STARDUST SOLAR ENERGY INC.

(Formerly Bold Capital Enterprises Ltd.)

Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2025 and 2024
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW AND MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The independent auditor of Stardust Solar Energy Inc. has not performed a review of these condensed interim consolidated financial statements.

Management is responsible for the preparation of the accompanying condensed interim consolidated financial statements. The condensed interim consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. The financial statements include certain amounts based on estimates and judgement. Management has determined such amounts on a reasonable basis in order to ensure that the condensed interim consolidated financial statements are presented fairly, in all material respects.

Management has developed and maintains appropriate accounting and systems of internal control designed to provide reasonable assurance that reliable and relevant financial information is produced. In addition, programs of proper business conduct and risk management have been implemented to protect the assets and operations of Stardust Solar Energy Inc. Policies and procedures are designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss or misuse and financial records are properly maintained to provide reliable financial information for the preparation of the condensed interim financial statements.

The Board of Directors (the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out these responsibilities with two independent directors. The Board has the responsibility of meeting with management to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.

STARDUST SOLAR ENERGY INC.
(Formerly Bold Capital Enterprises Ltd.)
Condensed Interim Consolidated Statements of Financial Position (Unaudited)
(Expressed in Canadian Dollars)

As at		March 31, 2025		December 31, 2024
Assets				
Current				
Cash and equivalents (note 4 (b))	$	624,293	$	1,284,764
Accounts receivable (note 15(a))		539,484		313,776
Income tax receivable		9,454		-
Inventory		4,289		21,120
Prepaid expenses and deposits		48,598		32,739
		1,226,118		1,652,399
Equipment (note 5)		19,594		20,845
Intangible assets (note 6)		208,215		216,794
Goodwill (note 2)		177,246		177,246
Right-of-use asset (note 7)		200,010		217,658
	$	1,831,183	$	2,284,942
Liabilities and shareholders' deficiency				
Liabilities				
Current				
Accounts payable and accrued liabilities	$	981,275	$	1,326,007
Goods and services tax payable		12,763		51,520
Lease liability (note 7)		64,114		59,944
Due to related parties (note 14)		1,859		1,859
Subscription receipts (note 18)		25,000		23,000
Deferred revenue		183,245		358,173
Current portion of loans & borrowings (note 13)		24,519		21,069
Income tax liability		-		5,265
		1,292,844		1,846,837
Lease liability (note 7)		154,309		171,554
Convertible loans (note 8)		196,736		233,301
Loans and borrowings (note 13)		97,851		477,250
	$	1,741,740	$	2,728,942
Shareholders' deficiency				
Share capital (note 9)	$	7,273,252	$	6,272,481
Contributed surplus (notes 10, 11, 12)		548,638		363,703
Deficit		(7,429,133)		(6,776,731)
Accumulated other comprehensive loss		(303,314)		(303,453)
		89,443		(444,000)
	$	1,831,183	$	2,284,942

Nature of operations and going concern (note 1)
Subsequent events (note 18)

Approved on behalf of the Board:

"Mark Tadros" (signed)	*"Vitaly Melnikov" (signed)*
Director	Director

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

STARDUST SOLAR ENERGY INC.
(Formerly Bold Capital Enterprises Ltd.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Unaudited)
(Expressed in Canadian Dollars)

For the three months ended March 31,		2025		2024
Revenues (note 17)	$	1,003,104	$	834,271
Direct costs				
Freight in and duty		27,004		25,340
Purchases		434,305		553,520
Subcontracts		55,626		27,056
		516,935		605,916
Gross profit		486,169		228,355
Expenses				
Advertising and promotion		276,837		35,585
Depreciation (notes 5, 6 and 7)		27,478		15,811
Business taxes, licenses and memberships		37,368		12,767
Insurance		14,126		10,192
Interest and bank charges (note 8)		117,564		7,623
Bad debt (note 15(a))		53,779		-
Office		61,470		16,782
Professional fees		145,672		319,167
Share-based compensation		152,396		-
Salaries and wages (note 14)		242,022		196,551
Travel		6,555		4,561
Utilities		2,163		1,970
		(651,261)		(392,654)
Interest income		5,242		761
Foreign exchange		(6,383)		(501)
Government assistance		-		3,125
Net loss	$	(652,402)	$	(389,269)
Items that may be subsequently reclassified to net loss:				
Foreign currency translation adjustment		139		157
Comprehensive loss for the period	$	(652,263)	$	(389,269)
Basic and diluted loss per share	$	(0.01)	$	(0.02)
Weighted average number of common shares outstanding – basic and diluted		84,399,208		19,000,023

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

STARDUST SOLAR ENERGY INC.

(Formerly Bold Capital Enterprises Ltd.)
Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency (Unaudited)
(Expressed in Canadian Dollars)

For the three months ended March 31, 2025 and 2024

			Contributed Surplus					
	Common shares	**Share Capital**	Commitment to issue shares	Equity component convertible debentures	**Total Contributed Surplus**	**Deficit**	**Accumulated Other Comprehensive Loss**	**Total**
		$	$	$	**$**	**$**	**$**	**$**
Balance, December 31, 2023	19,000,023	898,293	-	-	76,000	(1,358,346)	(305,546)	(689,599)
Translation adjustment	-	-	-	-	-	-	157	157
Net loss for the period	-	-	-	-	-	(389,269)	-	(389,269)
Balance, March 31, 2024	19,000,023	898,293	-	-	76,000	(1,747,615)	(305,389)	(1,078,711)
Balance, December 31, 2024	73,794,035	6,272,481	62,417	42,873	363,703	(6,776,731)	(303,453)	(444,000)
Shares issued – tranche 1 (note 9)	6,350,000	635,000	-	-	-	-	-	635,000
Shares issued – tranche 2 (note 9)	5,246,104	524,610						524,610
Share issuance cost (note 9)	-	(58,716)	-	-	-	-	-	(58,716)
Finder's cash compensation – tranche 1 (note 9)	-	(36,680)	-	-	-	-	-	(36,680)
Finder's cash compensation – tranche 2 (note 9)	-	(30,905)	-	-	-	-	-	(30,905)
Fair value of finder's compensation warrants – tranche 1 (note 10)	-	(16,124)	-	-	16,124	-	-	-
Fair value of finder's compensation warrants – tranche 2 (note 10)	-	(16,414)	-	-	16,414	-	-	-
Stock options (note 12)	-	-	-	-	43,887	-	-	43,887
Restricted Share Units (note 12)	-	-	-	-	108,510	-	-	108,510
Translation adjustment	-	-	-	-	-	-	139	139
Net loss for the period	-	-	-	-	-	(652,402)	-	(652,402)
Balance, March 31, 2025	85,390,139	7,273,252	62,417	42,873	548,638	(7,429,133)	(303,314)	89,443

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

STARDUST SOLAR ENERGY INC.
(Formerly Bold Capital Enterprises Ltd.)
Condensed Interim Consolidated Statements of Cash Flows (Unaudited)
(Expressed in Canadian Dollars)

For the three months ended March 31,	2025	2024
Operating activities		
Net loss for the period	$ (652,402)	$ (389,269)
Items not affecting cash:		
Depreciation	27,478	15,812
Interest on convertible debentures	5,341	-
Interest on loans & borrowings	75,218	246
Interest on lease liability	9,187	1,018
Share-based compensation	152,397	-
Change in working capital balances:		
Accounts payable and accrued liabilities	(344,663)	447,467
Accounts receivable	(225,708)	(46,349)
Prepaid expense	(15,859)	-
Deferred revenue	(174,928)	(230,092)
Due to related parties	-	10,459
Goods and services tax payable	(38,757)	14,577
Income tax liability	(14,719)	262
Inventory	16,831	258,998
Cash (used in) provided by operating activities	(1,180,584)	83,129
Investing activities		
Acquisition of equipment	-	(402)
Cash used in investing activities	-	(402)
Financing activities		
Lease payments	(22,262)	(17,101)
Repayment of loans & borrowings	(451,167)	(1,000)
Repayment of convertible debentures	(41,906)	-
Share issuance	1,136,610	-
Share issuance cost	(126,301)	-
Share subscription receipts	25,000	-
Cash provided by (used in) financing activities	519,974	(18,101)
Foreign exchange on cash and equivalents	139	157
(Outflow) Inflow of cash and equivalents	(660,471)	64,783
Cash and equivalents, beginning of period	1,284,764	356,924
Cash and equivalents, end of period	$ 624,293	$ 421,717
Supplemental cash flow information		
RTO transaction costs accrued through accounts payable and	-	82,468
Recognition of lease	241,188	-
Warrants as finders fees	2,857	-
Interest paid	32,646	354
Taxes paid	10,235	-
Shares issued for subscription receipts	23,000	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Stardust Solar Energy Inc. ("Stardust" or the "Company"), formerly Bold Capital Enterprises Ltd., was originally incorporated under the Canada Business Corporations Act on May 16, 2018. The Company's common shares commenced trading on the TSX Venture Exchange on October 7, 2024, under the symbol "SUN". Stardust is a North American franchisor of renewable energy installation services including Solar photovoltaic ("PV") (panels) array installation, energy storage or battery banks, and electric vehicle supply equipment. As a franchisor, Stardust lends its brand and business management services to entrepreneurs looking to enter the industry of renewable energies. The Company's franchisees install and maintain these clean energy products for residential and commercial purposes. As a franchisor, Stardust supplies its franchisees with the following products: solar PV equipment, energy storage equipment, and electric vehicle supply equipment. Stardust supports its franchisees with services from head office including marketing, sales, engineering, plan sets, customer service, and project management. The Company offers certified training courses throughout North America.

The Company's head office address is B101 – 9000 Bill Fox Way, Burnaby, BC, Canada, V5J 5J3, and its registered address is 1055 West Georgia Street, Suite 1500, Vancouver, BC, Canada, V6E 4N7.

These condensed interim consolidated financial statements reflect the acquisition of Stardust Solar Holdings Inc. by Bold Capital Enterprises Ltd. on September 25, 2024. As the shareholders of Stardust Solar Holdings Inc. acquired control of Bold Capital Enterprises Ltd. following the acquisition, this transaction, described as a reverse takeover, has been accounted for as an acquisition of Bold Capital Enterprises Ltd. by Stardust Solar Holdings Inc. (note 2). The name of Bold Capital Enterprises Inc. was changed to Stardust Solar Energy Inc. on September 25, 2024. Stardust Solar Energy Inc. and Stardust Solar Holdings Inc. are referred to collectively herein as the "Company" or "Stardust". Stardust Solar Holdings Inc. (formerly Sambuk Capital Limited) was incorporated under the laws of the province of British Columbia on July 30, 2019 (note 2).

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2025, the Company has a deficit of $7,429,133 (December 31, 2024 - $6,776,731), and, as of that date, the Company had a working capital deficit of $66,726 (December 31, 2024 - $194,438). For the three months ended March 31, 2025 and 2024, the Company incurred a net loss of $652,402 and $389,269, respectively. Without additional financing, the Company may not be able to fund its ongoing operations. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations. These consolidated financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. ACQUISTIONS

Bold Reverse Takeover Transaction

On December 27, 2023, Stardust Solar Holdings Inc. entered into a definitive agreement (the "Amalgamation Agreement") with Bold Capital Enterprises Ltd., a Capital Pool Company (the "CPC") under the policy of the TSX Venture Exchange (the "TSXV"), whereby Stardust Solar Holdings Inc. and CPC agreed to amalgamate and continue as one business under the name of Stardust Solar Energy Inc. Pursuant to the provisions of the Amalgamation Agreement, the CPC acquired all of the issued and outstanding shares in the capital of Stardust Solar Holdings Inc. in exchange for common shares of CPC (the "CPC Shares"). The CPC Shares are subject to standard escrow and resale restrictions under the policies of the TSXV.

Based on the review of IFRS 3 criteria, this transaction was accounted for as a Reverse Takeover (the "Bold RTO Transaction"), with Stardust Solar Holdings Inc. being the acquiror for accounting purposes. The arrangement constitutes a reverse business acquisition and was accounted for as a share-based payment transaction in accordance with IFRS 2, Share-based Payment, as the CPC did not have inputs and processes that generated outputs prior to the share exchange, thereby it does not meet the definition of a business, as defined in IFRS 3, Business Combinations ("IFRS 3"), with Stardust Solar Holdings Inc. as the accounting acquiror (legal subsidiary).

Following approval of the Bold RTO Transaction by the TSXV, and upon clearing of all other conditions precedent, the Amalgamation Agreement between Stardust Solar Holdings Inc. and the CPC closed, and Stardust Solar Holdings Inc. became a wholly owned legal subsidiary of the CPC. Pursuant to the Bold RTO Transaction, the CPC, among other things, consolidated its issued and outstanding common shares on the basis of 2.4876 common shares of CPC for one common share of the resulting issuer, Stardust Solar Energy Inc., (each a "Resulting Issuer Share"), and issued an aggregate of 51,394,012 Resulting Issuer Shares to the shareholders of Stardust Solar Holdings Inc. Upon completion of the Bold RTO Transaction on September 25, 2024, the shareholders of Stardust Solar Holdings Inc. hold 51,394,012 Resulting Issuer Shares, representing 73% of the 70,394,035 issued and outstanding Resulting Issuer Shares on a non-diluted basis, and the shareholders of CPC hold 19,000,023 Resulting Issuer Shares, representing 27% of the 70,394,035 issued and outstanding Resulting Issuer Shares on a non-diluted basis.

The fair value of 19,000,023 common shares was determined to be $4,750,010 or $0.25 per common share. The consideration for the acquisition is based on the fair value of the Company's shares using the share price of the previous and concurrent financings of $0.25 per common share, as this is considered to be the most reliable indicator of fair value. The consideration paid is recognized with a corresponding increase in the share capital of Stardust. The CPC's identifiable assets and liabilities were recognized at their fair value. The difference between the consideration paid and the net identifiable assets received was recognized in profit and loss. During 2024, the Company incurred $374,474 in professional and legal expenses associated with the Bold RTO transaction which were expensed as professional fees.

Bold RTO Transaction cost

Common shares (note 9)	$	4,750,010
Consideration	$	4,750,010
Cash	$	1,083,545
Prepaid expense		3,140
Accounts payable		(248,034)
Advance to a private company		11,744
Net assets acquired	$	850,395
RTO Transaction cost	$	3,899,615

Advance to a private company

In March 2022, the CPC entered into an arm's length letter of intent with SinuSafe Medical Ltd. ("SinuSafe"), pursuant to which the CPC and SinuSafe intended to complete a transaction whereby the CPC would acquire all of the issued and outstanding shares in the share capital of SinuSafe (the "SinuSafe Transaction"). In connection with the proposed SinuSafe Transaction, in May 2022, the CPC executed a secured loan agreement (the "Loan Agreement") with SinuSafe pursuant to which it loaned SinuSafe the principal amount of $350,000. The loan is secured against the core assets of SinuSafe, namely its patent and patent applications, has a term of 12 months and bears interest at a rate of 5% payable at maturity.

In November 2022, the parties agreed to an extension for the negotiation and signature of a definitive agreement from October 31, 2022 to January 31, 2023. On March 31, 2023, the CPC decided not to grant any further extensions for the consummation of the SinuSafe Transaction and, unfortunately, the proposed SinuSafe Transaction lapsed. As a consequence of the termination of the proposed SinuSafe Transaction, the CPC demanded that SinuSafe repay the secured loan in the principal amount of $350,000, as well as accrued and unpaid interest, the whole as contemplated in the Loan Agreement. Upon completion of the Bold RTO Transaction, the Company recognized the fair value of the CPC's identifiable assets and liabilities and valued the SinuSafe loan at $11,744.

On November 26, 2024 the Company entered into a settlement agreement dated November 26, 2024 (the "Settlement Agreement") with SinuSafe. Pursuant to the Settlement Agreement, as full and final settlement of the amounts owed to the Company by SinuSafe under the Loan Agreement (as defined herein), Sinusafe agreed to pay to the Company the sum of $395,208 (the "Settlement Amount") within 45 days of the date on which the judgment for the Settlement Agreement becomes effective, and in any case by no later than December 31, 2024.

Stardust received the Settlement Amount from SinuSafe on December 31, 2024, resulting in a recovery of $367,087 recognized through profit and loss.

Sambuk Transaction

On December 22, 2022, and subsequently amended on January 23, 2023, the Company entered into a share exchange agreement with Sambuk Capital Limited ("Sambuk") where Sambuk acquired all of the issued and outstanding shares in the capital of Stardust in exchange for 43,000,000 common shares of Sambuk (the "Sambuk Shares"). The Sambuk Shares have a deemed value of $0.10 per share and are subject to a 36-month escrow period.

Based on the review of IFRS 3, this transaction is accounted for as a reverse takeover (the "Sambuk Transaction"), with Stardust being the acquiror for accounting purposes.

The arrangement constitutes a reverse business acquisition and has been accounted for as a share-based payment transaction in accordance with IFRS 2, Share-based Payment, as Sambuk did not meet the definition of a business, as defined in IFRS 3 with Stardust as the accounting acquiror *(legal subsidiary)*. Accordingly, Sambuk's shareholders' equity have been eliminated in the consolidated statement of financial position.

The fair value of the consideration provided by Stardust was determined as follows:

(a) In accordance with IFRS, the Sambuk Transaction between Sambuk and Stardust has been assessed and classified as an asset acquisition under common control. As the receiving company's shares are privately held, and its non-controlling shareholders were not affected, the book-value method was applied to account for this transaction.

(b) The fair value of 21,485,197 common shares and converted special warrants of Sambuk was determined to be $291,744, or $0.01358 per common share. Additionally, legal fees totaling $82,468 relation to the Sambuk transaction and the issuance of the common shares and special warrants were incurred by Stardust, resulting in a net increase to equity of $209,276. The net assets of Sambuk acquired in the Sambuk Transaction were valued equal to the total consideration transferred and the transaction costs are considered costs associated with the issuance of the common shares and therefore net against the consideration in the consolidated statement of shareholders' deficiency. This amount has been recorded as share capital in the Company's consolidated statement of financial position as at December 31, 2023. The Sambuk transaction had no impact on the consolidation statements of loss and comprehensive loss for the year ended December 31, 2023.

Sambuk Transaction cost

Common shares and special warrants (note 9)	$	291,744
Consideration	$	291,744
Cash	$	200,729
Loan to Stardust		114,000
Accounts payable		(20,735)
Other payables		(2,250)
Net assets acquired	$	291,744

Solar Grids Acquisition

The Company entered into a definitive agreement dated November 25, 2024 (the "Definitive Agreement") between, inter alia, the Company and Solar Grids Development LLC ("Solar Grids") to acquire 100% of the assets of Solar Grids, a U.S.-based solar energy company specializing in solar installations and franchise development (the "Acquisition"). The Acquisition closed on December 5, 2024 (the "Closing Date").

As consideration for the purchased assets, the Company agreed to issue to Solar Grids an aggregate of 4,000,000 common shares (the "Consideration Shares"), of which 3,400,000 of the Consideration Shares (the "Closing Shares") were issued on the Closing Date of the Acquisition and the remaining 600,000 of the Consideration Shares will be issued on December 5, 2027 (the "Post-Closing Shares"). In addition, the Closing Shares will be subject to voluntary restrictions on transfer commencing on the date of issuance, with 400,000 of such Closing Shares being released from such voluntary restrictions on December 5, 2024 and an additional 600,000 of such Closing Shares being released from such voluntary restrictions every six (6) months thereafter for a period of thirty (30) months from the Closing Date.

The fair value of the Consideration Shares was determined to be $375,168, after applying the Discount for Lack of Marketability (the “DLOM”) to the closing price on the TSXV on the Closing Date, due to the voluntary transfer restrictions on the Consideration Shares pursuant to the Definitive Agreement.

Under IFRS 3, the Solar Grids meets the definition of a business and the Acquisition constitutes a business acquisition accounted for as a business combination, with Stardust, as the acquiror, recognizing and measuring the identifiable assets acquired at their fair values as of the Closing Date. In 2024, the Company incurred $88,043 in professional and legal expenses directly attributable to the Solar Grids acquistion. These transaction-related professional fees were expensed in the profit and loss statement.

Solar Grids Closing Date fair values

3,400,000 Closing Shares after DLOM	$	312,751
600,000 Post-Closing Shares after DLOM		62,417
Consideration Shares	$	375,168
Franchise agreements	$	154,407
Trademarks		43,515
Goodwill		177,246
Net assets acquired	$	375,168

As the Acquisition closed in December 2024, there were no changes in the key inputs used between acquisition date and March 31, 2025, for recoverable amount testing of goodwill and therefore no impairment was recognized as at December 31, 2024 and March 31, 2025. Goodwill consists of the acquired workforce and synergies expected in acquiring additional franchisees.

3. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim consolidated financial statements are prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

(b) Basis of consolidation

These condensed interim consolidated financial statements include the operating results of the Company and its wholly-owned subsidiaries. A subsidiary is an entity that the Company controls, either directly or indirectly, where control is defined as the power over the entity, rights to variable returns from its involvement with the entity, and the ability to use its power to affect the amount of returns. All intercompany transactions and balances are eliminated on consolidation.

As at March 31, 2025 and December 31, 2024, the Company's wholly owned subsidiaries included Stardust Solar Technologies Inc. was incorporated under the laws of the province of British Columbia on May 23, 2017, Stardust Solar Technologies USA, LLC ("Stardust USA") incorporated in Nevada, USA on December 7, 2019 and Stardust Solar Franchise Inc. ("Stardust Franchise") incorporated in British Columbia, Canada on October 23, 2020.

(c) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements are presented in Canadian dollars, which is the Company's and its subsidiaries' functional currency, except Stardust USA, which has a functional currency of US dollars.

(d) Approval of the condensed interim consolidated financial statements

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on July 7, 2025.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The following is a summary of material accounting policy information used in the preparation of these condensed interim consolidated financial statements.

(a) Financial instruments

(i) Financial assets

Initial recognition and measurement

A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost, measured at fair value through profit or loss, or measured at fair value through other comprehensive income. The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets measured at amortized cost
A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment allowance, if:

- the asset is held within a business whose objective is to hold assets in order 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.

Cash and equivalents and accounts receivable are measured at amortized cost.

Financial assets at fair value through profit or loss
Financial assets measured at fair value through profit or loss are carried in the statements of financial position at fair value with changes in fair value therein, recognized in profit or loss.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")
A financial asset measured at fair value through other comprehensive income is carried in the statements of financial position at fair value with changes in fair value included in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income remain within accumulated other comprehensive income when the financial instrument is derecognized or its fair value substantially decreases.

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 shall recognize in the consolidated statements of 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. As at December 31, 2024, the Company had $85,781 in allowance for doubtful accounts (2023 - $37,840).

Derecognition

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized when:

- the contractual rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(ii) Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable. The Company's accounts payable and accrued liabilities, due to related parties, lease liability and government assistance are classified as financial liabilities measured at amortized cost. There are no financial liabilities classified as financial liabilities at fair value through profit or loss.

Share subscription receipts are recorded as a financial liability at the amount received from investors until specified conditions for conversion into shares are met. These conditions typically include obtaining regulatory approvals or achieving specific milestones. Upon meeting these conditions, the liability is reclassified to equity as share capital. Until conversion, subscription receipts are presented as a current liability in the statement of financial position.

(iii) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs for assets or liabilities that are not based on observable market data.

The carrying value of cash and equivalents, accounts receivable, lease liability, accounts payable and accrued liabilities, and due to related parties approximate their fair values due to the short-term maturity of these instruments.

Convertible debentures are compound financial instruments containing both a liability and an equity component. The fair value of the liability component is classified within Level 2 of the fair value hierarchy, as it is based on observable market interest rates for instruments with similar terms and credit risk. The equity component is not remeasured subsequent to initial recognition.

Liability component of convertible debenetures and non-convertible loans and borrowings are initially recognized at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in profit or loss over the term of the loan using the effective interest rate applicable at initial recognition. The carrying value of non-convertible loans approximates their fair value when the loans bear market rates of interest, and such fair value is generally classified within Level 2 of the fair value hierarchy.

(b) Cash and equivalents

Cash and equivalents include cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. These investments typically have original maturities of three months or less from the date of acquisition. As at March 31, 2025, cash and equivalents consist of $150,680 in guarantied investment certificates (the “GICs”) (December 31, 2024 – $628,360) and $473,612 in cash held in banks (December 31, 2024 – $654,404).

(c) Equipment

Equipment is recorded at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of equipment comprise its purchase price. The useful lives of equipment are reviewed at least once per year. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment. Equipment are depreciated over their estimated useful lives at the following annual rates:

Furniture and Equipment	20% declining-balance
Computer equipment	50% declining-balance

(d) Common shares and warrants

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Common shares issued for consideration other than cash are valued at the fair value of the assets received or the services rendered. If the fair value of the assets received or services rendered cannot be reliably measured, common shares issued for consideration will be valued at their fair value on the date of issuance.

Equity instruments such as warrants issued in conjunction with other securities are classified as equity when they meet the definition of an equity instrument. When units comprising multiple financial instruments (e.g., common shares and warrants) are issued for a single consideration, the Company

allocates the proceeds using the residual value method. Under this method, the fair value of the common shares is determined first and the residual amount of the total proceeds is allocated to the warrants. Warrants classified as equity are not subsequently remeasured. Transaction costs directly attributable to the issuance of equity instruments are recognized as a deduction from equity.

(e) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the product or service in the ordinary course of the Company's activities. The Company derives revenue from providing training classes, exam administration, system assessments, system installation, product sales and from franchisees.

Revenue is recognized as it is earned in accordance with the following:

(i) Training and exam administration

The Company recognizes revenues from training (either in-person or virtual) and exam administration upon completion of the related course or exam, to the extent that the performance obligations identified in the course curriculum are satisfied.

(ii) System assessments and installation

Revenue related to professional services (assessments and installation) is recognized as those services are delivered. For these direct installations, the Company and the customer will agree on any specific requirements prior to installation. Revenue from installations is recognized upon completion of installation and when the Company's performance obligations are satisfied.

(iii) Product sales

The Company sells equipment and products related to solar PV systems to the following end users, with whom the Company enters into contracts: customers and franchisees. The Company determines the purchase price, purchases inventory, and retains control and inventory risk of equipment and products until delivered to the end user, and therefore is considered the principal in these transactions. Revenue from equipment and product sales is recognized once confirmation is received that the end user has received their shipment. The Company's performance obligation to franchisees for product sales ceases upon confirmation of delivery, as franchisees accept responsibility and act as principal in their own contracts with their own end users.

(iv) Franchisee income

The Company earns revenue from franchise fees, which are comprised of an upfront fee to purchase the right to operate in an agreed upon territory, as well as ongoing quarterly royalties on franchisee sales, as stipulated in contracts with the franchisee.

For upfront franchise fees, the Company considers the performance obligations to be met when the contract granting the operating territory is signed by the franchisee. The upfront fee represents a one-time purchase of the right to operate as a franchisee in the contracted territory and is not bound to a predetermined time frame or renewals, nor any other performance obligations on the part of the Company. The upfront franchise fees are payable immediately upon execution. However, the Company, at its sole discretion, may offer extended payment terms upon the franchisee's request. This extension is subject to the Company's assessment of the franchisee's creditworthiness and other relevant factors, evaluated on a case-by-case basis.

For franchise royalty revenue, the Company considers the performance obligations to be met at the time receipt and approval of franchisee quarterly sales figures is obtained. Royalty revenue is recorded as revenue in the period for which the royalties apply. The franchise royalties are payable immediately upon invoicing. However, the Company, at its sole discretion, may offer extended payment terms up to 90 days upon the franchisee's request. This extension is subject to the Company's assessment of the franchisee's creditworthiness and other relevant factors, evaluated on a case-by-case basis.

(v) Any consideration received in advance of services being rendered or shipment of products is recorded as deferred revenue and subsequently recognized as the performance obligation criteria are met.

(f) Convertible debentures

Convertible loans are financial instruments which are accounted for separately dependent on the nature of their components: a financial liability and an equity instrument. The identification of such components embedded within a convertible debenture requires significant judgment given that it is based on the interpretation of the substance of the contractual arrangement. Where the conversion option has a fixed conversion rate, the financial liability, which represents the obligation to pay coupon interest and principal on the convertible debentures in the future, is initially measured at its fair value and subsequently measured at amortized cost using the market interest rate for similar loans without conversion option. The residual amount is accounted for as an equity instrument at issuance. Where the conversion option has a variable conversion rate, the conversion option is recognized as a derivative liability measured at fair value through profit and loss. The residual amount is recognized as a financial liability and subsequently measured at amortized cost. The determination of the fair value is also an area of significant judgment given that it is subject to various inputs, assumptions and estimates including: contractual future cash flows, discount rates, credit spreads and volatility. Transaction costs are apportioned to the debt liability and equity components or derivative liability in proportion to the allocation of proceeds. Transaction costs allocated to the debt liability and equity components are capitalized to the components; transaction costs allocated to the derivative liability are recognized immediately in profit and loss.

(g) Performance-based equity instuments (restricted share units)

The Company grants restricted share units ("RSUs") with performance-based vesting conditions. Where vesting is contingent on achieving non-market performance conditions (e.g., revenue targets), such conditions are not reflected in the grant-date fair value of the equity instruments. Instead, the number of equity instruments expected to vest is adjusted based on management's assessment of the likelihood of meeting the performance targets. Share-based compensation expense is recognized over the vesting period only to the extent that it is probable the performance conditions will be satisfied. The fair value measurement is classified within Level 3 of the fair value hierarchy, as it involves significant unobservable inputs including historical volatility, internal forecasts, and judgment-based probability assessments.

At each reporting date, the Company reassesses the probability of the performance conditions being met and adjusts the number of RSUs expected to vest accordingly. Any change in the estimate is recognized prospectively as share based compensation in profit or loss over the remaining vesting period, with a corresponding adjustment to equity.

(h) Inventory

Inventories consists of solar PV systems and are measured at the lower of cost and net realizable value. Cost of inventory is determined using the specific identification method. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Costs are comprised of the purchase price of inventory. Shipping costs are recorded in cost of goods sold when incurred. The Company controls inventory from time of purchase to time of delivery.

(i) Intangible assets

Intangible assets, either acquired as a result of an acquisition or developed internally, are assets that can be identified, are controlled by the Company and provide future economic benefits to the Company.

Intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses. Intangible assets acquired as a result of an acquisition or in a business combination are measured at fair value at the acquisition date.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis.

Intangible assets include trademarks, franchise agreements and customer lists. The Trademarks and customer lists were determined to have a definite useful life of 20 years and franchise agreements have a definite useful life of 5 years.

(j) Business combinations

Business combinations are accounted for using the acquisition method in accordance with IFRS. The acquirer identifies the acquisition date, recognizes and measures the identifiable assets acquired and liabilities assumed at their acquisition-date fair values, and recognizes any non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's net assets.

The consideration transferred in a business combination is measured at fair value, which includes the fair value of any contingent consideration arrangement. Acquisition-related costs are expensed as incurred and presented within general and administrative expenses in the consolidated statement of profit or loss.

Goodwill represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired in a business combination at the acquisition date. Goodwill is initially recognized at cost and is subsequently measured at cost less any accumulated impairment losses. It is not amortized.

Goodwill is allocated to the cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies of the business combination. The allocation is made at the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

(k) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the income (loss) attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(l) Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets, as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

(m) Impairment of non-financial assets

At the end of each reporting period, the Company's non-financial assets are reviewed to determine whether there is any indication that those assets may be impaired. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

(n) Leases

At inception, the Company assesses whether a contract contains an embedded lease. A contract contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company, as lessee, is required to recognize a right-of-use asset ("ROU asset"), representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

The Company may elect to not apply IFRS 16 Leases ("IFRS 16") to leases with a term of less than 12 months or to low value assets, which is made on an asset by asset basis.

The Company recognizes a ROU asset and a lease liability at the commencement of the lease. The ROU asset is initially measured based on the present value of lease payments, plus initial direct cost, less any incentives received. It is subsequently measured at cost less accumulated amortization, impairment losses and adjusted for certain remeasurements of the lease liability. The ROU asset is amortized from the commencement date over the shorter of the lease term or the useful life of the underlying as set. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment.

Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

(o) Government assistance

Government grants that compensate the Company for expenses incurred are recognized in profit or loss, on a systematic basis in the same periods in which the expenses are recognized, when there is reasonable assurance that the Company has met the requirements of the approved grant program and there is reasonable assurance that the grant will be received, or the loan forgiven.

(p) Functional and reporting currency

The accounts of Stardust USA have been translated into Canadian dollars using the temporal method, which provides for foreign currency denominated monetary assets and liabilities, including deferred income tax, to be translated into Canadian dollars at rates of exchange in effect at the statement of financial position date. Non-monetary items are translated at historical rates and revenue and expenses at average rates of exchange during the period. Exchange gains and losses arising on translation are included in the consolidated statements of loss and comprehensive loss.

(q) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Critical accounting judgments

Significant areas requiring the use of management's judgments include:

Going concern

The assessment of whether the concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Functional currency

The determination of the functional currency of the Company and of its subsidiaries requires significant judgment of the primary economic environment in which the Company and its subsidiaries operates may not be clear. This can have a significant impact on the consolidated results of the Company based on the foreign currency translation method.

Impairment of equipment and intangible assets

For assets with finite lives, judgment is required in assessing whether certain factors would be considered an indicator of impairment. The Company considers both external and internal sources of information in assessing whether there are any indications that CGUs are impaired, or reversal of impairment is needed. Factors considered include current and forecast economic conditions, internal projections, and the Company's market capitalization relative to its net asset carrying amount. The Company does not have any assets with indefinite lives.

Impairment of goodwill

Goodwill is tested for impairment when events or changes in circumstances indicate that the carrying amount may be impaired. Impairment is determined by assessing the recoverable amount of the CGU to which the goodwill relates. An impairment loss is recognized in profit or loss when the carrying amount of the CGU, including goodwill, exceeds its recoverable amount. Impairment losses on goodwill are not reversed in subsequent periods.

Recoverability of deferred tax assets

The measurement of deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the financial statements.

Right-of-use assets and lease liability

For right of use assets and lease liabilities, the Company applies judgment in determining whether the contract contains an identified asset, whether they have the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

Asset acquisitions versus business combinations

Management had to apply judgment with respect to whether the acquisitions were asset acquisitions or business combinations. The assessments required management to assess the inputs, processes, and outputs of the companies acquired at the time of acquisition. Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions.

Critical accounting estimates

Critical accounting estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities include, but are not limited to, the following:

Expected credit losses (the “ECL”)

The ECL provision for financial assets is based on significant estimates and forward-looking information. In determining the allowance, management evaluates the credit risk of individual counterparties, the aging of receivables, historical loss experience, and current and forecasted economic conditions. Key assumptions include the probability of default, loss given default, and exposure at default, all of which require the application of judgment and may be influenced by macroeconomic factors.

Changes in these assumptions or in the economic outlook may result in material adjustments to the ECL provision. The Company reviews these estimates at each reporting date and updates the allowance accordingly.

Right-of-use assets and lease liability

The right of use asset and lease liability are measured by discounting the future lease payments at incremental borrowing rate. The incremental borrowing rate is an estimated rate the Company would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Fair value measurements

The Company estimates fair value using valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Such valuation techniques include the Black Scholes model.

In estimating the fair value of warrants, options and RSUs, using the Black-Scholes pricing model, management is required to make certain assumptions and estimates. Changes in assumptions used to estimate fair value could result in materially different results.

The fair value of consideration to acquire the Company in the reverse takeover transaction comprised of common shares and special warrants. Common shares and special warrants were fair valued on the date of issuance. The Company applied *IFRS 2 - Share-based Payment* in accounting for the RTO Transactions (note 2).

Shares issued as consideration for business acquisitions are measured at fair value at the acquisition date in accordance with IFRS. The fair value is determined based on the market price of the acquirer's shares on the valuation date, adjusted for any applicable discounts, including discounts for lack of marketability (“DLOM”) where shares are subject to trading restrictions such as regulatory hold periods or voluntary lock-ups. When a DLOM is applied, the fair value of the shares is determined using an appropriate valuation technique. The resulting fair value is used in calculating the total consideration transferred and is included in the determination of goodwill.

Inventory

The Company estimates the net realizable value of inventories, taking into account the most reliable evidence available at each reporting date including obsolescence, future selling prices, and customer behaviour. The future realization of these inventories may be affected by market-driven changes that may reduce future selling prices. A change to these assumptions could impact the Company’s inventory valuation and impact gross margins.

Convertible debentures – effective interest rate and equity allocation

Convertible debentures are classified as compound financial instruments containing both a liability and an equity component. The liability component is initially measured at the present value of future contractual cash flows, discounted using an estimated market rate of interest applicable to similar debt instruments without a conversion feature. The residual amount is allocated to equity and is not subsequently remeasured.

The determination of the appropriate discount rate involves significant judgment, as observable market rate of interest applicable to similar instruments without a conversion feature may be limited. Key factors considered in estimating the rate include the Company’s credit risk, prevailing market conditions, instrument term, and similar debt structures. A change in the estimated discount rate could materially affect the allocation between the liability and equity components and impact interest expense recognized over the life of the instrument.

(r) New and revised IFRS Standards

Adoption of amendments to IAS 1

Effective January 1, 2024, the Company adopted the amendments to IAS 1 Presentation of Financial Statements regarding the classification of liabilities as current or non-current. The amendments clarify that the classification is based on rights that exist at the end of the reporting period and make clear that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The adoption of these amendments did not have a material impact on the Company's financial statements.

Upcoming standard – IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standards Board issued IFRS 18, which will replace IAS 1 and introduces significant changes to the presentation and structure of financial statements. IFRS 18 introduces a defined structure for the statement of profit or loss, including new subtotals such as "operating profit", and provides enhanced guidance on management-defined performance measures. Although IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, early adoption is permitted. The Company is currently assessing the potential impact of IFRS 18 on its financial statements.

5. EQUIPMENT

	Furniture and Equipment	Computer Equipment	Total
Cost			
Balance at December 31, 2023	$ 30,005	$ 4,689	$ 34,694
Additions	43	359	402
Balance at March 31, 2024	$ 30,048	$ 5,048	$ 35,096
Additions	96	8,023	8,119
Balance at December 31, 2024	$ 30,144	$ 13,071	$ 43,215
Additions	-	-	-
Balance at March 31, 2025	$ 30,144	$ 13,071	$ 43,215
Accumulated depreciation			
Balance at December 31, 2023	$ 13,495	$ 2,915	$ 16,410
Depreciation	771	120	891
Balance at March 31, 2024	$ 14,266	$ 3,035	$ 17,301
Depreciation	3,399	1,670	5,069
Balance at December 31, 2024	$ 17,665	$ 4,705	$ 22,370
Depreciation	623	628	1,251
Balance at March 31, 2025	$ 18,288	$ 4,705	$ 23,621
Carrying amounts			
Carrying value at December 31, 2024	$ 12,479	$ 8,366	$ 20,845
Carrying value at March 31, 2025	$ 15,782	$ 2,013	$ 17,795

6. INTANGIBLE ASSETS

The Company acquired certain intellectual property including trademarks, franchise agreements and a customer list from a third-party for cash consideration.

	Franchise Agreements	Trademarks	Total
Cost			
Balance at December 31, 2023	$ -	$ 25,140	$ 25,140
Additions	-	359	359
Balance at March 31, 2024	$ -	$ 25,499	$ 25,542
Additions (note 2)	154,407	43,156	197,563
Balance at December 31, 2024	$ 154,407	$ 68,655	$ 223,062
Additions	-	-	-
Balance at March 31, 2025	$ 154,407	$ 68,655	$ 223,062
Accumulated depreciation			
Balance at December 31, 2023	$ -	$ 2,257	$ 2,257
Depreciation	-	314	314
Balance at March 31, 2024	$ -	$ 2,571	$ 2,571
Depreciation	2,573	1,124	3,697
Balance at December 31, 2024	$ 2,573	$ 3,695	$ 6,268
Depreciation	7,720	859	8,579
Balance at March 31, 2025	$ 10,293	$ 4,554	$ 14,847
Carrying value at			
December 31, 2024	$ 151,834	$ 64,960	$ 216,794
March 31, 2025	$ 144,114	$ 64,101	$ 208,215

7. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Company had a non-renewable lease agreement for its headquarter office space in Burnaby, BC, which expired in August 2024. The Company entered into a new non-renewabal lease agreement for its headquarter office space in Burnaby, BC, The continuity of the ROU asset and lease liability for the three months ended March 31, 2025 and 2024 is as follows:

Right-of-use asset	
Value of right-of-use asset at December 31, 2023	$ 38,950
Depreciation	(14,607)
Value of right-of-use asset at March 31, 2024	$ 24,343
Depreciation (lease expired in August 2024)	(24,343)
Additions (new lease)	241,188
Depreciation (new lease)	(23,530)
Value of right-of-use asset at December 31, 2024	$ 217,658
Depreciation	17,648
Value of right-of-use asset at March 31, 2025	**$ 200,010**

Lease liability		
Lease liability at December 31, 2023	$	43,846
Lease payments		(17,101)
Lease interest		1,018
Lease liability at March 31, 2024	$	27,763
Lease payments (lease expired in August 2024)		(28,501)
Lease interest (lease expired in August 2024)		738
Additions (new lease)		241,188
Lease payments (new lease)		(22,801)
Lease interest (new lease)		13,111
Lease liability at December 31, 2024	$	231,498
Lease payments		22,262
Lease interest		9,187
Lease liability at March 31, 2025	**$**	**218,423**
Lease liability consists of:		
Current lease liability	$	64,114
Non-current lease liability		154,309
Balance, March 31, 2025	**$**	**218,423**

Amortization of the right-of-use asset is calculated over the term of the lease. Interest expense of $9,187 for the three months ended March 31, 2025 (2024 - $1,018) is included in interest and bank charges.

As at March 31, 2025, the Company's total undiscounted lease payments amount to $273,124. Of this total, $94,936 is due within one year, $96,530 is due in the second year, and $81,658 is due in the third year.

8 CONVERTIBLE LOANS

As at March 31, 2025, the Company had the following convertible loans:

		March 31, 2025		**December 31, 2024**
Convertible loans	$	196,736	$	233,301
Less: current portion		-		-
Non-current portion	$	196,736	$	233,301

On August 22, 2024, Stardust entered into convertible loan agreements with lenders (the "Lenders"), pursuant to which Stardust may borrow up to an aggregate of $260,000 (the "Convertible Loans"). The maturity dates of the Convertible Loans will be two years from the date of issuance. The Convertible Loans bear interest at a rate of 12% per annum, which shall become due and payable on the maturity date. Anytime, prior to the maturity date, the Lenders may elect to convert the principal amount of the applicable Convertible Loan, in whole or in part, into units at $0.40 per unit. Each unit will consist of one common share and one share purchase warrant. Each warrant will entitle the holder to acquire one common share for a period of two years from the date of issuance at an exercise price of $0.40 per share. The conversion

of any accrued interest on the Convertible Loans into common shares (as applicable) shall be subject to the TSXV approval.

These Convertible Loans are accounted for as a compound financial instrument comprising a financial liability and an equity component (the conversion option). The fair value of the financial liability component was recognized at fair value and subsequently measured at amortized cost using effective interest method. The equity component was recorded as the difference between the total loan proceeds and the fair value of the financial liability component at a market interest rate for a similar loan without a conversion option. The fair value of the conversion option is recorded to shareholders deficiency and not remeasured after initial recognition. As at March 31, 2025, the carrying amount of the financial liability component of the Convertible Loans was $196,736 (December 31, 2024 - $233,301), including the cumulative amount of interest of $5,341 at effective interest rate of 21.12% per annum. The total carrying amount of the financial liability component is payable at maturity. The Company can also repay the Convertible Loans in whole of in part any time prior to maturity. During the three months ended March 31, 2025, the Company repaid $41,905 of Convertibel Loans. As of March 31, 2025, the financial liability component was classified as non-current liability. The equity component, specifically the conversion option of the Convertible Loans, was valued at $42,873 and recorded in shareholders' deficiency.

9. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares and an unlimited number of preferred shares, without par value.

(c) Issued and outstanding

As at March 31, 2025, the Company had 85,390,139 issued and outstanding common shares (December 31, 2024 – 73,794,035).

In connection with the RTO Transaction (notes 1 and 2), the Company completed the reverse acquisition of Bold Capital Enterprises Ltd. and consolidated its share capital.

Share consolidation

On November 7, 2023, Stardust completed a consolidation of all issued and outstanding common shares on the basis of 1.52 pre-consolidation shares for each post consolidation share. All amounts presented for number of outstanding common shares and number of outstanding common stock options, warrants and their respective weighted average exercise prices, have been adjusted retrospectively for all periods presented to give effect to the share exchange.

Private placement

On January 17, the Company closed its non-brokered private placement offering consisof its and issued 6,350,000 units at a price of $0.10 per unit, generating aggregate gross proceeds of $635,000.

Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at an exercise price of $0.20 for a period of 18 months from the date of issuance. The Company issued 6,350,000 warrants with a value of $nil calculated using the residual value method.

The Company paid finder's fees in the amount of $36,680 and issued 366,800 finder's warrants in connection with the first tranche of the offering. Each finder's warrant entitles the holder to purchase one common share at $0.20 for a period of 18 months, under the same terms as the warrants issued in the offering. The finder's warrants fair value of $16,124 was recorded as a share issuance cost.

January 29, 2025, the Company closed the second and final tranche of its upsized non-brokered private placement offering. In connection with the second tranche, the Company issued 5,246,104 units at a price of $0.10 per unit, generating aggregate gross proceeds of approximately $524,610.

Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at an exercise price of $0.20 for a period of 18 months from the date of issuance. The Company issued 5,246,104 warrants with a value of $nil calculated using the residual value method.

The Company paid finder's fees in the amount of $30,905 and issued 309,050 finder's warrants in connection with the Second Tranche. Each finder's warrant entitles the holder to purchase one common share at $0.20 for a period of 18 months from the date of issuance, under the same terms as the warrants issued in the offering. The finder's warrants fair value of $16,414 was recorded as a share issuance cost.

10. WARRANTS

On February 10, 2023, the Stardust Solar Holdings Inc. issued 105,263,158 share purchase warrants to its key management personnel, exercisable at $0.000152 per common share until February 10, 2025, which had a total fair value of $76,000, which was recorded as share-based dividend in shareholders' deficiency during the year ended December 31, 2023.

The fair value of the warrants was measured using the Black Scholes valuation model with the following inputs:

	February 10, 2023
Risk-free interest rate	4.20%
Expected stock price volatility	77.31%
Expected life in years	2
Probability of vesting	5%

These warrants were designed to deter a potential hostile takeover, acting as a "poison pill" and are therefore accounted for as a dividend within the statement of shareholder' deficiency. These share purchase warrants were also subject to early expiry upon the Company's common shares being listed on a recognized securities exchange. These warrants expired upon completion of the Bold RTO Transaction on September 25, 2024.

On December 19, 2023, the Company received subscription receipts at a price of $0.25 per subscription receipt for cash proceeds of $316,000. Each subscription receipt automatically converted with no additional payment and no additional action on behalf of the holder upon receipt of the TSXV approval and completion of the Bold RTO transaction on September 25, 2024. The conversion resulted in the issuance of 1,264,000 common shares and 25,600 agents' compensation warrants in relation to the subscription receipts. Each finder's warrant will be exercisable at a price of $0.25 for a period of 24 months. The fair value of these agents' compensation warrants was measured using the Black Scholes valuation model with the following inputs:

	September 25, 2024
Risk-free interest rate	2.95%
Expected stock price volatility	63.18%
Expected life in years	2
Share price	$0.25

The fair value of these agents' compensation warrants was determined to be $2,857.

As at March 31, 2025, the agents' compensation warrants remain outstanding.

On September 12, 2024, Stardust completed a private placement of 130,000 subscription receipts (the "Stardust Subscription Receipts") at a price of $0.30 per subscription receipt for gross proceeds of $39,000. On September 17, 2024, Each Stardust Subscription Receipt converted into one Stardust Share and one Stardust warrant. Such Stardust Shares and warrants were subsequently exchanged for equivalent securities of the Company upon completion of the Bold RTO Transaction on September 25, 2024 in accordance with the terms of the Amalgamation Agreement. Each warrant is exercisable into one common share at a price of $0.40 per share for a period of 24 months from the date of issuance. The fair value of these agents' compensation warrants was measured using the residual value method, for a value of $6,500.

On January 17, the Company closed its non-brokered private placement offering consisof its and issued 6,350,000 units at a price of $0.10 per unit, generating aggregate gross proceeds of $635,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at an exercise price of $0.20 for a period of 18 months from the date of issuance. The Company issued 6,350,000 warrants with a value of $nil calculated using the residual value method.

The Company paid finder's fees in the amount of $36,680 and issued 366,800 finder's warrants in connection with the first tranche of the offering. Each finder's warrant entitles the holder to purchase one common share at $0.20 for a period of 18 months, under the same terms as the warrants issued in the offering. The fair value of these agents' compensation warrants was measured using the Black Scholes valuation model with the following inputs:

	January 17, 2025
Risk-free interest rate	2.93%
Expected stock price volatility	91.46%
Expected life in years	1.5
Share price	$0.14

The finder's warrants fair value of $16,124 was recorded as a share issuance cost.

January 29, 2025, the Company closed the second and final tranche of its upsized non-brokered private placement offering. In connection with the second tranche, the Company issued 5,246,104 units at a price of $0.10 per unit, generating aggregate gross proceeds of approximately $524,610.

The Company paid finder's fees in the amount of $30,905 and issued 309,050 finder's warrants in connection with the Second Tranche. Each finder's warrant entitles the holder to purchase one common share at $0.20 for a period of 18 months from the date of issuance, under the same terms as the warrants issued in the offering. The fair value of these agents' compensation warrants was measured using the Black Scholes valuation model with the following inputs:

	January 29, 2025
Risk-free interest rate	2.79%
Expected stock price volatility	91.46%
Expected life in years	1.5
Share price	$0.15

The finder's warrants fair value of $16,414 was recorded as a share issuance cost..

As at March 31, 2025, the agents' compensation warrants remain outstanding.

As at March 31, 2025 the following share purchase warrants were outstanding:

	Number of warrants		**Weighted average exercise price ($)**
Balance at December 31, 2023	105, 263,158	$	-
Issued	-		-
Balance at March 31, 2024	105, 263,158		-
Canceled	(105,263,158)		-
Issued	155,600		0.38
Balance at December 31, 2024	155,600	$	0.38
Issued	12,271,954		0.20
Balance at March 31, 2025	12,427,554	$	0.20

Expiry date	Exercise price ($)	Number of warrants	Number of exercisable warrants
2025-12-19	0.25	25,600	25,600
2026-09-17	0.40	130,000	130,000
2026-07-17	0.20	6,350,000	6,350,000
2026-07-17	0.20	366,800	366,800
2026-07-29	0.20	5,246,104	5,246,104
2026-07-29	0.20	309,050	309,050
		12,427,554	**12,427,554**

11. RESTRICTED SHARE UNITS

Stardust's board of directors (the "Board") approved a rolling restricted share unit ("RSU") plan on January 23, 2023 (the "RSU Plan"), which provides for a total of up to 20% of the issued and outstanding common shares available for issuance thereunder. The purpose of the RSU Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified executives, employees and consultants to contribute toward the long-term goals of the Company. All directors, consultants, and employees (as defined in the RSU Plan) of the Company and its related entities are eligible to participate in the RSU Plan.

As at March 31, 2025, all 3,789,474 the following RSUs remain outstanding:

	Number of RSUs		Grant date fair value per RSU
Balance at December 31, 2023	3,539,474	$	-
Granted (i, ii)	-		-
Balance at March 31, 2023	3,539,474	$	-
Forfeited	(3,539,474)		-
Granted (i)	3,289,474		0.24
Granted (ii)	250,000		0.24
Granted (iii)	250,000		0.09
Balance at December 31, 2024	3,789,474	$	0.23
Granted	-		-
Balance at March 31, 2025	3,789,474	$	0.23

(i) On February 10, 2023, the Company conditionally granted 3,289,474 RSUs to key management personnel. The Company previously assessed that probability of meeting all conditional grant and vesting terms was negligible. Accordingly, the fair value of these RSUs was previously determined to be $nil. The Company reassessed the fair value of these replacement RSUs on the date of issuance of the replacement RSUs. On October 7, 2024, following the Company's listing on the TSXV, the original RSUs were canceled, and 3,289,474 replacement RSUs were granted to key management personnel under the Omnibus Plan. These replacement RSUs will vest as follows: 40% on October 7, 2025, 15% on April 7, 2026, 15% on October 7, 2026, 15% on April 7, 2027, and 15% on October 7, 2027. Additionally, 2,631,579 RSUs will start vesting after the Company meets the revenue milestone of $5,000,000 in consolidated revenue for the fiscal year ending December 31, 2025. All RSUs will expire on October 7, 2028. As of March 31, 2024, the Company estimated probability of achieving the revenue milestone as 62%. Accordingly, 62% of performance-based RSUs are expected to vest, and their expense is recognized over the applicable vesting periods. The RSU's had a fair value of $0.24 per RSU.

(ii) On December 13, 2023, the Company conditionally granted 250,000 RSUs to its employees. The Company previously assessed that probability of meeting all conditional grant and vesting terms was negligible. Accordingly, the fair value of these RSUs was previously determined to be $nil. The Company reassessed the fair value of these replacement RSUs on the date of issuance of the replacement RSUs. On October 7, 2024, following the Company's listing on the TSXV, the original RSUs were canceled, and 250,000 replacement RSUs were granted to the employees under the Omnibus Plan. These replacement RSUs will vest as follows: 40% on October 7, 2025, 15% on April 7, 2026, 15% on October 7, 2026, 15% on April 7, 2027, and 15% on October 7, 2027. The RSU's had a fair value of $0.24 per RSU.

(iii) On November 6, 2024, the Company granted 250,000 RSUs to a director and officer of the Company. The RSUs will vest after one year and expire on November 6, 2028. The RSU's had a fair value of $0.09 per RSU.

The vesting of RSUs during the three months ended March 31, 2025, and 2024 resulted in stock-based compensation expense of $108,510 and $Nil respectively.

12. STOCK OPTION PLAN

On January 23, 2023, the Company adopted a stock option plan (the "Option Plan") which provides the Board's authority to grant stock options to purchase common shares of the Company to directors, officers, employees, and consultants of the Company in accordance with the terms of the Option Plan. The Option Plan was replaced by the Omnibus Plan upon completion of the Bold RTO Transaction on September 25, 2024. Under the Omnibus Plan, the aggregate number of common shares reserved for issuance pursuant to awards of options granted under the Omnibus Plan (including the options currently outstanding under the Stock Option Plan) shall not exceed 10% of the Company's total issued and outstanding common shares from time to time. If any option expires or otherwise terminates for any reason without having been exercised in full, the number of shares in respect of such expired or terminated option shall again be available for the purposes of granting options pursuant to this Omnibus Plan. All options can be exercisable for a maximum of 10 years. The vesting terms and exercise price of all options are determined by the board of directors but must in all cases be not less than the fair market value on the date of grant. The purpose of the Omnibus Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified executives, employees and consultants to contribute toward the long-term goals of the Company, and to encourage such individuals to acquire common shares of the Company as long term investments.

The following table summarizes the stock option activity during the three months ended March 31, 2025 and 2024:

Exercise price ($)	Remaining contractual life (years)	Number of outstanding options	Number of options vested (exercisable)
0.40	2.49	500,000	500,000
0.20	2.60	1,155,000	288,750
0.20	2.68	700,00	175,000
0.20	2.84	430,000	-
		2,355,000	**788,750**

	Number of stock options		Weighted average exercise price
Balance at December 31, 2023	-	$	-
Granted	-		-
Balance at March 31, 2024	-	$	-
Granted (i)	500,000		0.40
Granted (ii)	1,155,000		0.20
Granted (iii)	700,000		0.20
Balance at December 31, 2024	2,355,000	$	0.20
Granted (iv)	430,000		0.20
Balance at March 31, 2025	2,785,000	$	0.20

(i) On September 25, 2024, the Company granted 500,000 stock options at an exercise price of $0.40 per share pursuant to a consulting agreement with the Company's former director and officer. These stock options vest immediately and can be exercised until September 25, 2027.

The fair value of the options was measured using the Black Scholes valuation model with the following inputs:

	September 25, 2024
Risk-free interest rate	2.88%
Expected stock price volatility	80.27%
Expected life in years	3
Share price	$0.25

The fair value of these stock options was determined to be $52,387, or $0.10 per option. As at March 31, 2025, these stock options remain outstanding.

(ii) On November 6, 2024, the Company granted a total of 1,155,000 stock options to certain directors, officers and service providers pursuant to the Omnibus Plan. Each option is exercisable for one common share of the Company at an exercise price of $0.20 per share for a period of three years from the grant date. All options shall vest in quarterly instalments over a period of 12 months from the date of grant.

The fair value of the options was measured using the Black Scholes valuation model with the following inputs:

	November 6, 2024
Risk-free interest rate	3.16%
Expected stock price volatility	91.94%
Expected life in years	3
Share price	$0.09

The fair value of these stock options was determined to be $43,690, or $0.04 per option. As at March 31, 2025, these stock options remain outstanding.

(iii) On December 3, 2024, the Company granted a total of 700,000 stock options to certain service providers pursuant to the Omnibus Plan. Each option is exercisable for one common share of the

Company at an exercise price of $0.20 per share for a period of three years from the grant date. All options shall vest in quarterly instalments over a period of 12 months from the date of grant.

The fair value of the options was measured using the Black Scholes valuation model with the following inputs:

	December 3, 2024
Risk-free interest rate	2.97%
Expected stock price volatility	89.76%
Expected life in years	3
Share price	$0.12

The fair value of these stock options was determined to be $39,401, or $0.06 per option. As at March 31, 2025, these stock options remain outstanding.

(iv) On January 30, 2025, the Company granted a total of 430,000 stock options to certain service providers pursuant to the Omnibus Plan. Each option is exercisable for one common share of the Company at an exercise price of $0.20 per share for a period of three years from the grant date. All options shall vest in quarterly instalments over a period of 12 months from the date of grant.

The fair value of the options was measured using the Black Scholes valuation model with the following inputs:

	January 30, 2025
Risk-free interest rate	2.87%
Expected stock price volatility	85,37%
Expected life in years	3
Share price	$0.15

The fair value of these stock options was determined to be $30,233, or $0.07 per option. As at March 31, 2025, these stock options remain outstanding.

13. GOVERNMENT ASSISTANCE, LOANS AND BORROWINGS

As at March 31, 2025, the Company had the following loans and borrowings:

		March 31, 2025		December 31, 2024
CEBA / Business Loan (a)	$	23,408	$	24,915
BDC Loan (b)		98,963		100,653
Secured Loan (c)		-		372,750
		122,370		498,318
Less: current portion		(24,519)		(21,069)
Non-current portion	$	97,851	$	477,250

a. During the year ended December 31, 2020, the Company received revolving lines of credit totaling $60,000 as part of the Canada Emergency Business Account (CEBA) program due to COVID-19. The loans were interest-free and required no principal payments until December 2022 (“Initial Term Date”). The loan was extended to December 2025. Since the loan was extended past the Initial Term Date, it

will carry an interest rate of 5% per annum beginning January 1, 2023 until the loan is repaid in full or the maximum maturity date of December 31, 2025. The Company repaid $10,000 of the CEBA loan in 2022, and the remaining balance of the CEBA loan payable was $30,000.

Effective November 22, 2023, the Company elected to restructure the CEBA loan by converting it into a commercial bank business loan. The revised arrangement requires repayment in 60 monthly installments, commencing on February 22, 2024. Each monthly installment is comprised of a minimum principal repayment of $500, with interest accrual commencing February 1, 2024. The term loan agreement is classified as a financial liability recognized at fair value and subsequently measured at amortized cost using effective interest method. As at March 31, 2025, the carrying amount of the loan was $23,408 (December 31, 2024 - $24,915), including the undiscounted principal amount of $23,000 and the cumulative amount of interest at effective interest rate of 8.7% per annum. Of the total carrying amount of the loan, $6,171 is payable withing one year and classified as current.

b. On August 21, 2024, the Company obtained an unsecured, non-convertible loan in the principal amount of $100,000 from Business Development Canada (the “BDC Loan”). The maturity date of the BDC Loan is five years from the date of the perst instalment payment. The BDC Loan bears floating interest at a rate of 11.97% per annum. For the first six (6) months of the term, interest-only payments will occur on a monthly basis (no principal payments). Following the first six (6) months of the term, applicable interest and principal payments will occur on a monthly basis. The term loan agreement is classified as a financial liability recognized at fair value and subsequently measured at amortized cost using effective interest method. As at March 31, 2025, the carrying amount of the loan was $98,963 (December 31, 2024 - $100,653), including the undiscounted principal amount of $98,333 and the cumulative amount of interest. Of the total carrying amount of the loan, $18,348 is payable withing one year and classified as current.

c. On September 11, 2024, Stardust entered into a secured, non-convertible loan agreement with an arm’s length party (the “Secured Lender”), pursuant to which Stardust will borrow $448,000 from the Secured Lender (the “Secured Loan”). The Secured Loan was issued on October 2, 2024 following the TSXV approval of the Secured Loan and the Bold RTO Transaction completion. The maturity date of the Secured Loan will be two years from the date of issuance. In connection with the Secured Loan, Stardust shall grant the Secured Lender first priority charge on all of Stardust’s present and after-acquired personal property.

The Secured Loan shall bear interest at a rate of 24% per annum. Interest-only payments shall be due and payable on the first day of each month. The principal amount of the Secured Loan shall become due and payable on the maturity date, unless an event of default occurs.

If an event of default occurs and is not remedied within the applicable cure period, the Secured Lender may demand that Stardust immediately repay the Secured Loan, which shall become immediately due and payable. Subject, however, to the Secured Lender’s discretionary right to waive any breach by Stardust of the terms of the Secured Loan.

The Secured Loan is subject to an original issue discount of $47,936 (equal to 10.7% of the Secured Loan). Furthermore, Stardust must pay the Secured Lender a closing fee of $12,320, equal to 2.75% of the Secured Loan. Stardust also paid the costs and expenses related the Secured Loan, including the Secured Lender’s legal fees of $10,000 (exclusive of all taxes, disbursements and other miscellaneous costs). In addition, the Company paid finders’ fees of $13,318 for a total reduction of $83,574.

The term loan agreement is classified as a financial liability recognized at fair value and subsequently measured at amortized cost using effective interest method. The principal amount of the Secured Loan was not due until the maturity date (October 2, 2026). On Janaury 10, 2025, the Company made a

full repayment of the Secured Loan's principal amount and accrued interest. As at March 31, 2025, the carrying amount of the loan was $Nill (December 31, 2024 - $372,750), including the undiscounted principal amount of $448,000 and the cumulative amount of interest.

During the three months ended March 31, 2025, the Company received various government wage subsidies totaling $Nil (2023 - $3,125).

14. RELATED PARTY TRANSACTIONS AND BALANCES

The Company's related parties consist of key management personnel and companies owned directly or indirectly by key management personnel.

Key management personnel include persons having the 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 of Directors and corporate officers.

During the three months ended March 31, 2025, remuneration of key management included in salaries and wages was $99,640 (2024 - $59,379) and as of December 31, 2024, no salaries or wages were owed to the Company's key management personnel (December 31, 2023 - $nil).

On September 25, 2024, the Company granted 500,000 stock options at an exercise price of $0.40 per share pursuant to a consulting agreement with the Company's former director and officer. These stock options vest immediately and can be exercised until September 25, 2027. The fair value of these stock options was determined to be $52,387. As at March 31, 2025, these stock options remain outstanding.

On February 10, 2023, the Company conditionally granted 3,289,474 RSUs to key management personnel. The Company previously assessed that probability of meeting all conditional grant and vesting terms was negligible. Accordingly, the fair value of these RSUs was previously determined to be $nil. On October 7, 2024, following the Company's listing on the TSXV, the original RSUs were canceled, and 3,289,474 replacement RSUs were granted to key management personnel under the Omnibus Plan. These replacement RSUs will vest as follows: 40% on October 7, 2025, 15% on April 7, 2026, 15% on October 7, 2026, 15% on April 7, 2027, and 15% on October 7, 2027. Additionally, 2,631,579 RSUs will start vesting after the Company meets the revenue milestone of $5,000,000 in consolidated revenue for the fiscal year ending December 31, 2025. All RSUs will expire on October 7, 2028. The grant date value of these RSUs was $789,474.

On November 6, 2024, the Company granted 800,000 stock options to its key management personal at an exercise price of $0.20 per share. These stock options vest in four equal three-month istalments over the period of 12 months and can be exercised until November 6, 2027. During the three months ended March 31, 2025, 200,000 of these options vested. Each option is exercisable for one common share of the Company at an exercise price of $0.20 per share for a period of three years from the grant date. The total fair value of these options on the grant date was $30,262. As at March 31, 2025, these stock options remain outstanding.

During the three months ended March 31, 2025, a company controlled by a former director charged $5,688 (2024 - $4,680) for various consulting services including PV installation and design training and curriculum; of this amount at March 31, 2025, $2,630 is included in accounts payable (December 31, 2024 - $1,417).

In 2024, Stardust entered into a convertible loan agreement with director and senior offier of the Company and received an aggregate amount of $80,000 (note 8). On January 14, 2025, the Company made an early repayment of $41,905.60 in partial settlement of the convertible loan principal and accrued interest. As at March 31, 2025, the carrying amount of the financial liability component of the convertible loans was

$29,609 (December 31, 2024 - $70,814), including interest at effective interest rate of 21.12% per annum. The equity component, specifically the conversion option of the convertible loans, was valued at $13,221 and recorded in shareholders' deficiency.

A company controlled by an officer and director of the company charged $32,280 for various consulting services provided during the three months ended March 31, 2025 (2024 - $14,755). As of March 31, 2025, $33,894 was outstanding (December 31, 2024 - $2,979).

On November 6, 2024, the Company granted 250,000 RSUs to a director and officer of the Company. The RSUs will vest after one year and expire on November 6, 2028. The grant date value of these RSUs was $22,500.

As at March 31, 2025, the total amount due to related parties was $1,859 payable to key management personnel (December 31, 2024 - $1,859). Amounts due from/to related parties are unsecured, non-interest-bearing and are without fixed terms of repayment.

15. RISK MANAGEMENT

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash and equivalents and accounts receivable. The Company is not exposed to significant credit risk as its cash and equivalents are placed with a major Canadian financial institution.

With respect to its accounts receivable, the Company maintains provisions for expected credit losses, and any such losses to date have been within management's expectations. The Company recognizes and measures potential credit losses on its accounts receivable based on a combination of historical data, forward-looking information, and judgment about the credit environment. To reduce the credit risk of accounts receivable, the Company regularly reviews the collectability of the accounts receivable to ensure there is no indication that these amounts will not be fully recoverable. Additionally, the Company engages in the evaluation of the creditworthiness of its customers. The Company adopted a policy of full prepayment for its product sales, system assessments and installations, training & exam administration immediately upon prepayment invoicing, thereby lowering the risk of potential credit losses. The franchise royalties are also payable immediately upon invoicing. However, the Company, at its sole discretion, may offer extended payment terms up to 90 days upon the franchisee's request. This extension is subject to the Company's assessment of the franchisee's creditworthiness and other relevant factors, evaluated on a case-by-case basis. For the purposes of assessing expected credit losses, the Company considers a customer account to be in default when there is objective evidence that the customer is unlikely to pay its obligations in full without recourse by the Company to actions such as legal enforcement or collection proceedings. As a matter of policy, an account is also considered in default if it is more than 90 days past due, unless the Company offered extended payment terms and has reasonable evidence to support that the amount is still collectible. The definition of default is applied consistently to all financial assets that are subject to the expected credit loss, including trade receivables.

The Company applies the detailed approach to measuring expected credit losses on its trade accounts receivables, which uses an 12-month expected loss allowance for each trade account receivable. The expected loss rates are based on the payment profiles of sales over a period of 12 months before March 31, 2025, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. During the three months ended

March 31, 2025, the Company recognized bad debt of $53,779 with respect to expected credit losses on its trade accounts receivable, and $51,506 in trade receivables was written off during the period. As at March 31, 2025, the Company's provision for expected credit loss with respect to the Company's trade accounts receivable was $88,055 (December 31, 2024 – $85,782).

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

As at March 31, 2025, the Company had a cash and equivalents balance of $624,293 (December 31, 2024 - $1,284,764) available to apply against short-term business requirements and current liabilities of $1,292,844 (December 31, 2024 - $1,846,837). All of the Company's short-term liabilities are due within 90 days of December 31, 2024, except the current portion of the lease liability and borrowings which represent lease payments and loan payments due within 12 months from the applicable period-end and government assistance due within 12 months. The Company's undiscounted cash outflow obligations relating to the lease liability, convertible loans, and borrowings are discussed in notes 7, 8 and 13 respectively.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk.

Foreign currency risk

Foreign currency risk is the risk that future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company is not exposed to significant foreign currency risk.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on is at nominal interest rates. The Company is not exposed to significant interest rate risk on its floating CEBA and BDC loans (note 13).

Price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk.

16. CAPITAL MANAGEMENT

The Company's primary source of funds comes from operations, the issuance of common shares, warrants, options, commercial bank business loans and loans from shareholders. The Company is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' deficiency. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company

monitors expenses and overhead to ensure costs and commitments are being paid. The Company did not change its approach to capital management during the three the three months ended March 31, 2025, and 2024.

17. SEGMENTED INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. As the Company is operating three legal entities, which comprise Stardust Solar Technologies USA, Stardust Solar Franchise Inc., and Stardust Solar Technologies Inc., the Company recognizes these entities as the operating segments that it monitors the performance of and manages resources through. Therefore, the Company has three operating segments: 1) Head office operations, including product sales, education/training/examination, and solar system installations, 2) Canadian franchise operations, and 3) USA franchise and solar system installations ("USA Franchise operations").

All assets of the Company are located in Canada with exception of operational cash balances and intangible assets including trademarks and acquired Solar Grids franchise agreements (notes 2 and 6) in the USA entity.

For the three months ended March 31, 2025 and 2024, revenue from customers that individually accounted for more than 10% of the Company's total revenue is as follows:

For the three months ended March 31,		2025		2024
Customer A (Canada)	$	128,163	$	-
Customer B (Canada)		63,501		100,463
Customer C (USA)		-		180,136
Customer D (Canada)		-		162,070
Customer E (USA)		-		119,850
Other customers (Canada and USA)		811,440		270,752
Total revenue	$	1,003,104	$	834,271

No other customers accounted for more than 10% of total revenue during the reporting period. All revenues were generated in Canada and US.

Three months ended March 31, 2025	Head Office Operations	Canadian Franchise Operations	USA Franchise Operations	Total
System assessment & installations	$ 34,683	$ -	$ 2,583	$ 37,266
Product sales	514,369	1,786	45,880	562,035
Training & exam administration	69,889	-	-	69,889
Franchise fees	25,343	87,225	221,346	333,914
Total revenue	644,284	89,011	269,809	1,003,104
Direct costs	(468,798)	-	(48,137)	(516,935)
Gross profit	175,486	89,011	221,672	486,169
Expenses	(980,790)	(25,720)	(130,920)	(1,137,430)
	$ (805,304)	$ 63,291	$ (90,752)	$ (651,261)
Total Assets	$ 1,338,872	$ 218,065	$ 274,246	$ 1,831,183
Total Liabilities	$ (1,581,278)	$ (1,556)	$ (158,906)	$ (1,741,740)

Three months ended March 31, 2024	Head Office Operations	Canadian Franchise Operations	USA Franchise Operations	Total
System assessment & installations	$ 16,335	$ -	$ 27,630	$ 43,965
Product sales	274,568	-	352,143	626,711
Training & exam administration	67,730	-	-	67,730
Franchise fees	15,829	75,291	4,745	95,865
Total revenue	374,462	75,291	384,518	834,271
Direct costs	(271,376)	-	(334,540)	(605,916)
Gross profit	103,086	75,291	49,978	228,355
Expenses	(604,676)	(8,365)	(7,968)	(621,009)
	$ (501,590)	$ 66,926	$ 42,010	$ (392,654)
Total Assets	$ 397,866	$ 157,220	$ 156,781	$ 711,867
Total Liabilities	$ (1,521,895)	$ (40,241)	$ (228,442)	$ (1,790,578)

18. SUBSEQUENT EVENTS

a) On April 17, 2025, the Company closed its non-brokered private placement of 3,410,000 units of the Company at a price of $0.125 per unit for aggregate gross proceeds of $426,250. Each unit issued under the offering is comprised of one common share in the capital of the Company and one-half of one share purchase warrant. Each whole warrant will entitle the holder thereof to acquire one additional share at a price of $0.25 per warrant share for a period of 18 months from the closing date of the offering.

   The Company paid finder's fees of $27,888, payable in cash, and issued 223,100 finder's warrants exercisable for a period of 18 months from the closing date of the offering at a price of $0.25 per share, all in accordance with the policies of the TSXV.

b) Subsequent to March 31, 2025, the Company repaid $190,000 of the total principal amount and interest accrued under the terms of the convertible loans (note 8).