



AURORA SOLAR TECHNOLOGIES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED 31 MARCH 2023 AND 2022

Stated in Canadian Dollars

DATE: 30 AUGUST 2023

TABLE OF CONTENTS

To Our Shareholders.....	1
Forward-Looking Statements	1
General	2
Market Position and Development.....	3
Highlights, Significant Events and Transactions During The Period.....	3
Significant Events and Transactions Subsequent to the Period End	5
Results of Operations	5
Selected Annual Information	7
Financial Data for Last Eight Quarters	7
Outstanding Shares	8
Liquidity and Financial Condition of the Company	8
Capital Management	9
Off-Balance Sheet Arrangements	9
Related Party Transactions	9
Financial Instruments and Risk Factors	9
Other Risk Factors and Uncertainties	13
Investor Relations Activities	13
Management	13
Approval	14
A Cautionary Tale.....	14

AURORA SOLAR TECHNOLOGIES INC.

Canadian Dollars

FOR THE YEARS ENDED 31 MARCH 2023 AND 2022

MANAGEMENT DISCUSSION AND ANALYSIS



TO OUR SHAREHOLDERS

The following information should be read in conjunction with the Consolidated Financial Statements of Aurora Solar Technologies Inc. (“the Company”, or “Aurora”) for the years ended 31 March 2023 and 2022, and the related notes attached thereto, which were prepared in accordance with International Financial Reporting Standards (“IFRS”). This discussion covers the years ended 31 March 2023 and 2022 and the subsequent period up to the date of the issuance of this Management Discussion and Analysis (“MD&A”). All amounts are expressed in Canadian dollars, unless otherwise indicated.

Additional information about the Company, including the audited Consolidated Financial Statements, and the notes thereto, for the years ended 31 March 2023 and 2022, prepared in accordance with IFRS, can be found on SEDAR at www.sedar.com.

Discussion of the Company, its operations and associated risks are further described in the Company’s filings, available for viewing at www.sedar.com. A copy of this MD&A will be provided to any applicant upon request.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A may be deemed to be “forward-looking statements”. All statements in this discussion other than statements of historical facts, that address future events or developments that the Company expects, are forward-looking statements. Forward-looking statements reflect current expectations of management regarding future events and operating performance as of the date of the MD&A. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Forward-looking statements relate to future events or future performance and reflect the Company’s current estimates and expectations or beliefs regarding future events and include, without limitation, information or statements concerning the Company’s expectations of financial resources availability to fund operations; general business and economic conditions; the Company’s ability to successfully execute its plans and intentions; the Company’s ability to obtain financing at reasonable terms through the sale of equity and/or debt commitments; dependence on a small number of key personnel; the Company’s ability to attract and retain skilled staff; political instability; market competition; future supply and demand, ability to procure inventory, production capabilities and price of products; the timing and amount of estimated future production; costs of production; government regulation, operations, limitations of insurance coverage; the timing and possible outcome of pending litigation; delays in obtaining governmental approvals or financing or in the completion of development activities; and the ability of the Company to continue as a going concern. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Although the Company has attempted to identify important factors that could cause actual actions, events, or



results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events, or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. These and other factors should be considered carefully, and thus, readers should not place undue reliance on the Company's forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements. These forward-looking statements are made as of the date hereof.

GENERAL

The Company was incorporated under the laws of the Province of British Columbia, Canada on 26 October 2006 as Pulse Capital Corp, a capital pool company. On 7 November 2011, it acquired Aurora Control Technologies Inc. through a reverse takeover and initiated its current business operations. The Company, together with its subsidiaries, develops and markets measurement and quality control systems for laboratory characterization and manufacturing quality assurance in the solar wafer and cell manufacturing industries.

On August 25, 2022, Aurora acquired 100% of the outstanding share capital of BT Imaging Pty. Ltd. ("BTi"), a global leader in photoluminescence (PL) imaging tools and instruments for photovoltaic ("PV") material inspection and quality control. BTi was incorporated in 2007 in the State of New South Wales, Australia as a private limited company to commercialize imaging technology originally developed at the University of New South Wales School of Photovoltaic and Renewable Energy Engineering. BTi develops and markets several material inspection and quality control tools. BTi's R series products are designed for laboratories and off-line production quality control. The W series products are used by silicon wafer and cell manufacturers for both in-line and off-line process control. Its M series products for module assembly applications.

The vast majority of solar panels or modules seen on rooftops, streetlights and large-scale "solar energy farms" are made from purified silicon that is formed into ingots, sawn into silicon wafers and then produced to create solar cells. In solar cell research and design applications, conducted in academic, government and industrial laboratories throughout the world, BTi's R series products are used to inspect and characterize wafer materials, examine experimental and production design results, and to verify electrical performance for comparison to design objectives for manufacturing purposes.

BTi's R series products are state of the art metrology tools used to evaluate new materials for in multi-junction, perovskite and thin film solar cells. In silicon wafer production, the R's series products are used to determine optimal wafer slicing locations in each ingot by sensing the extent and locations of impurities that can affect finished cell performance. BTi's W series products are also used later in wafer production or at the incoming stage of cell production for quality assurance and classification of the as-cut wafers.

During cell production, chemical and thermal processes transform the wafers from inert substrates to energy-generating cells. To achieve the high electrical efficiencies that are now common, strict control of variations in these processes is required during cell manufacturing. Aurora's DMTM and TCMTM products use proprietary patented

AURORA SOLAR TECHNOLOGIES INC.

Canadian Dollars

FOR THE YEARS ENDED 31 MARCH 2023 AND 2022

MANAGEMENT DISCUSSION AND ANALYSIS



technology, based on the principles of infrared spectroscopy sensing to measure the properties of the aforementioned solar cell chemical layers as they are deposited and thermally annealed. BTi's R and W series products are used to verify the material effects of these processes on partially or wholly finished cells.

These solar cells are then wired together and framed to form modules. Performance of finished modules is largely determined by the wafer material quality, the cell design and manufacturing quality control, and the module assembly quality control. BTi's M series products are used for module quality control and process optimization during production.

The data provided from these measurement and inspection products provides the means to perform real time diagnostics, control, and equipment optimization quickly and effectively.

To bring these products together as a metrology system, Aurora's proprietary "data science" software platform enhances the combined Company's product portfolio to provide plant-wide smart factory monitoring through machine learning and digitalization to translate measurements into actionable information to improve manufacturing performance. This allows advanced cell manufacturers to rapidly and precisely understand when and how to control their production for optimal yield and cell efficiency.

The address of the Company's corporate and administrative office and principal place of business is #100 – 788 Harbourside Drive, North Vancouver, BC, V7P 3R7.

MARKET POSITION AND DEVELOPMENT

Aurora and BTi together focus on top-tier manufacturers of PV products who value the benefits of integrated measurement and process control systems and who have known capacity expansion plans. Currently the majority of the world's solar product manufacturing is conducted by Chinese companies in China and in other locations, primarily in the Southeast Asia region. In addition, new market opportunities are expected to emerge in Australia, North America, Asia Pacific and Europe. As such the combined business has sales and technical service facilities in China with sales, product development and technical support in Sydney, Australia and Vancouver, Canada.

The solar or PV energy industry is fast-growing with rapid technological advancements that is gaining importance within the energy sector. The pace of change is not slowing with new government initiatives recently announced in Australia, North America, Europe and China. Wafer, cell, and module configurations have all changed, with increasing sizes, advanced materials and performance demands. This changing industry landscape presents growth opportunities for the combined Company based on its contactless metrology systems that embrace emerging trends in automation, integrated facilities, and next generation of solar cells and modules.

HIGHLIGHTS, SIGNIFICANT EVENTS AND TRANSACTIONS DURING THE PERIOD

The Business Acquisition report relating to the acquisition of BT Imaging PTY Ltd. was filed on Sedar on 8 November 2022. (www.sedar.com)

On 2 November 2022, the Company provided a corporate update regarding the integration of the BTi, Insight and the transition plan with a focus on growth and diversification based on a leading systems approach to process control for the solar cell manufacturing derived from the synergies and complimentary products of the combined business.

AURORA SOLAR TECHNOLOGIES INC.

Canadian Dollars

FOR THE YEARS ENDED 31 MARCH 2023 AND 2022

MANAGEMENT DISCUSSION AND ANALYSIS



On 4 October 2022, the Company announced that Gordon Deans retired as the President and CEO of the Company; Mr. Deans will remain a member of the Board of Directors of the Company. Concurrently, the Board of Directors appointed Kevin Dodds to succeed Mr. Deans as President and CEO of the Company effective 1 October 2022.

Also effective on 1 October 2022, the Company announced the appointment of Dr. Roger Buckeridge to the Board of Directors and replaced David Robinson who unexpectedly passed away.

On 25 August 2022, the Company acquired 100% of the outstanding shares of BTi through a share purchase agreement. In consideration for the acquisition of BTi, the Company paid \$1,205,310 in cash and issued 62,969,351 common shares of the Company to BTi shareholders. These new common shares are subject to escrow conditions and will be released in three tranches on 26 December 2022, 25 June 2023 and 25 December 2023 in the amount of 20,032,003, 21,468,674, and 21,468,674 common shares, respectively. The first and second tranches of new common shares was released from escrow on 26 December 2022 and 25 June 2023, respectively. Stifel GMP acted as the Company's financial advisor on this acquisition and received 2,500,000 common shares issued at a deemed price of \$0.10 per share plus a cash consideration totalling \$286,037 payable in quarterly instalments only upon successful completion of the deal.

On 25 August 2022, the Company also announced that a concurrent non-brokered private placement to support the Acquisition was also completed with net proceeds of \$1,103,300; accordingly, all cash proceeds were allocated for the purchase of BTi. The Company issued 11,650,000 Units (the "Units") at the price of \$0.10 per Unit for gross proceeds of \$1,165,000. Each Unit consists of one common share of the Company and one share purchase warrant to acquire a share of the Company at an exercise price of \$0.20 for a period of one year. A finder's fee of \$18,375 was paid and 183,750 in finder's warrants were issued which are exercisable into common shares at \$0.20 per share purchase warrant for a period of one year. All securities issued pursuant to the private placement are subject to a hold period that expired on 26 December 2022.

On 25 August 2022, the Company also announced stock option grants to directors, officers and consultants totaling 3,700,000 options exercisable at \$0.11 per option for a five-year term.

In July 2022, a historical five-unit DM delivery at a customer site in Malaysia was successfully installed following a multi-period delay.

During the fiscal year ended 31 March 2023, representatives from both the Company and the newly acquired subsidiary, BTi, attended and presented at the 8th World Conference on Photovoltaic Energy Conversion conference in Milan to reconnect with customers, strategic partners and supplies, including, a new customer from Italy that was recently secured by BTi.

During the fiscal year ended 31 March 2023, the Company's legal representative in China attended an arbitration hearing in Shanghai, China regarding one DM installation. Due to the complexities of the issues involved no arbitration decision was made during this hearing. Subsequent to the fiscal year ended 31 March 2023, there has been no further actions taken.

AURORA SOLAR TECHNOLOGIES INC.

Canadian Dollars

FOR THE YEARS ENDED 31 MARCH 2023 AND 2022

MANAGEMENT DISCUSSION AND ANALYSIS



During the fiscal year ended 31 March 2023, 7,100,000 common share purchase warrants issued 13 May 2021 at a price of \$0.40 per unit expired. In addition, 615,100 agent warrants issued 13 May 2021 at an exercise price of \$0.25 per unit also expired on 13 May 2022.

SIGNIFICANT EVENTS AND TRANSACTIONS SUBSEQUENT TO THE PERIOD END

On 26 June 2023, the Company provided a corporate update regarding the integration of BTi with efficiencies that included the closing of the Aurora Chinese office and maximizing synergies among sales, technical and administration teams. The Company announced that Aurora's personnel are fully integrated within the BTi teams, that BTi's existing products remain in demand, and that the Company's sales are progressing well and within management expectations consistent with its forecasting at the time of acquisition. Working capital has been used to meet the demand for sales and for the above referenced integration and acquisition costs and is expected to normalize during the first half of fiscal 2024. The BTi business remains self-funding.

Subsequent to the fiscal year ended 31 March 2023, representatives from both the Company and BTi attended the SNEC 16th Photovoltaic Power Generation and Smart Energy Conference held in Shanghai, China. The Company made a soft market launch of its new BTi R-Multi Junction ("RMJ") product line. The Company believes the R-MJ is strategically positioned product for the characterization of next generation tandem solar cells. Also, subsequent to the fiscal year ended 31 March 2023, the Company presented at the 50th IEEE Photovoltaic Specialists Conference ("PVSC") held in San Juan, Puerto Rico.

On 11 July 2023, the Company announced the formal creation of an advisory board that includes Dr. Johnson Wong, the Company's head of technology, Budi Tjahjono a solar industry expert and Wang Wei a specialist within the chemical and energy industry. The Company also announced that Brett Freeman will be joining BTi as its Managing Director on 14 August 2023. Finally, the Company announced the granting of an aggregate of 17,800,000 stock options to certain directors, officers, consultants and employees. The stock options are exercisable at \$0.05 per share, for a period of 5 years and vest over 3 years.

RESULTS OF OPERATIONS

The net loss and comprehensive loss attributable to the shareholders for the fiscal year ended 31 March 2023 was \$4,479,803 compared to the comprehensive loss of \$4,246,550 during the fiscal year ended 31 March 2022. The net loss and comprehensive loss for the three months ended 31 March 2023 was \$1,850,182 compared to the comprehensive loss of \$1,132,672 for the three months ended 31 March 2022. During the three months ended 31 March 2023 the Company expensed \$692,375 (2022-\$176,572) in acquisition related costs.

AURORA SOLAR TECHNOLOGIES INC.

Canadian Dollars

FOR THE YEARS ENDED 31 MARCH 2023 AND 2022**MANAGEMENT DISCUSSION AND ANALYSIS**

The reasons for the fluctuations are as follows:

Rounded (000's)	12 Months 2023	12 Months 2022	3 Months 2023	3 Months 2022
Product sales	\$ 5,509,000	\$ -	\$ 1,728,000	\$ -
Variance increase (decrease)	5,509,000		1,728,000	

During the fiscal year ended 31 March 2023, Aurora acquired BTi and subsequently recognized associated sales on a proportional period basis. Product sales are mostly derived from BTi's metrology tools and for the twelve and three months ended 31 March 2023, revenue recorded was consistent with management's expectation post-acquisition.

Rounded (000's)	12 Months 2023	12 Months 2022	3 Months 2023	3 Months 2022
Cost of sales	\$ 2,754,000	\$ -	\$ 974,000	\$ -
Variance increase (decrease)	2,754,000		974,000	

During the fiscal year ended 31 March 2023, Aurora acquired BTi and subsequently recognized associated cost of sales on a proportional period basis. Costs of sales increased during the twelve and three months ended 31 March 2023 as a result of the increased sales revenue. Cost of sales consists primarily of raw materials, direct labour, transportation costs and indirect overhead. Factors that affect the cost of sales include raw material prices, particularly high-quality specialized components, which are difficult to source and, the cost of continuous improvement for product technical advancements.

Rounded (000's)	12 Months 2023	12 Months 2022	3 Months 2023	3 Months 2022
Sales and Marketing	\$ 1,293,000	\$ 300,000	\$ 522,000	\$ 13,000
Variance increase (decrease)	993,000		509,000	

During the fiscal year ended 31 March 2023, Aurora acquired BTi and subsequently recognized associated sales and marketing costs on a proportional period basis. During the twelve and three months ended 31 March 2023, the Company, while continuing to navigate the impacts from the Covid-19 pandemic, re-commenced customer site visits and re-engaged in strategic marketing and investor relations related activities. The Company made technical presentations at the 2022 IEEE 49th Photovoltaic Specialist Conference (PVSC) in the United States and had representation at the 2022 World Conference on Photovoltaic Energy Conversion ("WCPEC"), the world's biggest platform for PV research and development.

Rounded (000's)	12 Months 2023	12 Months 2022	3 Months 2023	3 Months 2022
General and administrative	\$ 2,500,000	\$ 1,731,000	\$ 886,000	\$ 416,000
Variance increase (decrease)	769,000		470,000	

During the fiscal year ended 31 March 2023, Aurora acquired BTi and subsequently recognized associated general and administrative costs on a proportional period basis. During the twelve and three months ended 31 March 2023, Aurora reallocated resources to focus on key product, operational and sales growth strategies, which resulted in increased wages, short-term benefits, professional and consulting fees. During the period ended 31, March 2023 the Company paid \$172,000 in retention payments to key individuals to support post-acquisition

AURORA SOLAR TECHNOLOGIES INC.

Canadian Dollars

FOR THE YEARS ENDED 31 MARCH 2023 AND 2022

MANAGEMENT DISCUSSION AND ANALYSIS



operations; the retention period ended on 31 December 2022. In addition, during the twelve and three months ended 31 March 2023 the Company recorded audit fees of \$215,000.

Rounded (000's)	12 Months 2023	12 Months 2022	3 Months 2023	3 Months 2022
Research and development	\$ 1,411,000	\$ 1,975,000	\$ 150,000	\$ 724,000
Variance increase (decrease)	(564,000)		(574,000)	

During the fiscal year ended 31 March 2023, Aurora acquired BTi and subsequently recognized associated research and development costs on a proportional period basis. Research and development is a key component of the Company's ongoing success: Aurora has been focused on machine learning, data analysis and digitization and BTi has been focused on short-term product enhancements. During the fiscal year ended 31 March 2023, the Company created synergies by merging its two China offices, and the related key staff, into one business centre. The cost of the R&D support provided by through the application engineering team (China office) for the twelve and three months ended 31 March 2023 was \$366,077 and \$6,526, respectively compared to the twelve and three months ended 31 March 2022 of \$530,218 and \$112,980.

SELECTED ANNUAL INFORMATION

Financial Data for the past four annual periods:

Fiscal Year Ended	Mar-2023 ⁽²⁾	Mar-2022	Mar-2021 ⁽¹⁾	Mar-2020 ⁽¹⁾
Rounded (000's)				
Total Revenues	\$ 5,509,000	-	1,866,000	3,298,000
Loss from Continuing Operations	\$ (3,768,000)	(4,382,000)	(3,771,000)	(482,000)
Loss and Comprehensive Loss for the Year	\$ (4,320,000)	(4,247,000)	(3,520,000)	(504,000)
Loss per Share (Basic and Diluted)	\$ (0.02)	(0.03)	(0.03)	(0.01)
Total Assets	\$ 9,422,000	3,189,000	3,816,000	3,551,000
Working Capital ⁽³⁾	\$ 3,732,000	2,017,000	2,511,000	2,428,000

⁽¹⁾ For comparative purposes, information for the year ended 31 March 2021 was restated due to a change in presentation for Finance Cost which was formerly included in "Loss from Continuing Operations" and is now included in "Loss and Comprehensive Loss for the Year". There is no impact on net income, retained earnings, or assets and liabilities as a result of this change.

⁽²⁾ The first fiscal year with the inclusion of 100% wholly-owned subsidiary, BTi.

⁽³⁾ "Working Capital" is defined as current assets minus current liabilities.

FINANCIAL DATA FOR LAST EIGHT QUARTERS

The following table sets out selected unaudited quarterly financial information of the Company and is derived from the unaudited condensed interim consolidated financial statements prepared by management. The Company's condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

AURORA SOLAR TECHNOLOGIES INC.

Canadian Dollars

FOR THE YEARS ENDED 31 MARCH 2023 AND 2022

MANAGEMENT DISCUSSION AND ANALYSIS



Three Months Ended	23-Mar	22-Dec	22-Sept	22-Jun	22-Mar	21-Dec	21-Sep	21-Jun	21-Mar
Total Revenues	1,728,676	3,393,453	386,608	-	-	-	-	-	(261,316)
Loss from continuing operations for the period	(2,018,143) ⁽¹⁾	(347,976)	(1,110,678)	(1,003,006)	(1,132,672)	(1,067,309)	(943,082)	(1,103,487)	(1,804,741)
Loss per share (Basic and diluted)	(0.009)	(0.002)	(0.006)	(0.007)	(0.008)	(0.008)	(0.007)	(0.008)	(0.015)
Total assets	9,422,304	11,615,282	13,719,459	2,171,565	3,188,774	4,257,914	5,085,969	6,193,832	3,816,105
Working capital	3,731,861	4,778,553	4,990,697	1,110,750	2,017,393	3,024,226	3,838,665	4,660,143	2,510,983

(1) Final purchase price adjustment recognized in this period.

Management has allowed Working Capital to remain greater than expected outflows in each quarter, despite variations in timing of sales orders.

OUTSTANDING SHARES

As of 31 March 2023, the Company had 222,194,076 common shares issued and outstanding. The fully diluted amount of 247,507,826 represents warrants of 11,833,750 and options of 13,480,000.

As of the date of this MD&A, the Company had 222,194,076 common shares issued and outstanding. The fully diluted amount of 265,277,826 represents 11,833,750 warrants and options of 31,250,000.

During the fiscal year ended 31 March 2023, the following options were exercised or forfeited:

- 400,000 options were forfeited from the 23 April 2018 issuance
- 100,000 options were exercised from the 30 October 2018 issuance
- 100,000 options were forfeited from the 30 October 2018 issuance
- 200,000 options were forfeited from the 02 January 2020 issuance
- 300,000 options were forfeited from the 24 February 2021 issuance
- 80,000 options were forfeited from the 07 April 2020 issuance
- 75,000 options expired from the 19 December 2018 issuance

LIQUIDITY AND FINANCIAL CONDITION OF THE COMPANY

The Company's Working Capital surplus on 31 March 2023, was \$3,731,861 compared with \$2,017,393 on 31 March 2022.

Cash provided by investing activities during the period ended 31 March 2023 totalled \$2,238,239 (31 March 2022 – used (\$190,966)).

Cash provided by financing activities during the period ended 31 March 2023 totalled \$910,470 (31 March 2022 - \$3,284,147).

Actual future funding requirements may vary from those planned due to several factors, including timing of sales and changes in the pace of research and development with respect to current and future products and potential value enhancing transactions to support growth.

AURORA SOLAR TECHNOLOGIES INC.

Canadian Dollars

FOR THE YEARS ENDED 31 MARCH 2023 AND 2022

MANAGEMENT DISCUSSION AND ANALYSIS



Management believes it will be able to raise debt or equity financing as required in the long-term, but recognizes the risks attached thereto. Historically the capital requirements of the Company have been met by equity subscriptions through the capital markets.

Although the Company has been successful in the past in obtaining financing through the capital markets, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favourable.

CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustment to it, based on the funds available to the Company, to support the development of the Company's measurement technology. The Company includes components of equity in its managed capital. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds may be required to finance investments of the Company.

Management reviews its capital management approach on an ongoing basis and believe that this approach, given the size of the Company, is reasonable. The Company currently is not subject to externally imposed capital requirements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as of 31 March 2023, and as of the date hereof.

RELATED PARTY TRANSACTIONS

Key management personnel include the members of the Board of Directors and executive officers of the Company.

Related party transactions are recorded as part of the general and administrative expenses on the Consolidated Statement of Comprehensive Loss, and include the following expenses recognized during the period:

Principal Position Rounded (000's)	31 March 2023	31 March 2022
Wages and short-term benefits	\$ 561,000	\$ 389,000
Share based payments	377,000	254,000
Total Remuneration	\$ 938,000	\$ 643,000

Included in amounts payable on the Consolidated Statement of Financial Position is \$31,989 (31 March 2022 - \$13,000) due to related parties with respect to professional fees, wages and short-term benefits, and expense reimbursements, and are non-interest bearing.



During the fiscal year ended 31 March 2023, the Company incurred \$78,050 (2022 – \$72,000) in legal fees from a company in which a director is a partner. The Company also incurred \$299,364 (2022 - \$90,000) in consulting fees from companies in which directors are owners. These indirect costs are in the normal course of business operations and are measured at fair value.

FINANCIAL INSTRUMENTS AND RISK FACTORS

a) Fair value measurement

The Company classifies its fair value measurements with a fair value hierarchy, which categorizes into three levels the inputs used in making the measurements. The three levels of hierarchy are:

Level 1 – quoted prices in active markets for identical financial instruments.

Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant and significant value drivers are observable in active markets.

Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

h) Classification of fair values of financial assets and liabilities

Financial instruments of the Company carried on the Consolidated Statements of Financial Position are carried at amortized cost or fair value through profit or loss.

The Company's financial assets classified as amortized cost include cash and amounts receivable. Amounts payable and accrued liabilities are classified as financial liabilities at amortized cost. The carrying value of these financial assets and liabilities approximate the fair value because of their short-term nature.

Lease liabilities and CEBA loan are also classified as other financial liabilities at amortized cost and are subsequently measured using the effective interest method.

i) Other risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operations and budgets accordingly.

j) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is on its amounts receivable and its bank accounts. The Company is exposed to credit risk by holding cash, which are all in financial institutions in Canada, Australia and China, and management believes the exposure to credit risk with respect to such institutions is not significant.



The Company is mainly exposed to credit risk from credit sales and has a high concentration of credit risk as the amounts receivable are made up of a small number of customers. It is the Company's policy to assess the credit risk of new customers before entering contracts. The executive management determines concentrations of credit risk frequently by monitoring the creditworthiness rating of existing customers and through a review of the trade receivables aging analysis. Over-due balances are reviewed for collectability and allowance for expected credit losses where appropriate, will be provided. As at 31 March 2023, the Company is reporting a \$1,183,456 (2022-\$103,815) balance in trade amounts receivable.

k) Interest rate risk

Interest rate risk is the risk of losses that arise because of changes in contracted interest rates. The Company maintains cash in accounts at Canadian chartered banks, a Chinese state-owned commercial bank and an Australian big four bank, that all bear interest at nominal rates. The Company's lease liabilities and long-term debt are based on fixed interest rates. The Company's exposure to interest rate risk is nominal.

f) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk, as it deals with customers and vendors in currencies other than its functional currency. A 5% change in exchange would impact the financial statements by \$61,000 (31 March 2022- \$10,000). As at 31 March 2023, the Company held currency totalling the following:

Rounded (000's)		Sensitivity (CAD\$)	31 March 2023	31 March 2022
Cash in United States dollars	5%	\$ (118,000)	\$ 1,749,000 USD	\$ 24,000 USD
Cash in Chinese RMB	5%	\$ (1,000)	\$ 88,000 RMB	\$ 570,000 RMB
Cash in Australian dollars	5%	\$ (18,000)	\$ 397,000 AUD	\$ Nil* AUD
Cash in Euros	5%	\$ -	\$ 5,000 AUD	\$ Nil* AUD
Amounts receivable in United States dollars	5%	\$ (54,000)	\$ 797,000 USD	\$ 83,000 USD
Amounts receivable in Chinese RMB	5%	\$ -	\$ 1,000 RMB	\$ Nil* RMB
Amounts receivable in Australian dollars	5%	\$ (3,000)	\$ 146,000 AUD	\$ Nil* AUD
Amounts payable in United States dollars	5%	\$ 14,000	\$ (214,000) USD	\$ (20,000) USD
Amounts payable in Chinese RMB	5%	\$ 5,000	\$ (458,000) RMB	\$ (65,000) RMB
Amounts payable in Australian dollars	5%	\$ 17,000	\$ (365,000) AUD	\$ Nil* AUD
Amounts payable in Euros	5%	\$ 2,000	\$ (22,000) EURO	\$ (1,000) EURO
Deferred Revenue in United States Dollars	5%	\$ 95,000	\$ (1,410,000) USD	\$ Nil* USD

* These currencies are held in bank accounts and/or relate to operations for BTI and BTJ that were not consolidated as these entities were not acquired until the year ended 31 March 2023.



g) Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company’s objective in managing this is to maintain readily available reserves to meet its liquidity requirements at any point in time.

The Company manages liquidity risk through the management of its capital structure and resources to ensure that it has sufficient liquidity to settle obligations and liabilities when they are due. The Company’s ability to fund its operating requirements depends on future operating performance and cash flows, which are subject to economic, financial, competitive, and regulatory conditions, and other factors, some of which are beyond its control. The Company’s primary short-term liquidity needs are to fund its net operating losses and lease payments. The Company’s medium-term liquidity needs primarily relate to debt repayments and lease payments. The Company’s long-term liquidity needs primarily relate to potential strategic plans.

In an effort to manage liquidity prudently while the Company moves toward profitability and positive cash flows, the Company, during the year ended 31 March 2023, completed the acquisition of BTi, a revenue-generating and cash-flow positive entity and implemented an operational restructuring of the combined business.

The above initiative provided the Company with increased liquidity and flexibility to meet its financial commitments and continue operations.

The table below presents the contractual maturity of the Company’s financial liabilities, including both principal and interest payments as at 31 March 2023:

	Less than 1 year	1 to 3 years	Total¹
Amounts payable and accrued liabilities	\$ 1,191,000	\$ -	\$ 1,191,000
Lease Liabilities	158,000	96,000	254,000
CEBA Loan	60,000	-	60,000
	\$ 1,409,000	\$ 96,000	\$ 1,505,000

¹ The Company has no contractual obligations greater than 3 years. Further, it is management’s opinion that the Company is not exposed to significant credit, interest rate, liquidity, or market risks in respect of these financial instruments. The Company continues to monitor its policies and processes for managing risks associated with its financial instruments.

The RMB held in China are not freely convertible into other currencies, and the exchange risk is, therefore, less easily managed. However, under China’s Foreign Exchange Control Regulations and the Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Company is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. Further, the cash balances held in Industrial Commercial Bank of China accounts represent only a small portion of the company’s total cash resources and the exchange risk is, therefore, proportionally small.



OTHER RISK FACTORS AND UNCERTAINTIES

a) Geographic Risk

Geographic risk is the risk that the concentration of the Company's business and financial results may be adversely affected by growing geo-political trade and diplomatic matters. The Company manages this risk through its presence in China with its Chinese representative office and local Chinese staff.

b) Product Risk

Product risk is the risk that the Company's current and next generation of technology might not be successful and/or may require further technical development before customer acceptance. The Company's future growth is dependent on the continued success of BTI's R-series products and Aurora's smart factory products being accepted in both the Chinese market and elsewhere. The Company's products are yet to be widely accepted and may not gain market traction. The Company's future growth is dependent on the Company's products maintaining competitive advantage through technology and innovation.

c) Intellectual Property Risk

The Company regards its software as proprietary and attempts to protect it with patents, copyrights, trademarks, and trade secret measures, including restrictions on disclosure and technical measures. Despite these precautions, it may be possible for third parties to copy the Company's programs or aspects of its trade secrets. The Company could incur substantial costs in protecting and enforcing its intellectual property rights. Moreover, from time to time third parties may assert patent, trademark, copyright, and other intellectual property rights to technologies that are important to the Company. In such an event, the Company may be required to incur significant costs in litigating a resolution to the asserted claim. There can be no assurance that such resolution would not require that the Company pay damages or obtain a license of a third party's proprietary rights in order to continue selling its products as currently offered, or, if such a license is required, that it will be available on terms acceptable to the Company. The Company is not aware of any infringement of any third party's patent rights, copyrights, trade secrecy rights or other intellectual property disputes in the development or support of its products.

INVESTOR RELATIONS ACTIVITIES

With respect to public relations, the Company's policy is to provide information from its corporate offices to investors and brokers directly.

MANAGEMENT

The Company is dependent upon the personal efforts and commitments of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

AURORA SOLAR TECHNOLOGIES INC.

Canadian Dollars

FOR THE YEARS ENDED 31 MARCH 2023 AND 2022

MANAGEMENT DISCUSSION AND ANALYSIS



APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this Management Discussion and Analysis.

A CAUTIONARY TALE

This document contains “forward-looking information” which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, its subsidiaries and its projects, the future supply, demand, inventory, production and price of products, the timing and amount of estimated future production, costs of production, requirements for additional capital, government regulation operations, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters.

Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Respectfully submitted,
On behalf of the Board of Directors,

“Kevin Dodds”
Kevin Dodds, CEO