Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Consolidated Financial Statements
For the year ended August 31, 2022

Expressed in Canadian Dollars

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Independent Auditor's Report

To the Shareholders of Hypercharge Networks Corp.

Opinion

We have audited the consolidated financial statements of Hypercharge Networks Corp. (the "Group"), which comprise the consolidated statement of financial position as at August 31, 2022 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other matter

The consolidated financial statements of Hypercharge Networks Corp. for the year ended August 31, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on December 29, 2021.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Diana Huang.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
November 28, 2022

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	Note		**August 31 2022**		August 31, 2021
ASSETS					
Current assets					
Cash and cash equivalent		$	**1,119,358**	$	3,023,188
Cash held in escrow	13		**5,674,424**		-
Accounts receivable	5		**499,811**		-
Prepaid expenses and other current assets			**375,998**		4,646
Inventory	6		**1,280,798**		-
Notes receivable	7 & 16		**-**		216,933
			8,950,389		3,244,767
Non-Current assets					
Property and equipment	9		**118,504**		2,548
Right-of-use asset	10		**233,925**		-
Security deposit			**-**		36,855
			352,429		39,403
Total assets		$	**9,302,818**	$	3,284,170
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	16	$	**575,261**	$	220,625
Deferred revenue			**419,045**		-
Current portion of lease liability	11		**126,554**		-
Notes payable	12 & 16		**97,918**		-
Holdbacks payable			**29,365**		-
Subscription liability	13		**-**		816,650
			1,248,143		1,037,275
Non-Current liabilities					
Lease liability	11		**90,636**		-
			90,636		-
Total liabilities			**1,338,779**		1,037,275
Equity					
Share capital	13		**11,729,614**		2,861,445
Warrants reserve	13		**383,850**		47,484
Share-based payment reserve	13		**454,960**		45,976
Obligation to issue shares	13		**5,745,073**		250,000
Accumulated deficit			**(10,349,458)**		(958,010)
Total shareholders equity			**7,964,039**		2,246,895
Total liabilities and equity		$	**9,302,818**	$	3,284,170
Going concern	1				
Commitments and contingency	15				
Subsequent events	21				

Approved on behalf of the Board:

"Bronson Peever" *"Liam Firus"*

Bronson Peever, Director Liam Firus, Director

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

Hypercharge Networks Corp.
(formerly Cliffwood Capital Corp.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	Year ended August 31 2022	2021
Revenue			
EV charging equipment		$ **454,160**	$ -
SaaS subscriptions		**3,867**	-
Other revenue		**26,191**	-
Total revenue		**484,218**	-
Cost of goods sold	6	**(315,522)**	-
Gross profit		**168,696**	-
Operating Expenses			
Consulting and professional fees	16	**2,100,809**	307,897
Employee wages and benefits	16	**1,104,748**	142,733
Share-based payments	13 & 16	**641,547**	327,080
Office and administration	5	**294,986**	26,280
Depreciation and amortization	9 & 10	**154,695**	150
Advertising and promotional		**130,342**	67,487
Shipping and installation		**39,920**	-
Total Operating Expenses		**4,467,047**	871,627
Operating loss		**(4,298,351)**	(871,627)
Other expenses (income)			
Transaction costs	4	**3,180,739**	-
Impairment of goodwill	4	**2,127,955**	-
Foreign exchange loss (gain)		**14,824**	(15,236)
Interest expense, net	11	**21,040**	-
Gain on sale of property and equipment	9	**(569)**	-
Other income		**(892)**	-
Impairment of investment	8	**-**	37,362
Realized gain on investment	8	**-**	(53,350)
Unrealized loss on investment	8	**-**	37,638
Total other expenses		**5,343,097**	6,414
Net and comprehensive loss		$ **(9,641,448)**	$ (878,041)
Basic and diluted loss per share		$ (0.21)	$ (0.06)
Weighted average number of shares outstanding - basic and diluted		45,051,008	14,167,200

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

Hypercharge Networks Corp.

(formerly Cliffwood Capital Corp.)

Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Note	Share capital	Share-based payment reserve	Warrant reserve	Obligation to issue shares	Deficit	Total shareholders ' equity
Balance, August 31, 2020		$ 221,951	$ -	$ -	$ -	$ (79,969)	$ 141,982
Common shares issued, net of share issue costs	13	2,639,494	-	16,380	-	-	2,655,874
Share-based payments	13	-	45,976	31,104	250,000	-	327,080
Net and comprehensive loss		-	-	-	-	(878,041)	(878,041)
Balance, August 31, 2021		2,861,445	45,976	47,484	250,000	(958,010)	2,246,895
Balance, August 31, 2021		2,861,445	45,976	47,484	250,000	(958,010)	2,246,895
Common shares issued, net of share issue costs	13	4,000,000	-	-	-	-	4,000,000
- Issuance cost - cash		(18,899)	-	-	-	-	(18,899)
Shares issued in Spark Acquisition	4	1,770,000	-	-	-	-	1,770,000
Shares issued for advisory success fee	4	1,763,868	-	-	-	-	1,763,868
Share-based payments	13 & 16	-	408,984	152,563	-	-	561,547
Contingent shares to be issued in Spark Acquisition and as success fee	4	-	-	-	495,600	-	495,600
Shares issued for consulting fee	13	80,000	-	-	-	-	80,000
Shares issued for purchase of CoSource	13	1,108,000	-	-	-	-	1,108,000
Subscription receipts issued, net of issuance cost	13	-	-	-	6,000,000	-	6,000,000
- Issuance cost - cash		-	-	-	(401,524)	-	(401,524)
- Issuance cost - broker warrants		-	-	183,803	(183,803)	-	-
Transfer on cancellation of share issuance obligation	13	-	-	-	(250,000)	250,000	-
Performance Share Units vested	4 & 13	165,200	-	-	(165,200)	-	-
Net and comprehensive loss		-	-	-	-	(9,641,448)	(9,641,448)
Balance, August 31, 2022		$ 11,729,614	$ 454,960	$ 383,850	$ 5,745,073	$ (10,349,458)	$ 7,964,039

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

Hypercharge Networks Corp.
(formerly Cliffwood Capital Corp.)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Note	Year ended August 31 2022	2021
Cash provided by (used in):			
Operating activities:			
Net and comprehensive loss		**$ (9,641,448)**	$ (878,041)
Items not involving cash:			
Non-cash transaction expense	4	**3,156,066**	-
Impairment of goodwill	4	**2,127,955**	-
Share-based payments	13 & 16	**641,547**	327,080
Depreciation and amortization	9 & 10	**154,695**	150
Accretion from lease liabilities	11	**21,768**	
Gain on sale of property and equipment	9	**(569)**	-
Realized gain on investment	8	**-**	(53,350)
Unrealized loss on investment	8	**-**	37,638
Impairment loss on investment	8	**-**	37,362
Foreign exchange gain		**-**	(15,236)
Changes in non-cash working capital items:			
Accounts receivable		**(482,368)**	-
Inventory		**(968,036)**	-
Prepaid expenses and other current assets		**(369,597)**	(4,646)
Security deposit		**-**	(36,855)
Accounts payable and accrued liabilities		**337,391**	202,187
Deferred revenue		**419,045**	-
Holdbacks payable		**29,365**	-
Net cash used in operating activities		**(4,574,186)**	(383,711)
Investing activities:			
Purchase of equipment	9	**(157,811)**	(2,698)
Proceeds on disposal of equipment	9	**54,671**	-
Repayment of note receivable	7	**10,067**	-
Advances to Spark prior to acquisition	4 & 7	**(159,601)**	(201,697)
Cash assumed in acquisition of Spark	4	**12,603**	-
Purchase of investment	8	**-**	(150,000)
Proceeds on sale of investment, net	8	**-**	128,350
Net cash used in investing activities		**(240,071)**	(226,045)
Financing activities:			
Common shares issued for cash, net of cash transaction costs	13	**3,348,254**	2,655,874
Repayment of notes payable	13	**(52,626)**	-
Proceeds from subscriptions received	13	**5,414,673**	816,650
Repayments of lease liability	11	**(125,450)**	-
Net cash provided by financing activities		**8,584,851**	3,472,524
Increase in cash flows		**3,770,594**	2,862,768
Cash and cash held in escrow balance, beginning of the period		**3,023,188**	160,420
Cash and cash held in escrow balance, end of the period		**$ 6,793,782**	$ 3,023,188
Supplemental Cash Flow Information	14		

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

1. Entity information

Hypercharge Networks Corporation (formerly Cliffwood Capital Corp). (the "Company") was incorporated under the British Columbia Business Corporations Act on September 5, 2018. The head office of the Company, as well as the registered and records office is located at 1075 W. 1St St., #208, North Vancouver, British Columbia, V7P 3T4. Effective November 16, 2022, the Company's common shares trade on the NEO Exchange under the symbol "HC" (note 21).

Upon incorporation, the Company's objective was to identify an appropriate business for acquisition or investment. During the year ended August 31, 2021, the Company started the business of providing electric vehicle charging equipment and solutions. The Company acquired all the existing and outstanding shares of Spark Charging Solutions Inc. ("Spark") and CoSource Information Technology Inc. ("CoSource") (Note 4) to add to its existing business of providing electric vehicle charging solutions. The Spark transaction combine two established teams with experience in EV technology, software and hardware. Spark supplies and installs EV charging stations across Canada; and holds Canadian distribution rights to charging stations manufactured by Oasis Charger Corporation, based in Connecticut, USA. The CoSource asset acquisition of the Plug-and-charge concept provides an additional tool to be integrated into the Company's existing operations. The combined teams will continue to grow as Hypercharge scales strategic operations and support of existing and new clients across North America.

The Company is an early-stage company and is primarily dependent on externally provided financing to continue as a going concern. Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on satisfactory terms. Furthermore, there is no assurance that the Company will be profitable. Management intends to finance operating costs over the next twelve months with its cash on hand, and/or additional financing that has not currently been sought. These conditions indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments that may be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods.

On February 24, 2022, Russian military forces commenced an invasion of Ukraine. In response to this military action, various countries, including Canada, issued broad-ranging economic sanctions against Russia. The ramifications of the sanctions may not be limited to Russia and Ukraine and may spill over to and negatively impact other regional and global economic markets, sectors, industries and markets for securities and commodities globally. The current circumstances are dynamic and the duration of the conflict and related impact of imposed sanctions on the business cannot be reasonably estimated at this time. While the company expects any direct impacts of the conflict in Ukraine to the business to be limited, the direct impacts on the economy may negatively affect the business and future operations.

2. Significant accounting policies

(a) Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Certain comparative figures have been reclassified to conform with current period presentation.

The consolidated financial statements of the Company for the year ended August 31, 2022 were authorized for issue by the Board of Directors ("Board") on November 28, 2022.

(b) Basis of presentation

These consolidated financial statements have been prepared on an accrual basis and are based on historical cost, except for certain financial instruments which are measured at fair value.

The Company's functional currency is the Canadian Dollar. The consolidated financial statements are presented in Canadian dollars, unless otherwise noted.

(c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiary. The Company's subsidiary is an entity controlled by the Company, and the Company has power over the entity through its exposure and rights to variable returns from the subsidiary. The financial statements of the Company's subsidiaries are prepared for the same reporting period as the Company and all intercompany transactions and balances have been eliminated. The Company's subsidiaries consist of the following:

Subsidiary	Jurisdiction	Ownership	Date of control
2836601 Ontario Ltd.	Canada	100%	April 30, 2021
Spark Charging Solutions Inc.	Canada	100%	November 1, 2021
Hypercharge Networks Inc.	United States	100%	March 15, 2022
CoSource Information Technology	Canada	100%	April 22, 2022

(d) Revenue from contracts with customers

Set out below is the Company's revenue recognition policy for its sources of revenue:

(i) EV charging equipment

Revenue from the EV charging equipment consists of a single performance obligation which is the delivery of the product to the customer and revenue recognized at a point in time which is when the Company has satisfied this performance obligation and the control of the goods has transferred from the Company to the customer. Such considerations include, but are not limited to, shipping terms, transfer of title, and risks and rewards associated with title to the goods.

2. Significant accounting policies

(d) Revenue from contracts with customers (continued)

(i) EV charging equipment (continued)

The Company provides an option to purchase a comprehensive warranty ("Comprehensive Warranty") which provides the customer with ongoing support to maximize station uptime and maintain the equipment in the field, including unlimited call centre support, replacement of parts or the replacement of the entire charger. The Comprehensive Warranty represents a service-type warranty which gives rise to a separate performance obligation. The Company recognizes revenue from the Comprehensive Warranty over time. Upon receipt of purchase, the Company recognizes a contract liability for the proceeds received and revenue is recognized on a straight-line basis over the term of the contract. The associated costs associated with the Comprehensive Warranty are recognized as incurred.

(ii) Software-as-a-service ("SaaS") subscriptions

Customers who purchase equipment from the Company may, at their option, subscribe to the Company's proprietary electric vehicle charging platform which is delivered on a SaaS basis. Each subscription represents a distinct service that is delivered to the customer over the agreed upon contract duration and is accounted for as a separate performance obligation from the purchase of the equipment and other subscriptions. Upon receipt of purchase, the Company recognizes a contract liability for the proceeds received and revenue is recognized on a straight-line basis over the term of the contract.

(iii) Other revenue

Other revenue consisting of charging revenue is earned from stations operated by the Company, and its strategic partner, along with other services relating to the operation of EC charging equipment. Other revenue consists of a single performance obligation, which is to provide the customer with electricity to charge their EV batteries in exchange for a fee or to provide a specified service. Other revenue is recognized at a point in time, which is upon termination of the charging session by the customer for the charging revenue or at which time the benefit of the services provided has transferred to the customer.

(e) Cash and cash equivalents

Cash and cash equivalents include cash at banks and highly liquid investments with original maturities of three months or less, which are readily convertible into a known amount of cash.

(f) Inventory

The Company's inventory is stated at the lower of cost and net realisable value. Cost comprises the amount paid to the supplier to acquire the goods for sale and all costs associated with bringing the inventory to its current location. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value reflects the estimated selling price in the ordinary course of business less selling costs.

2. Significant accounting policies (continued)

(g) Property and Equipment

(i) Recognition and measurement

Items of property and equipment are measured at their initial cost less accumulated depreciation and accumulated impairment charges. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss in the period in which they are incurred.

(ii) Depreciation

Depreciation is recognized in profit or loss over the estimated useful lives of each part of an item of property and equipment in a manner that most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for each class of the Company's equipment is as follows:

Asset	Method	Rate
Computer equipment	Straight line	3 years
Furniture and equipment	Straight line	5 years
Vehicles	Straight line	8 years
Leasehold Improvements	Straight line	Remaining term of lease
Charging equipment and demo units	Straight line	3 years

(h) Business combinations and goodwill

The Company accounts for business combinations utilizing the acquisition method. The cost of an acquisition comprises the fair value of assets transferred, liabilities incurred to the vendors of the acquired entity, equity interest issued and fair value of any asset or liability arising from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of the acquisition. The Company expenses all acquisition related costs as they are incurred. Contingent consideration is classified as either equity or a financial liability. Amounts classified as a financial liability are subsequently measured at fair value with changes in fair value recognized in profit or loss. Amounts classified as equity are not subsequently revalued.

Goodwill represents the fair value of net identifiable assets acquired in a business combination over the consideration transferred to the vendors of the acquired entity, non-controlling interests in the acquired entity and the fair value of previously held equity instruments of the acquired entity. If such amount is less than the fair value of the net identifiable assets, the Company recognizes a bargain purchase in profit or loss. Upon acquisition, goodwill is classified as an asset with an indefinite useful life and is tested for impairment at least annually or upon the recognition of an event or change in circumstances that indicate goodwill may be impaired.

2. Significant accounting policies (continued)

(i) Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL. Financial assets classified as amortized cost if both of the following conditions are met and they are not designated as FVTPL:

- the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. All financial assets not classified as amortized cost as described above are measured at FVTPL.

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and are subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

2. Significant accounting policies (continued)

(i) Financial instruments (continued)

(ii) Measurement (continued)

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in comprehensive loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to comprehensive loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses.

The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in profit or loss.

2. Significant accounting policies (continued)

(i) Financial instruments (continued)

(v) Fair value

Financial assets and financial liabilities are measured at fair value using a valuation hierarchy for disclosure of fair value measurements. The determination of the applicable level within the hierarchy of a particular asset or liability depends on the inputs used in the valuation as of the measurement date, notably the extent to which the inputs are market-based (observable) or internally derived (unobservable). The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1: defined as observable inputs such as quoted prices in active markets.
- Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3: defined as inputs that are based on little or no observable market data and, therefore, requiring entities to develop their own assumptions.

(j) Leases

Upon the inception of a contract, the Company assesses whether the contract is, or contains a lease. The Company accounts for a contract as a lease when the contract conveys a right to control an identified asset for a specified period of time in exchange for consideration. Upon the commencement date of a lease, the Company recognizes a lease liability and a right-of-use asset.

Payments for short-term leases (term of 12 months or less) and leases for low value assets are recognized are expensed as incurred.

Lease liabilities are measured as the present value of lease payments to be made over the lease term. Lease payments include fixed payments less any incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid as a residual value guarantee. The Company calculates the present value of lease payments using its incremental borrowing rate at the date in which the lease commences as the rate of interest in the lease is not readily determinable. Subsequently, the lease liability is decreased to reflect each lease payment, net of any interest accretion recorded. Additionally, the lease liability is remeasured when there is a change in future payments to be made, a change in residual value guarantee, or a reassessment of whether the Company expects to exercise a purchase, extension, or termination option. Upon remeasurement of a lease liability, an offsetting adjustment is made to the carrying amount of the right-of-use asset, with an amount recognized in profit or loss if the carrying amount of the right-of-use asset has been reduced to nil.

Right-of-use assets are measured as the initial amount of the lease liability, plus any amounts paid to the lessor at or prior to the commencement date, initial direct costs, and estimated restoration costs less any lease incentives received. Right-of-use assets are subsequent depreciated on basis the reflects the lower of the estimated useful life of the asset and the end of the lease term.

2. Significant accounting policies (continued)

(k) Joint arrangements

Upon entering into collaboration agreements with arms-length entities, the Company performs an assessment to determine whether the terms constitute a joint arrangement. If such agreements constitute a joint arrangement, the Company determines whether the joint arrangement constitutes a joint operation or a joint venture. In making the assessment, the Company considers the contractual rights and obligations of each party in the joint arrangement.

The Company has determined that a collaboration agreement entered into with Target Park Group Inc. ("Target") is a joint operation and recognizes its contractual right to the assets, liabilities, revenues and expenses of the joint operation and its share of any jointly held assets, liabilities, revenues and expenses. The Company has a 50% interest in a joint operation with Target in which the joint operators, through a collaboration agreement, engage in the activities of identifying locations for, and subsequently installing EV charging stations. The principal place of business of the joint operation is in Canada.

(l) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event, and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

(m) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

2. Significant accounting policies (continued)

(m) Income taxes (continued)

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The Company has not recorded any deferred tax assets.

(n) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is determined by adjusting the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares. For the year ended August 31, 2022, 6,260,253 (2021 – 4,206,000) warrants, 2,435,000 (2021 – 1,500,000) stock options. 1,883,336 (2021 - nil) performance share units, and 300,000 (2021 - nil) restricted share units were not included in the calculation of diluted earnings (loss) per share as their inclusion was anti-dilutive.

(o) Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognized as a share-based payment expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions. In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

For share-based payment arrangements with non-employees, the expense is recorded over the service period until the options vest. Once the options vest, services are deemed to have been received.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

2. Significant accounting policies (continued)

(o) Share-based payment transactions (continued)

Where an equity-settled award is cancelled, it is treated as if it vested on the date of the cancellation and any expense not yet recognized for the award (being the total expense as calculated at the grant date) is recognized immediately. This includes any awards where vesting conditions within the control of either the Company or the employee are not met. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled award and new awards are treated as if they were a modification of the original awards.

(p) Foreign currency

Items included in the financial statements of each of the Company’s consolidated subsidiaries are measured using the currency of the primary economic environment in which each subsidiary operates. The consolidated financial statements are presented in Canadian dollars, which is the Company’s functional and presentation currency.

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss. Non-monetary items that are not carried at fair value are translated using the exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(q) Impairment of non-financial assets

The Company assesses at each reporting period whether there is an indication that a non-financial asset may be impaired. An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit (“CGU”), exceeds its recoverable amount and are recorded in profit or loss in the period in which the impairment is identified. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount is the greater of the asset's or CGU's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less cost to sell, an appropriate valuation model is used. When an asset does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

2. Significant accounting policies (continued)

(r) Share capital

Proceeds from the exercise of stock options and warrants are recorded as capital stock in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Capital stock issued for non-monetary consideration is valued at the closing market price at the date of issuance when the fair value of the non-monetary assets cannot be reasonably estimated. The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to capital stock based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve within share-based payments reserve. Consideration received for the exercise of warrants is recorded in capital stock and the related residual value in warrants reserve is transferred to capital stock.

(s) New accounting pronouncements

The following accounting standards and amendments have been issued by the IASB or the International Financial Reporting Interpretations Committee that are not yet effective as of the date of the Company's consolidated financial statements. The Company intends to adopt such standards upon the mandatory effective date.

Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments to IAS 37 specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). These amendments are effective for reporting periods beginning on or after January 1, 2022. The Company is evaluating the impact of the above amendments on its consolidated financial statements.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023. The Company is evaluating the impact of the above amendments on its consolidated financial statements.

3. Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

These assumptions and estimates are regularly reviewed. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. The Company's main judgements, estimates, and assumptions are presented below:

1. Going concern

   Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or has no realistic alternative other than to do so.

2. Acquisitions

   The acquisition of Spark on November 1, 2021 was accounted for as business combinations at fair value in accordance with IFRS 3, Business Combination. The acquired assets and assumed liabilities are adjusted to their fair values assigned through completion of a purchase price allocation, as described in note 4. The purchase price allocation process resulting from a business combination requires management to estimate the fair value of the consideration paid, and the fair value of the identifiable assets acquired and liabilities assumed. The Company relies on work performed by third-party valuation specialists. These valuations are closely linked to the assumptions used by management on the future performance of the related assets and the discount rates applied.

3. Valuation of accounts receivable

   Management monitors the financial stability of its customers and the environment in which they operate to make estimates regarding the likelihood that the individual trade balances will be paid. Credit risks for outstanding customer receivables are regularly assessed and allowances are recorded for estimated losses, if required.

4. Valuation of inventory

   Management makes estimates of future customer demand for products when establishing appropriate provisions for inventory obsolescence. In making these estimates, management considers the shelf-life of inventory and profitability of recent sales.

3. Significant accounting judgments, estimates and assumptions (continued)

5. Revenue

Significant management judgements and estimates must be made in connection with determination of the revenue to be recognized in any accounting period. If management made different judgements or utilized different estimates for any period, material differences in the amount and timing of revenue recognized could result. Some contracts include multiple promised services or products, thus management applied judgement to determine whether promised services or products are capable of being distinct and distinct in the context of the contract. Where there are distinct performance obligations, management allocates the total consideration to the performance obligations using its best estimate of their relative fair values. Management also applies judgement to determine if the performance obligation is satisfied over time or at a point in time.

6. Leases

In the absence of an ability to determine an interest rate implicit in a lease contract, management must determine its incremental borrowing rate (“IBR”). Determining an appropriate IBR is based on a proxy of IBRs used by similar publicly traded entities, for similar assets and terms. Additionally, management has made estimates with respect to, including but not limited to, future expected interest rates and the Company’s credit risk, of which previously observable data has been assumed to be reflective of the future.

4. Acquisitions

(a) Spark Charging Solutions Inc.

On November 1, 2021 (the “Acquisition Date”), the Company acquired all of the issued and outstanding shares of Spark Charging Solutions Inc. pursuant to a share exchange agreement (the “Spark Acquisition”). The consideration for the transaction consisted of: (i) issuance of 6,000,000 common shares (the “Consideration Shares”) of the Company to the vendors (issued), and (ii) up to 1,000,000 contingent shares (the “Spark Contingent Shares”) based on the following milestones: (i) 333,334 shares to be issued upon the deployment of 150 chargers by November 1, 2022; (ii) 333,334 shares to be issued upon hitting a gross revenue threshold of $1,000,000 by November 1, 2022; and (iii) 333,334 shares to be issued upon hitting a gross revenue threshold of $4,000,000 by November 1, 2024. On February 15, 2022, the Company entered into agreements with the holders of the Spark Contingent Shares to formalize the 2,000,004 Spark Contingent Shares into 2,000,004 Performance Share Units (“PSUs”) of the Company. The Company is also required to settle Spark’s existing outstanding debt by issuing shares or making future cash payments of up to a total aggregate amount of $191,546 (of which $75,773 had been paid through October 31, 2021). During the year ended August 31, 2022, the Company repaid $29,126 of such amounts with $86,647 repayable with 15 days of the completion of the Company’s initial public offering (“IPO”).

The Consideration Shares will be held in escrow and released over a 36-month period after the Company is listed on a Canadian securities exchange.

(Expressed in Canadian Dollars)

4. Acquisitions (continued)

(a) Spark Charging Solutions Inc. (continued)

Related to Spark Acquisition, the transaction cost of $1,935,668 consisted of: (i) issuance of 4,219,670 common shares of the Company to the advisors, valued at $0.40 per share for a fair value of $1,687,868, (ii) up to 1,000,000 contingent shares, valued at $247,800, to be issued to the advisors in the next 36 months if the same milestones as the Spark Contingent Shares are met.

The transaction was accounted for as a business combination, as the operations of Spark meet the definition of a business. Transaction costs were expensed.

Spark supplies and installs EV charging stations across Canada and holds Canadian distribution rights to all charging stations manufactured by Oasis Charger Corporation, based in Connecticut, USA. The acquisition is intended to combine two established teams with experience in EV technology, software and hardware further enabling the company to scale strategic operations and support of existing and new clients across North America.

The following table summarizes the purchase consideration:

Fair value of 6,000,000 common shares issued	$	1,770,000
Fair value of 1,000,000 Spark Contingent Shares to be issued		247,800
Total consideration	$	2,017,800

The fair value of the 6,000,000 common shares issued was determined based on the share price of the most recent private placement of $0.40 per share, adjusted for a discount of $630,000 using option pricing models to account for the timing of the share releases from the escrow over the next 36 months.

The estimated fair value of the Spark Contingent Shares of $247,800 is based on 1,000,000 shares, valued at $0.40 per share, being the most recent private placement price, adjusted for a discount of $152,200, incorporating probability of whether, and when, the milestone threshold would be met, amongst other variability in the outcomes.

The purchase has been accounted for by the acquisition method, with the results of Spark included in the Company's results of operation from the date of acquisition.

The following table summarizes the fair values of the assets and liabilities as at the date of acquisition:

Cash	$	12,603
Accounts receivable		16,305
Notes receivable		10,067
Inventory		302,986
Equipment		54,671
Accounts payable		(14,480)
Notes payable		(115,773)
Notes payable - Hypercharge		(376,534)
Goodwill		2,127,955
Net assets acquired	$	2,017,800

4. Acquisitions (continued)

(a) Spark Charging Solutions Inc. (continued)

The fair value of the accounts receivable acquired is $16,305. This consists of the gross contractual value all of which is expected to be collected.

The goodwill of $2,127,955 comprised the value of the expected synergies arising from the acquisition. During the year ended August 31, 2022, the Company recorded an impairment loss on goodwill of $2,127,955 on the basis that the expected synergies from the acquisition have not materialized as expected due to a shift in market strategy.

From the date of the acquisition, Spark reported a net loss of $12,535. If the acquisition had taken place on September 1, 2021, net loss would have increased by an additional $96,914.

(b) CoSource Information Technology Services Inc.

Pursuant to a share exchange agreement dated April 22, 2022 (the “CoSource Agreement”), the Company acquired 100% of the issued and outstanding shares of CoSource in exchange for: (i) 3,800,000 common shares of the Company (the “CoSource Consideration Shares”) and (ii) 1,500,000 performance warrants (the “CoSource Performance Warrants”), where each CoSource Performance Warrant will be exercisable into one common share of the Company (each, a “Common Share”) at a price of $0.02 per share, with 250,000 warrants vesting upon the Company achieving aggregate gross revenue of $1,000,000 within 24 months of the commencement date of May 24, 2022, 500,000 warrants vesting upon the Company achieving gross revenue of $2,000,000 or more in a single fiscal year within 36 months of May 24, 2022, and 750,000 warrants vesting upon the Company achieving aggregate gross revenue of $8,000,000 within 48 months of May 24, 2022. On August 15, 2022, the Company entered into an amended agreement with its CEO in which the exercise price of the warrants was raised to an exercise price of $0.40 per share. The Company incurred cash transaction costs of $24,673 associated with the acquisition.

CoSource Information Technology Services Inc. ("CoSource") is a digital agency specializing in digital innovation, marketing, and software product development. The acquisition is intended to further enable Hypercharge to innovate and advance the Company’s network and technologies to create a seamless and integrated experience for the Company’s customers. At the date of acquisition, the Company determined that CoSource did not constitute a business as defined under IFRS 3, Business Combinations, and the CoSource acquisition was accounted for as an asset acquisition.

As a result of the acquisition, there were no intangible assets identified that met the recognition criteria under IFRS; therefore, the excess of the consideration paid over the fair value of the assets and liabilities assumed was expensed as transaction cost.

As the vesting of the Performance Warrants is dependent on the continued service requirement of the vendor, the service expense has been accounted for in accordance with IFRS 2 – *Share-based payments* as a compensation arrangement and not part of the acquisition price.

The CoSource Consideration Shares will be subject to voluntary resale restrictions, where 10% of the CoSource Consideration Shares will be released on the date the Common Shares are listed on a Canadian securities exchange, with the balance of the CoSource Consideration Shares being released in six (6) equal 15% installments every six (6) months thereafter.

(Expressed in Canadian Dollars)

4. Acquisitions (continued)

(b) CoSource Information Technology Services Inc. (continued)

The restricted common shares value of $1,108,000 was estimated using $0.40 per share, being the subscription price of the Company's nearest private placement, reduced by a discount of $412,000, estimated using a commonly used option model related to the lack of marketability of the shares from the contractual restriction. The fair value of the 190,000 common shares issued as an advisory fee was valued using $0.40 per share, being the subscription price of the Company's nearest private placement.

The following table summarizes the allocation of the purchase consideration to the fair value of the assets acquired and liabilities assumed at the date of acquisition:

Fair value of 3,800,000 common shares issued to the vendor	$	1,108,000
Fair value of 190,000 common shares issued to as an advisory fee		76,000
Transaction costs		24,673
Total acquisition cost	$	1,208,673
Accounts receivable	$	1,138
Accounts payable and accrued liabilities		(2,765)
Notes payable		(34,771)
Net liabilities assumed		(36,398)
Transaction cost	$	1,245,071

5. Accounts receivable

As of August 31		**2022**		2021
Trade accounts receivable	**$**	**416,016**	$	-
GST/HST Receivable		**64,720**		-
Other receivable		**24,954**		-
	$	**505,690**	$	-
Loss allowance		**(5,879)**		-
	$	**499,811**	$	-

During the year ended August 31, 2022, the Company recorded bad debt expense of $5,879 in office and administrative expenses (2021 – nil).

6. Inventory

The Company's inventory consists of electric vehicle chargers and components available for sale to customers. During the year ended August 31, 2022, the Company recorded $315,522 of inventory as an expense of cost of goods sold (2021 – nil).

7. Notes receivable

During the year ended August 31, 2022, the Company provided a series of advances to Spark totaling $159,601, prior to November 1, 2021 (2021 - $216,933). On November 1, 2021, the Company acquired the issued and outstanding shares of Spark (see Note 4), and as a result of the business combination with Spark, amounts owing have been fully eliminated on consolidation at August 31, 2022.

8. Investment

In October 2020, the Company invested $150,000 in American CBD Extraction Corp. ("American CBD") through a non-brokered subscription receipt financing.

Subsequently, on October 21, 2020, American CBD entered into an Amalgamation Agreement (the "Agreement") with Thoughtful Brands Inc. ("Thoughtful Brands") and pursuant to the Agreement, the Company received 4,820,917 shares of Thoughtful Brands in exchange for its shares of American CBD.

On April 16, 2021, Thoughtful Brands' issued and outstanding common shares were consolidated on the basis of one (1) new common share for every ten (10) common shares issued and outstanding. All Thoughtful Brands share and per share amounts disclosed herein are pre-consolidation. From the period of October 21, 2020 through April 16, 2021, the Company sold 2,025,230 shares and had a remaining balance of 2,795,687 prior to the consolidation and 279,568 shares following the consolidation.

During the period of April 17, 2021 to August 31, 2021, the Company sold an additional 38,522 shares and as at August 31, 2021 held 241,046 shares. At August 31, 2021, the Company assessed the fair value of the investment in Thoughtful Brands as $nil, and recorded an impairment charge of $37,362 during the year ended August 31, 2021. Additionally, during the year ended August 31, 2021, the Company received net proceeds from the sales of shares of $128,350 and recognized realized gains on the disposition of the investments of $53,350 and unrealized losses on the change in fair value of the investments of $37,638.

The Company did not buy or sell any additional shares during the year ended August 31, 2022.

(Expressed in Canadian Dollars)

9. Property and Equipment

Cost		Computer equipment		Furniture and equipment		Vehicles		Leasehold Improvements		Demo Units		Total
August 31, 2020	$	-	$	-	$	-	$	-	$	-	$	-
Additions		2,698		-		-		-		-		2,698
August 31, 2021		2,698		-		-		-		-		2,698
Acquired (note 4)		-		-		54,671		-		-		54,671
Additions		19,739		8,164		-		68,402		61,506		157,811
Reclassified to inventory										(9,776)		(9,776)
Disposals		-		-		(54,671)		-		-		(54,671)
August 31, 2022	$	22,437	$	8,164	$	-	$	68,402	$	51,730	$	150,733

Accumulated Depreciation		Computer equipment		Furniture and equipment		Vehicles		Leasehold Improvements		Demo Units		Total
August 31, 2020	$	-	$	-	$	-	$	-	$	-	$	-
Additions		150		-		-		-		-		150
August 31, 2021		150		-		-		-		-		150
Additions		3,793		803		569		20,081		7,402		32,648
Disposals		-		-		(569)		-		-		(569)
August 31, 2022	$	3,943	$	803	$	-	$	20,081	$	7,402	$	32,229

Net book value		Computer equipment		Furniture and equipment		Vehicles		Leasehold Improvements		Demo Units		Total
August 31, 2022	$	18,494	$	7,361	$	-	$	48,321	$	44,328	$	118,504
August 31, 2021	$	2,548	$	-	$	-	$	-	$	-	$	2,548

During the year ended August 31, 2022, the Company sold a vehicle for proceeds of $54,671 at a gain of $569 which is recorded in other income.

(Expressed in Canadian Dollars)

10. Right-of-use asset

		Building
Balance, August 31, 2020 & 2021	$	-
Additions		355,972
Depreciation		(122,047)
Balance, August 31, 2022	$	233,925

11. Lease liability

As of August 31		2022		2021
Balance, beginning of year	**$**	**-**	$	-
Additions		**320,872**		-
Interest expense		**21,768**		
Lease payments		**(125,450)**		-
Balance end of year		**217,190**		-
Current		**126,554**		-
Non-current		**90,636**		-
	$	**217,190**	$	-

During the year ended August 31, 2022, the Company recorded interest expense and interest payments of $21,768 (2021 – nil) associated with interest on the lease liability. The Company's lease contract is associated with the lease of office space and expires in 2024. Payments are discounted using an estimated incremental borrowing rate of 9.00%.

12. Notes payable

Upon the acquisition of Spark, the Company assumed $115,773 of notes payable (see Note 4), of which $57,520 is due to now former related parties (see Note 16). During the year ended August 31, 2022, the Company repaid $29,126 to a noteholder. The notes are unsecured, non-interest bearing, and due within fifteen (15) days of the completion of an initial public offering.

Upon the acquisition of CoSource, the Company assumed a $34,771 note payable (see Note 4) due to a related party (see Note 16). During the year ended August 31, 2022, the Company repaid $23,500 to the noteholder. The note is unsecured, non-interest bearing, and due within fifteen (15) days of the completion of an initial public offering.

13. Share capital

(a) Authorized

The Company has authorized an unlimited number of common shares without par value.

(Expressed in Canadian Dollars)

13. Share capital (continued)

(b) Issued

As at August 31, 2022, there were 51,273,038 (August 31, 2021 - 26,196,700) common shares issued and outstanding.

During the year ended August 31, 2022, 666,668 shares were issued as a result of the vesting of Performance Share Units (2021 - nil).

	Number of shares		Value
Balance, August 31, 2020	8,710,700	$	221,951
Common shares issued, net of share issuance costs	17,486,000		2,639,494
Balance, August 31, 2021	26,196,700		2,861,445
Common shares issued, net of share issue costs	10,000,000		3,981,101
Shares issued in Spark Acquisition	6,000,000		1,770,000
Shares issued as advisory success fee	4,409,670		1,763,868
Shares issued as consulting fee	200,000		80,000
Shares issued for purchase of CoSource	3,800,000		1,108,000
Performance share units vested	666,668		165,200
Balance, August 31, 2022	**51,273,038**	**$**	**11,729,614**

On June 1, 2022, the Company completed a brokered private placement issuing 10,000,000 subscription receipts of the Company at a price of $0.60 per subscription receipt for gross proceeds of $6,000,000. The Company incurred issuance costs of $478,767 associated with the offering and issued 554,253 warrants with a grant date fair value of $183,803 to the agents. The subscription receipts were deemed exchanged, without payment of any additional consideration, for one subscription receipt share on November 16, 2022 when the Company's shares began trading on the NEO Exchange. As of August 31, 2022, $5,674,424 was held in escrow, and was recorded as obligation to issue shares. Subsequent to August 31, 2022, the cash that was held in escrow was released.

On May 13, 2022, the Company issued 3,800,000 common shares, with a fair value of $1,108,000 to the vendors of the CoSource acquisition to facilitate the transaction which closed on May 13, 2022. Upon closing, the Company issued 190,000 common shares with a fair value of $76,000 to a consultant as an advisory success fee.

On March 29, 2022, the Company issued 200,000 shares in compensation with a consulting arrangement. During the year ended August 31, 2022, the Company recorded expense of $80,000 in professional fees expense associated with the payment of the shares with a value of $0.40 per share.

13. Share capital (continued)

(b) Issued (continued)

On November 12, 2021, the Company entered into an amended employment agreement with its CEO, discharging its obligation to issue 1,000,000 shares to its CEO. The Company accounted for the contract amendment as a modification to a share-based payment arrangement in which there has been a reduction in the number of equity instruments to be issued to an employee. As a result, the transaction has been accounted for as a cancellation, and as there was no remaining vesting period, the Company did not incur any additional share-based payment expenditures during the year ended August 31, 2022. As at August 31, 2022, the Company reclassified its previously recorded obligation to issue shares balance of $250,000 to deficit.

On November 1, 2021, the Company issued 6,000,000 common shares to the vendors of the Spark acquisition (see Note 4), valued at $0.40 per share, being the most recent private placement price, adjusted for a discount of lack of marketability of $630,000. The Company also issued 4,219,670 common shares to advisors as an advisory success fee, valued at $0.40 per share totalling $1,687,868.

On October 1, 2021, the Company completed a non-brokered private placement issuing 10,000,000 common shares of the Company at a price of $0.40 per share for gross proceeds of $4,000,000, of which $816,650 had been received prior to September 1, 2021 and were reclassified from subscription liability to share capital upon share issuance. The Company paid $18,899 in finder’s fees associated with the offering.

On May 21, 2021, the Company closed a non-brokered private placement by issuing 10,186,000 common shares at a price of $0.25 per share for gross proceeds of $2,546,500. The Company incurred cash commission fees of $31,500, issued 126,000 warrants as finders fees with a grant date fair value of $16,380 and incurred share issue costs of $5,126.

On April 22, 2021, the Company closed a non-brokered private placement by issuing 7,300,000 common shares at a price of $0.02 per share for gross proceeds of $146,000.

(Expressed in Canadian Dollars)

13. Share capital (continued)

(c) Warrants

(i) Non-performance warrants:

The non-performance warrant continuity schedule is as follows:

Year ended August 31	2022			2021		
	Number of warrants		Weighted average exercise price	Number of warrants		Weighted average exercise price
Balance, beginning of the year	**126,000**	**$**	**0.25**	8,100,000	$	0.05
Granted (Note 13(b))	**554,253**		**0.60**	126,000		0.25
Cancelled	**-**		**-**	(8,100,000)		(0.05)
Balance, end of the year	**680,253**	**$**	**0.54**	126,000	$	0.25
Warrants exercisable, end of the year	**680,253**	**$**	**0.54**	126,000	$	0.25

Details of the non-performance warrants outstanding as at August 31, 2022 are as follows:

Exercise price		Number of warrants outstanding	Expiry date
$	0.25	126,000	May 21, 2023
$	0.60	554,253	24 months after escrow

The weighted average remaining contractual life of the non-performance warrants outstanding as at August 31, 2022, excluding the non-performance warrants without a fixed expiry date is 0.72 years (2021 – 1.72 years). The fair value component related to the warrants $183,803 (2021 - $16,380) was determined using the Black-Scholes Model using the following assumptions:

Year ended August 31		**2022**		2021
Expected life		**2.33 years**		2 years
Expected volatility		**96.25%**		98.62%
Risk-free rate		**2.79%**		0.33%
Dividend yield		**-**		-
Underlying share price	**$**	**0.60**	$	0.25
Strike price	**$**	**0.60**	$	0.25

(Expressed in Canadian Dollars)

13. Share capital (continued)

(c) Warrants (continued)

(ii) Performance warrants:

The continuity schedule for the performance warrants is as follows:

Year ended August 31	**2022**			2021		
	Number of warrants		**Weighted average exercise price**	Number of warrants		Weighted average exercise price
Balance, beginning of the year	**4,080,000**	**$**	**0.25**	-	$	-
Performance warrants issued	**1,500,000**		**0.40**	4,080,000		0.25
Balance, end of the year	**5,580,000**	**$**	**0.29**	4,080,000	$	0.25
Warrants exercisable, end of the year	**200,000**	**$**	**0.25**	200,000	$	0.25

Details of the performance warrants exercisable at August 31, 2022 are as follows:

Exercise price		Number of warrants exercisable	Expiry date
$	0.25	200,000	August 5, 2024

The weighted average remaining contractual life of the performance warrants exercisable as at August 31, 2022, is 1.93 years (2021 – 2.93 years). The fair value of the performance warrants, including issuances and revaluations was determined using the Black-Scholes model using the following assumptions:

Year months ended August 31		**2022**		2021
Exercise life		**3-5 years**		3 years
Expected volatility		**87.00% - 133.04%**		98.55% - 98.71%
Risk-free rate		**1.07% - 3.59%**		0.42% - 0.44%
Dividend yield		**-**		-
Underlying share price	**$**	**0.40 – 0.60**	$	0.25
Exercise price	**$**	**0.02 – 0.60**	$	0.25

13. Share capital (continued)

(c) Warrants (continued)

(ii) Performance warrants (continued):

Advisory warrants

On August 3, 2021, the Company granted 2,000,000 performance warrants to an advisor for consideration of a future financing transaction. The warrants will vest upon the completion of a future financing transaction, whereby the Company will obtain a listing on a Canadian stock exchange and conduct a subsequent offering to raise a minimum of $5 million. The performance warrants, when vested, will provide the holder with the opportunity to exchange one warrant for one share of the Company's common shares at an exercise price of $0.25 per share, valid for a period of two years from the vesting date. The Company has accounted for the transaction in accordance with IFRS 2 – Share-based payments ("IFRS 2") as a share-based payment with a performance condition, and the cumulative fair value represents the best available estimate of the equity instruments expected to vest as at August 3, 2021. As a result of the nature of the transaction representing a share issuance cost, the Company will capitalize the cumulative fair value of the services provided by the advisor as a deferred offering cost. Due to the Company's success with recent private offerings, subsequent financing following a public listing may not be needed; therefore, there has been no cumulative cost recorded through August 31, 2022.

Collaboration warrants

On August 5, 2021, and amended on November 25, 2021, the Company entered into a collaboration agreement (the "Collaboration Agreement") for an arrangement to supply, install and maintain electric vehicle charging stations. On the same date, the Company provided the third-party with 2,080,000 performance warrants, 200,000 of which vested immediately and the remaining vest in six tranches during the three years following the commencement of the agreement. The performance warrants, when vested, will provide the holder with the opportunity to exchange one warrant for one share of the Company's common shares at an exercise price of $0.25 per share, valid for a period of three years from the date in which the tranche vested. A condition of the Collaboration Agreement required further agreements to be entered into within twenty-one (21) days of the signing of the Collaboration Agreement. The Company and the other party signed an agreement to extend the term in which the further agreements needed to be signed to continue the Collaboration Agreement, and subsequently the Company and the other party entered into all required agreements.

The Company has accounted for the transaction in accordance with IFRS 2 as a share-based payment with a performance condition, and the cumulative expense recorded represents the best available estimate of the equity instruments expected to vest as at August 31, 2022 and 2021. During the year ended August 31, 2022, the Company recorded share-based payment expense of $98,954 (2021 – $31,104) relating to the share-based payment component of this agreement.

(Expressed in Canadian Dollars)

13. Share capital (continued)

(c) Warrants (continued)

(ii) Performance warrants (continued):

CoSource warrants

Pursuant to the CoSource Agreement (see Note 4), the Company issued 1,500,000 Performance Warrants to the vendor, the Company's CEO (as later defined). Each Performance Warrant will be exercisable into one common share of the Company (each, a "Common Share") at a price of $0.02 per share upon the Company's achievement of certain revenue-based milestones. On August 15, 2022, the Company entered into an amended agreement with its CEO in which the exercise price of the performance warrants was raised to an exercise price of $0.40 per share.

Due to the nature of the CoSource Agreement requiring continued service from the Company's CEO for the Performance Warrants to vest, the Company has accounted for the transaction in accordance with IFRS 2 as a share-based payment with a performance condition, and the cumulative expense recorded represents the best available estimate of the equity instruments expected to vest as at August 31, 2022. During the year ended August 31, 2022, the Company recorded share-based payment expense of $53,610 (2021 – $nil) relating to the share-based payment component of this agreement.

(d) Stock Options

The Company has an incentive stock option plan whereby the Company may grant incentive stock options ("Options") to directors, officers, employees and independent consultants to purchase voting common shares of the Company. The terms and conditions of each option granted under the stock option plan are determined by the Board of Directors. The number of common shares reserved for issuance upon the exercise of options is limited to a maximum of 10% of the issued and outstanding common shares of the Company at any time.

During the year ended August 31, 2022, the Company recorded stock-based compensation of $330,806 (2021 – $45,976).

The Stock Option continuity schedule is as follows:

Year ended August 31	**2022**			2021		
	Number of options		**Weighted average exercise price**	Number of options		Weighted average exercise price
Balance, beginning of year	**1,500,000**	**$**	**0.25**	-	$	-
Granted	**935,000**		**0.47**	1,500,000		0.25
Balance, end of period	**2,435,000**	**$**	**0.33**	1,500,000	$	0.25
Options exercisable, end of year	**1,177,500**	**$**	**0.30**	-	$	-

(Expressed in Canadian Dollars)

13. Share capital (continued)

(d) Stock Options (continued)

The following is a summary of the outstanding Options at August 31, 2022:

Exercise price	Number outstanding	Weighted average remaining contractual life	Number exercisable	Weighted average remaining vesting period
$ 0.25	1,500,000	3.19 years	875,000	0.58 years
$ 0.40	625,000	2.44 years	225,000	0.60 years
$ 0.60	310,000	2.83 years	77,500	0.33 years
	2,435,000		1,177,500	

The fair value of the options issued during the years ended August 31, 2022 and 2021 were estimated using the following Black-Scholes Model assumptions:

Year ended August 31	**2022**	2021
Expected life	**3 years**	3 years – 5 years
Expected volatility(*)	**86.55% - 89.21%**	96.00% - 110.24%
Risk-free rate	**1.13 – 3.18%**	0.61 – 0.99%
Dividend yield	**-**	-
Underlying share price	**$0.40 - $0.60**	$ 0.25
Exercise price	**$0.40 - $0.60**	$ 0.25

(*) – The Company measures its volatility based on a proxy of publicly traded Company's that are similar in size and operate in a similar industry. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends which may not necessarily be the actual outcome.

(Expressed in Canadian Dollars)

13. Share capital (continued)

(e) Performance share units

On February 15, 2022, the Company granted 550,000 Performance Share Units ("PSUs") to employees of the Company and entered into agreements with the holders of the Spark Contingent Shares (Note 4) to formalize the 2,000,004 Spark Contingent Shares into 2,000,004 PSUs of the Company. Each PSU requires the Company to deliver one (1) common share of the Company's share capital for each unit that vests. The PSUs vest upon meeting specific performance targets related to deployment of certain numbers of EV chargers on or before specified dates.

Set out below is a reconciliation of the changes in the PSUs during the years ended August 31, 2022 and 2021:

	Number of awards		
	Employee	Contractor	Total
Balance, August 31, 2020 & 2021	-	-	-
Granted	550,000	-	550,000
Conversion of Spark Contingent Shares	-	2,000,004	2,000,004
Vested	-	(666,668)	(666,668)
Balance, August 31, 2022	550,000	1,333,336	1,883,336

During the year ended August 31, 2022, the Company recorded expense of $52,097 (2021 - $nil) associated with the PSUs issued to employees.

(f) Restricted share units

On July 11, 2022, the Company granted 300,000 Restricted Share Units ("RSUs") to a director of the Company. Each RSU requires the Company to deliver one (1) common share of the Company's share capital for each unit that vests. The RSUs vest each six (6) months in equal tranches over the twenty-four (24) months service period. As of August 31, 2022, none of the RSUs had vested. The fair value of the RSUs were based on the share price on the grant date and with an assumption that there will be no forfeitures during the service period. During the year ended August 31, 2022, the Company recorded service cost of $26,080 associated with the RSUs.

(g) Reserves

The share-based payment reserve and warrant reserve record items recognized as share-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

(Expressed in Canadian Dollars)

14. Supplemental cash flow information

Set out below is a reconciliation of the Company's liabilities arising from investing and financing activities:

			Non-cash adjustments				
	August 31, 2021	**Cash flows from financing activities**	**Acquisitions**	**Additions**	**Accretion**	**Issuance of shares**	**August 31, 2022**
Notes payable	$ -	(52,626)	150,544	-	-	-	97,918
Lease liability	-	(125,450)	-	320,872	21,768	-	217,190
Subscription liability	816,650	-	-	-	-	(816,650)	-

			Non-cash adjustments				
	August 31, 2020	**Cash flows from financing activities**	**Acquisitions**	**Additions**	**Accretion**	**Issuance of shares**	**August 31, 2021**
Subscription liability	$ -	816,650	-	-	-	-	816,650

During the year ended August 31, 2022, the Company paid interest of $21,768 (2021 - $nil) and income taxes of $nil (2021 - $nil).

Non-cash Financing and Investing Transactions	**2022**	2021
Recognition of right-of-use asset	**$ 355,972**	$ -
Recognition of lease liability	**320,872**	-
Issuance of broker warrants	**$ 183,303**	$ 16,380

(Expressed in Canadian Dollars)

15. Commitments and contingencies

(a) Commitments

As at August 31, 2022, the Company has committed to the following undiscounted minimum lease payments:

2023	$	140,400
2024		93,600
Total	$	234,000

(b) Contingency

On April 12, 2022, the Company was notified of a civil claim filed by AddEnergie/Flo for unlawful solicitation of AddEnergie/FLO's prospective customers and business opportunities. The Company believes the claim is without merit and has multiple valid arguments to defend against the claim. Management has assessed the probability of loss as unlikely and the possible damages to be indeterminate. As of August 31, 2022, no provision has been recorded.

16. Related party transactions

Key management personnel include those persons having authority and 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 Board and corporate officers, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). The Company measures related party transactions at the exchange amount which represents the consideration agreed upon between the Company and the related party.

In addition to cash compensation, the Company also permits participation in the Stock Option Plan.

The compensation paid to key management personnel is as follows:

Year ended August 31		**2022**		2021
Wages and benefits	$	**265,544**	$	94,005
Share-based payments		**306,177**		281,353
	$	**571,721**	$	375,358

During the year ended August 31, 2022, in connection with the acquisition of Spark (see Note 4) the Company acquired a note receivable from a now former director of the Company totaling $10,067. The loan was collected during the year ended August 31, 2022, and as at August 31, 2022, there is no remaining balance.

During the year ended August 31, 2022, in connection with the acquisition of Spark (see Note 4), the Company assumed a note payable from an entity controlled by close family members of a now former director of the Company totaling $7,749. As at August 31, 2022, the balance of the note of $7,749 is unsecured, non-interest bearing, and due within fifteen (15) days of the completion of an initial public offering.

16. Related party transactions (continued)

During the year ended August 31, 2022, in connection with the acquisition of Spark (see Note 4) the Company assumed a note payable from an entity controlled by a Company director and a close family member totaling $49,771. As at August 31, 2022, the balance of the note of $49,771 is unsecured, non-interest bearing, and due within fifteen (15) days of the completion of an initial public offering.

During the year ended August 31, 2022, in connection with the acquisition of CoSource (see Note 4) the Company assumed a note payable to a close family member of an officer of the Company totaling $34,771. During the year ended August 31, 2022, the Company repaid $23,500 to the noteholder. As at August 31, 2022, the balance of the note of $11,271 is unsecured, non-interest bearing, and due within fifteen (15) days of the completion of an initial public offering.

During the year ended August 31, 2022, included within consulting and professional fees is expense of $221,081 (2021 - $45,406) incurred for professional fees provided by 1006098 B.C. Ltd. dba PubCo Reporting, an entity significantly influenced by the Company's CFO. As at August 31, 2022, the Company has a balance payable to this entity of $20,499 (August 31, 2021 - $47,677) included in accounts payable. The amount was unsecured, non-interest bearing, and had no fixed terms of repayment.

During the year ended August 31, 2021, the Company paid $37,725, to a Company controlled by a family member of the Company's former CFO and former director for consulting services. As at August 31, 2022, the Company has a balance payable to this entity of $nil (August 31, 2021 - $1,066) included in accounts payable. The amount was unsecured, non-interest bearing, and had no fixed terms of repayment.

Included in accounts payable and accrued liabilities at August 31, 2021 was $12,246 due to related parties. There are no amounts payable to related parties included in accounts payable and accrued liabilities at August 31, 2022. The amounts are unsecured, non-interest bearing, and has no fixed terms of repayment.

17. Management of capital

The Company considers its capital to be comprised of shareholders' equity. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

In order to carry out the planned activities and pay for administrative costs, the Company may attempt to raise additional amounts of capital through the issuance of shares. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since incorporation. The Company is not subject to external capital requirements.

(Expressed in Canadian Dollars)

18. Financial instruments

(a) Set out below are categories of financial instruments and fair value measurements:

As at August 31		2022		2021
Financial assets at fair value				
Cash and cash equivalent	$	**1,119,358**	$	3,023,188
Cash held in escrow		**5,674,424**		-
Financial assets at amortized cost				
Accounts receivable		**499,811**		-
Notes receivable		**-**		216,933
Financial liabilities at amortized cost				
Accounts payable and accrued liabilities	$	**(575,261)**	$	(220,625)
Lease liability		**(217,190)**		-
Subscription liability		**-**		(816,650)
Notes payable		**(97,918)**		-
Holdbacks payable		**(29,365)**		-
	$	**6,373,859**	$	2,202,846

The Company considers that the carrying amount of all its financial assets recognized at amortized cost in the consolidated financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

The Company's cash and cash equivalent is valued using level one inputs.

(b) Management of financial risks

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and accounts receivable. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. At August 31, 2022, there was one customer with amount outstanding that exceed 10% of the Company's trade accounts receivable that totaled 19% in aggregate. The Company assessed credit risk as low.

(Expressed in Canadian Dollars)

18. Financial instruments (continued)

(b) Management of financial risks (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has sufficient cash to meet its current liabilities at August 31, 2022. The Company assessed liquidity risk as low.

Foreign exchange risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to significant foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

19. Income taxes

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

Year ended August 31		**2022**		2021
Net loss	$	**(9,641,448)**	$	(878,041)
Statutory income tax rate		**27%**		27%
Expected income tax recovery at the statutory tax rate		**(2,603,000)**		(237,071)
Difference due to rates in other jurisdiction		**10,000**		-
Deferred tax assets from acquisitions		**(30,000)**		-
Non-deductible differences and other		**1,572,000**		89,222
Temporary differences not recognized		**1,051,000**		147,849
	$	**-**	$	-

The Company has the following deductible temporary differences from which no deferred tax asset has been recognized:

As at August 31		**2022**		2021
Non-capital losses carried forward	$	**4,626,000**	$	162,596
Share issuance costs and other		**497,000**		6,845
	$	**5,123,000**	$	169,441

The Company has non-capital losses of approximately $4,626,000 available for carry-forward that will expire between 2036 and 2042.

20. Segmented reporting

The Company operates in a single segment, the sale of electric vehicle charging equipment, software, and maintenance contracts. During the year ended August 31, 2022, the Company recognized 32% of its revenue from 2 customers (Customer A – 20% and Customer B – 12%). The Company's property and equipment and right-of-use assets are located in Canada. All of the Company's customers are located within Canada.

21. Subsequent events

Subsequent to August 31, 2022, the Company entered into two leases for the lease of office space. Minimum lease payments in accordance with the leases are $140,943 during the year ended August 31, 2023, $168,064 during the year ended August 31, 2024, $174,487 during the year ended August 31, 2025 and $20,704 during the year ended August 31, 2026.

Subsequent to August 31, 2022, 50,000 stock options were exercised at an exercise price of $0.40 per share with proceeds to the Company of $20,000.

On September 1, 2022, the Company granted 1,050,000 performance warrants to a consultant of the Company, providing the holder with each performance warrant granting the holder the right to purchase one (1) common share of the Company at an exercise price of $0.60 per share. The options vest in seven (7) tranches and vest upon meeting certain thresholds with respect to charging ports delivered and invoiced.

On September 27, 2022, the Company issued 41,666 common shares as a corporate finance fee in connection with a financing completed.

On October 12, 2022, the Company entered into an agreement with a now former employee in which 50,000 stock options at an exercise price of $0.40 per share immediately vested. The holder of the options must exercise such options within ninety (90) days of the agreement, of which any unexercised options will be forfeited.

On October 13, 2022, the Company granted 500,000 RSUs to a consultant of the Company. The RSUs vest as to 25% on each of 3, 6, 9, and 12 months post-issuance.

On November 16, 2022, the Company's Common Shares began trading on the NEO Exchange Inc. under the symbol "HC". In concurrence with the commencement of trading, 10,000,000 common shares were issued for the share subscriptions received on June 1, 2022 which recorded as an obligation to issue shares at August 31, 2022.

On November 16, 2022, 7,000 PSUs vested and the Company issued 7,000 common shares.