

# **REVOLVE RENEWABLE POWER CORP.**

## **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited)

**FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2024 AND 2023**

(Expressed in US Dollars)

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

AS AT	Note	March 31, 2024	June 30, 2023
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		1,295,455	611,922
Restricted cash	3	517,859	-
Amounts receivable	4	256,523	46,901
Prepaid expenses		188,531	39,580
Deposits	5	677,500	874,000
Related party loans receivable	14	339,047	-
Derivative financial instrument	15	329,068	-
<b>Total current assets</b>		<b>3,603,983</b>	<b>1,572,403</b>
<b>Non-current assets</b>			
Investments		18,457	18,867
Distributed generation assets – CBS Mexico	6, 10	989,012	893,397
Distributed generation assets – Other	9, 10	1,561,845	1,297,682
Utility scale generation assets	7, 10	1,541,635	-
Goodwill	7	1,999,002	-
Investments at cost, minority interests	7, 8	2,067,595	-
Sales tax receivable – CBS Mexico historic	9	1,227,497	1,227,497
Sales tax receivable	9	938,705	840,290
Other equipment	10	61,018	84,096
<b>Total non-current assets</b>		<b>10,404,766</b>	<b>4,361,828</b>
<b>TOTAL ASSETS</b>		<b>14,008,749</b>	<b>5,934,231</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Deferred revenue	12	960,000	1,200,000
Current tax liability		33,000	33,000
Accounts payable and accrued liabilities	13	1,249,907	633,675
Current loans payable	15	7,304,712	1,207,520
<b>Total current liabilities</b>		<b>9,547,619</b>	<b>3,074,195</b>
<b>Long term liabilities</b>			
Sales tax repayment liability – CBS Mexico historic	13	930,790	930,790
Loans payable	15	3,236,746	1,406,230
Related party loans payable	14	195,124	-
Deferred income tax liability		172,000	172,000
<b>Total long-term liabilities</b>		<b>4,534,390</b>	<b>2,509,020</b>
<b>Equity</b>			
Share capital	16	10,625,629	8,982,111
Reserves		1,263,029	1,263,029
Accumulated other comprehensive income (loss)		(933,455)	116,348
Accumulated deficit		(10,284,823)	(9,494,854)
Equity attributed to holders of the parent		670,380	535,961
Non-controlling interest		(743,639)	(184,945)
<b>Total shareholder equity</b>		<b>(73,260)</b>	<b>351,016</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>14,008,749</b>	<b>5,934,231</b>

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

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

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Nature of operations and going concern	1
Subsequent events	22
Approved and authorized by the Board on May 29, 2024	

**Approved on behalf of the Board:**

\_\_\_\_\_  
*"Steve Dalton"*  
Director

\_\_\_\_\_  
*"Craig Lindsay"*  
Director

**REVOLVE RENEWABLE POWER CORP.**
**Condensed Interim Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income**  
(Expressed in US Dollars)

	Note	For the nine-month period ended		For the three-month period ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
		\$	\$	\$	\$
<b>Revenues</b>					
Asset management income	8	50,510	-	50,510	-
Electricity generation sales	7, 10	527,691	212,529	286,929	88,185
Utility scale – sale of development rights	12	1,090,000	800,000	-	800,000
<b>Total revenues</b>		<b>1,668,201</b>	<b>1,012,524</b>	<b>337,439</b>	<b>888,185</b>
<b>Cost of sales</b>					
Electricity generation		(102,721)	(27,947)	(102,721)	(1,441)
Utility scale – Development		-	(147,708)	-	(147,708)
<b>Total gross profit</b>		<b>1,565,480</b>	<b>836,869</b>	<b>234,718</b>	<b>739,036</b>
<b>Operating expenses</b>					
General and administrative		2,347,538	1,650,623	967,128	674,195
Development expenses		204,850	196,852	230,868	78,156
Depreciation	10	293,318	15,047	99,174	7,316
<b>Total operating expenses</b>		<b>(2,845,706)</b>	<b>(1,862,522)</b>	<b>(1,297,170)</b>	<b>(759,667)</b>
<b>Operating loss</b>		<b>(1,280,226)</b>	<b>(1,025,653)</b>	<b>(1,062,452)</b>	<b>(20,631)</b>
<b>Other items</b>					
Transaction and acquisition costs		(117,714)	(63,300)	(87)	(9,796)
Interest and royalty expense	15	(165,253)	(138,538)	(98,403)	(64,290)
Unrealized gain on derivative instrument	15	68,822	-	68,822	-
Share based compensation		(74,060)	(238,081)	(74,060)	(948)
Foreign exchange gain (loss)	2	901,404	1,229,600	(1,366)	618,750
<b>Income (loss) for the period</b>		<b>(667,027)</b>	<b>(235,972)</b>	<b>(1,167,546)</b>	<b>523,085</b>
Income (loss) attributable to:					
Shareholders' equity		(789,970)	(265,212)	(1,200,576)	474,544
Non-controlling interest	21	122,943	29,240	33,030	48,541
<b>Income (loss) for the period</b>		<b>(667,027)</b>	<b>(235,972)</b>	<b>(1,167,546)</b>	<b>523,085</b>
<b>Other comprehensive income (loss)</b>					
Foreign currency translation		(550,359)	(1,051,744)	307,983	(288,697)
<b>Other comprehensive loss attributable to:</b>					
Shareholders' equity		(1,049,803)	(1,095,887)	(144,286)	(325,170)
Non-controlling interest	21	499,444	44,143	452,269	36,473
<b>Other comprehensive loss</b>		<b>(550,359)</b>	<b>(1,051,744)</b>	<b>307,983</b>	<b>(288,697)</b>
<b>Total comprehensive loss attributable to:</b>					
Shareholders' equity		(1,839,772)	(1,361,099)	(1,344,861)	149,374
Non-controlling interest		622,387	73,383	485,299	85,014
		<b>(1,217,385)</b>	<b>(1,287,716)</b>	<b>(859,562)</b>	<b>234,388</b>
<b>Basic and diluted income (loss) per share</b>		<b>(0.02)</b>	<b>(0.02)</b>	<b>(0.01)</b>	<b>0.00</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>		<b>58,345,770</b>	<b>54,905,565</b>	<b>57,512,946</b>	<b>54,905,565</b>

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

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

	Note	Share Capital		Reserves	Accumulated other comprehensive income (loss)	Accumulated deficit	Non-controlling interest	Total
		Number of common shares	Amount					
<b>June 30, 2022</b>		<b>54,905,565</b>	<b>8,982,111</b>	<b>692,679</b>	<b>553,219</b>	<b>(7,145,641)</b>	<b>(156,759)</b>	<b>2,925,609</b>
Options granted	16	-	-	239,677	-	-	-	239,677
Foreign currency adjustment		-	-	-	(614,708)	-	7,670	(607,038)
Loss for the period		-	-	-	-	(739,756)	(19,301)	(759,057)
<b>March 31, 2023</b>		<b>54,905,565</b>	<b>8,982,111</b>	<b>932,356</b>	<b>(61,489)</b>	<b>(7,885,397)</b>	<b>(168,390)</b>	<b>1,799,191</b>
Options granted		-	-	-	-	-	-	-
Foreign currency adjustment		-	-	-	177,837	-	(42,508)	135,329
Loss for the period		-	-	-	-	(1,609,457)	25,953	(1,583,504)
<b>June 30, 2023</b>		<b>54,905,565</b>	<b>8,982,111</b>	<b>932,356</b>	<b>116,348</b>	<b>(9,494,854)</b>	<b>(184,945)</b>	<b>351,016</b>
Common shares, net of issuance costs		8,130,551	1,643,518	-	-	-	-	1,643,518
Deferred share units grant	16	-	-	330,673	-	-	-	330,673
Value of non-controlling interest at date of acquisition	7	-	-	-	-	-	(1,181,082)	(1,181,082)
Foreign currency adjustment		-	-	-	(1,049,803)	-	499,445	(550,358)
Loss for the period		-	-	-	-	(789,970)	122,943	(667,027)
<b>March 31, 2024</b>		<b>63,036,116</b>	<b>10,625,629</b>	<b>1,263,029</b>	<b>(933,455)</b>	<b>(10,284,824)</b>	<b>(743,639)</b>	<b>(73,260)</b>

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

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

	For the nine-months ended	
	March 31, 2024	March 31, 2023
<b>Cash flows used in operating activities</b>	\$	\$
Loss for the period	(667,027)	(235,972)
Adjustments for non-cash items:		
Depreciation	293,318	15,047
Deferred share units grant	256,613	-
Foreign exchange gain	(901,404)	(1,229,600)
Unrealized gain on derivative instrument	(329,068)	-
Stock based compensation	74,060	238,081
Change in non-cash operating working capital:		
Accounts receivable and prepaid expenses	(358,573)	(2,038,707)
Sales tax receivable	(98,415)	-
Accounts payable and accrued liabilities	616,232	165,262
Interest paid capitalized	(125,995)	-
Increase (decrease) in deferred revenue	(240,000)	1,200,000
<b>Total cashflow used in operating activities</b>	<b>(1,480,260)</b>	<b>(1,885,889)</b>
<b>Cash flows used in investing activities</b>		
Business acquisitions – net of cash acquired	(3,634,590)	(1,532,800)
Deposits paid	(603,137)	(799,000)
Deposits refunded	799,000	250,078
Cash held in trust	-	1,184,176
Additions of distributed generation and equipment	(420,899)	(3,903)
<b>Total cashflow used in investing activities</b>	<b>3,964,706</b>	<b>(901,449)</b>
<b>Cash flows used in financing activities</b>		
Common shares issued, net of issuance costs	1,702,158	-
Share issuance costs	(58,640)	-
Restricted cash	(517,859)	-
Increase in loan payable	7,927,438	1,378,588
Related party loans payable	(339,047)	-
Related party loans receivable	195,124	-
<b>Total cashflow from financing activities</b>	<b>8,909,174</b>	<b>1,378,588</b>
Foreign currency translation effect on cash	(2,885,755)	271,788
<b>Change in cash during the period</b>	<b>683,533</b>	<b>(1,408,750)</b>
<b>Cash, beginning of the period</b>	<b>611,922</b>	<b>2,547,352</b>
<b>Cash, end of the period</b>	<b>1,295,455</b>	<b>1,410,390</b>

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

**REVOLVE RENEWABLE POWER CORP.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended March 31, 2024, and 2023**  
(Expressed in US Dollars)

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

Revolve Renewable Power Corp. (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 Georgia Street, Vancouver, BC, V7Y 1K8, Canada.

During the year ended June 30, 2023, the Company completed the acquisition of 100% of Centrica Business Solutions Mexico S.A (“CBS Mexico”). The acquisition of CBS Mexico was accounted for as a business combination (Note 5).

During the period ended March 31, 2024, the Company completed the acquisition of 100% of WindRiver Power Corporation (“WindRiver”), a Canadian based owner, operator and developer of wind and hydro projects. The acquisition of WindRiver was accounted for as a business combination (Note 9). As part of the acquisition of WindRiver, the Company acquired WindRiver’s interest in the following subsidiaries: 51% of the outstanding shares of Box Springs Wind Corporation (“Box Springs”), 100% of the outstanding shares of WPC Management Corporation and 100% of the outstanding shares of KMC Energy Corporation.

The Company has two business divisions. Its “utility scale” renewable power division develops wind, solar and battery storage projects located across the US, Canada and Mexico. A second division, Revolve Business Solutions, develops, owns and operates distributed generation (typically less than 20MW per project) “behind the meter” wind, solar, battery storage and energy efficiency projects in Mexico, the US and Canada.

The Company’s portfolio includes the following:

- **Operating Assets:** 11MW (net) of operating assets under long term power purchase agreements across Canada and Mexico covering wind, solar, battery storage and hydro generation;
- **Under Construction:** a 3MW Combined Heat and Power (“CHP”) project and a 450kWp rooftop solar project that are both under construction; and
- **Development:** a diverse portfolio of utility scale development projects across the US, Canada and Mexico with a combined capacity of over 3,000MWs as well as a 140MW+ distributed generation portfolio that is under development.

The Company has accumulated losses of \$10,284,824 at March 31, 2024 (June 30, 2023 – \$9,494,854) and negative cash flow from operations of \$1,480,260 for the nine-month period ended March 31, 2024 (March 31, 2023 – negative cash flow of \$1,885,889).

The ability of the Company to continue as a going concern depends on selling projects to achieve profitable operations, generating positive operating cash flows and obtaining the necessary financing to develop the current projects. As of March 31, 2024, there are projects in progress and still pending commercialisation. The outcome of these 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.

**REVOLVE RENEWABLE POWER CORP.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended March 31, 2024, and 2023**  
(Expressed in US Dollars)

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**1. NATURE OF OPERATIONS AND GOING CONCERN (CONTINUED)**

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**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretation Committee.

These condensed interim 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 condensed interim consolidated financial statements are presented in US dollars, which is the Company’s reporting currency unless otherwise noted.

These condensed interim consolidated financial statements of the Company were approved and authorized for issue by the Board of Directors on May 29, 2024.

**Critical accounting estimates and judgements**

The critical accounting estimates and judgements used in the preparation of these financial statements comprise of:

***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 transaction and acquisition costs.

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.

**Significant accounting policies**

***Basis of presentation and consolidation***

These condensed interim consolidated financial statements include the financial statements of the Company and the entities controlled by the Company. The entities acquired as part of the WindRiver acquisition, have been incorporated to the interim consolidated financial statement effective February 13, 2024. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. The financial statements of subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases.



**REVOLVE RENEWABLE POWER CORP.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended March 31, 2024, and 2023**  
(Expressed in US Dollars)

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

***Basis of presentation and consolidation (continued)***

All intercompany transactions and balances have been eliminated. Intra-group balances and transactions, including any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the condensed interim consolidated financial statements.

A detailed list of companies that have been condensed interim consolidated within these financial statements, including country of Incorporation, operations descriptions and effective interest are included below.

<b>Entity</b>	<b>Country of Incorporation</b>	<b>Operations</b>	<b>Effective Interest</b>
Revolve Renewable Power Limited (subsidiary of Revolve Renewable Power Corp.)	Republic of Ireland	Developer of renewable energy electricity generation projects located in North America	100%
Revolve Renewable Power Canada Inc. (subsidiary of Revolve Renewable Power Corp.)	Canada	Corporate entity overseeing the operations of its subsidiary	100%
Revolve Acquisition Corp. (subsidiary of Revolve Renewable Power Corp.) <sup>2</sup>	Canada	Corporate entity overseeing the operations of its subsidiary	100%
Emerald Power México, S.A. de C.V. ("EPM")	Mexico	Developer of renewable energy electricity generation projects	100%
Revolve Presa Nueva Wind DAC ("PNW")	Republic of Ireland	Corporate entity overseeing the operations of its subsidiary	100%
Presa Nueva Eólica, S.A. de C.V. ("PNE") (subsidiary of PNW)	Mexico	Developer of renewable energy electricity generation projects	100%
Revolve El Mentillo Wind DAC (Revolve El Mentillo)	Republic of Ireland	Corporate entity overseeing the operations of its subsidiary	100%
Eólica El Mentillo, S.A. de C.V. ("ESS") (subsidiary of Revolve El Mentillo)	Mexico	Developer of renewable energy electricity generation projects	100%
Revolve El 24 Wind DAC ("Revolve El 24")	Republic of Ireland	Corporate entity overseeing the operations of its subsidiary	100%
EPM Eólica 24, S.A. de C.V. ("EPM 24") (subsidiary of Revolve El 24)	Mexico	Developer of renewable energy electricity generation projects	100%
Revolve Florida Wind DAC ("Revolve Florida Wind")	Republic of Ireland	Corporate entity overseeing the operations of its subsidiary	100%
Eólica La Florida S.A. de C.V. (subsidiary of Revolve Florida Wind)	Mexico	Developer of renewable energy electricity generation projects	100%
MSE Eolicse Wind Limited ("MSE Eolicse")	Republic of Ireland	Dormant	100%
Eólicse, S.A.P.I de C.V. ("Eólicse") (subsidiary of MSE Eólicse)	Mexico	Dormant	100%
MRE Mamulique Solar Limited ("Mamulique Solar")	Republic of Ireland	Dormant	100%
EPM Solar, S.A. de C.V. (subsidiary of Mamulique Solar)	Mexico	Dormant	100%
MRE US Wind & Solar Inc. ("MRE US")	USA	Corporate entity overseeing the operations of its subsidiary	90%
Revolve Renewable Power AZ LLC (subsidiary of MRE US)	USA	Sold as part of the sale of project	90%

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**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended March 31, 2024, and 2023**  
(Expressed in US Dollars)

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

***Basis of presentation and consolidation (continued)***

<b>Entity</b>	<b>Country of Incorporation</b>	<b>Operations</b>	<b>Effective Interest</b>
Revolve Lordsburg Solar LLC (subsidiary of MRE US)	USA	Developer of renewable energy electricity generation projects	90%
Revolve Afton Solar LLC (subsidiary of MRE US)	USA	Developer of renewable energy electricity generation projects	90%
Revolve Parker Solar LLC (subsidiary of MRE US)	USA	Sold as part of the sale of project	90%
Revolve Vernal BESS LLC (subsidiary of MRE US) <sup>1</sup>	USA	Developer of renewable energy electricity generation projects	90%
Revolve Renewable Power Business Solutions S.A de C.V.	Mexico	Distributed generation business	100%
MRE Dolores Wind DAC	Republic of Ireland	Inactive	100%
MRE Alamito Solar Limited	Republic of Ireland	Inactive	100%
WindRiver Power Corporation <sup>3</sup>	Canada	Developer of renewable energy electricity generation projects	100%
Box Springs Wind Corporation <sup>3</sup>	Canada	Operator of renewable energy electricity generation projects	51%
KMC Energy Corp. <sup>3</sup>	Canada	Developer of renewable energy electricity generation projects	100%
WPC Management Corporation <sup>3</sup>	Canada	Corporate entity overseeing the operations of its subsidiary	100%

<sup>1</sup> During the year ended June 30, 2023, Revolve Vernal BESS LLC was incorporated in the state of Utah.

<sup>2</sup> During the period ended March 31, 2024, Revolve Acquisition Corp. was incorporated in the province of Alberta.

<sup>3</sup> During the period ended March 31, 2024, the Company acquired WindRiver Power Corporation and its subsidiaries (Note 7)

***Foreign exchange currency translation and non-controlling interest***

***Functional currency***

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. These Condensed Interim Consolidated financial statements are presented in US dollars. The operating and functional currencies of the Company and its active subsidiaries are as follows:

**REVOLVE RENEWABLE POWER CORP.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended March 31, 2024, and 2023**  
(Expressed in US Dollars)

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

*Functional currency (continued)*

<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
Revolve Renewable Power Business Solutions 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
Revolve Renewable Power AZ LLC <sup>1</sup>	US Dollar	Canadian Dollar
Revolve Parker Solar LLC <sup>1</sup>	US Dollar	Canadian Dollar
WindRiver Power Corporation <sup>2</sup>	Canadian Dollar	Canadian Dollar
Box Springs Wind Corporation <sup>2</sup>	Canadian Dollar	Canadian Dollar
KMC Energy Corp. <sup>2</sup>	Canadian Dollar	Canadian Dollar

<sup>1</sup> During the year ended June 30, 2023, Revolve Renewable Power AZ LLC & Revolve Renewable Power Solar LLC were sold as part of the agreement signed with ENGIE IR Holdings Limited. (Note 8)

<sup>2</sup> During the period ended March 31, 2024, the Company acquired WindRiver Power Corporation and its subsidiaries (Note 7)

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

- Foreign currency translation adjustment resulting from the translation of functional currency to reporting currency, including prior year balances, which creates gains/losses on the income statement under foreign currency translation adjustment.
- 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 the 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 the income statement in other items.

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

The following new standards, amendments to standards and interpretations have been issued but are not effective during the period ended March 31, 2024:

*Lack of Exchangeability (Amendments to IAS 21)* – These amendments are designed to help an entity determine whether a currency is exchangeable into another currency and requirements the entity would apply when it is not. They are effective for annual periods beginning on or after 1 January 2025 (early adoption is available).

**REVOLVE RENEWABLE POWER CORP.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended March 31, 2024, and 2023**  
(Expressed in US Dollars)

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

***Standards issued but not yet effective (continued)***

*Non-current liabilities with (Amendment to IAS 1)* – These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability, and improve information provided related to liabilities subject to these conditions. They are effective for annual periods beginning on or after 1 January 2024

*Leases on sale and leaseback (Amendment to IFRS 16)* – These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. They are effective for annual periods beginning on or after 1 January 2024.

The Company anticipates that these amendments will not have a material impact on the results of operations and financial position of the Company.

**3. RESTRICTED CASH**

Pursuant to the project financing of Box Springs (Note 14), the credit agreement requires Box Springs to provide \$295,312 (C\$400,000) on deposit in the debt service reserve account (“DSR”) and to maintain a major maintenance reserve account (“MMR”). The initial amount of the MMR was established at \$73,282 (C\$100,000). The MMR is recalculated annually, based on amounts reasonably prescribed by the lender.

At March 31, 2024, the total amount funded for the two reserve accounts amounted to \$388,660 (C\$526,439), which accounts for total adjustments of \$26,439 made by Box Springs each year (2022 – \$Nil).

The Company also holds \$129,199 (C\$175,000) as at March 31, 2024 as cash collateral for a Letter of Credit issued to the Fisheries and Wildlife Agency in British Columbia relating to one of its development hydro projects.

**4. AMOUNTS RECEIVABLE**

	<b>March 31, 2024</b>	<b>June 30, 2023</b>
	<b>\$</b>	<b>\$</b>
Electricity generation	177,232	46,901
Asset management fees	79,291	-
<b>Total</b>	<b>256,523</b>	<b>46,901</b>

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**5. DEPOSITS**

During the nine-month period ended March 31, 2024, the Company had the following deposits:

	March 31, 2024	June 30, 2023
<b>Interconnection deposits</b>	<b>\$</b>	<b>\$</b>
a) Vernal BESS	-	75,000
b) Primus Wind	225,000	75,000
<b>Other deposits</b>		
c) Vernal BESS	452,500	724,000
<b>Total</b>	<b>677,500</b>	<b>874,000</b>

*Interconnection deposits*

Under the Large Generator Interconnection Procedures (“LGIP”) in the jurisdictions that the Company is developing projects in the US, various deposits are required to support the Company’s interconnection requests:

- a) As of March 31, 2024, the Company applied its \$75,000 interconnection deposit towards the total final interconnection costs incurred to execute the Interconnection Agreement with PacifiCorp. These interconnection costs have now been recorded in the statement of loss as development costs.
- b) As of March 31, 2024, the Company held \$225,000 in interconnection deposits. These deposits will be utilized to cover the total interconnection fees once the project reaches the next interconnection milestone. However, if the project fails to achieve this milestone, the deposit is fully refundable.

*Other deposits*

- c) As part of PacifiCorp’s network upgrade requirements under the interconnection process, the Company was required to post a financial security in the form of a surety bond. The Company had originally entered into a Surety Bond Agreement valued at \$1.8 million dollars with Intact Insurance and had posted cash of \$724,000 as collateral. During the period ended March 31, 2024, the Company changed security providers and successfully reduced the amount of the cash collateral to \$452,500.

**6. ACQUISITION OF CBS MEXICO**

Effective 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 H1 2024. The Company has completed the process of assessing the fair value of the assets and liabilities acquired as a result of this transaction, which has been indicated in the table below which shows the calculations first determined adjusted to show net fair value.

The total receivables and other assets are indicated in the table below includes sales tax (Value Added Tax or “IVA”) receivables and prepaid expenses which have been assumed as part of the acquisition of CBS Mexico.

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**6. ACQUISITION OF CBS MEXICO (CONTINUED)**

The Company has agreed to attempt collection of the historical sales tax and accounts receivable of CBS Mexico and pass back a certain portion of these proceeds collected to the seller. An IVA liability of \$930,790 has been recorded in accounts payable and accrued liabilities in the statement of financial position.

	<b>Net Fair Value \$</b>
Total unadjusted purchase price	1,658,202
Working capital adjustment	(200,311)
Total adjusted purchase price	<u>1,457,891</u>
Less: cash and cash equivalents acquired	(125,402)
<b>Total purchase price, net of cash and cash equivalents acquired</b>	<b><u>1,332,489</u></b>
Receivables and other assets	1,230,697
Distributed generation assets	1,051,294
Goodwill	315,388
Accounts payable and accrued liabilities	(18,712)
Deferred income tax liability	(315,388)
Contingent consideration	
IVA repayment liability	(930,790)
Accounts receivable repayment liability	-
<b>Net Consideration</b>	<b><u>1,332,489</u></b>

All Mexican peso conversion to US dollars was calculated at an exchange rate of 0.050151 – MXN\$-US\$ (19.93975 – US\$-MXN\$), at the effective date of the acquisition of CBS Mexico, August 26, 2022.

The purchase price has been allocated on the basis of the fair value of assets and liabilities assumed, resulting in distributed generation assets, of \$1,051,294. There was \$315,388 of goodwill which is the result of deferred income tax liabilities. None of the goodwill is deductible for tax purposes.

At the year ended June 30, 2023, the Company updated its cashflows and valuation as required and performed its annual impairment assessment. Management has concluded that the investment in CBS Mexico is not impaired.

Key estimates used in the valuation at the acquisition date and year ended June 30, 2023 include the discount rate of 23.2% and 25% respectively and cash flow estimates.

**7. ACQUISITION OF WINDRIVER**

On February 13, 2024, the Company acquired all the outstanding common shares of WindRiver, for a total gross upfront consideration of \$3,634,590 (C\$4,850,000). The Company may also pay up to \$10,491,600 (C\$14,000,000) in contingent consideration depending on whether WindRiver's development hydro projects acquired by the Company achieve certain milestones. The Company has also agreed to pass through contingent payments of up to \$4,271,580 (C\$5,700,000) to WindRiver's former shareholders for development assets previously sold to third parties by WindRiver. Following the acquisition, WindRiver has become an ultimately wholly owned subsidiary of the Company. The acquisition adds 96.63MW of net operational and development capacity to the Company's portfolio, which is split between 6.63MW of net operational capacity and 90MW of development assets, all located within Canada.

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**7. ACQUISITION OF WINDRIVER (CONTINUED)**

	<b>Net Fair Value \$</b>
Total unadjusted purchase price	4,306,992
Working capital adjustment	(614,847)
Non-controlling interest	1,096,440
Total adjusted purchase price	<u>4,788,585</u>
Less: cash and cash equivalents acquired	<u>(1,153,995)</u>
<b>Total purchase price, net of cash and cash equivalents acquired</b>	<u><u>3,634,590</u></u>
Cash	1,153,995
Receivables and other assets	535,925
Investments	2,067,595
Property and equipment	1,556,995
Derivative asset	264,385
Goodwill	1,999,002
Accounts payable and accrued liabilities	(32,415)
Loan payable	(5,017,332)
Non-controlling interest	1,096,440
<b>Net Consideration</b>	<u><u>3,634,590</u></u>

All Canadian dollar conversion to US dollars was calculated at an exchange rate of 0.7494 – C\$-US\$ (1.3343 – US\$-C\$), at the effective date of the acquisition of WindRiver, February 13, 2024.

The upfront net consideration has been allocated on the basis of the fair value of assets and liabilities assumed. There was \$1,999,002 of goodwill which is the result of working capital and non-controlling interest. None of the goodwill is deductible for tax purposes.

**8. INVESTMENTS, AT COST**

The Company accounts for the following investments using the cost method as of March 31, 2024 as a result of the acquisition of WindRiver:

	2024	2023	2024	2023
	Ownership interest	Ownership interest	Carrying value	Carrying value
			\$	\$
Pacific Slope Power Limited Partnership	30%	-	2,067,595	-

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**8. INVESTMENTS, AT COST (CONTINUED)**

In 2011, WindRiver formed Pacific Slope Power Limited Partnership (“PSPLP”) with Connor, Clarke & Lunn Infrastructure (“CC&L”), a third party, to develop and operate various hydro development projects located in British Columbia, Canada. WindRiver owns 1,803,095 units, or 30%, of PSPLP. PSPLP owns 70% of both Sakwi Creek Hydro Limited Partnership (“SCHLP”) and Hunter Creek Hydro Limited Partnership (“HCHLP”), in partnership with the local First Nations, who own the remaining 30% of SCHLP and HCHLP, respectively. SCHLP owns the 6 MW Sawki Creek hydro project located in Harrison Hot Springs, British Columbia; and HCHLP owns the 11 MW Hunter Creek hydro project located in Hope, British Columbia., collectively (“the Hydro Projects”)

The Company operates the Hydro Projects through an Asset Management Agreement (“AMA”). During the 3-month period ended March 31, 2024, the company recognized asset management income of \$50,510 (2023 - \$Nil) in relation to the management of these projects.

During the period ended March 31, 2024, the Company advanced cash to PSPLP of \$339,047 (C\$459,239) (2022 - \$Nil) to fund project costs for the Hydro Projects. This cash advance is recognized as a related party loan receivable on the statement of financial position.

**9. SALES TAX RECEIVABLE**

Sales tax receivable as at March 31, 2024 is as follows:

	<b>March 31, 2024</b>	<b>June 30, 2023</b>
	<b>\$</b>	<b>\$</b>
Sales tax receivable – Canadian GST (net of GST payable)	49,828	65,679
Sales tax receivable – Distributed generation Mexico IVA	508,691	412,576
Sales tax receivable – Project development & Mexico IVA	380,186	362,035
<b>Total sales tax receivable</b>	<b>938,705</b>	<b>840,290</b>
Sales tax receivable - CBS Mexico historic IVA	1,227,497	1,227,497
<b>Total sales tax receivable - historic</b>	<b>1,227,497</b>	<b>1,227,497</b>
<b>Total current &amp; historic sales tax receivable</b>	<b>2,180,697</b>	<b>2,067,787</b>

The Company submits sale tax returns to the tax authorities in each jurisdiction where it operates. The sale tax refunds from the Canadian tax authority are collected by the Company on a regular basis. Included in the sales tax receivable balance is a historic sales tax refund (“IVA”) of \$1,227,797 related to the CBS Mexico acquisition. As of March 31, 2024, the Company has yet to receive the IVA from the Mexican tax authority.

**10. DISTRIBUTED GENERATION ASSETS AND EQUIPMENT**

The equipment represented in the below table consists of computer, transportation and met mast equipment used for general operations & project development activities, and distributed generation assets relating to Battery Energy Storage Systems (“BESS”).



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**10. DISTRIBUTED GENERATION ASSETS AND EQUIPMENT (CONTINUED)**

	Utility Scale Assets – Acquired (WindRiver) \$	Distributed Generation Assets – (CBS Mexico) \$	Distributed Generation Assets - New \$	Other Equipment \$	Total \$
<b>Cost:</b>					
Balance June 30, 2022	-	-	-	116,288	116,288
Acquired	-	1,051,294	1,616,771	9,524	2,677,589
Write off <sup>1</sup>	-	-	(305,995)	-	(305,995)
Foreign exchange	-	-	(10,152)	3,525	(6,627)
Balance June 30, 2023		1,051,294	1,300,624	129,336	2,481,254
Additions	1,566,425	-	419,188	2,281	1,987,894
Additions – Interest capitalized	-	-	125,995	-	125,995
Foreign exchange	(23,241)	-	(370,436)	473	(393,204)
Balance March 31, 2024	1,543,184	1,051,294	1,475,372	132,091	4,201,940
<b>Accumulated Depreciation:</b>					
Balance June 30, 2022	-	-	-	16,452	16,452
Additions	-	155,740	2,853	27,837	186,430
Foreign exchange	-	2,156	89	952	3,197
Balance June 30, 2023	-	157,896	2,942	45,240	206,079
Additions	2,037	172,819	90,043	26,679	291,578
Additions – Interest capitalized	-	-	1,740	-	1,740
Foreign exchange	(488)	(268,433)	(181,198)	(848)	(450,967)
Balance March 31, 2024	1,549	62,282	(86,473)	71,072	48,430
<b>Net book value:</b>					
June 30, 2023	-	838,397	1,297,682	84,095	2,275,175
March 31, 2024	1,541,635	989,012	1,561,845	61,018	4,153,510

<sup>1</sup> During the year ended June 30, 2023, a portion of the battery storage assets was damaged and was written off. the Company submitted an insurance claim and the cash proceeds from the insurance claim was received after March 31, 2024.

**11. DISTRIBUTED GENERATION ASSETS – NEW**

On September 15, 2022, the Company signed an energy services contract with a hotel operator in Cancun Mexico for a new 3.2MWh BESS (the "Cancun BESS Project").

During the year ended June 30, 2023, the Company made payments totalling \$1,419,679 in relation to the installation of the BESS. The Company signed a loan agreement with RE Royalties Ltd. ("RE Royalties") for the provision of \$1,375,697 (C\$1,863,379) to partially fund the Cancun BESS Project. The Cancun BESS Project was completed in May 2023 and started to generate revenues in the fourth quarter of the year ended June 30, 2023. During the period the Company redeployed 1.6MWh of the BESS system to a new customer under a 15-year energy services agreement on similar terms. This project is operational.

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**12. SALE OF UTILITY SCALE SOLAR AND STORAGE PROJECT**

On January 10, 2023, the Company sold its 250MW Parker Solar and Storage Project (“Parker Project”) and the 1,000MW Bouse Solar and Storage Project (“Bouse Project”) located in Arizona, collectively, (the “AZ Projects”) to ENGIE IR Holdings LLC, a wholly-owned subsidiary of ENGIE S.A. (“ENGIE”) pursuant to a Membership interest Purchase Agreement (“MIPA”). As part of the transaction, ENGIE acquired 100% of the Company’s membership interest in Revolve Renewable AZ LLC and Revolve Parker Solar LLC on a cash and debt free basis.

At closing, ENGIE paid to the Company an upfront payment of \$2,000,000, which included the reimbursement of development costs. This upfront payment was recognized by the Company as follows: \$800,000 as revenue and \$1,200,000 as deferred revenue. The deferred revenue amount is the portion related to the put option (“Put Option”) agreed upon in the MIPA; which allows ENGIE to sell the AZ Projects back to the Company for a limited period following the results of future interconnection milestones. Should ENGIE exercise the Put Option, the Company will repurchase the respective project, while also refunding ENGIE for any development expenses incurred or reimbursed as part of the upfront payment.

During the period ended March 31, 2024, the Company completed the interconnection milestone related to the Parker Project. As a result, the Company recognized \$1,090,000 in revenue; from which \$850,000 was a cash payment received from ENGIE and \$240,000 was transferred over from deferred revenue. The Company has a remaining balance in deferred revenue of \$960,000 relating to the Bouse Project.

The remaining sale consideration is contingent on the successful completion of the following development milestones:

- Completion of further interconnection studies for the Bouse Project;
- Issuance by ENGIE of a Notice to Proceed (“NTP”) construction works to the applicable Engineering, Procurement and Construction (“EPC”) contractor; and
- On Commercial Operation Date (“COD”), with such date being the date that a project has been connected to the grid and can deliver all of its installed capacity to the grid.

**13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>March 31, 2024</b>	<b>June 30, 2023</b>
<b>Current</b>	<b>\$</b>	<b>\$</b>
Accounts payable	910,177	347,628
Accounts payable to related parties	10,330	56,447
Accrued liabilities	217,231	126,179
Accrued liabilities to related parties	112,169	103,421
<b>Total current accounts payable and accrued liability</b>	<b>1,249,907</b>	<b>633,675</b>
<b>Long-term</b>		
Sales tax repayment – CBS Mexico historic (note 6)	930,790	930,790
<b>Total long-term liabilities</b>	<b>930,790</b>	<b>930,790</b>
<b>Total accounts payable and accrued liabilities</b>	<b>2,180,697</b>	<b>1,564,465</b>

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**14. RELATED PARTY TRANSACTIONS**

**Management & Directors fees and salaries**

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.

The following are the transactions with related parties during the nine-months ended March 31, 2024, and 2023, respectively:

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
To individuals for director's fees	328,270 <sup>1</sup>	43,974
To individuals or companies controlled by officers or managers of the Company for management, consulting, administrative fees, accounting fees, and salaries	560,867	319,056
	<b>797,537</b>	<b>361,509</b>

<sup>1</sup> Directors' fees of \$112,532 were accrued and \$142,614 were issued in the form of a deferred share unit grant.

As at March 31, 2024, amounts included in accounts payable and accrued liabilities due to related parties was \$122,499 (June 30, 2023: \$159,868), of which \$10,330 relates to consulting fees, and \$112,532 relates to quarterly directors' fees compensation that is accrued. A total of \$99,998 will be met via share-based compensation and not cash.

**Private Placement**

During the nine-month period ended March 31, 2024, management, employees and insiders took part in a non-brokered private placement and invested a total of \$226,740 in the Company (note 15).

**WindRiver**

As a result of the acquisition of WindRiver, the following balances have been incorporated on the consolidated statement of financial position:

- During 2019, WindRiver received interest-free loans from PSPLP in the amount of \$195,124 (C\$264,295). This balance is reflected as a related party loan payable.
- During the nine-month period ended March 31, 2024, WindRiver advanced cash on an interest-free basis to Pacific Slope Power LP ("PSPLP") in the amount of \$339,047 (C\$459,239). This balance is reflected as a related party loan receivable.

Both loans have no fixed term or maturity date and are secured by WindRiver's ownership position in PSPLP. The loans are considered to be in the normal course of operations and are measured at the exchange amount.

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## 15. LOANS PAYABLE

### RE Royalties Loans

The Company has secured the following loans with RE Royalties Ltd. ("RER"):

- a) A loan in the amount of a \$1,181,250 (C\$1,600,000) to finance a portion of the CBS Mexico acquisition. This loan bears interest rate at 10% per annum and matures on June 14, 2024. During the year ended June 30, 2023, this loan was moved from long term liabilities to current liabilities on the statement of financial position. Subsequent to the period end, the Company was granted an extension on the maturity date from June 14, 2024 to October 24, 2024.
- b) A second loan the amount of \$1,375,697 (C\$1,863,379) to partially fund the Company's first BESS project which was installed at a site of a major hotel chain in Cancun, Mexico and was commissioned for operation during the year ended June 30, 2023. The loan bears interest rate at 12% per annum and matures on October 24, 2024. This loan was moved from long term liabilities to current liabilities on the statement of financial position during the period ended Mar 31, 2024.
- c) Through its 100% owned subsidiary Revolve Acquisitions Corp, a third loan was secured in the amount of \$2,930,090 (C\$3,968,800) to partially fund the acquisition of WindRiver (Note 6). This loan bears an interest rate of 12% per annum and matures on February 9, 2027.
- d) A fourth loan in the amount of \$306,387 (C\$415,000) to partially fund the purchase of equipment for a rooftop solar project currently under development in Colima, Mexico. This loan bears an interest rate of 12% per annum and matures on March 21, 2026.

During the period ended March 31, 2024, the Company paid \$10,838 (March 31, 2023 - \$6,819) in royalty fees to RER.

### Box Springs Loan

As a result of the acquisition of WindRiver, the Company was assigned through WindRiver's 51% owned subsidiary Box Springs, an existing Credit Agreement (the "Original CA") dated March 8, 2019, with the Alberta Treasury Branch ("ATB") for a total of \$4,747,765 (C\$6,430,837), (the "ATB Loan"). On March 7, 2024, Box Springs entered into a Second Amended and Restated Credit Agreement ("Second ARCA") with ATB to extend the current maturity date of the Original CA from March 8, 2024, to March 8, 2025. Pursuant section 2.4 of the Second ARCA, Box Springs, at its option, may request ATB to extend the maturity date for additional periods of up to one year in each fiscal year end of Box Springs. The extension request is subject to ATB's approval. The ATB Loan bears interest at a daily variable CORRA rated plus a 2.15% margin rate with quarterly payments of accrued interest and principal required. The obligation under the facility is limited to the share capital of Box Springs.

Box Springs has an interest rate swap arrangement which fixes the interest rate on the ATB Loan at 2.46% plus a 2.15% margin rate. The interest rate swap terminates on January 4, 2033. The fair market value as of March 31, 2024, is a derivative asset of \$329,068 (2023 - \$Nil). During the period, the Company recognized an unrealized gain on the derivative instrument of \$68,822 (2023 - \$Nil).

Box Springs is required to comply with certain covenants under the terms of the ATB Loan including a minimum debt services coverage ratio ("DSCR") of 1:1. At March 31, 2024, Box Springs was in compliance with these covenants.

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**15. LOANS PAYABLE (CONTINUED)**

	\$
<b>Balance, June 30, 2023</b>	2,613,750
Foreign exchange translation	(56,803)
Box Springs - ATB Loan	4,747,765
Total current loans payable	<u>7,304,712</u>
RER loan - WindRiver acquisition	2,930,090
RER loan - Rooftop solar project	306,386
Total long-term loans payable	<u>3,236,476</u>
<b>Balance, March 31, 2024</b>	<u>10,541,188</u>

During the period ended March 31, 2024, the Company paid a total of \$280,410 in interest, of which \$154,415 (March 31, 2023 - \$131,719) was expensed and \$125,995 (March 31, 2023 - \$Nil) was capitalized.

**16. 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.

**Escrow shares**

As part of the reverse take over (“RTO”) 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 9,531,750 shares held in escrow.

**Share capital transactions**

Changes in issued share capital and equity reserves for the nine-month period ended March 31, 2024, are as follows:

- On November 16, 2023, the Company completed the first tranche of a non-brokered private placement issuing 5,267,062 units (the “units”) at a price of C\$0.285 per unit for gross proceeds of \$1,093,679 (C\$1,501,113). Each unit includes one common share of the company and one common share purchase warrant (the “warrant”) with each warrant entitling the holder to acquire one additional common share at a price of C\$0.45 per share for a period of 18 months following the closing date of the offering. The warrants also contain an acceleration provision, whereby if the volume weighted average trading price of the common shares of the Company on the TSX Venture Exchange is equal to or greater than C\$0.60 per common share for 15 consecutive trading days, then the expiry date of the warrants shall automatically accelerate and the warrants will expire on the date that is 30 days after the date that notice of such acceleration is provided to the warrant holders (the “Acceleration Right”). In connection with the issuance of the units the Company paid cash commissions of \$20,881 (C\$28,660) to certain arms-length parties, and other share issue costs of \$15,218 (C\$20,887).

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

### **Share capital transactions (continued)**

- On December 22, 2023, the Company completed the second tranche of a non-brokered private placement issuing 1,147,947 units (the “units”) at a price of C\$0.285 per unit for gross proceeds of \$246,474 (C\$327,165). Each unit includes one common share of the company and one common share purchase warrant (the “warrant”) with each purchase warrant entitling the holder to acquire one additional common share at a price of C\$0.45 per share for a period of 18 months following the closing date of the offering, subject to the Acceleration Rights outlined above. In connection with the issuance of the units the Company paid cash commissions of \$1,664 (C\$2,209) to certain arms-length parties, and other share issue costs of \$3,429 (C\$4,552).
- On January 25, 2024, the Company completed the third and final tranche of a non-brokered private placement issuing 1,715,542 units (the “units”) at a price of C\$0.285 per unit for gross proceeds of \$344,556 (C\$488,929). Each unit includes one common share of the company and one common share purchase warrant (the “warrant”) with each purchase warrant entitling the holder to acquire one additional common share at a price of C\$0.45 per share for a period of 18 months following the closing date of the offering, subject to the Acceleration Rights outlined above. In connection with the issuance of the units the Company paid cash commissions of \$5,559 (C\$7,508) to certain arms-length parties, and other share issue costs of \$11,888 (C\$16,057).

There were no changes in issued share capital and equity reserves for the nine-month period ended March 31, 2023.

### **Stock Options**

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 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 Condensed Interim Consolidated statement of loss and comprehensive loss for these options during the year ended June 30, 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.

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

**Stock Options (continued)**

Following is a summary of changes in share options outstanding:

	<b>Stock options</b>	
	<b>Number</b>	<b>Weighted Average Exercise Price (C\$)</b>
<b>Balance, June 30, 2022</b>	3,712,500	0.49
Granted	1,300,000	0.50
Expired	(212,500)	0.28
<b>Balance, June 30, 2023</b>	4,800,000	0.50
Granted	-	-
Expired	-	-
<b>Balance, March 31, 2024</b>	4,800,000	0.50

The following table summarizes information about share options outstanding at March 31, 2024:

<b>Exercise price range (C\$)</b>	<b>Options outstanding</b>			<b>Options exercisable</b>	
	<b>Number of stock options outstanding</b>	<b>Weighted average remaining contractual life (years)</b>	<b>Weighted average exercise price (C\$)</b>	<b>Number of stock options exercisable</b>	<b>Weighted average exercise price (C\$)</b>
C\$0.50	3,500,000	0.93	0.50	3,500,000	0.50
C\$0.50	1,300,000	1.61	0.50	1,300,000	0.50
<b>Total</b>	<b>4,800,000</b>	<b>1.12</b>	<b>0.50</b>	<b>4,800,000</b>	<b>0.50</b>

During the year ended June 30, 2023, the 212,500 replacement options that were granted at the close of the RTO have expired.

**Warrants**

On November 16, 2023, as part of the first tranche of the non-brokered private placement unit offering the Company issued 5,267,062 non-transferrable warrants, exercisable at a price of C\$0.45 per share until May 16, 2025. The Company attributed no value to these warrants with all the value being attributed to the common shares the subscriber of the unit offering received.

On December 22, 2023, as part of the second tranche of the non-brokered private placement unit offering the Company issued 1,147,947 non-transferrable warrants, exercisable at a price of C\$0.45 per share until June 22, 2025. The Company attributed no value to these warrants with all the value being attributed to the common shares the subscriber of the unit offering received.

On January 25, 2024, as part of the third and final tranche of the non-brokered private placement unit offering the Company issued 1,715,542 non-transferrable warrants, exercisable at a price of C\$0.45 per share until July 25, 2025. The Company attributed no value to these warrants with all the value being attributed to the common shares the subscriber of the unit offering received.

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

**Warrants (continued)**

Following is a summary of changes in warrants outstanding:

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price (C\$)</b>
<b>Balance, June 30, 2023</b>	15,056,575	0.75
Granted	8,130,551	0.45
Expired	(15,056,575)	(0.75)
<b>Balance, March 31, 2024</b>	8,130,551	0.45

The following table summarizes information about warrants outstanding at March 31, 2024:

<b>Number of Warrants</b>	<b>Exercise Price (C\$)</b>	<b>Expiry Date</b>
5,267,062	0.45	May 16, 2025
1,147,947	0.45	June 22, 2025
1,715,542	0.45	July 25, 2025
8,130,551		

**Deferred Share Units (“DSUs”)**

On July 6, 2022, the Company adopted an Omnibus Employee Incentive Plan, which became effective on December 9, 2022, which contemplates the granting of DSUs to certain Participants at the discretion of the Board.

The aggregate number of shares reserved for issuance under the Stock Option and DSU plan may not exceed 10% of the issued and outstanding common shares on the date of grant, The aggregate number of Shares reserved for issuance under the Omnibus Employee Incentive Plan may not exceed 6,303,612 Shares.

Details of the DSUs issued during the period ended March 31, 2024, are as follows:

On March 1, 2024, the Company granted 1,140,421 DSUs with a fair value of \$331,333 (C\$449,597) to directors of the Company. The DSUs will fully vest at the end of one year from the date of grant.



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

**Deferred Share Units (“DSUs”) (continued)**

As at March 31, 2024, the Company had outstanding DSUs as follows:

<b>Grant Date</b>	<b>DSUs Granted</b>	<b>Price</b>	<b>Fair Value</b>	<b>US\$ FX rate at Date of Grant</b>	<b>US\$ Fair Value</b>	<b>Vesting Date</b>
March 1, 2024	512,270	C\$ 0.50	C\$ 256,135	0.736954	\$ 188,760	March 1, 2025
March 1, 2024	282,465	C\$ 0.33	C\$ 93,350	0.736954	\$ 68,795	March 1, 2025
March 1, 2024	345,686	C\$ 0.29	C\$ 99,217	0.736954	\$ 73,119	March 1, 2025

The Company recognized total DSU compensation in contributed surplus of \$330,673 (C\$448,702). The Company has recorded the issuance of the DSU's as follows; directors fees in retained earnings of \$58,382 (C\$108,135), consulting fees in retained earnings of \$25,915 (C\$48,000), directors fees expenses of \$142,615 (C\$192,568) and stock-based compensation expenses of \$74,060 (C\$100,000), with a currency translation adjustment of \$29,702.

**17. EARNINGS (LOSS) PER SHARE**

The calculation of basic and diluted loss per share for the nine-month period ended March 31, 2024, was based on the income attributable to common shareholders of \$(591,820) (March 31, 2023 – loss of \$235,972) and a weighted average number of common shares outstanding of 58,345,770 (March 31, 2023 – 54,905,565).

**18. FINANCIAL INSTRUMENTS**

Fair values

The Company's financial instruments consist of investments, cash, receivables, interconnection and security deposits and accounts payable.

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, 2024, 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.

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**18. FINANCIAL INSTRUMENTS (CONTINUED)**

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. The WindRiver acquisition will bring to the Company a recurring source of income to settle its current liabilities. WindRiver has secured long-term power purchase agreements ("PPA") with the local utilities in the jurisdictions where the projects operate. As at March 31, 2024, the Company had a cash balance of \$1,295,455 (June 30, 2023 - \$611,922) to settle current liabilities of \$9,547,619 (June 30, 2023 - \$3,074,195). Most of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms, except for the RE Royalty Ltd. loans and the Box Springs loan (Note 14).

*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

As of March 31, 2024, the Company has a cash balance of \$1,295,455 (June 30, 2023; \$611,922) and fixed interest-bearing loans as follows:

	<b>US\$ loan amount</b>	<b>C\$ loan amount</b>	<b>Maturity date</b>	<b>Fixed interest rate</b>	<b>Interest rate swap</b>	<b>Credit spread</b>
\$	1,181,250	\$ 1,600,000	June 15, 2024	10% p.a.	-	-
\$	1,375,697	\$ 1,863,379	October 24, 2024	12% p.a.	-	-
\$	2,930,090	\$ 3,968,800	February 9, 2027	12% p.a.	-	-
\$	306,387	\$ 415,000	March 19, 2026	12% p.a.	-	-
\$	4,474,765	\$ 6,430,837	January 4, 2033	4.61% p.a.	2.46%	2.15%*

\*The credit spread of 2.15%, is fixed until March 8, 2025.

Since all the loans have fixed interest rates, the Company is not significantly exposed to interest risk in the event of interest risk fluctuations.

## **18. 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. The Company held a cash position of €16,775 in Euros, MXN\$2,150,885 in Mexican Peso and of C\$1,552,793 Canadian dollars as of March 31, 2024, with the effect on profit or loss before tax of a 10% fluctuation to the US dollar would not be material.

### 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.

## **19. 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.

## **20. 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 projects at customer premises; and (3) corporate. 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 – renewable energy projects, electricity generating projects and corporate.

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**20. SEGMENTED INFORMATION (CONTINUED)**

Geographic information for the nine-month period ended March 31, 2024, and the year ended June 30, 2023 is as follows:

<b>Nine-month period ended March 31, 2024</b>	<b>USA</b>	<b>Mexico</b>	<b>Canada</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenues</b>	<b>1,090,000</b>	<b>288,705</b>	<b>289,496</b>	<b>1,668,201</b>
<b>Income (Loss) for the period</b>	<b>716,170</b>	<b>132,207</b>	<b>(1,515,403)</b>	<b>(667,027)</b>
Current assets	719,685	182,250	2,702,049	3,603,983
Non-current assets	41,306	4,474,115	5,889,346	10,404,766
<b>Total assets</b>	<b>760,991</b>	<b>4,656,365</b>	<b>8,591,393</b>	<b>14,008,749</b>
Current liabilities	(963,718)	(405,040)	(3,431,095)	(4,799,854)
Non-current liabilities	-	(1,102,790)	(8,179,365)	(9,282,155)
<b>Total liabilities</b>	<b>(963,718)</b>	<b>(1,507,830)</b>	<b>(11,610,460)</b>	<b>(14,082,009)</b>

<b>Year ended June 30, 2023</b>	<b>USA</b>	<b>Mexico</b>	<b>Canada</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenues</b>	<b>800,000</b>	<b>309,374</b>	<b>-</b>	<b>1,109,374</b>
<b>Income (Loss) for the period</b>	<b>68,249</b>	<b>(1,289,379)</b>	<b>(1,121,431)</b>	<b>(2,342,561)</b>
Current assets	895,112	207,046	470,245	1,572,403
Non-current assets	61,561	4,123,394	176,873	4,361,828
<b>Total assets</b>	<b>956,673</b>	<b>4,330,440</b>	<b>647,118</b>	<b>5,934,231</b>
Current liabilities	(1,201,101)	(194,024)	(1,679,070)	(3,074,195)
Non-current liabilities	-	(1,102,790)	(1,406,230)	(2,509,020)
<b>Total liabilities</b>	<b>(1,201,101)</b>	<b>(1,296,814)</b>	<b>(3,085,300)</b>	<b>(5,583,215)</b>

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**21. NON-CONTROLLING INTEREST**

The following table presents summarized financial information before intragroup eliminations for non-wholly owned subsidiaries as at March 31, 2024, and June 30, 2023:

<b>MRE US Wind &amp; Solar Inc.</b>	<b>March 31, 2024</b>	<b>June 30, 2023</b>
	<b>\$</b>	<b>\$</b>
<b>Non-controlling interest percentage</b>	<b>10%</b>	<b>10%</b>
Current assets	-	-
Non-current assets	-	-
<b>Total assets</b>	<b>-</b>	<b>-</b>
Current liabilities	192,397	1,046,065
Non-current liabilities	-	-
<b>Net liabilities</b>	<b>(192,397)</b>	<b>(1,046,065)</b>
<b>Non-controlling interest</b>	<b>(90,857)</b>	<b>(184,945)</b>
Income (Loss) for the period	716,170	66,523
<b>Income (Loss) attributed to non-controlling interest</b>	<b>71,617</b>	<b>6,652</b>
Comprehensive income (loss)	940,874	(348,380)
<b>Comprehensive income (loss) attributed to non-controlling interest</b>	<b>94,087</b>	<b>(34,838)</b>

<b>Box Springs Wind Corporation</b>	<b>March 31, 2024</b>	<b>June 30, 2023</b>
	<b>\$</b>	<b>\$</b>
<b>Non-controlling interest percentage</b>	<b>49%</b>	<b>49%</b>
Current assets	-	-
Non-current assets	-	-
<b>Total assets</b>	<b>-</b>	<b>-</b>
Current liabilities	(932,007)	-
Non-current liabilities	-	-
<b>Net liabilities</b>	<b>932,007</b>	<b>-</b>
<b>Non-controlling interest</b>	<b>405,357</b>	<b>-</b>
Income (Loss) for the period	104,748	-
<b>Income (Loss) attributed to non-controlling interest</b>	<b>51,326</b>	<b>-</b>
Comprehensive income (loss)	827,259	-
<b>Comprehensive income (loss) attributed to non-controlling interest</b>	<b>405,357</b>	<b>-</b>

The combined non-controlling interest for the Company is \$739,617 in net liabilities, \$315,500 in non-controlling interest, income for the period of \$820,918 with a net income attributed to non-controlling interest of \$122,943 with a comprehensive loss of \$147,831 and a comprehensive income attributed to non-controlling interest of \$499,444.

## **22. SUBSEQUENT EVENTS**

On April 18, 2024, the Company announced the grant of DSUs to the Company's directors effective April 18, 2024, in lieu of director's fees of \$75,206. A total of 335,784 DSUs have been granted under the Company's DSUs Plan adopted on July 6, 2022. Each DSU entitles the holder to receive one share of the Company, or in certain circumstances a cash payment equal to the value of one share of the Company, at the time the holder ceases to be a director of the Company. The DSUs vest one year from the date of grant and have been granted for the third quarter (Q3-2024) at a price of C\$0.30 per share.

On April 15, 2024, the Company announced the appointment of Ms. Tania Ontiveros as its new Chief Financial officer, effective May 1, 2024. With this appointment, Ms. Ontiveros was granted stock options to acquire common shares of the Company.