SolShare Energy Corp.
Financial Statements

For the year ended January 31, 2022 and 2021

(Stated In Canadian Dollars)

The accompanying notes are an integral part of these financial statements

RICE&CO.

Rice and Company LLP
4020 HWY 3A
Nelson, BC V1L 6N5

Independent Auditor's Report

To the Board of Directors of SolShare Energy Corp

Opinion

We have audited the financial statements of SolShare Energy Corp (the “Society”), which comprise the statement of financial position as at January 31, 2021 and January 31, 2022, and the statements of operations, changes net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporations's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management override of internal control.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporations's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Rice & Company LLP

Chartered Professional Accountants
Nelson, BC
May 6, 2022

SolShare Energy Corp.
Statement of Financial Position
As at January 31,

	Note		2022	2021
Assets				
Current				
Cash		$	23,448	46,111
Accounts receivable			447	6,972
Taxes receivable			-	289
Due from related party	11		4,517	-
			28,412	53,372
Equipment	6		103,828	109,155
Deferred tax asset			1,250	1,250
Total assets		$	133,490	163,777
Liabilities and Shareholders' Equity				
Current Liabilities				
Accounts payable and accruals		$	6,499	5,282
Due to related party	11		-	2,331
Deferred income	7		10,030	29,538
Total liabilities		$	16,529	37,151
Shareholders' Equity				
Share capital		$	128,113	134,613
Deficit			(11,152)	(7,987)
Total shareholders' equity			116,961	126,626
Total liabilities and shareholders' equity		$	133,490	163,777

Approved on behalf of the Board of Directors

Signed "Robert Baxter" Robert J Baxter

Director

The accompanying notes are an integral part of these financial statements

SolShare Energy Corp.
Statement of Income and Comprehensive Income
For the years ended January 31, 2022 and 2021

	Note		2022	2021
Income				
Equipment lease		$	7,682	9,391
Grant Funds recognized			19,484	11,899
Other income			41	12
			27,207	21,302
Expenses				
Marketing			19,138	11,899
Professional Fees			-	200
Amortization			5,327	5,293
Bank Fees			17	9
Dues			45	88
			24,527	17,489
Net Income and Comprehensive Income		$	2,680	3,813
Income per share				
Basic and diluted	14	$	0.89	1.27
Weighted average number of shares outstanding			3,010	3,010

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SolShare Energy Corp.
Statement of Changes in Shareholders' Equity
For the years ended January 31, 2022 and 2021

	Note	Share Capital	Deficit	Shareholders' Equity
		($)	($)	($)
Balance at January 31, 2020		134,613	(6,018)	128,595
Dividends	12	-	(5,782)	(5,782)
Net income and comprehensive income		-	3,813	3,813
Balance at January 31, 2021		**134,613**	**(7,987)**	**126,626**
Grant for share issuance		4,455	-	4,455
Share issuance costs		(10,955)	-	(10,955)
Dividends	12	-	(5,845)	(5,845)
Net income and comprehensive income		-	2,680	2,680
Balance at January 31, 2022		**128,133**	**(11,152)**	**116,961**

The accompanying notes are an integral part of these financial statements

SolShare Energy Corp.
Statement of Cash Flows
For the years ended January 31, 2021 and January 31, 2022

	Note	2022	2021
Cash flows from operating activities:			
Net income		$ 2,680	$ 3,813
Add (deduct) non-cash items:			
Amortization	**6**	5,327	5,293
Change in accounts payable and accruals		(1,114)	7,628
Change in accounts and other receivables		2,297	6,670
Deferred revenues		(19,508)	25,000
Cash flows used in operating activities		(10,318)	48,404
Cash flows from investing activities:			
Capital asset additions	**6**	-	(1,150)
Cash flows provided by investing activities		-	(1,150)
Cash flows from financing activities:			
Share based payments		(5,845)	(5,781)
Share issuance costs		(6,500)	-
Cash flowing provided from financing activities:		(12,345)	(5,781)
Increase (decrease) in cash		(22,663)	41,473
Cash beginning of period		46,111	4,638
Cash end of period		$ 23,448	$ 46,111

The accompanying notes are an integral part of these financial statements

1. REPORTING ENTITY

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.

2. GOING CONCERN

These consolidated financial statements have been prepared on a going concern basis which assumes the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern, and therefore be required to liquidate its assets and settle its liabilities in other than the normal course of business and at amounts that may differ from those shown in these consolidated financial statements.

As at January 31, 2022, the Company had an accumulated deficit of $11,152 (2021 - $7,987). Comprehensive income for the year ended January 31, 2022, was $2,680 (2021 - Comprehensive income of $3,813). These conditions raise material uncertainties which cast significant doubt as to whether the Company will be able to continue as a going concern should it not be able to obtain the financing necessary to fund its planned revenue growth and working capital requirements.

The novel coronavirus (“COVID-19”) outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide are enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility and weakness because of this economic uncertainty. The duration and impact of the COVID-19 outbreak is unknown as this time, as is the effectiveness of interventions by governments and central banks. The full extent of the impact on the Company’s future financial results is uncertain given the length and severity of these developments cannot be reliably estimated.

3. BASIS OF PRESENTATION

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) in effect for the fiscal year ended January 31, 2022.

These financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities. These financial statements are presented in Canadian dollars, which is the Corporation’s functional and presentation currency.

These financial statements were authorized for issue in accordance with a resolution of the directors of the Company on May 6, 2022

Basis of measurement

These financial statements are stated in Canadian dollars which is the Company’s functional currency and were prepared on a going concern basis, under the historical cost convention except for certain financial instruments that have been measured at fair value.

4. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the financial statements are disclosed in Note 5.

Cash
Cash consists of the cash in the 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 25 years straight-line with no residual value. 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.

Taxes
Tax expense comprises current and deferred tax. Tax is recognized in the statement of comprehensive loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current tax
Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate based on amounts expected to be paid to the tax authorities.

Deferred tax
Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Financial Instruments

Classification and measurement of financial instruments
The Company measures its financial assets and financial liabilities at fair value on initial recognition, which is typically the transaction price unless a financial instrument contains a significant financing component. Subsequent measurement is dependent on the financial instrument's classification which in the case of financial assets, is determined by the context of the Company's business model and the contractual cash flow characteristics of the financial asset. Financial assets are classified into two categories: (1) measured at amortized cost and (2) fair value through profit and loss ("FVTPL"). Financial liabilities are subsequently measured at amortized cost, other than financial liabilities that are measured at FVTPL or designated as FVTPL where any change in fair value resulting from an entity's own credit risk is recorded as other comprehensive income ("OCI"). The Company does not employ hedge accounting for its risk management contracts currently in place.

SIGNIFICANT ACCOUNTING POLICIES (continued)

Amortized cost
The Company classifies its cash, and accounts payable and accruals as measured at amortized cost. The contractual cash flows received from the financial assets are solely payments of principal and interest and are held within a business model whose objective is to collect the contractual cash flows. These financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest method.

Impairment of financial assets
The measurement of impairment of financial assets is based on expected credit losses. Accounts receivable that are considered collectible within one year or less are not considered to have a significant financing component and a lifetime expected credit loss (“ECL”) is measured at the date of initial recognition of the receivable.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. In estimating the lifetime expected loss provision, the Company will consider historical industry default rates as well as credit ratings of major customers. The Company does not currently have any financial assets subject to this approach.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period.
Estimates and judgements are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates.

Estimates
The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Fair value of financial instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

Taxes
Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period the determination is made.

Judgements
The key areas of judgement that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

Taxes
The Company recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available to utilize the Company's deductible temporary differences which are based on management's judgement on the degree of future taxable profits. To the extent that future taxable profits differ significantly from the estimates impacts the amount of the deferred tax assets management judges is probable.

Financial instruments
The Company is required to classify its various financial instruments into certain categories for the financial instruments' initial and subsequent measurement. This classification is based on management's judgement as to the purpose of the financial instrument and to which category is most applicable.

6. EQUIPMENT

Cost		
Balance at January 31, 2020	$	132,036
Additions		1,150
Balance at January 31, 2021 & 2022	**$**	**133,186**
Accumulated amortization		
Balance at January 31, 2020	$	18,738
Amortization		5,293
Balance at January 31, 2021		24,031
Amortization		5,327
Balance at January 31, 2022	$	29,358
Net book value, January 31, 2021	**$**	**109,155**
Net book value, January 31, 2022	**$**	**103,828**

7. DEFERRED INCOME

The balance of deferred income of $10,030 at January 31, 2022 (2021 - $29,538) is comprised of $5,492 unspent grant income from Canvas Social Value Foundation (2021 - $25,000), and $4,538 unspent grant income from VanCity (2021 - $4,538). The total balance of both grants is expected to be recognized subsequent to the year ended January 31, 2022.

8. SHARE CAPITAL

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.

Issued share capital (continued)

No shares were issued in 2022 or in 2021.

	Number		Cost		Total
Class A Common Shares	5	$	50	$	250
Class B Common Shares	5		50		250
Class C1 Participating Shares	30		50		1,500
Class C2 Participating Shares	2,370		50		118,500
Class C3 Participating Shares	600		50		30,000
Balance at January 31, 2022 and 2021	**3,010**			**$**	**150,500**

9. 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 kilowatts ("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.

On June 16, 2017, the Company entered into a solar panel lease agreement with Parc Elise Project Inc. for a term of 10 years from the Commencement Date, as defined in the agreement. The rental amount is based on the amount of electricity generated in kilowatts ("kW") per hour at a rate based on the BC Hydro Small General Service Rate, including rate rider, plus a $0.031/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.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company, as part of its operations, carries financial instruments consisting of cash accounts receivable, due from related party accounts payable and accruals and deferred income. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Fair value
Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.
Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (derived from prices).
Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The carrying amount of cash accounts receivable, due from related party accounts payable and accruals and deferred income approximates its fair value due to the short-term maturities of these items.

Credit risk (continued)
Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk as its cash balance is held with a major Canadian financial institution.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. As at January 31, 2022, the Company has cash of $23,448 to settle liabilities of $6,499 and is not exposed to significant liquidity risk.

Market risk
Market risk is the risk of loss that results from changes in market prices, market risk is comprised of foreign currency risk, interest rate risk and other price risks.

Currency risk
The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

[ii] Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held in an account with a major Canadian financial institution. The funds may be withdrawn at any time without penalty.

[iii] Price risk
The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potentially adverse impact on the Company's ability to obtain equity financing due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

11. RELATED PARTY TRANSACTIONS

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

At January 31, 2021, and 2022 there are no amounts payable to related parties included in accounts payable and accruals.

At January 31, 2022 there was $4,517 receivable from related parties (2021 - $nil) and no amounts payable to related parties (2021 - $2,331).

Transactions with related parties are conducted in the normal course of operations and initially recorded at fair value.

12. DIVIDENDS

Dividends were declared by the Board of Directors and paid to shareholders for the years ending January 31, 2021 and January 31, 2022 based on the following rates:

		2022	2021
Class C1 Participating (4% annualized)	$	60	59
Class C2 Participating (4% annualized)		4,724	4,685
Class C3 Participating (2022, 3.55% annualized, 2021,3.50% annualize)		1,061	1,038
	$	**5,845**	**5,782**

13. INCOME PER SHARE

Basic income per share is calculated by dividing the net income for the period by the weighted average number of common shares outstanding during the period. Diluted income 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 per share. For the period ended January 31, 2021 and 2022 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 per share being $0.89 (2021 - $1.27).

14. CAPITAL MANAGEMENT

The Company’s capital consists of shareholders’ equity. The Company’s objective for managing capital is to maintain sufficient capital to enable the Company to continue as a going concern as disclosed in Note 2.

The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it considering changes to economic conditions and the risk characteristics of the underlying assets.

The Company’s objectives when managing capital are:

i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and,

ii. to maintain investor, creditor, and market confidence in order to sustain the future development of the business.

15. SUBSEQUENT EVENT

In March 2022, the Company entered into a lending agreement with a related party, with the maximum available loan amount of $80,000. Payments are interest only until they can be paid by through an equity raise. The annualized interest rate is 3% from March 31, 2022, to May 15, 2022, and then increases to 4.5% starting May 15, 2022.