a notice to us by midnight on the second business day after you sign the agreement to buy the securities.

If you are a resident of British Columbia and there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(a) Solshare Energy Corporation to cancel your agreement to buy these securities, or

(b) for damages against Solshare Energy Corporation, every director of Solshare at the date of this Offering Memorandum and every person who signs this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the Subscription Agreement within 180 days after you signed the Subscription Agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three years after you signed the Subscription Agreement to purchase the securities.

Solshare is using this offering memorandum in connection with a distribution under an exemption other than section 2.9 (Offering Memorandum) of National Instrument (NI) 45-106 Prospectus and Registration Exemptions. For the first Solshare project, shares were purchased and a Subscription Agreement signed on December 1, 2015 by Bullfrog Power under the Accredited Investor exemption (section 2.3 of NI 45-106). Share purchases made under the Offering Memorandum exemption will not affect the purchaser’s statutory or contractual rights of action in the event of a misrepresentation in the offering memorandum.

ITEM 12. DATE AND CERTIFICATE

Dated: January 12, 2018

This Offering Memorandum does not contain a misrepresentation.

SOLSHARE ENERGY CORPORATION

Robert Baxter, CEO

Niki Westman, CPA, CGA, CFO

ON BEHALF OF THE BOARD OF DIRECTORS OF SOLSHARE ENERGY CORPORATION

Robert Baxter, Director

ITEM 13. FINANCIAL STATEMENTS *- see pages 20 through 34*

Exhibits related to this Offering Memorandum comprise the following audited financial statements of Solshare Energy Corporation for the fiscal year ended January 31, 2017.

- Independent Auditor's Report
- Statement of Financial Position
- Statement of Comprehensive Income
- Statement of Cash Flows
- Statement of Changes in Equity
- Notes to the Financial Statements

SOLSHARE ENERGY CORPORATION

FINANCIAL STATEMENTS

For the year ended
January 31, 2017

WOLRIGE MAHON

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of SolShare Energy Corporation

We have audited the accompanying financial statements of SolShare Energy Corporation, which comprise the statement of financial position as at January 31, 2017, and the statement of comprehensive income, statement of cash flows, and statement of changes in equity for the year ended January 31, 2017.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of SolShare Energy Corporation as at January 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Wolrige Mahon LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

December 20, 2017
Vancouver, B.C.

SOLSHARE ENERGY CORPORATION

STATEMENTS OF FINANCIAL POSITION

January 31, 2017

	2017 $	2016 (unaudited) $
Assets		
Current		
Cash	**745**	9,932
Accounts Receivable	**122**	819
GST Receivable	**3,232**	3,639
Due from shareholder	**-**	1,000
	4,099	15,390
Equipment (Note 4)	**62,143**	65,140
Deferred tax asset (Note 9)	**981**	892
	67,223	81,422
Liabilities		
Current Accounts payable		
Accounts payable and accruals	-	12,836
Shareholder loans (Note 6)	-	5,000
	-	17,836
Equity		
Share capital (Note 7)	**69,277**	62,877
Retained earnings (deficit)	**(2,054)**	709
	67,223	63,586
	67,223	81,422

Approved by the sole Director:

Robert Baxter

SOLSHARE ENERGY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended Jan 31,

	2017 **$**	2016 (unaudited) $
Income		
Equipment lease (Note 8)	**2,997**	1,560
Grant funds used (Note 5)	-	4,776
Interest income	**2**	4
	2,999	6,340
General expenses		
Amortization (Note 4)	**2,997**	1,560
Accounting	**258**	-
Bank fees	**215**	26
Legal fees	**67**	476
Marketing	-	2,000
Management fees	-	1,700
Printing	-	560
	3,537	6,322
Net income before taxes	**(538)**	18
Tax (expense) recovery (Note 9)	**89**	691
Net and comprehensive income for the period	**449**	709
Basic and Diluted Income per Share (Note 10)	**$1.03**	$3.89
Weighted Average Number of Shares Outstanding	**435**	182

SOLSHARE ENERGY CORPORATION

STATEMENTS OF CASH FLOWS

For the years ended Jan 31,

	2017	2016 (unaudited)
	$	$
Cash flows related to operating activities		
Net and comprehensive income for the period	**(449)**	709
Non-cash items		
Amortization	**2,997**	1,560
Tax expense (recovery)	**(89)**	(691)
Changes in non-cash working capital items		
Accounts and other receivables	**1,104**	(819)
Accounts and other payables	**(12,836)**	9,197
Cash (used in) provided by operating activities	**(9,273)**	9,956
Cash flows related to investing activities		
Capital asset purchases	-	(66,700)
(Advances to) repayments from shareholders	**1,000**	-
Cash (used in) provided by investing activities	**1,000**	(66,700)
Cash flows related to financing activities		
Shares issued for cash	**6,500**	67,500
Use of grant funds	**-**	(4,776)
Share issuance costs	**(100)**	(5,150)
Dividends	**(2,314)**	(184)
Advances from (repayments to) shareholders	**(5,000)**	2,000
Cash (used in) provided by financing activities	**(914)**	59,390
Net increase (decrease) in cash	**(9,187)**	2,646
Cash, beginning	**9,932**	7,286
Cash, ending	**745**	9,932

SOLSHARE ENERGY CORPORATION

STATEMENTS OF CHANGES IN EQUITY

For the years ended Jan 31,

	Share capital						
	Number		**Amount**		**(Income) Deficit**		**Total**
Balance at January 31, 2015	40	$	527	$	184	$	711
Issue of share for cash							
C2 Participating	750		37,500		-		37,500
C3 Participating	600		30,000		-		30,000
Share issue costs			(5,150)		-		(5,150)
Dividends – C1 Participating					(22)		(22)
Dividends – C2 Participating					(63)		(63)
Dividends – C3 Participating					(99)		(99)
Net and comprehensive income for the period	-		-		709		709
Balance at January 31, 2016 (unaudited)	**1,390**	**$**	**62,877**	**$**	**709**	**$**	**63,586**
Issue of share for cash							
C2 Participating	130		6,500		-		6,500
Share issue costs			(100)		-		(100)
Dividends – C1 Participating					(49)		(49)
Dividends – C2 Participating					(1,435)		(1,435)
Dividends – C3 Participating					(830)		(830)
Net and comprehensive income for the period	-		-		(449)		(449)
Balance at January 31, 2017	**1,520**	**$**	**69,277**	**$**	**(2,054)**	**$**	**67,223**

1 *General information*

Solshare Energy Corporation (the "Company" or "SolShare") was incorporated under the Business Corporations Act of British Columbia on January 29, 2014. The Company's registered and records office is located at 330 – 309 West Cordova Street, Vancouver, B.C., V6B 1E5.

The Company is a community-owned renewable energy project in British Columbia. The Company owns solar energy systems in which residents of B.C. can invest and receive dividends based on the energy produced. The directors are responsible for the management and operation of the business of the Company.

The financial statements were authorized for issue by the directors on December 20, 2017.

2 *Basis of presentation*

Statement of compliance

These financial statements comprise the results of the Company and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of measurement

The financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company's functional currency. The financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity include the appropriateness of the going concern assumption and recognition of grant funds.

3 *Summary of significant accounting policies*

Cash

The Company's cash represents cash in bank and on hand.

Equipment

Equipment is initially recorded at cost and subsequently carried at cost less any accumulated depreciation and accumulated impairment losses. Depreciation is provided, on a straight-line basis, using the rates intended to amortize the cost of assets over their estimated useful lives. Photovoltaic Systems are being amortized at 5% p.a.

An item of equipment is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statements of comprehensive income and loss.

Impairment of non-financial assets

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication the assets are impaired. The Company uses external factors, such as changes in expected future prices, costs and other market factors to assess for indication of impairment. If any such indication exists an estimate of the asset's recoverable amount is calculated, being the higher of fair value less direct costs to sell and the asset's value in use. If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to profit or loss so as to reduce the carrying amount in the statement of financial position to its recoverable amount. Fair value is determined as the amount that would be obtained from the sale of assets in an arm's length transaction between knowledgeable and willing parties. These cash flows are discounted by a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, to arrive at a net present value of the asset.

3 *Summary of significant accounting policies (continued)*

Impairment of non-financial assets

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. Value in use is determined by applying assumptions specific to the Company's continued use and cannot take into account future development. In testing for indications of impairment and performing impairment calculations, assets are considered as collective groups and referred as to cash generating units. Cash generating units are the smallest identifiable group of assets, liabilities, and associated goodwill that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Restricted use funds and grant funds used

Restricted use funds represent grants received from a third party for specific use purposes. Funds received from grants are deferred on the statement of financial position until the related expenditures, for which the grant was received, are incurred. Upon incurrence of the expenditures, the deferred amount is recognized in profit and loss to match the related expenditures.

Shareholder loan

Shareholder loans are recognized initially at fair value, net of transaction costs incurred. Shareholder loans are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowing using the effective interest method.

Shareholder loans are shown as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Provisions

Provisions are recognized for liabilities of uncertain timing or amounts that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

Financial assets and liabilities at fair value through profit or loss: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Financial instruments in this category are recognized at fair value and subsequently carried at fair value. Gains and losses arising from changes in fair value are recorded in net income (loss) in the period in which they arise. Financial assets and liabilities at fair value through profit or loss are classified as current except if they are expected to be realized beyond twelve months of the statement of financial position date, where they are classified as non-current. The Company classifies cash as financial assets at fair value through profit or loss.

3 Summary of significant accounting policies (continued)

Held-to-maturity investments: Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in noncurrent assets, except for those which are expected to mature within 12 months after the end of the reporting period. The Company does not hold any financial assets in this category.

Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method, less any impairment losses. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. The Company does not hold any financial assets in this category.

Available-for-sale investments: Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale investments are recognized at fair value and are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognized in other comprehensive income (loss). Available-for-sale investments are classified as current except if they are expected to be realized beyond twelve months of the statement of financial position date, where they are classified as non-current. The Company does not hold any financial assets in this category.

Financial liabilities at amortized cost: Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise bank indebtedness, accounts payable and accrued liabilities, amounts due to related party and line-of-credit arrangements. These liabilities are initially recognized on the trade date at fair value when the Company becomes a party to the contractual provisions of the instrument and are subsequently carried at amortized cost using the effective interest rate method. The liabilities are derecognized when the Company's contractual obligations are discharged or canceled or, they expire.

Impairment of financial assets

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets, other than those carried at fair value through the profit or loss, is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets. The carrying amount of the financial asset shall be reduced either directly or through the use of an allowance account. The Company records the impairment of financial assets in its Statement of Comprehensive Income.

Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statement of comprehensive income, except to the extent that it relates directly to equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates and laws enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured on a non-discounted basis using the enacted or substantively enacted tax rates at the end of the period, and which are expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that enactment or substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

3 Summary of significant accounting policies (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Income (Loss) per share:

Basic income (loss) per share is computed by dividing the net income (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted income (loss) per share is computed similar to basic income (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Standards, amendments and interpretations not yet effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for annual periods beginning on/after January 1, 2015.

The following new IFRSs that have not been early adopted in these financial statements. Management does not intend to adopt these standards prior to the effective date and has not yet assessed the effect on the Company's future results and financial position of adopting these standards:

i) IFRS 9, *Financial Instruments* (New; to replace IAS 39, *Financial Instruments: Recognition and Measurement,* and IFRIC 9, *Reassessment of Embedded Derivatives*).

   In July 2014, the IASB issued IFRS 9 which replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset or liability. It also introduces additional changes relating to financial liabilities and aligns hedge accounting more closely with risk management. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption of the new standard permitted.

ii) IFRS 15 – *Revenue from Contracts with Customers*

   In May 2014, IFRS 15 was issued and replaces IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers and SIC-31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a single five –step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. IFRS 15 is effective for annual periods beginning on or after 1 January 2018, with early adoption of the new standard permitted. The Company does not intend to early adopt IFRS 15. Management is currently reviewing the impact that this standard will have on the Company's Financial Statements.

iii) IFRS 16, *Leases*

   In January 2016, the IASB issued IFRS 16. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. This standard is effective for annual reporting periods on or after 1 January 2019. Early adoption is permitted if IFRS 15 has also been adopted. Management is currently reviewing the impact that this standard will have on the Company's Financial Statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable and/or are not expected to have a significant impact on the Company's financial statements.

(expressed in Canadian dollars)

4 Equipment

	Photovoltaic Systems	Accumulated amortization	Net book value
Balance, December 31, 2015	**$ -**	**$ -**	**$ -**
Additions	66,700	-	66,700
Amortization expense	-	(1,560)	(1,560)
Balance, December 31, 2016	**$ 66,700**	**$ (1,560)**	**$ 65,140**
Amortization expense	-	(2,997)	(2,997)
Balance, December 31, 2017	**$ 66,700**	**$ (4,557)**	**$ 62,143**

During fiscal 2016 the Company acquired the photovoltaic systems from a related party entity. The assets were recorded at the exchange amounts, which were the amounts agreed between the parties.

5 Restricted use funds

	New Renewable Project Funding $
Cost	
Balance at January 31, 2015	4,776
Grant fund released during 2016	(4,776)
Balance at January 31, 2016 and January 31, 2017	**-**

The Company entered into a funding agreement on May 26, 2014 with Bullfrog Power Inc. to fund the creation of a 23 kW solar voltaic array on Vancouver Cohousing Cedar Cottage. The Company was permitted to use the funds granted only for the purposes of marketing, SEC materials, bridge financing for installation and capital for construction. All funds were to be expensed by SolShare for the permitted uses within a twelve (12) month period from the date of receiving such funds. Any excess funds remaining after the project has been completed were to be returned to Bullfrog Power Inc.

6 Shareholder loan arrangements

During fiscal 2016, the Company received $60,000 in funding from Bullfrog Power Inc. in accordance with the terms of the Funding Agreement entered into on May 26, 2014. The funds were received in exchange for a debenture issued by the Company and were to be repaid in full no later than 12 months after receipt of the funds. The debenture accrued interest at 4% per annum and was secured on the solar equipment and other assets of the Company, with up to 50% of the debenture able to be settled through conversion to shares of the Company. Subsequent to receipt of the funds, 50% of the debenture, being $30,000, was settled through issuance of 600 Class C3 participating shares of the Company (Note 7). In addition, $25,000 of the remaining principal balance was repaid during fiscal 2016 resulting in a balance at January 31, 2016 of $5,000. The amount was fully repaid during fiscal 2017.

(expressed in Canadian dollars)

7 *Share capital*

(a) Authorized share capital

The Company is authorized to issue the following shares, all without par value:

100 Class A common voting shares.

100,000 Class B common non-voting shares.

100,000 Class C1 participating shares.

100,000 Class C2 participating shares.

100,000 Class C3 participating shares.

100,000 Class C4 participating shares.

100,000 Class D preferred shares.

100,000 Class E preferred shares.

(b) Issued share capital

During the period ended January 31, 2016, the Company issued common shares as follows:

(i) 750 Class C2 participating shares at a price of $50 per share for gross proceeds of $37,500.

(ii) 600 Class C3 participating shares at a price of $50 per share for gross proceeds of $30,000.

During the period ended January 31, 2017, the Company issued common shares as follows:

(i) 130 Class C2 participating shares at a price of $50 per share for gross proceeds of $6,500.

8 *Equipment lease revenue*

On January 28, 2015, the Company entered into a solar panel lease agreement with Cedar Cottage Cohousing Corporation for a term of 5 years from the Commencement Date, as defined in the agreement. The rental amount is based on the amount of electricity generated in kilo-watts ("kW") per hour at a rate based on the BC Hydro Small General Service Rate, including rate rider, plus a $0.017/kW h premium. Should BC Hydro change its kW per hour rate for commercial customers during the term of the agreement then the rate will increase by an amount no greater than 50% of the corresponding BC Hydro rate increase.

9 *Income taxes*

		2017		2016
Loss before income tax	**$**	**(538)**	$	18
Income tax (recovery) expense at statutory rate of 13.5%	**$**	**(73)**	$	2
Deferred tax benefits recognized		**(908)**		(894)
	$	**(981)**	$	(892)
Current tax expense	**$**	**-**	$	-
Deferred tax recovery	**$**	**89**	$	691

(expressed in Canadian dollars)

9 Income taxes (continued)

		2017		2016
Deferred tax assets represent:				
Non-capital losses	**$**	**563**	$	216
Unamortized share issuance costs		**417**		676
	$	**980**	$	892

Share issuance costs of $3,759 are available for reduction of future income until 2021. Non-capital losses of $1,449 are utilizable against future income, as follows:

		2017		2016
Loss before income tax	**$**	**(538)**	$	18
Income tax (recovery) expense at statutory rate of 13.5%	**$**	**(73)**	$	2
Deferred tax benefits recognized		**(908)**		(894)
	$	**(981)**	$	(892)

10 Income (Loss) Per Share

Basic income (loss) per share is calculated by dividing the net income (loss) for the period by the weighted average number of common shares outstanding during the period.

Diluted income (loss) per share is calculated using the treasury share method whereby all "in the money" options, warrants and equivalents are assumed to have been exercised at the beginning of the period and the proceeds from the exercise are assumed to have been used to purchase common shares at the average market price during the period. Where dilutive potential ordinary shares have an anti-dilutive impact they are excluded from the calculation of diluted income (loss) per share.

For the period ended January 31, 2017 and 2016 there were no adjustments to the numerator (net income) or the denominator (weighted average number of shares outstanding), resulting in the basic and diluted income (loss) per share being $1.03 (2016 - $3.89).

11 Management of Capital

The Company manages its shareholder's equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its renewable energy projects. The Company does not have any externally imposed capital requirements to which it is subject.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company will require capital resources to carry out its development plans and operations through its current operating period.

12 Financial Instruments

Fair Values

The fair values of shareholder loan, and restricted use funds approximate their carrying values as a result of their due on demand nature and short term to maturity.

12 Financial Instruments (continued)

Credit Risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure. Management believes the Company is exposed to insignificant credit risk with respect to accounts receivable and due from shareholder.

Foreign Exchange Rate Risk
Foreign exchange rate risk is the risk that exists when a financial transaction is denominated in a currency other than the functional currency of the company. The Company is not exposed to significant foreign exchange rate risk.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to cash flow interest rate risk on its shareholder loans as the loans are non-interest bearing. Due to the short-term nature of the shareholder loans, their fair values are not materially affected by changes in market interest rates.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to achieve this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

13 Related party transactions

Related parties include entities under common control, key management personnel of the Company and entities having significant influence over the Company.

During the year-ended January 31, 2017 the Company incurred total compensation of $nil (2016 - $1,700) to key management personnel, comprising management fees of $nil (2016 - $1,700).

At January 31, 2017 there are no amounts payable to related parties included in accounts payable and accruals (2016 - $12,820).

At January 31, 2017 there are no amounts relivable from related parties (2016 - $1,000) or amounts payable to related parties (2016 - $5,000).

Other transactions with related parties are disclosed in note 4.