

**REVOLVE RENEWABLE POWER CORP.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited)

**FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2023, AND 2022**

(Expressed in US Dollars)

**REVOLVE RENEWABLE POWER CORP.**  
**Condensed Interim Consolidated Statements of Financial Position**  
(Expressed in US Dollars) (Unaudited)

AS AT	Note	March 31, 2023	June 30, 2022
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		1,410,390	2,547,352
Cash held in trust		-	1,184,176
Receivables	3	52,778	-
Prepaid expenses		52,542	91,301
Interconnection & security deposits	4	874,000	325,078
<b>Total current assets</b>		<b>2,389,710</b>	<b>4,147,907</b>
<b>Non-current assets</b>			
Investments		18,475	19,400
Distributed generation assets and goodwill - operating	5	1,097,972	-
Distributed generation assets - under construction	6	1,419,679	-
Receivables – CBS Mexico historic	3	832,620	-
Sales tax receivable – CBS Mexico historic		1,088,054	-
Sales tax receivable		844,915	298,104
Equipment	7	92,493	99,827
<b>Total non-current assets</b>		<b>5,394,208</b>	<b>417,331</b>
<b>TOTAL ASSETS</b>		<b>7,783,918</b>	<b>4,565,238</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Deferred revenue	8	1,200,000	-
Accounts payable and accrued liabilities	9	505,990	398,029
<b>Total current liabilities</b>		<b>1,705,990</b>	<b>398,029</b>
<b>Long term liabilities</b>			
Receivable repayment liability – CBS Mexico historic	5 & 9	614,507	-
Sales tax repayment liability – CBS Mexico historic	5 & 9	870,443	-
Loans payable	11	2,559,399	1,241,600
<b>Total long-term liabilities</b>		<b>4,044,349</b>	<b>1,241,600</b>
<b>Equity</b>			
Share capital	13	8,982,111	8,982,111
Reserves		931,606	692,679
Accumulated other comprehensive income		(385,909)	553,219
Accumulated deficit		(7,410,853)	(7,145,641)
Shareholder equity		2,116,955	3,082,368
Minority interest	18	(83,376)	(156,759)
<b>Total equity</b>		<b>2,033,579</b>	<b>2,925,609</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>7,783,918</b>	<b>4,565,238</b>

Nature of operations and going concern 1  
Subsequent event 19

Approved and authorized by the Board on May 24, 2023

**Approved on behalf of the Board:**

\_\_\_\_\_  
“Steve Dalton”  
Director

\_\_\_\_\_  
“Craig Lindsay”  
Director

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

**REVOLVE RENEWABLE POWER CORP.**  
**Condensed Interim Consolidated Statements of Financial Position**  
(Expressed in US Dollars) (Unaudited)

	Note	For the nine month period ended		For the three month period ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		\$	\$	\$	\$
<b>Revenues</b>					
Distributed generation - electricity sales	5	212,524	-	88,185	-
Utility scale – sale of development rights	8	800,000	-	800,000	-
<b>Total revenues</b>		<b>1,012,524</b>	<b>-</b>	<b>888,185</b>	<b>-</b>
<b>Cost of sales</b>					
Distributed generation		(27,947)	-	(1,441)	-
Utility scale		(147,708)	-	(147,708)	-
<b>Gross profit</b>		<b>836,864</b>	<b>-</b>	<b>739,036</b>	<b>-</b>
<b>Operating expenses</b>					
Consulting and professional fees		619,576	229,322	257,560	-
Development expenses		196,852	855,580	78,156	382,132
General and administrative		798,929	405,924	332,500	325,259
Interest expense	11	131,719	-	61,884	-
Management and director fees		247,165	164,122	91,451	124,143
Royalty payments		6,819	-	2,406	-
<b>Total operating expenses</b>		<b>(2,001,060)</b>	<b>(1,654,948)</b>	<b>(823,957)</b>	<b>(831,534)</b>
<b>Total operating loss</b>		<b>(1,164,196)</b>	<b>(1,654,848)</b>	<b>(84,921)</b>	<b>(831,534)</b>
<b>Other items</b>					
Listing expense	12	-	(3,032,784)	-	(3,032,784)
Transaction and acquisition costs		(63,300)	(152,869)	(9,796)	(149,464)
Share based compensation	13	(238,081)	(1,694,498)	(948)	(1,694,498)
Foreign exchange	2	1,229,600	9,433	618,750	(88,928)
<b>(Loss) income for the period</b>		<b>(235,972)</b>	<b>(6,544,532)</b>	<b>523,085</b>	<b>(5,619,352)</b>
(Loss) income attributable to:					
Shareholder equity		(265,212)	(6,458,985)	474,544	(5,583,712)
Minority interest	18	29,240	(85,547)	48,541	(35,640)
<b>(Loss) income for the period</b>		<b>(235,972)</b>	<b>(6,544,532)</b>	<b>523,085</b>	<b>(5,619,352)</b>
<b>Other comprehensive (loss) income</b>					
Foreign currency translation adjustment	2	(1,051,744)	753,572	(288,697)	878,677
<b>Other comprehensive (loss) income attributable to:</b>					
Shareholder equity		(1,095,887)	748,534	(325,170)	576,577
Minority interest	18	44,143	5,038	36,473	2,100
<b>Other comprehensive (loss) income</b>		<b>(1,051,744)</b>	<b>753,572</b>	<b>(288,697)</b>	<b>878,677</b>
<b>Total comprehensive (loss) income attributable to:</b>					
Shareholder equity		(1,361,099)	(5,710,451)	149,374	(4,707,135)
Minority interest		73,383	(80,509)	85,014	(33,540)
		<b>(1,287,716)</b>	<b>(5,790,960)</b>	<b>234,388</b>	<b>(7,740,675)</b>
<b>Basic and diluted (loss) earnings per share</b>					
		(0.02)	(0.28)	0.00	(0.17)
<b>Weighted average number of common shares outstanding – basic and diluted</b>					
		54,905,565	43,483,970	54,905,565	47,448,547

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

**REVOLVE RENEWABLE POWER CORP.**  
**Condensed Interim Consolidated Statements of Changes in Equity**  
(Expressed in US Dollars) (Unaudited)

	Note	Share Capital		Reserves	Cumulative translation adjustment	Accumulated deficit	Minority interest	Total
		Number of common shares	Amount					
			\$	\$		\$		\$
<b>June 30, 2021</b>		35,100,000	1,306,801	-	86,027	(805,608)	(26,822)	560,398
Private placement Aug 2021		9,595,187	3,680,131	-	-	-	-	3,680,131
Shares issued at close of reverse takeover (RTO) <sup>1</sup>		5,029,585	1,967,157	-	-	-	-	1,967,157
Shares issued in connection with the financing at the RTO		5,180,793	2,028,022	-	-	-	-	2,028,022
Options granted		-	-	692,679	6,371	-	-	699,050
Foreign currency adjustment		-	-	-	(729,685)	-	5,038	(734,723)
Loss for the period		-	-	-	-	(6,458,985)	(85,547)	(6,544,532)
<b>March 31, 2022</b>		54,905,565	8,982,111	692,679	822,083	(7,264,593)	(107,331)	3,124,949
Foreign currency adjustment		-	-	-	(268,864)	-	(18,962)	(287,826)
Loss for the period		-	-	-	-	118,952	(30,466)	88,486
<b>June 30, 2022</b>		54,905,565	8,982,111	692,679	553,219	(7,145,641)	(156,759)	2,925,609
Options granted		-	-	238,927	(846)	-	-	238,081
Foreign currency adjustment		-	-	-	(938,271)	-	44,143	(894,128)
Loss for the period		-	-	-	-	(265,212)	29,240	(235,972)
<b>March 31, 2023</b>		54,905,565	8,982,111	931,606	(385,898)	(7,410,853)	(83,376)	2,033,579

All common shares and per common share amounts in these condensed interim consolidated financial statements have been retroactively restated to reflect the share consolidation.

<sup>1</sup> On March 7, 2022, upon the close of the reverse takeover transaction, the existing shares of Philippine Metals Inc. were rolled back on a 4 to 1 basis.

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

**REVOLVE RENEWABLE POWER CORP.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
(Expressed in US Dollars) (Unaudited)

	For the nine-month period ended	
	March 31, 2023	March 31, 2022
<b>Cash flows used in operating activities</b>	\$	\$
Income (loss) for the period	(235,972)	(6,544,532)
Adjustments for non-cash items:		
Depreciation	15,047	554
Stock based compensation	238,081	1,694,498
Listing expense	-	3,032,784
Foreign exchange gains / (loss)	(1,227,703)	-
Change in non-cash operating working capital:		
Other receivables	-	(3,821)
Sales tax receivable	(764,422)	(31,800)
Prepaid expenses and other receivables	(1,274,285)	(40,417)
Accounts payable and accrued liabilities	165,262	102,686
<b>Total cashflow used in operating activities</b>	<b>(3,083,992)</b>	<b>(1,790,048)</b>
<b>Cash flows used in investing activities</b>		
Acquisition of CBS Mexico including cash	(1,532,800)	-
Interconnection & security deposits placed	(799,000)	(250,078)
Interconnection deposits refunded	250,078	250,000
Equipment additions	(5,800)	(13,858)
<b>Total cashflow used in investing activities</b>	<b>(2,087,522)</b>	<b>1,270,192</b>
<b>Cash flows from financing activities</b>		
Proceeds from private placement	-	3,621,015
Cash held in trust	1,184,176	-
Deferred revenue received	1,200,000	-
Loan facility drawdown	1,378,588	-
<b>Total cashflow from financing activities</b>	<b>3,762,764</b>	<b>3,621,015</b>
Foreign currency translation effect on cash	271,788	485,015
<b>Change in cash during the period</b>	<b>(1,136,962)</b>	<b>3,586,174</b>
<b>Cash, beginning of the period</b>	<b>2,547,352</b>	<b>117,214</b>
<b>Cash, end of the period</b>	<b>1,410,390</b>	<b>3,703,388</b>

During the period ended March 31, 2023, the Company paid \$131,719 (2022 - \$Nil) in interest for secured loans. (Note 11)

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

## **1. NATURE OF OPERATIONS AND GOING CONCERN**

Revolve Renewable Power Corp. (formerly Philippine Metals Inc.) (the "Company") was incorporated on April 7, 1989, under the laws of the Province of Alberta. On April 17, 2018, the Company continued into the Province of British Columbia. The Company's head office is Bushfield House, 57 Bushfield Square, Philipsburgh Avenue, Fairview, Dublin 3, Ireland and its registered and records office address is Suite 2200, 700 West George Street, Vancouver, BC, V7Y 1K8, Canada.

During the year ended June 30, 2022, the Company completed the acquisition of Revolve Renewable Power Limited (formerly Mexican Renewable Energy Limited) through a reverse takeover (or "RTO") (see Note 12). The condensed interim consolidated financial statements for the nine month period ended March 31, 2023, include the results of operation of Revolve Renewable Power Limited for the nine month period ended March 31, 2022.

The Company has two business divisions. Its "utility scale" renewable power division develops wind, solar and battery storage projects with an active portfolio of c.2,350MW located in New Mexico, Utah, Colorado and Northeastern Mexico. A second division, Revolve Business Solutions, develops, owns and operates smaller-scale (typically less than 20MW per project) "behind the meter" wind, solar, battery storage and energy efficiency projects in Mexico. At present, this second division has operating assets of 6MWh, an additional 3MW under construction and approximately 70MW under development.

The Company has accumulated losses of \$7,410,853 at March 31, 2023 (June 30, 2022 – \$7,145,641) and negative cash flow from operations of \$3,083,992 for the nine months ended March 31, 2023 (2022 - \$1,790,048).

The ability of the Company to continue as a going concern depends on selling development projects to achieve profitable operations, generating positive operating cash flows and obtaining the necessary financing to develop the current projects. At March 31, 2023, there are projects in progress and still pending commercialisation. The outcome of these development projects cannot be predicted at this time. To fund its operating activities, the Company will continue to raise additional debt and equity financing as required to support its operations until such time that its operations become self-sustaining. There is no assurance that any such activity will generate sufficient funds for future operations. These factors indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. These condensed interim consolidated financial statements have been prepared by management on a going concern basis which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

## **2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of significant accounting policies used in the preparation of these condensed interim consolidated financial statements.

### **Statement of compliance and basis of measurement**

The Company prepares its annual financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretation Committee. These unaudited condensed interim consolidated financial statements as at and for the three and nine months ended March 31, 2023, including comparatives, are prepared in accordance with IAS 34 Interim Financial Reporting and follow the same

## **2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Statement of compliance and basis of measurement (continued)**

accounting policies and methods of application as the Company's most recent annual financial statements for the year ended June 30, 2022 which have been prepared in accordance with IFRS. Accordingly, they should be read in conjunction with the Company's most recent annual financial statements.

These consolidated financial statements of the Company have been prepared on an accrual basis, based on historical costs, except for financial instruments measured at fair value. The consolidated financial statements are presented in US dollars, which is the Company's reporting currency unless otherwise noted.

These consolidated financial statements of the Company were approved and authorized for issue by the Board of Directors on May 24, 2023.

### **Critical accounting estimates and judgements**

The significant accounting policies used in the preparation of these financial statements comprise:

#### ***Business combinations***

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured by assets acquired and liabilities assumed measured at their fair value at the acquisition date with considerations for non-controlling interest. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

The Company determines whether a transaction will be considered the acquisition of a business when the acquired set of activities and assets include an input and a substantive process, that together significantly contribute to the ability to create outputs. Goodwill is initially measured at cost, and then measured at cost less any accumulated impairment losses.

#### ***Intangible assets***

Intangible assets acquired separately are initially measured at cost plus direct acquisition costs. Intangible assets acquired in business combinations are measured at their fair value as at the acquisition date. Intangible assets with a finite useful life are amortized over their useful lives using the straight line method and are reviewed for impairment whenever there is an indication that the asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at each year end.

#### ***Basis of consolidation***

These consolidated financial statements include the financial statements of the Company and the entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

A detailed list of companies that have been consolidated within these financial statements, including country of incorporation, operations descriptions and effective interest can be found in the accompanying Management Discussion & Analysis.

**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Foreign exchange currency translation***

The operating and functional currencies of the Company and its active subsidiaries are as follows:

<b>Company</b>	<b>Operating Currency</b>	<b>Functional Currency</b>
Revolve Renewable Power Corp.	Canadian Dollar	Canadian Dollar
Revolve Renewable Power Canada Inc.	Canadian Dollar	Canadian Dollar
Revolve Renewable Power Limited.	Euro	Canadian Dollar
Centrica Business Solutions Mexico S.A. de C.V.	Mexican Peso	Mexican Peso
Emerald Power Mexico, S.A. de C.V.	Mexican Peso	Canadian Dollar
Presa Nueva Eólica, S.A. de C.V.	Mexican Peso	Canadian Dollar
Eólica El Mentillo, S.A. de C.V.	Mexican Peso	Canadian Dollar
EPM Eólica 24, S.A. de C.V.	Mexican Peso	Canadian Dollar
EPM Solar, S.A. de C.V.	Mexican Peso	Canadian Dollar
MRE US Wind & Solar Inc.	US Dollar	Canadian Dollar
Revolve Lordsburg Solar LLC	US Dollar	Canadian Dollar
Revolve Afton Solar LLC	US Dollar	Canadian Dollar
Revolve Vernal BESS LLC	US Dollar	Canadian Dollar

The Company's translation and exchange rate exposure arises as follows:

- Payment of invoices in currency different than operating currency, posted at daily exchange rate on date of incurred expense, and paid at daily exchange rate resulting in foreign exchange gains/losses on income statement in other items.
- Exchange rate variances as a result of the translation from operating currency to functional currency using historical exchange rates on historical share capital and reserves, current year period averages for profit & loss items, and current period end rates for balance sheet items, resulting in foreign exchange gains/losses on income statement in other items.
- Foreign currency translation adjustment resulting from the translation of functional currency to reporting currency, including prior year balances, which creates gains/losses on income statement under foreign currency translation adjustment.

***Standards issued but not yet effective***

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets (“IAS 37”) was amended for annual periods beginning on or after January 1, 2022. The adoption of this amended standard is not expected to have a significant impact on the Company's consolidated financial statements.

**3. ACCOUNTS RECEIVABLE**

	<b>March 31, 2023</b>	<b>June 30, 2022</b>
	<b>\$</b>	<b>\$</b>
Current - Electricity generation debtors	52,778	-
CBS Mexico accounts receivable	768,134	-
Foreign exchange rate gain	64,486	-
<b>Receivables – CBS Mexico historic</b>	<b>832,620</b>	<b>-</b>
<b>Total</b>	<b>885,398</b>	<b>-</b>



#### 4. DEPOSITS

During the period ended March 31, 2023, the Company had the following refundable deposits:

	March 31, 2023	June 30, 2022
<b>Interconnection site control deposits</b>	<b>\$</b>	<b>\$</b>
Lordsburg Solar & Storage	-	250,078
Vernal BESS	75,000	75,000
Primus Wind	75,000	-
<b>Other deposits</b>		
Vernal BESS Surety security deposit	724,000	-
<b>Total</b>	<b>874,000</b>	<b>325,078</b>

During the period, the Revolve Lordsburg Solar & Storage site control deposit was refunded.

#### 5. DISTRIBUTED GENERATION ASSETS – OPERATING

##### Acquisition of Centrica Business Solutions Mexico S.A. de C.V.

On August 26, 2022, the Company completed its purchase of a 100% interest in Centrica Business Solutions Mexico S.A. de C.V. (“CBS Mexico”) for a net consideration of \$1,332,489.

CBS Mexico provides the Company with an established and ongoing recurring revenue stream from six projects with a total capacity of 2.85MW and a completed 3MW project awaiting final permits and expected to be operational during 2023. The Company is in the process of assessing the fair value of the assets and liabilities acquired as a result of this transaction.

The total receivables and other assets of \$1,798,526 indicated in the table below includes sales tax (Value Added Tax or “IVA”) receivables of \$1,088,054 and Accounts Receivables of \$768,134 that have been assumed as part of the acquisition of CBS Mexico. These receivables are shown on the balance sheet for the period ended March 31, 2023 in both the accounts receivable and the sales tax receivable line items. The Company has agreed to collect these historical receivables of CBS Mexico and pass back a certain portion of these proceeds collected to the seller. The Company has recorded an IVA liability of \$870,443 and an Accounts Receivable liability of \$614,507. These liabilities are only realized on the IVA and Accounts receivables actually collected by the Company. Any remaining balances will be written down at the expiration of the corresponding agreements.

	\$
Total unadjusted purchase price	1,658,202
Working capital adjustment	(200,311)
Total adjusted purchase price	1,457,891
Less: cash and cash equivalents acquired	(125,402)
<b>Total purchase price, net of cash and cash equivalents acquired</b>	<b>1,332,489</b>
Receivables and other assets	1,798,526
Electricity generating assets and goodwill	1,097,972
Accounts payable and accrued liabilities	(79,058)
IVA repayment liability	(870,443)
Accounts receivable repayment liability	(614,507)
<b>Net consideration</b>	<b>1,332,489</b>

**5. DISTRIBUTED GENERATION ASSETS – OPERATING (CONTINUED)**

All Mexican peso conversion to US dollars was calculated at an exchange rate of 0.05151 – MXN-USD (19.93975 – USD-MXN).

The purchase price has been allocated on the basis of the preliminary estimates of the fair value of assets and liabilities assumed, resulting in property and equipment, goodwill and intangible assets of \$1,097,972. The goodwill consists of expected synergies from combining operations of the Company and CBS Mexico and any intangible assets not qualifying for separate recognition. None of the goodwill is deductible for tax purposes. Measurement period adjustments that the Company determines to be material will be applied retrospectively to the period acquisition in the Company's consolidated financial statements. The Company expects to finalize the accounting for the acquisition by June 30, 2023.

**6. DISTRIBUTED GENERATION ASSETS – UNDER CONSTRUCTION**

**Signing of Energy Services Contract**

On September 15, 2022, the Company announce that it has signed an energy services contract with a hotel operator in Cancun Mexico for a new 3.2MWh ("megawatt per hour") Battery Energy Storage System (or "BESS") (the "Project"). A 10-year Energy Services Agreement (or "ESA") was executed between the Company and the hotel operator for the provision of peak shaving and other energy related services. Under the ESA, Revolve will receive an annual fixed payment in addition to sharing the energy savings delivered by the Project over the 10-year contract period. An Engineering Procurement Contract (or "EPC") was signed with Quartux Mexico S.A. de C.V. (or "Quartux"), a highly experienced installer and operator of battery storage systems in Mexico, to deliver a turnkey solution for the installation and commissioning of the BESS system. In addition to the EPC, a 10-year Maintenance Agreement has also been signed with Quartux for the day-to-day operation and optimization of the system including all routine maintenance.

During the period ended March 31, 2023, the Company made payments totalling \$1,419,679 in relation to the installation of the battery storage system. The Company signed a loan agreement with RE Royalties Ltd. for the provision of \$1,377,017 (C\$1,863,379) to partly fund this development project. This secured loan was drawn down in four separate tranches relating to certain project deliverables during the period.

**7. EQUIPMENT**

The equipment represented in the below table consists of computer, transportation and met mast equipment used for general operations & project development activities.

Equipment	Cost	Accumulated depreciation
	\$	\$
June 30, 2021	24,061	18,360
Additions	95,338	542
Foreign exchange	(3,115)	(2,445)
June 30, 2022	116,284	16,457
Additions	5,900	15,047
Foreign exchange	2,548	740
March 31, 2023	124,732	32,239
<b>Net book value:</b>		
June 30, 2022		99,827
March 31, 2023		92,493

## 8. SALE OF UTILITY SCALE SOLAR AND STORAGE PROJECT

On January 11, 2023, the Company announced the sale of its 250MW Parker Solar and Storage Project (“Parker Project”) and the 1,000MW Bouse Solar and Storage Project (“Bouse Project”) to ENGIE IR Holdings LLC, a wholly-owned subsidiary of ENGIE S.A. (“ENGIE”). The sale of the Projects is pursuant to a share purchase agreement dated January 10, 2023.

The sale included an upfront payment of \$2,000,000, which included the reimbursement of development costs, which was paid on completion of the transaction. The Company has recognized \$800,000 in revenues and \$1,200,000 in deferred revenue. The deferred revenues relate to the put option discussed below.

The remaining consideration is linked to each of the Projects, respectively, completing the following development milestones:

- Completion of further interconnection studies;
- Issuance by ENGIE of a Notice to Proceed (an “NTP”) construction works to the applicable EPC contractor; and
- On Commissioning Date (the “COD”), with such date being the date that a project has been synchronized to the grid and is capable of delivering all of its installed capacity to the grid.

On completion of the transaction, ENGIE acquired 100% of the shares in Revolve Renewable AZ LLC and Revolve Parker Solar LLC on a cash and debt free basis.

The transaction included both parties entering into a put option agreement allowing ENGIE to sell the projects back to the Company for a limited period of time following the results of the next interconnection studies due for each project. Should ENGIE exercise the put option, the Company will repurchase the respective project, while also refunding ENGIE any development expenses incurred or reimbursed.

The Company has determined that the sale of Parker Solar and Storage Project and Bouse Solar and Storage Project meets the Company policy criteria indicated in Note 2 for the capitalization for expenses incurred for these two projects to meet the milestones as indicated.

## 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2023	June 30, 2022
<b>Current</b>	<b>\$</b>	<b>\$</b>
Accounts payable	363,393	274,416
Accounts payable to related parties	612	36,334
Accrued liabilities	71,233	62,279
Accrued liabilities to related parties	70,752	25,000
<b>Total current accounts payable and accrued liability</b>	<b>505,990</b>	<b>398,029</b>
<b>Long-term</b>		
Receivable repayment – CBS Mexico historic	614,507	-
Sales tax repayment – CBS Mexico historic	870,443	-
<b>Total long-term liabilities</b>	<b>1,484,950</b>	<b>-</b>
<b>Total accounts payable and accrued liabilities</b>	<b>1,990,940</b>	<b>-</b>

## 10. RELATED PARTY TRANSACTIONS

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

During the period ended March 31, 2023, key management personnel compensation, including directors and officers, was comprised of \$361,509 (2022: \$262,096), of which \$43,974 related to directors' fees, in which \$43,974 are accrued and \$319,056 related to management, consulting, administrative and accounting fees, and salaries (2022: \$Nil, \$Nil and \$262,096, respectively).

As at March 31, 2023, amounts included in accounts payable and accrued liabilities due to related parties was \$71,364 (June 30, 2022: \$61,334).

## 11. LOANS PAYABLE

The Company, obtained a secured loan from RE Royalties Ltd. (or "RER") in the amount of a \$1,180,811 (C\$1,600,000) to finance a portion of the CBS Mexico acquisition. During the period, the Company obtained a second secured loan from RER for the provision of an additional (\$1,377,017) C\$1,863,379 to partly fund Company's first battery storage system being installed at a site of a major hotel chain in Cancun, Mexico.

<b>Balance, June 30, 2022</b>	\$	1,241,600
Additions	\$	1,377,017
Foreign exchange adjustment (non-cash)	\$	(59,218)
<b>Balance, March 31, 2023</b>	\$	<b>2,559,399</b>

## 12. REVERSE TAKEOVER TRANSACTION

On March 7, 2022, the Company completed an RTO (the "Transaction") whereby Revolve Renewable Power Corp. acquired all the issued and outstanding shares of Revolve Renewable Power Limited. The shareholders of Revolve Renewable Power Limited obtained control of the Company, and the combined entity, by obtaining control of the voting power of the Company and the resulting power to govern its financial and operating policies.

For accounting purposes, Revolve Renewable Power Limited has been treated as the accounting parent company (legal subsidiary) and the Company has been treated as the accounting subsidiary (legal parent) in these consolidated financial statements.

The Transaction was accounted for as a reverse takeover in accordance with guidance provided in IFRS 2, Share-based Payments and IFRS 3, Business Combinations

Accordingly, no goodwill or intangible assets were recorded with respect to the Transaction. As Revolve Renewable Power Limited was deemed the acquirer for accounting purposes, its assets, liabilities, and operations since incorporation are included in these consolidated financial statements at their historical carrying value. As part of the Transaction, all directors, officers and affected shareholders were subject to a lock up period for 90% of their shareholdings which will be released incrementally as set out in the escrow agreements over a 3-year period, at the period end there were 19,098,510 shares held in escrow,

The Company's results of operations from March 7, 2023 are listed in Note 12 under share capital transactions.

## 12. REVERSE TAKEOVER TRANSACTION (CONTINUED)

For the acquisition of the Company by Revolve Renewable Power Limited, the consideration received is deemed to be the fair value of the net assets of the Company which on March 7, 2022, were as follows.

	\$
Cash	2,053,298
Accounts receivables	9,153
Prepaid expenses and other	5,484
Investments	19,505
Accounts payable and accrued liabilities	<u>(298,706)</u>
Net assets	<u><u>1,788,734</u></u>

The total consideration for the acquisition is as follows:

	\$
Fair value of shares retained by Company shareholders	4,004,036
Fair value of replacement stock options	37,702
Fair value of replacement warrants	726,530
Fair value of compensation warrants	51,250
Less: net assets acquired	<u>(1,788,734)</u>
Listing expense	<u><u>3,032,784</u></u>

The fair value of shares retained by Company shareholders reflects the cash consideration price of C\$0.50 and the shares retained by the shareholders of the Company based on the capital raising price of C\$0.50. Replacement warrants were valued at \$501,411 (C\$640,454) using the Black-Scholes pricing model with an exercise price of C\$0.75, volatility of 77%, risk free rate of 1.36%, expected life of 18 months and dividend yield of nil%.

Replacement stock options are valued at \$37,996 (C\$48,532), using the Black-Scholes option pricing model with volatility of 77%, risk free rate of 1.36%, expected life of 0.33 years and dividend yield of nil%. Compensation warrants are valued at \$40,607 (C\$51,867), using the Black-Scholes option pricing model with volatility of 77%, risk free rate of 1.36%, expected life of 18 months dividend yield of nil%. As a result of the Company not meeting the definition of a business combination under IFRS 3, the listing expense of \$3,032,784 was recorded in the consolidated statement of income (loss) in the prior year period.

## 13. SHARE CAPITAL AND EQUITY RESERVES

### Common shares

The Company is authorized to issue an unlimited number of common voting shares with no par value.

### Preference shares

The Company is authorized to issue an unlimited number of preference shares.

Changes in issued share capital and equity reserves for the three and nine months ended March 31, 2023, were as following:

- No change.

### **13. SHARE CAPITAL AND EQUITY RESERVES (CONTINUED)**

#### **Share capital transactions**

Changes in issued share capital and equity reserves for the period ended March 31, 2022, were as following:

- On August 30, 2021, Revolve Renewable Power Limited completed a non-brokered private placement of 3,838,079 units at a price of €0.815 per unit for gross proceeds of \$3,680,131 (€3,128,034). As part of the Transaction, the units were exchanged for 9,595,187 units of the Company at an exchange ratio of 1 unit in Revolve for 2.5 units of the Company. Each unit has an effective price of C\$0.50 and includes one full post consolidated common share purchase warrant entitling the holder to acquire one additional common share at a price of C\$0.75 per share for a period of 18 months following the closing of the Transaction.
- On December 8 and December 30, 2021, respectively, and prior to the RTO, entities subject to the RTO closed a first and second tranche of a private placement financing issuing 5,180,793 units for total gross proceeds of \$2,028,022 (C\$2,590,967). Each unit is comprised of one common share and one purchase warrant of the Company which entitles the holder to purchase one common share of the Company at a price of \$0.75 per warrant share for a period of 18 months following the closing of the Transaction.
- On March 7, 2022, at the close of the transaction, the common shares of Philippine Metals Inc. were consolidated on a 4 to 1 basis. Revolve Renewable Power Corp issued 5,029,585 common shares valued at C\$0.50 to the shareholders of Philippine Metals Inc.
- On March 7, 2022, the Company exchanged 35,100,000 post-consolidated common shares to the existing Revolve shareholders valued at C\$0.50.

The share option plan provides that the Board of Directors may, in accordance with TSX-V requirements, grant non-transferable share options to purchase common shares, provided that the number of common shares reserved for issuance in any twelve-month period will not exceed 10% of the issued and outstanding common shares. Options will be exercisable for a period of up to 10 years from the date of grant at a price not less than the closing price on the last trading day before the grant of such options. Each option vesting period is determined on a grant-by-grant basis by the Board of Directors.

In March 2022, the Board granted an aggregate of 3,500,000 share options to officers, directors, employees, and consultants of the Company, exercisable at a price of C\$0.50 per share until March 7, 2025, vesting on grant. Using the Black-Scholes option pricing model, the fair value was C\$0.25 per option. Share-based compensation expense recognized in the consolidated statement of loss and comprehensive loss for these options during the year ended June 30, 2022, was \$699,050 (C\$884,761) (2021: \$nil). The assumptions were: (i) expected share price volatility of 77%, (ii) risk free interest rate of 1.36%; (iii) dividend yield of \$nil; and (iv) expected life of 3 years.

**13. SHARE CAPITAL AND EQUITY RESERVES (CONTINUED)**

**Stock Options**

In March 2022, the Company granted an aggregate of 212,500 replacement share options with a fair value of \$37,966 (C\$48,532) to Philippine Metals Inc. former officers, directors, employees, and consultants to replace previously un-expired options they held in Philippine Metals Inc. These replacement share options were exercisable at a price of C\$0.28 per share until July 6, 2022, and vested on grant. Using the Black-Scholes option pricing model, the fair value per option granted was C\$0.23 per option with the expense being recognized as part of the listing expense in the consolidated statement of loss and comprehensive income. The assumptions were: (i) expected share price volatility of 77%, (ii) risk free interest rate of 1.36%; (iii) dividend yield of \$nil; and (iv) expected life of 0.33 years.

In November 2022, the Company granted an aggregate of 1,300,000 share options to officers, directors, employees, and consultants of the Company, exercisable at a price of C\$0.50 per share until November 7, 2025, vesting on grant. Using the Black-Scholes option pricing model, the fair value per option granted was C\$0.25 per option. Share-based compensation expense recognized in the consolidated statement of loss and comprehensive loss for these options during the period ended March 31, 2023, was \$238,081 (C\$321,961) (2021: \$nil). The assumptions were: (i) expected share price volatility of 104.73%, (ii) risk free interest rate of 4.14%; (iii) dividend yield of \$nil; and (iv) expected life of 3 years.

Following is a summary of changes in share options outstanding:

	Stock options	
	Number	Weighted Average Exercise Price (CAD\$)
<b>Balance, June 30, 2021</b>	-	-
Granted	3,712,500	0.49
<b>Balance, June 30, 2022</b>	3,712,500	0.49
Granted	1,300,000	0.50
Expired	(212,500)	0.28
<b>Balance, March 31, 2023</b>	4,800,000	\$ 0.50

The following table summarizes information about share options outstanding at March 31, 2023:

Exercise price range	Options outstanding			Options exercisable	
	Number of stock options outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price (CAD\$)	Number of stock options exercisable	Weighted average exercise price (CAD\$)
CAD\$0.50	3,500,000	1.94	\$ 0.50	3,500,000	\$ 0.50
CAD\$0.50	1,300,000	2.61	\$ 0.50	1,300,000	\$ 0.50
<b>Total</b>	<b>4,800,000</b>	<b>2.12</b>	<b>\$ 0.50</b>	<b>4,800,000</b>	<b>\$ 0.50</b>

During the period ended, the 212,500 replacement options that were granted at the close of the RTO expired.

**13. SHARE CAPITAL AND EQUITY RESERVES (CONTINUED)**

**Warrants**

In March 2022, the Company issued to the agents an aggregate of 280,588 non-transferrable broker warrants to purchase one unit of the Company (a "Unit") with a fair value of \$40,607 (C\$51,867) which was charged to listing expense in the consolidated statement of loss and comprehensive loss in the year ended June 30, 2022. Each Unit consist of one common share in the capital of the Company and one common share purchase warrant ("Broker Warrant"), exercisable at a price of C\$0.50 per share until September 8, 2023. Each Broker Warrant shall entitle the holder thereof to purchase one Common Share at an exercise price of C\$0.75 for a period of 18 months following September 8, 2023.

The assumptions were: (i) expected share price volatility of 77%, (ii) risk free interest rate of 1.36%; (iii) dividend yield of \$nil; and (iv) expected life of 1.5 years.

In March 2022, the Company issued to the holders of the Philippine Metals Inc Subscription Receipts an aggregate of 5,180,793 non-transferrable warrants, exercisable at a price of C\$0.75 per share until September 8, 2023, with a fair value of \$501,411 (C\$640,454) which was charged to listing expense in the consolidated statement of loss (income) and comprehensive income in the year ended June 30, 2022. The assumptions were: (i) expected share price volatility of 77%, (ii) risk free interest rate of 1.36%; (iii) dividend yield of \$nil; and (iv) expected life of 1.5 years.

In March 2022, the Company issued to the holders of the Revolve Renewable Power Limited an aggregate of 9,595,194 non-transferrable warrants, exercisable at a price of C\$0.75 per share until September 8, 2023.

Following is a summary of changes in warrants outstanding:

	Number of Warrants	Weighted Average Exercise Price (CAD\$)
<b>Balance, June 30, 2021</b>	-	-
Granted	15,056,575	\$ 0.75
<b>Balance, June 30, 2022</b>	15,056,575	\$ 0.75
<b>Balance, March 31, 2023</b>	15,056,575	\$ 0.75

The following table summarizes information about warrants outstanding at March 31, 2023:

Number of Warrants	Exercise Price (CAD\$)	Expiry Date
9,595,194	0.75	September 7, 2023
5,180,793	0.75	September 8, 2023
280,588	0.50	September 8, 2023
<b>15,056,575</b>		



#### **14. EARNINGS (LOSS) PER SHARE**

The calculation of basic and diluted loss per share for the three and nine months ended March 31, 2023, was based on the loss attributable to common shareholders of \$235,972 (2022 – \$6,544,532) and a weighted average number of common shares outstanding of 54,905,565 (2022 – 43,483,970).

#### **15. FINANCIAL INSTRUMENTS**

Fair values

The Company's financial instruments consist of cash, other receivables, sales tax receivable, deposits and accounts payable and accrued liabilities.

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

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

As at March 31, 2023, the fair values of the Company's financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments or market rates of interest.

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

##### *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2023, the Company had a cash balance of \$1,410,390 (June 30, 2022 - \$2,547,352) to settle current liabilities of \$505,990 (June 30, 2022 - \$398,029). Most of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms, with the exception of the RE Royalty Ltd. loans (see note 9).

##### *Credit risk*

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

##### *Market risk*

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

##### a) Interest rate risk

The Company has cash balances and fixed interest-bearing debt of \$1,182,382 (C\$1,600,000), maturing on June 15, 2024 with a fixed interest rate of 10% p.a. and fixed interest-bearing debt of \$1,377,017 (C\$1,863,379), maturing 24 months from date of signing with fixed interest rate of 12% p.a. and therefore is not exposed to risk in the event of fluctuations.

## **15. FINANCIAL INSTRUMENTS (CONTINUED)**

### b) Foreign currency risk

The Company has operations in Canada, the Republic of Ireland, Mexico and the USA and is therefore exposed to foreign exchange risk arising from transactions denominated in foreign currencies including revenues earned in Mexican Pesos, US Dollars and loan facilities in Canadian Dollars. The operating results and the financial position of the Company are reported in US dollars. The fluctuations of the operating currencies in relation to the US dollar will, consequently, have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risk.

### c) Price risk

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

## **16. CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to sustain future development of the business and to maintain flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of equity as well as cash.

The Company manages the capital structure and adjusts it in light of changes in the 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 new debt, acquire or dispose of assets or adjust the amount of cash.

The Company does not currently have adequate sources of capital to complete its current obligations and ultimately the development of its business and will need to raise capital by obtaining equity financing, selling assets and/or incurring debt. The Company may raise additional debt or equity financing in the near term to meet its obligations.

## **17. SEGMENTED INFORMATION**

The Company operates in three business segments, being: (1) the development of utility scale renewable energy generation projects with a particular focus on wind, solar and battery storage technologies ("renewable energy projects"); (2) behind the meter distributed electricity generation including rooftop solar, battery storage and energy efficiency at customer premises; and (3) corporate overhead. The following is a summary of the business segments by geographic information:

- USA – renewable energy projects
- Mexico – renewable energy projects and electricity generating projects
- Canada & Other – corporate overhead

**17. SEGMENTED INFORMATION (CONTINUED)**

Geographic information for the nine month period ended March 31, 2023 and year ended June 30, 2022 as follows:

<b>Nine months ended March 31, 2023</b>	<b>USA</b>	<b>Mexico</b>	<b>Canada</b>	<b>Republic of Ireland*</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenues</b>	<b>800,000</b>	<b>184,577</b>	<b>-</b>	<b>-</b>	<b>1,012,524</b>
<b>Income (Loss) for the period</b>	<b>299,499</b>	<b>(78,622)</b>	<b>(954,724)</b>	<b>497,874</b>	<b>(235,972)</b>
Current assets	904,181	66,607	1,143,060	275,862	2,389,710
Non-current assets	68,311	5,300,011	18,475	7,411	5,394,208
<b>Total assets</b>	<b>972,492</b>	<b>5,366,618</b>	<b>1,161,535</b>	<b>283,273</b>	<b>7,783,918</b>
Current liabilities	(1,201,176)	(62,169)	(432,473)	(10,172)	(1,705,990)
Non-current liabilities	-	(1,484,950)	(2,559,399)	-	(4,044,349)
<b>Total liabilities</b>	<b>(1,201,176)</b>	<b>(1,547,119)</b>	<b>(2,991,872)</b>	<b>(10,172)</b>	<b>(5,750,339)</b>

<b>Year ended June 30, 2022</b>	<b>USA</b>	<b>Mexico</b>	<b>Canada</b>	<b>Republic of Ireland</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Loss for the year</b>	<b>(1,160,127)</b>	<b>(654,921)</b>	<b>(3,312,505)</b>	<b>(1,328,493)</b>	<b>(6,456,046)</b>
Current assets	-	63,119	2,467,138	1,637,050	4,167,307
Non-current assets	81,822	313,149	-	2,960	397,931
<b>Total assets</b>	<b>81,822</b>	<b>376,268</b>	<b>2,467,138</b>	<b>1,640,010</b>	<b>4,565,238</b>
Current liabilities	-	(16,506)	(365,044)	(16,479)	(398,029)
Non-current liabilities	-	-	(1,241,600)	-	(1,241,600)
<b>Total liabilities</b>	<b>-</b>	<b>(16,506)</b>	<b>(1,606,644)</b>	<b>(16,479)</b>	<b>(1,639,629)</b>

\* While the Company only incurs minimal general operating expenses in the Republic of Ireland, the historic values prior to the RTO remain on the balance sheet for the subsidiary company. Due to large fluctuations from historic balance foreign exchange rates, and current period ending and average foreign exchange rates, the Company realized a gain for the period under this operating segment. This gain is non-cash in nature. (Please see Note 2 for more information on foreign exchange.)

**18. MINORITY INTEREST**

The following table presents summarized financial information before intragroup eliminations for non-wholly owned subsidiaries as at March 31, 2023, and June 30, 2022:

	<b>March 31, 2023</b>	<b>June 30, 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Minority interest percentage</b>	<b>10%</b>	<b>10%</b>
Current assets	-	-
Non-current assets	-	-
<b>Total assets</b>	<b>-</b>	<b>-</b>
Current liabilities	833,757	1,567,594
Non-current liabilities	-	-
<b>Net liabilities</b>	<b>(833,757)</b>	<b>(1,567,594)</b>
<b>Minority interest</b>	<b>(83,376)</b>	<b>(156,759)</b>
Income (Loss) for the period	292,396	(1,160,127)
<b>Income (Loss) attributed to Minority interest</b>	<b>29,240</b>	<b>(116,013)</b>
Comprehensive income	(441,430)	(139,245)
<b>Comprehensive income attributed to Minority interest</b>	<b>(44,143)</b>	<b>(13,924)</b>

**19. SUBSEQUENT EVENT**

On May 24, 2023, the Company announced that final commissioning has been completed on its 3.2MWh Battery Energy Storage System project located in Cancun Mexico and that the project was generating recurring revenues.