



**NU E Power Corp.**

**MANAGEMENT DISCUSSION AND ANALYSIS**

(in Canadian dollars)

Three months ended March 31, 2025

## MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (“MD&A”) is a discussion of the operating results, cash flows and financial position of NU E Power Corp. (“NU E” or the “Company”) for the three months ended March 31, 2025 and 2024, and should be read in conjunction with the Company’s unaudited condensed consolidated interim financial statements (“consolidated financial statements”) for the three months ended March 31, 2025, and its comparative consolidated financial statements for the year ended December 31, 2024. The Company was incorporated on January 28, 2021. The MDA reflects all material events up to May 28, 2025, the date on which this MD&A was approved by the Company’s Board of Directors.

### Advisories

#### *Basis of Presentation*

The Company’s consolidated financial statements and this MD&A have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting, under IFRS® Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). The Company has consistently applied the same accounting policies throughout the periods presented.

All amounts are presented in Canadian dollars, which is the Company’s presentation currency and functional currency, unless otherwise indicated.

Additional information relating to the Company is included in its audited consolidated financial statements for the year ended December 31, 2024. Information on the Company’s ([www.nu-ecorp.com](http://www.nu-ecorp.com)) website does not form part of and is not incorporated by reference in this MD&A.

#### *Forward-Looking Statements*

Certain statements relating to NU E in this document or documents incorporated herein by reference constitute forward-looking statements or information (collectively referred to herein as “forward-looking statements”) within the meaning of applicable securities legislation. Forward-looking statements can be identified by the words “believe”, “anticipate”, “expect”, “plan”, “estimate”, “target”, “continue”, “could”, “may”, “potential”, “should”, “will”, “project”, “forecast”, “goal”, “guidance”, “outlook”, “proposed” or expressions of a similar nature suggesting future outcome or statements regarding an outlook. Disclosure related to expected future power pool electricity pricing, forecast or anticipated electricity production, operating costs, capital expenditures, income tax expenses and other targets provided throughout this MD&A of the financial condition and results of operations of the Company, constitute forward-looking statements. Disclosure of plans relating to and expected results of existing and future developments, the development and deployment of technology and technological innovations; the financial capacity of the Company to complete its growth projects; and the “Status of the Company’s projects” section of this MD&A, also constitute forward-looking statements. These forward-looking statements are based on annual budgets and multi-year forecasts and are reviewed and revised throughout the year as necessary in the context of project returns, power pool electricity pricing expectations and balance in project risk and time horizons. These statements are not guarantees of future performance and are subject to certain risks. The reader should not place undue reliance on these forward-looking statements as there can be no assurances that the plans, initiatives or expectations upon which they are based will occur.

The forward-looking statements are based on current expectations, estimates and projections about the Company and the industry in which the Company operates, which speak only as of the earlier of the date such statements were made or as of the date of the report or document in which they are contained, and are subject to known and unknown risks and uncertainties that could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and uncertainties include, among others: general economic and business which may impact, among other things, demand and supply for and market prices of electricity, and the availability and cost of resources required by the Company’s operations; fluctuations in currency and interest rates; assumptions on which the Company’s current targets are based; environmental regulations; political uncertainty; industry capacity; ability of the Company to implement its business strategy; impact of competition; ability of the Company and its subsidiaries to complete capital programs; the Company’s and its subsidiaries’ ability to secure transmission access; ability of the Company to attract the necessary labour required to build, maintain, and operate its



projects; availability and cost of financing; the Company's ability to meet its targeted electricity production levels; and actions by governmental authorities (including changes to carbon credit programs).

The Company's operations have been, and in the future may be, affected by political developments and by national, federal, provincial, and local laws and regulations such as price controls and access to power grid and environmental protection regulations. Should one or more of these risks or uncertainties materialize, or should any of the Company's assumptions prove incorrect, actual results may vary in material respects from those projected in the forward-looking statements. The impact of any one factor on a particular forward-looking statement is not determinable with certainty as such factors are dependent upon other factors, and the Company's course of action would depend upon its assessment of the future considering all information then available.

Readers are cautioned that the foregoing list of factors is not exhaustive. Unpredictable or unknown factors not discussed in this MD&A could also have adverse effects on forward-looking statements. Although the Company believes that the expectations conveyed by the forward-looking statements are reasonable based on information available to it on the date such forward-looking statements are made, no assurances can be given as to future results, levels of activity and achievements. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Except as required by applicable law, the Company assumes no obligation to update forward-looking statements in this MD&A, whether as a result of new information, future events or other factors, or the foregoing factors affecting this information, should circumstances or the Company's estimates or opinions change.

*Electrical Abbreviations*

MW	megawatt alternating current
MWh	megawatt alternating current per hour
GW	gigawatt alternating current

## **Overview of NU E Power Corp.**

NU E is a Canadian based solar development company headquartered in Calgary, Alberta. The Company's core activity is the development of solar photovoltaic infrastructure projects, including site identification, land acquisition, regulatory and interconnection processes.

The Company's common shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "NUE" and on the OTC Markets exchange ("OTC") under the symbol "NUEPF".

## **Acquisition of Blu Dot Systems Inc.**

On January 20, 2025, the Company entered into a Letter of Intent to acquire 100% of the issued and outstanding shares of Blu Dot Systems Inc. ("Blu Dot"). Blu Dot is a private solar farm construction company that is majority owned and operated by an executive of the Company. In consideration for the acquisition, the Company has agreed to issue 8,500,000 of its common shares to the shareholders of Blu Dot. On February 28, 2025, the LOI became binding and the term to completion was extended to March 31, 2025.

On April 14, 2025, the Company announced it had entered into a binding share purchase agreement with the principal shareholder of Blu Dot, along with a concurrent offer to acquire all remaining shares from other shareholders, pursuant to which it expects to acquire 100% ownership of Blu Dot in an all-share transaction. At the date of these financial statements the Company had not yet acquired 100% of the Blu Dot shares but is expected to do so. The acquisition of Blu Dot is subject to various closing conditions, including approval from the CSE, and is expected to close in June 2025.

## **Joint venture agreement**

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

The Company, Low Carbon, and LC NU-Energy have a Development Services agreement whereby NU E provides solar energy development services and Low Carbon provides services and investment capital to LC NU-Energy. During the first quarter of 2025, LC NU-Energy put a hold on all spending related to the Development Services agreement, partly due the continual delay in the Alberta governments final changes in regulations for green energy projects.

When a solar development project in a special purpose vehicle ("SPV") owned by LC NU-Energy reaches the ready-to-build stage ("RTB"), Low Carbon is given the right of first refusal to acquire 100% of the SPV's equity at a third-party determined market value from LC NU-Energy. Concurrent to Low Carbon exercising its right to purchase 100% of a given project's SPV equity from LC NU-Energy, NU E has the option to acquire 25% of the SPV at the same price per share. If Low Carbon does not elect to acquire the solar development SPV at the ready-to-build stage, NU E has the option to purchase 100% of the project equity. On December 11, 2023, Low Carbon exercised its right to acquire 100% of Lethbridge One Solar Corp. ("LOSC"), and NU E exercised its option to acquire 25%, thereby reducing NU E's ownership in LOSC from 50% to 25%.

### *Distribution of Funds at the Ready-to-Build Stage*

At the RTB stage, the net proceeds from the sale of the SPV by LC NU-Energy are distributed under a waterfall payment structure whereby proceeds are first used to repay Low Carbon for the redemption amount of any preferred shares held in LC NU-Energy; second to repay any development loans; third to repay any other debt instruments; fourth to retain sufficient working capital for the following 12 months of development costs; fifth to retain funds to pay one year's expected corporate taxes; and the remaining net proceeds are paid to shareholders in accordance with their respective equity interest in LC NU-Energy.



## Status of the Company's projects

### Overview

The Lethbridge One solar power construction project was completed in late 2024 and was fully operational during the first quarter of 2025.

In July 2023, a moratorium on approval of renewable energy projects was imposed by the provincial government to provide the Alberta Utilities Commission ("AUC") with time to evaluate the impact of renewable energy projects on the province and the electricity grid, See *Alberta Renewable Energy Moratorium* below.

While the moratorium was lifted on February 28, 2024, and the Alberta government provided an overview of proposed changes, the full impact on future projects remains unclear. It is anticipated that details of the impact on regulatory policies and procedures will be released over the coming months (see *Regulatory changes in Alberta* section). Due to continued regulatory uncertainty, NU E and Low Carbon agreed to suspend development of LC NU-Energy projects. See status of individual projects below. These projects, which are at various development stages, include Lethbridge Two, Lethbridge Three, and Hanna, all located in Alberta.

*Gross installed capacity* is the total power production capacity of a solar power facility, including the interest not owned by NU E. *Net installed capacity* is the proportional share of the gross capacity attributable to the Company based on its ownership interest in that facility. The following describes the Company's solar power projects and outlines the development stages of the projects:

### Lethbridge One

Construction of the Lethbridge One solar power facility in Lethbridge, Alberta, was completed in late 2024. The Lethbridge One solar power facility was generating power during the first quarter of 2025, as it continued a staged commissioning of the photovoltaic solar modules. The Lethbridge One solar power facility has gross installed capacity of 8.75 MW (net installed capacity of 2.2 MW) that is connected to the Alberta Interconnected Electric System ("AIES"). NU E has 25% ownership in LOSC, which wholly owns the Lethbridge One solar project. The Lethbridge One solar power facility was granted approval by the Alberta Electric System Operator ("AESO") prior to the Alberta government's regulatory changes in 2023.

### Lethbridge Two and Lethbridge Three

The Lethbridge Two and Lethbridge Three projects are located near Lethbridge, Alberta. The land for these projects is contiguous, although the Company anticipates separate grid connections and accounts for them as separate projects being developed simultaneously. As of March 31, 2025, the Lethbridge Two and Lethbridge Three projects have incurred \$0.9 million gross (\$0.45 million net) and \$1.1 million gross (\$0.55 million net), respectively, of expenditures related to securing land, regulatory, grid connection studies, and internal costs. The Lethbridge Two facility is targeted to have gross installed capacity of 12.6 MW (net installed capacity of 3.2 MW) and Lethbridge Three facility is targeted to have gross installed capacity of 140 MW (net installed capacity of 35 MW), pursuant to the agreements with Low Carbon, see *Joint venture agreement* section.

Due to delays in regulatory clarification, the projects were withdrawn from Cluster Approval Process ("CAP") One and resubmitted to CAP Two, delaying AESO approval until later in 2025. See the *Regulatory changes in Alberta* section for descriptions of the Alberta approval process.

Lethbridge Two and Lethbridge Three have received AUC approval to construct the planned solar power facilities and are waiting for the AESO approval prior to reach the ready-to-build stage.

### Hanna

The Hanna project is in east central Alberta. As of March 31, 2025, the Hanna project has incurred \$0.5 million (\$0.25 million net) of expenditures primarily related to securing land, regulatory, grid connection studies, and internal costs. The Hanna solar power generation project is targeting to have gross installed capacity of 336 MW (net installed capacity of 84 MW) pursuant to the agreements with Low Carbon, see *Joint venture agreement* section.

The Hanna project is ready to file an AUC application and enter the CAP process once regulatory clarity is achieved.

## Regulatory changes in Alberta

### *The Role of the Alberta Utilities Commission*

The AUC responsibility is to consider whether it is in the public's best interest to approve the construction of any electrical power plant in Alberta. It determines whether it is in the public's interest by evaluating:

- Environmental impacts
- Wildlife impacts
- Property values
- Noise impact
- Visual impact
- Land use considerations
- Local and municipal economic benefits

The AUC provides construction permits allowing power generation facilities to be constructed in Alberta.

### *The Role of the Alberta Electric System Operator*

The AESO manages the AIES by balancing supply of power from producers to the power grid with what is needed by users. The AESO oversees a six-stage gated process that commences with a cluster study that assesses independent projects submitted by various power development companies simultaneously. The cluster study involves a detailed assessment of the impact the project will have on the power grid, as well as the AESO's preferred connection alternatives.

### *Cluster Assessment Process*

The CAP was introduced in April 2023, as a new way for the AESO to assess projects. Instead of assessing projects individually, projects will be batched (i.e. clustered) and assessed together simultaneously. The CAP includes generation and storage projects injecting 5 MW or more at the facility's connection to the AIES. This is a common industry practice across many other North American independent system operators ("ISOs") and is expected to increase the efficiency, timeline certainty, and reduce red tape compared to the previous AESO approval process.

### *Alberta Renewable Energy Moratorium*

In late July 2023, the AUC proclaimed a seven-month moratorium on the approval of new renewable energy projects. The AUC cited the rapid growth and development of renewable electricity in Alberta as creating issues relating to land use, electricity system reliability and concerns from rural municipalities and landowners. The renewable power project development inquiry was tasked with specifically addressing the following:

- The use of specific types of agricultural or environmental land
- The impact of development on Alberta's pristine viewscapes
- Mandatory reclamation security requirements
- Development on lands held by the Crown
- The impact of renewables on generation supply mix and grid reliability

On February 28, 2024, the Alberta government announced the removal of the moratorium and provided an overview of proposed changes that will effect renewable energy projects in Alberta, however details of the proposed changes remain outstanding and are expected to be released in mid-2025. As a result, the Company is continuing to wait for clarification before committing significant capital to affected projects in Alberta.

As of the date of this MD&A, the AUC is still consulting on the formal rule changes before a draft is released to the public for comment.

### *Market Pathways Initiative*

On June 27, 2023, at the AESO Stakeholder Symposium, the Market Pathways Initiative was introduced to stakeholders. The purpose of the Market Pathways initiative is to identify market pathways, in collaboration with stakeholders, that inform the future evolution of Alberta's market design considering transformational changes expected on the AIES. This priority initiative is intended to evaluate the sustainability of the current market design and provide recommendations for change. A key focus will be on how to achieve reliability and affordability through competition.

Alberta's electricity market structure faces new and increasing challenges to support a reliable and affordable electricity system. The AESO has noted key operational and reliability challenges occurring as

a result of this transformation that test the sustainability of the existing market design. Building on the Net-Zero Pathways Report and the Reliability Requirements Roadmap – Market Pathways is the next stage in evaluating the sustainability of the existing market structure.

The proposed phased approach and associated engagement timeline provided by the AESO is as follows.

Q3 2023	Phase I: Scoping of Initiative and Issue Identification
Q3 2023 - Q1 2024	Phase II: Determination of Targeted Workgroup; Evaluation of Issues, Options, Potential Solutions and Timing
Q1 2024 - Q2 2024	Phase III: Pathways Identification and Recommendations
Q3 2024 Onwards	Phase IV: Implementation

The impact on NU E's projects, if any, from the Market Pathways initiative have yet to be determined.

### Selected annual information

	Three months ended March 31,	
	2025	2024
Revenue	\$-	\$194,549
Net loss	(\$646,707)	(\$407,883)
per share – basic and diluted	(\$0.02)	(\$0.01)
Dividends <sup>(1)</sup>	\$-	\$-

	March 31, 2025	December 31, 2024
Total assets	\$388,164	\$555,569
Total non-current financial liabilities	\$50,458	\$57,515

(1) The Company has not declared dividends as of the date of this report.

### Financial performance and operating results

	Three months ended March 31,	
	2025	2024
Revenue	\$-	\$194,549
General and administrative	640,138	469,401
Share-based compensation	(2,450)	67,238
Depreciation and amortization	9,304	20,919
Finance (income) expense, net	(285)	38,899
Loss from equity investments	-	5,975
Net loss	(\$646,707)	(\$407,883)

The Company provided services to the LC NU-Energy joint venture under the terms of the Development Services agreement (see *Joint venture agreement* section). During the first quarter of 2025, LC NU-Energy put all development activities on hold pending further clarification of changes arising from the moratorium, see "*Alberta Renewable Energy Moratorium*". This resulted in no revenues for the period, as compared to \$194,549 of revenues recognized in the first quarter of 2024. The development services revenue earned by the Company in 2024 was based on the cost of labour provided by NU E in developing LC NU-Energy solar projects, plus an associated general and administrative charge. The revenue earned covers 100% of the cost of the Company's renewable energy development specialists and 10-75% of the cost of members of the Company's management. The general and administrative charge covers approximately 50% of NU E's rent, utilities, office expenses, vehicles, and operating insurance.

General and administrative expense for the three months ended March 31, 2025, was \$640,138, compared to \$469,401 for the three months ended March 31, 2024. The increase in the first quarter of 2025 compared to the same period of 2024 was primarily due to corporate marketing fees and increased professional fees between the periods. The general and administrative expense primarily consisted of corporate marketing fees, consulting fees and wages for employees and management, office expenses, and professional fees.

The Company recognized a recovery of \$2,450 in share-based compensation for the three months ended March 31, 2025, compared to \$67,238 in share-based compensation expense for the three months ended March 31, 2024. The change between periods relate to stock options issued to employees, consultants, and board members of the Company regarding timing of issuances, forfeitures, and the graded vesting of issued stock options.



Depreciation and amortization for the three months ended March 31, 2025, was \$9,304, compared to \$20,919 for the three months ended March 31, 2024, with the decrease due to the disposal of underutilized assets in late 2024. Depreciation and amortization primarily related to its office and vehicle leases.

Finance expense, net, for the three months ended March 31, 2025, was \$285 of income, compared to an expense of \$38,899 for the three months ended March 31, 2024. The decrease in finance expense, net, between the first quarters of 2025 and 2024 was due to the \$30,000 promissory note extension fee recognized in the first quarter of 2024. The finance expense, net, includes interest on the Company's borrowings, office and vehicle leases, bank fees, and other financing costs, which are offset by interest earned on its loan receivables and deposit interest.

The Company's equity investments of LC NU-Energy and LOSC have been fully reduced to \$nil reflecting accumulated losses. The Company has no obligation to fund its proportionate share of losses from its investments.

### Summary of Quarterly results

The following is a summary of the Company's quarterly financial results for the eight most recently completed quarters:

	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Revenue	\$-	\$95,151	\$103,998	\$172,885
General and administrative	640,138	1,973,941	459,941	477,712
Share-based compensation	(2,450)	405,917	40,246	54,091
Depreciation and amortization	9,304	8,718	18,805	21,157
Net gain on sale of assets	-	4,023	(432)	-
Finance expense, net	(285)	42,867	1,122	1,278
Loss (income) from equity investments	-	118,729	17,487	(4,682)
Income tax recovery	-	(7,307)	-	-
Net loss	(\$646,707)	(\$2,451,737)	(\$433,171)	(\$376,671)

	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Revenue	\$194,549	\$152,679	\$186,644	\$62,041
General and administrative	469,401	667,837	687,024	849,896
Share-based compensation	67,238	154,392	67,111	178,772
Depreciation and amortization	20,919	22,151	21,561	22,504
Net gain on sale of assets	-	(152,547)	1,950	(73,007)
Finance (income) expense, net	38,899	35,747	(4,826)	1,237
Loss from equity investments	5,975	6,241	-	-
Reverse takeover expense	-	6,436,937	-	-
Income tax recovery	-	(81)	(4,490)	(20,039)
Net loss	(\$407,883)	(\$7,017,998)	(\$581,686)	(\$897,322)

The Company began earning revenue in the second quarter of 2023, from LC NU-Energy, related to the terms of the Development Services agreement that commenced on June 7, 2023. LC NU-Energy put any future development activities on hold pending clarification of changes arising from the renewable energy moratorium. This resulted in no revenues for the first quarter of 2025. The revenues decreased in the third quarter of 2024, due to a reduction in reimbursable consulting costs incurred on behalf of LC NU-Energy.

The Company's general and administrative costs increased during the fourth quarter of 2024, due to corporate marketing costs and bonuses incurred, which was offset by significantly lower professional fees. General and administrative costs were elevated throughout the second, third and fourth quarters of 2023, due to the legal costs related to the acquisition of Vinza and its public listing process, along with additional consulting fees and wages related to the scope of the Company's activities increasing after the Low Carbon agreement.

The Company issued stock options in the second quarter and third quarter of 2023. The options in 2023 were expensed on a graded basis according to their vesting schedule, with one third immediately expensed and one third on each of the anniversary dates. In the fourth quarter of 2024, the Company issued stock options that fully vested upon issuance.



During the second quarter of 2023, the Company realized a net gain on the sale of development assets related to the formation of the LC NU-Energy joint venture. In the fourth quarter of 2023 the Company realized a net gain on the sale of its Lethbridge One land.

The Company incurred a loss on LC NU-Energy in the fourth quarter of 2023 and fully reduced the value of the equity investment in the fourth quarter of 2024 due to losses in Lethbridge One.

In the fourth quarter of 2023, the Company incurred an reverse takeover expense related to the acquisition of Vinza.

## Liquidity

As at March 31, 2025, the Company had a combined cash balance of \$11,915 and a net working capital deficit of \$1,057,396.

	March 31, 2025	December 31, 2024
Cash	\$11,915	\$48,228
Trade and other receivables	80,721	180,695
Prepays and deposits	30,827	48,999
Loan receivable	-	3,642
Accounts payable and accrued liabilities	(510,634)	(1,843,906)
Current portion of loans and borrowings	(637,520)	(587,780)
Current portion of leases	(32,705)	(31,672)
Net working capital deficit	(\$1,057,396)	(\$2,181,794)

The Company has not yet generated sufficient revenue from the development of its solar power generation assets to provide positive cash flow from operating activities and has incurred a loss of \$0.6 million for the three months ended March 31, 2025, and a loss of \$3.7 million for the year ended December 31, 2024. The Company will require additional capital to fund development of its solar power generation assets through its joint venture with Low Carbon and other corporate activities over the next year and beyond.

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

### Funding after year end

On April 3, 2025, the Company announced it was entering into agreements with the Debenture holder and a Creditor of the Company. The total amount owed for the Debenture was \$375,000, including principal, interest and extension fees. The Debenture holder was issued 583,333 common shares of the Company in consideration of \$175,000 of the amount owing. The remaining \$200,000 is to be settled in cash and will continue to accrue interest at an annual interest rate of 10% until paid.

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

In April 2025, certain shareholders of the Company provided loans totaling \$114,000, with a six-month term and an annual interest rate of 3%.

### Cash flows

	Three months ended March 31,	
	2025	2024
Cash flows used in operating activities	(\$935,956)	(\$335,109)
Cash flows from (used in) financing activities	896,001	(132,488)
Cash flows from investing activities	3,642	13,464
Net decrease in cash and cash equivalents	(\$36,313)	(\$454,133)

### Operating activities

Cash flows used in operating activities for the three months ended March 31, 2025, was \$935,956, compared with cash flows used in operating activities of \$335,109 for the three months ended March 31, 2024. The increase in cash flows used in operating activities in the first quarter of 2025 from first quarter of 2024, was primarily due to the factors previously noted in net loss, as well as changes in non-cash working capital.



### *Financing activities*

During the first quarter of 2025, the Company raised \$780,525, net of share issuance costs, in a multiple close private placement of units consisting of the Company's common shares and warrants. The Company received \$71,500 from the exercise of warrants and \$50,000 from a short-term loan. The Company also made \$6,024 in principal lease payments in 2025.

### *Investing activities*

During the first quarter of 2025, the Company received \$3,642 of principal repayments related to the loan to Helix. The Company had no capital expenditures during 2025.

### *Contractual Obligations*

On October 18, 2024, the Company issued a one-year USD \$200,000 (CAD \$278,000) promissory note that has an interest rate of 3% and is unsecured. The principal and interest are due on October 17, 2025.

On October 17, 2023, the Company issued a \$300,000 Debenture that has an annual interest rate of 10%, which was due on July 24, 2024, after its first extension. The Company settled \$175,000 of the amount owed in common shares on April 3, 2025, see *Funding after year end* section above.

The following summarizes the Company's contractual obligations, including principal and interest payments, due for each of the next five years and thereafter, as of March 31, 2025.

	Less than 1 year	1 to less than 3 years	3 to less than 5 years	Thereafter	Total
Accounts payable and accrued liabilities	\$510,634	\$-	\$-	\$-	\$510,634
Loans and borrowings	642,316	-	-	-	642,316
Leases	38,245	52,999	-	-	91,244
	<u>\$1,191,195</u>	<u>\$52,999</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1,244,194</u>

### *Off-Balance Sheet Arrangements*

The Company is not a party to any material off-balance sheet arrangements or transactions.

### **Information about the Company's equity**

On January 7, 2025, the Company issued 2,298,213 common shares at a price of \$0.40 per share to settle outstanding amounts, including \$432,500 owed to Company management for services rendered and \$486,785 owed to suppliers.

On January 30, 2025, the Company completed a multiple close private placement issuing 2,633,331 units at \$0.30 per unit, consisting of one common share and one warrant, for total proceeds of \$790,000. The warrants have a two year term and are convertible into common shares of the Company at \$0.35 per share.

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

At March 31, 2025, the Company had 35,533,754 common shares outstanding (December 31, 2024 – 30,459,210 common shares) and 6,915,331 warrants outstanding (December 31, 2024 – 4,425,000 warrants) to acquire a one common share at a weighted average price of \$0.42.

As of the date of this MD&A, the Company had 36,367,087 common shares outstanding and 6,915,331 warrants outstanding.

On May 15, 2024, NU E carried out a Share Consolidation of the Company's common shares at a consolidation ratio of 2 for 1. As a result, the numbers for the average basic and diluted shares outstanding, the number of stock options and warrants, and the net loss per share for the current and prior periods have been adjusted and restated to reflect the effect of the Share Consolidation.

### *Incentive share options*

The Company has a long-term incentive plan to provide stock options to certain employees, consultants and directors, to purchase common shares. At March 31, 2025, the Company had 2,581,667 stock options outstanding with an average remaining life of 6.7 years and a weighted average exercise price of \$0.54. On March 31, 2025, there were 2,401,112 stock options vested and exercisable.

As of the date of this MD&A, the Company had 2,581,667 stock options outstanding.



## Related party transactions

Transactions with related parties were in the normal course of operations and were valued at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The company had the following payable balances with related parties.

	March 31, 2025	December 31, 2024
Executives	\$50,511	\$470,506
Board members	19,000	-
	<u>\$69,511</u>	<u>\$470,506</u>

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

The following is a summary of the key management and director compensation.

	Three months ended March 31,	
	2025	2024
Management and consulting fees <sup>(1)</sup>	\$158,698	\$146,350
Director fees <sup>(2)</sup>	19,000	-
Share-based compensation <sup>(3) (4)</sup>	(9,334)	(52,868)
Wages and benefits	<u>\$168,364</u>	<u>\$93,482</u>

(1) Management and consulting fees are paid to companies owned by executives of the Company providing management and consulting services.

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

(3) Share-based compensation relates to the Company's Stock Option Plan for various executives and directors of the Company. No options were exercised as at the date of this report.

(4) The options forfeited by a Company executives during the first quarters of 2025 and 2024, resulted in recoveries of unvested share-based compensation.

## Critical accounting estimates and judgements

### *Share-based payment transactions*

The fair value of the employee stock options are measured using the Black-Scholes model. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility, expected term of the instrument, expected dividends, and the risk-free interest rate. Determining the Company's share price and expected volatility requires significant judgement as the Company was not publicly listed prior to August 20, 2024, and did not have a significantly active secondary market to establish the share price on the measurement date. Assumptions regarding employee turnover, and related forfeitures, are also considered in determining fair value.

### *Income taxes*

The Company recognizes the net future tax benefit related to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are dependent on generating taxable income in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded, if any, could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain estimated tax deductions in future periods.

## Management's report on internal control over financial reporting

In accordance with National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed consolidated interim financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

## Risks and uncertainties

The Company is exposed to various risks inherent in the development of solar infrastructure projects. These inherent risks include, but are not limited to, the following:

- The Company's ability to secure project financing on commercially acceptable terms;
- There is the risk that the Company is unable to secure a public listing for investor security trading;
- Volatility in the prevailing prices of electricity in developing projects;
- Market risk related to equipment costs and land acquisition costs for solar infrastructure projects;
- Regulatory risk related to approval for projects, which can add to costs or cause delays in projects, including changes to the Alberta Transmission Regulation and the AESO market rules;
- Labour risk associated with securing the manpower necessary to complete capital projects in a timely and cost-effective manner;
- Potential reduction in environmental regulations related to carbon-based power in future legislative and regulatory developments;
- Weather patterns that limit the amount of sunlight available to generate electricity and greater fluctuations in seasonal patterns limiting power generation during the peak sunlight seasons;
- Potential actions of governments, regulatory authorities and other stakeholders that may result in costs or restrictions in the jurisdictions where the Company has or plans operations, including but not limited to restrictions on power production and the certainty and timelines for regulatory processes;
- Geopolitical risks associated with changing governments or governmental policies, social instability and other political, economic or diplomatic developments in the regions where the Company has its operations;
- Business interruptions because of unexpected events such as fires or explosions whether caused by human error or nature, severe storms and other calamitous acts of nature, freeze-ups, mechanical or equipment failures of facilities and infrastructure and other similar events affecting the Company or other parties whose operations or assets directly or indirectly impact the Company and that may or may not be financially recoverable;
- Epidemics or pandemics, such as COVID-19, have the potential to disrupt the Company's operations, projects and financial condition through the disruption of the local or global supply chain and transportation services, or the loss of manpower resulting from quarantines that affect the Company's labour pools in the local communities or operating sites or that are instituted by local health authorities as a precautionary measure, any of which may require the Company to temporarily reduce or shutdown its operations depending on the extent and severity of a potential outbreak and the areas or operations impacted. Depending on the severity, a large-scale epidemic or pandemic could impact demand for power and have a corresponding impact on the prices realized by the Company, which could have a material adverse effect on the Company's financial condition;
- The risk of significant interruption or failure of the Company's information technology systems and related data and control systems or a significant breach that could adversely affect the Company's operations;
- Liquidity risk related to the Company's ability to fulfill financial obligations as they become due or its ability to liquidate assets in a timely manner at a reasonable price;
- Foreign exchange risk related to the Canadian dollar relative to the US dollar and currencies that supply equipment used in the production of solar infrastructure projects, including photovoltaic panels, transformers, inverters, and other equipment; and
- Other circumstances affecting revenue and expenses.