

BRAILLE ENERGY SYSTEMS INC.

Consolidated Financial Statements

For the years ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

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To the Shareholders of Braille Energy Systems Inc.:

Opinion

We have audited the consolidated financial statements of Braille Energy Systems Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2022 and September 30, 2021, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2022 and September 30, 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended September 30, 2022 and, as of that date, the Company had an accumulated deficit. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Mississauga, Ontario

January 30, 2023

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Braille Energy Systems Inc.Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	September 30, 2022	September 30, 2021
	\$	\$
ASSETS		
Current assets		
Cash	2,475,869	4,207,099
Trade and other receivables (Note 4)	127,858	175,948
Marketable securities (Note 5)	161,250	-
Amounts due from related parties (Note 19)	2,278	369
Inventory (Note 6)	1,295,506	577,574
Prepaid expenses	348,429	294,760
	4,411,190	5,255,750
Property and equipment (Note 7)	131,399	121,571
Right of use assets (Note 8)	586,003	667,354
Total assets	5,128,592	6,044,675
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	1,172,553	370,812
Customer deposits (Note 12)	48,423	27,935
Lease obligation (Note 21)	162,660	151,735
Warranty provision (Note 22)	45,520	39,430
Current tax payable (Note 24)	21,146	19,656
Amounts due to related parties (Note 19)	36,668	438,282
	1,486,970	1,047,850
Long-term debt (Note 11)	40,000	35,501
Deferred government grant (Note 10)	20,000	24,546
Lease obligation (Note 21)	479,574	540,787
Total liabilities	2,026,544	1,648,684
EQUITY		
Share capital (Note 13)	11,562,946	11,562,946
Warrants (Note 14)	16,558	16,558
Contributed surplus (Note 15)	1,915,836	517,140
Accumulated other comprehensive loss	74,384	5,524
Deficit	(10,459,051)	(7,669,918)
Equity attributable to owners of the parent	3,110,673	4,432,250
Non-controlling interest	(8,625)	(36,259)
Total equity	3,102,048	4,395,991
Total liabilities and equity	5,128,592	6,044,675

Going concern (Note 2)

On behalf of the Board

(signed) "Lindsay Weatherdon"
Lindsay Weatherdon, Director

(signed) "Jeffrey York"
Jeffrey York, Director

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

Braille Energy Systems Inc.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended September 30

(Expressed in Canadian dollars)

	2022	2021
	\$	\$
Revenue	4,099,855	3,466,601
Cost of goods sold (Note 6)	(2,738,537)	(1,884,465)
	1,361,318	1,582,136
Operating expenses		
Consulting fees (Note 19)	854,854	609,581
Salaries and benefits	700,132	464,109
Stock-based compensation (Note 15)	1,398,696	397,826
Bank charges and interest	96,225	81,976
Professional fees	450,598	188,835
Insurance	206,080	223,568
Travel and promotion	165,003	150,957
Office	372,408	213,734
Research	78,484	-
Depreciation of property and equipment (Note 7)	21,738	17,864
Depreciation of right of use assets (Note 8)	76,819	80,179
Interest on lease obligation	39,338	25,444
Government assistance (Note 10)	(4,546)	(100,954)
	(4,455,829)	(2,353,119)
Other income		
Interest income	12,724	-
Change in fair value of financial assets at FVTPL (Note 5)	48,750	-
Gain on sale of mineral exploration property (Note 5)	237,500	-
Other	26,344	-
Net loss before tax	(2,769,193)	(770,983)
Tax recovery (expense)		
Current tax recovery (expense) (Note 24)	-	36,506
Net loss	(2,769,193)	(734,477)
Other comprehensive loss		
Exchange difference on translation	76,554	27,658
Other comprehensive loss	76,554	27,658
Total comprehensive loss	(2,692,639)	(706,819)
Net loss attributable to:		
Owners of the parent	(2,789,133)	(790,755)
Non-controlling interest	19,940	56,278
	(2,769,193)	(734,477)
Total comprehensive loss attributable to:		
Owners of the parent	(2,720,273)	(765,877)
Non-controlling interest	27,634	59,058
	(2,692,639)	(706,819)
Basic and diluted net loss per common share	(0.03)	(0.01)
Basic and diluted weighted average number of common shares outstanding	80,939,748	65,721,221

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

Braille Energy Systems Inc.

Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars)

	Share capital		Warrants	Contributed surplus	Deficit	Accumulated other comprehensive income	Equity attributable to owners of the parent	Non-controlling interest	Total
	# of shares	\$	\$	\$	\$	\$	\$	\$	\$
Balance, September 30, 2020	47,762,257	4,715,438	600,000	219,036	(6,879,163)	(19,354)	(1,364,043)	(95,317)	(1,459,360)
Shares issued for cash	6,300,000	2,016,000	-	-	-	-	2,016,000	-	2,016,000
Shares issued on exercise of warrants	18,750,000	3,975,000	(600,000)	-	-	-	3,375,000	-	3,375,000
Shares issued on exercise of options	2,996,178	283,340	-	(99,722)	-	-	183,618	-	183,618
Shares issued in settlement of amounts due to related parties (Note 19)	5,131,313	635,000	-	-	-	-	635,000	-	635,000
Stock-based compensation (Note 15)	-	-	-	397,826	-	-	397,826	-	397,826
Share issuance costs	-	(61,832)	16,558	-	-	-	(45,274)	-	(45,274)
Net loss	-	-	-	-	(790,755)	-	(790,755)	56,278	(734,477)
Exchange differences on translation of foreign operations	-	-	-	-	-	24,878	24,878	2,780	27,658
Balance, September 30, 2021	80,939,748	11,562,946	16,558	517,140	(7,669,918)	5,524	4,432,250	(36,259)	4,395,991
Stock-based compensation (Note 15)	-	-	-	1,398,696	-	-	1,398,696	-	1,398,696
Net loss	-	-	-	-	(2,789,133)	-	(2,789,133)	19,940	(2,769,193)
Exchange differences on translation of foreign operations	-	-	-	-	-	68,860	68,860	7,694	76,554
Balance, September 30, 2022	80,939,748	11,562,946	16,558	1,915,836	(10,459,051)	74,384	3,110,673	(8,625)	3,102,048

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

Braille Energy Systems Inc.
Statements of Cash Flows
For the years ended September 30
(Expressed in Canadian dollars)

	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Net loss	(2,769,193)	(734,477)
Adjustments for:		
Stock-based compensation (Note 15)	1,398,696	397,826
Depreciation of property and equipment (Note 7)	21,738	17,864
Depreciation of right of use assets (Note 8)	122,910	97,842
Change in fair value of financial assets at FVTPL	(48,750)	-
Interest on lease obligation (Note 21)	63,628	31,752
Interest accretion on long-term debt (Note 11)	4,499	3,109
Government assistance (Note 10)	(4,546)	(100,954)
Gain on sale of mineral exploration property (Note 5)	(237,500)	-
Changes in non-cash working capital items (Note 16)	(234,114)	(821,644)
Net cash flows from operating activities	(1,682,632)	(1,108,682)
INVESTING ACTIVITIES		
Proceeds from sale of mineral exploration property	125,000	-
Additions to property and equipment	(23,947)	(40,771)
Net cash flows from investing activities	101,053	(40,771)
FINANCING ACTIVITIES		
Proceeds from issuance of shares/units	-	2,016,000
Proceeds from exercise of warrants	-	3,375,000
Proceeds from exercise of options	-	183,618
Share issuance costs	-	(45,274)
Repayment of line of credit (Note 9)	-	(30,000)
Payment of penalty payable	-	(165,915)
Long-term debt (Note 11)	-	20,000
Lease payments (Note 21)	(159,369)	(116,928)
Net cash flows from financing activities	(159,369)	5,236,501
(Decrease) increase in cash	(1,740,948)	4,087,048
Cash, beginning of the year	4,207,099	124,681
Exchange differences on cash	9,718	(4,630)
Cash, end of the year	2,475,869	4,207,099

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

Braille Energy Systems Inc.

Notes to the Consolidated Financial Statements

For the years ended September 30, 2022 and 2021

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

Braille Energy Systems Inc. (the “Company” or “BESI”) was incorporated on May 24, 2011 under the Canada Business Corporations Act. The Company’s shares are listed on the TSX Venture Exchange under the symbol BES. The head office of the Company is located at 945 Princess Street, Kingston, Ontario.

Following a change of business transaction on June 21, 2018, whereby the Company acquired an 89.95% ownership interest in Braille Holdings Inc., the Company became a Tier 2 Technology issuer. Braille Battery Inc. (“Braille Battery”), a wholly owned subsidiary of Braille Holdings Inc., is an established battery-manufacturing and energy storage company supplying batteries to the power sport industry.

Prior to the acquisition of Braille Battery, the Company engaged in the acquisition, exploration, and development of mineral properties in Quebec, Canada. The Company was in the exploration stage and did not derive any revenue from its properties. On August 11, 2022, the Company completed the sale of its last remaining mineral property (Note 5).

2. GOING CONCERN ASSUMPTION

Going concern

These consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”). The going concern basis of presentation assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2022, the Company had cash of \$2,475,869 and working capital of \$2,924,220. During the year ended September 30, 2022, the Company had a net loss of \$2,769,193 and had negative cash flows from operations of \$1,682,632. In addition, the Company has a deficit of \$10,459,051.

Certain of the above factors indicate material uncertainties, which may cast significant doubt about the Company’s ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company’s own resources and external market conditions.

The Company’s ability to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business and meet its corporate administrative expenses in fiscal 2023, is dependent upon continued financial support through equity and/or debt financing until the Company is able to achieve profitable operations. No assurance can be given that the Company will be successful in achieving profitable operations or obtaining the required additional financing in order to support its operations and to proceed with its plans to expand. Failure to meet operational or financing goals could result in material uncertainties that cast significant doubt as to the Company’s ability to continue as a going concern.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern basis was not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying amounts of assets and liabilities, the reported expenses and the classifications used in the consolidated statements of financial position.

Braille Energy Systems Inc.

Notes to the Consolidated Financial Statements
For the years ended September 30, 2022 and 2021
(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation and compliance with IFRS

These consolidated financial statements have been prepared on a historical cost basis, as modified by the revaluation of certain financial instruments, and are expressed in Canadian dollars, which is also the functional currency of the Company. These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were authorized for issue by the Board of Directors on January 27, 2023.

(b) Judgments, estimates and assumptions

The Company's consolidated financial statements are prepared in accordance with IFRS recognition and measurement principles that often require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts presented and disclosed in the consolidated financial statements. Management reviews these estimates and assumptions on an ongoing basis based on historical experience, changes in business conditions and other relevant factors as management believes to be reasonable under the circumstances. Changes in facts and circumstances may result in revised estimates, and actual results could differ from those estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant management judgment

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the consolidated financial statements.

Recognition of deferred income tax assets and measurement of income tax expense

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

Going concern

The assessment of the Company's ability to continue as a going concern involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. See Note 2 for more information.

Functional currency

An area of judgment that has a significant effect on the amounts recognized in these consolidated financial statements is the determination of functional currency. The determination of the Company and its subsidiaries' functional currency often requires significant judgment where the primary economic environment in which they operate may not be clear. This can have a significant impact on the consolidated results of the Company based on the foreign currency translation methods used.

Contingencies

Management uses judgment to assess the existence of contingencies. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. Management also uses judgment to assess the likelihood of the occurrence of one or more future events.

Braille Energy Systems Inc.

Notes to the Consolidated Financial Statements
For the years ended September 30, 2022 and 2021
(Expressed in Canadian dollars)

Estimates and assumptions

Information about estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

Management reviews its estimates of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

Leases

IFRS 16 requires lessees to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. The Company generally uses the incremental borrowing rate when initially recording leases as the implicit rates are not readily available due to the lessor not providing information regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets. The incremental borrowing rate is the interest rate the Company would pay to borrow over a similar term the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. In determining the period which the Company has the right to use an underlying asset, management considers the non-cancellable period along with all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. See notes 20 and 21 for further disclosures and detail regarding the Company's leases.

Allocation of overhead

Management is required to make estimates in determining the amount of overhead to allocate to inventory, including but not limited to amounts for depreciation of right of use assets and interest on lease obligations.

Expected credit loss

The Company calculates expected credit loss ("ECL") for trade receivables based on the historical default rates over the expected life of the trade receivables and adjusts for forward-looking estimates, which is determined through the exercise of judgment. The Company's ECL model relies on forward looking information and economic inputs, such as default rates, industry growth rate, geography etc. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgment. The allowance the Company records, if any, is the sum of these probability weighted outcomes.

Valuation adjustments for inventory

The Company records valuation adjustments for inventory by comparing the inventory cost to its net realizable value. This process requires the use of estimates and assumptions related to future market demand, costs and prices. These adjustments are reviewed on an ongoing basis and may have a significant impact on any valuation adjustment for inventory.

Contingencies

When contingencies exist, management estimates the related financial impact to the Company of the possible outcomes of one or more future events. The impact could negatively impact the consolidated statement of loss and comprehensive loss.

Braille Energy Systems Inc.

Notes to the Consolidated Financial Statements
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(Expressed in Canadian dollars)

Warranty provision

Management makes estimates in determining an appropriate warranty provision, based on prior history of warranty claims. The impact could negatively impact the consolidated statement of loss and comprehensive loss.

Share-based payments and warrants

The estimation of stock-based compensation and valuation assigned to warrants requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the estimated life of stock options and warrants granted/issued and the time of exercise of those stock options and warrants. The valuation model used by the Company is the Black-Scholes model.

Allocation of proceeds from unit private placements

The Company allocates values to share capital and to warrants on the residual basis when the two are issued together as a unit. As this allocation is based upon the share price at the time of issuance and the stock is thinly traded, the actual value of the components may differ from this allocation.

(c) Basis of consolidation

These consolidated financial statements consolidate those of the parent company and all of its subsidiaries as at and for the years ended September 30, 2022 and 2021. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of September 30, 2022.

All intercompany transactions and balances between the companies are eliminated on consolidation, including unrealized gains and losses on transactions. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Company.

Profit or loss and other comprehensive income of a subsidiary acquired or disposed of during the year are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Company. The Company attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interest based on the respective ownership interests.

Composition of the Company:

The chart below summarizes the subsidiaries included in the consolidated financial statements as at September 30, 2022 and 2021:

Name of subsidiary	Functional currency	Place of incorporation	Ownership interest as at September 30,		Principal activity
			2022	2021	
Braille Holdings Inc.	USD	United States	89.95%	89.95%	Holding company
Braille Battery Inc.	USD	United States	89.95%	89.95%	Production and sale of energy storage products

Braille Energy Systems Inc.

Notes to the Consolidated Financial Statements
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As at September 30, 2022, Braille Battery Inc. had total assets of \$2,542,215 (2021 - \$1,883,591) and total liabilities of \$1,410,533 (2021 - \$1,344,828). During the year ended September 30, 2022, Braille Battery Inc. had net income of \$198,410 (2021 - \$559,986).

(d) Foreign currency translation

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at reporting date exchange rates are recognized in profit or loss.

Non-monetary items are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the consolidated financial statements, all assets, liabilities and transactions of subsidiaries with a functional currency other than the Canadian dollar are translated into Canadian dollars upon consolidation. The functional currencies of the parent company and its subsidiaries have remained unchanged during the reporting period.

On consolidation, assets and liabilities are translated into Canadian dollars at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated into Canadian dollars at the closing rate. Income and expenses are translated into Canadian dollars at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognized in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognized in equity are reclassified to profit or loss and are recognized as part of the gain or loss on disposal.

(e) Financial instruments

Recognition, initial measurement and derecognition

IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking “expected loss” impairment model.

The Company’s cash, trade receivables and amounts due from related parties are classified as financial assets at amortized cost, while the Company’s accounts payable and accrued liabilities, lease obligation, amounts due to related parties and long-term debt are classified as financial liabilities at amortized cost. The Company’s marketable securities are classified as financial assets at fair value through profit or loss.

Measurement – initial recognition

Financial assets and financial liabilities are recognized in the Company’s statement of financial position when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial assets and financial liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as at fair value through profit or loss (“FVTPL”). The directly attributable transaction costs of financial assets and liabilities classified as at FVTPL are expensed in the period in which they are incurred.

Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities.

Braille Energy Systems Inc.

Notes to the Consolidated Financial Statements
For the years ended September 30, 2022 and 2021
(Expressed in Canadian dollars)

Classification of financial assets

Amortized cost

Financial assets that meet the following conditions are measured subsequently at amortized cost:

- (i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effective interest method.

Fair value through other comprehensive income (“FVTOCI”)

Financial assets that meet the following conditions are measured at FVTOCI:

- (i) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured subsequently at FVTPL

By default, all other financial assets are measured subsequently at FVTPL. Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship.

Classification of financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company’s own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company’s own equity instruments.

Classification of financial liabilities

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method.

Impairment of financial assets

IFRS 9’s impairment requirements use more forward-looking information to recognize expected credit losses – the “expected credit loss (“ECL”) model”. This replaces IAS 39’s “incurred loss model”. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortized cost and FVOCI, trade receivables, contract assets recognized and measured under IFRS 15 – *Revenue from*

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Contracts with Customers and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at FVTPL.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead, the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

The 12-month ECL is used by the Company for balances due from related parties. In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (“Stage 1”) and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (“Stage 2”).

“Stage 3” would cover financial assets that have objective evidence of impairment at the reporting date.

12-month expected credit losses are recognized for the first category while lifetime expected credit losses are recognized for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The Company applies the simplified approach, as defined in IFRS, to measure expected credit losses, which requires the use of the lifetime expected credit loss provision for all trade receivables. To measure lifetime expected credit losses, trade receivables are first classified into groups with shared credit characteristics and the age of days past due, followed by an assessment of the Company’s historical experience of bad debts including the customers’ ability to pay and the impact of any relevant economic conditions which are expected during the life of the balance. The loss allowance is determined according to a provision matrix incorporating historical experiences adjusted for current and future conditions expected for the life of the balance.

(f) Basic and diluted loss per share

Basic loss per share is computed by dividing the net loss attributable to the owners of the parent for the period by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion or exercise of securities only when such conversion or exercise would have a dilutive effect on earnings per share. The diluted loss per share is equal to the basic loss per share because the effect of warrants and stock options (Notes 14 and 15) is antidilutive as it would decrease the loss per share.

(g) Cash

Cash is comprised of cash balances held at major financial institutions.

(h) Inventory

Inventory is stated at the lower of cost and net realizable value. Cost includes all expenses directly attributable to the assembly process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of parts are assigned using the average cost formula. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

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(i) Property and equipment

Property and equipment ("P&E") are carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of P&E consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is recognized based on the cost of an item of P&E, less its estimated residual value, on a straight-line basis over the estimated useful life of the asset.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Detail	Useful life	Method
Solar panels – modules	22 years	Straight line
Solar panels – electronics	7 years	Straight line
Moulds	10 years	Straight line
Equipment	5 years	Straight line

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis. No adjustments were made in the current year.

An item of P&E is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statements of loss and comprehensive loss.

There have been no impairment losses with respect to P&E recognized in any of the periods presented in these consolidated financial statements.

(j) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). For the purpose of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, that is expected to benefit from the synergies of the combination.

Impairment losses for a CGU first reduce the carrying amount of any goodwill allocated to that CGU. Any remaining impairment loss is charged pro rata to the other assets in the CGU. An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable

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amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(k) Provisions and contingent liabilities

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

(l) Employee benefits

The cost of short-term employee benefits (including non-monetary benefits such as group medical and dental insurance) are recognized in the period in which the service is rendered and are not discounted.

(m) Income taxes

Tax expense recognized in comprehensive loss comprises the sum of deferred and current tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from comprehensive loss in the consolidated financial statements. Calculation of current tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination and that affects neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future and provided that the Company can control the reversal of those differences.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

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Changes in deferred tax assets or liabilities are recognized as deferred income tax expense in comprehensive loss, except where they relate to items that are recognized in other comprehensive loss or directly in deficiency, in which case the related deferred tax is also recognized in other comprehensive loss or deficiency, respectively.

(n) Revenue recognition

Revenue is recognized in a manner that depicts the transfer of control of the goods to a customer at an amount that reflects the consideration expected to be received in exchange for transferring those goods, applying the following five steps:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when (or as) the entity satisfies the performance obligation.

Revenue generated from the selling of energy storage products through contracts with customers has a single performance obligation. Revenue is recognized upon transfer of control of products to customers in the amount that reflects the consideration the Company expects to receive in exchange for the products. Transfer of control is considered to have taken place upon shipment.

(o) Equity

Share capital

Share capital represents the amount received on the issuance of shares. Transaction costs directly attributable to the issuance of common shares are recognized as a reduction of share capital. When shares are issued upon the exercise of stock options or warrants, the proceeds are allocated to share capital and the value previously recorded to contributed surplus or warrants for these stock options or warrants, is transferred to share capital. In addition, if common shares are issued as consideration for the acquisition of non-monetary assets, they are measured at the fair value of the assets or services received, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the assets or services received, the common shares are measured at the fair value of the shares issued.

Unit placements

Under the residual method, proceeds are first allocated to shares according to the quoted prices of existing shares at the time of issuance and any residual in the proceeds is allocated to warrants.

Warrants

Warrants include charges related to the issuance of warrants until such equity instruments are exercised.

Contributed surplus

Contributed surplus includes charges related to stock-based compensation until such equity instruments are exercised, as well as expired or forfeited warrants.

Deficit

Deficit includes all current and prior period profits or losses.

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(p) Equity-settled stock-based payment transactions

The Company operates an equity-settled stock-based remuneration plan (stock option plan) for directors, officers, employees and certain consultants. The Company's plan does not feature any options for a cash settlement. Occasionally, the Company may issue warrants to brokers.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. The fair value is measured at the grant date and if applicable, recognized over the vesting period, based on the best available estimate of the number of stock options expected to vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. Estimates are subsequently revised if there is any indication that the number of stock options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods if stock options ultimately exercised are different to that estimated on vesting. Stock-based compensation expense incorporates an expected forfeiture rate.

All share-based payments under the plan (except warrants to brokers) are ultimately recognized as an expense in profit or loss with a corresponding credit to contributed surplus, in equity. At the same time, upon exercise of a stock option, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the stock options recorded in contributed surplus are then transferred to share capital.

Warrants issued to brokers are recognized as an issuance cost of equity instruments with a corresponding credit to warrants, in equity. Upon exercise, the proceeds received net of any directly attributable transaction costs are recorded as share capital and the value previously recorded to warrants for these warrants, is transferred to share capital.

(q) Segmented reporting

The Company has one operating segment, the production and sale of energy storage products. For management purposes, the Company uses the same measurement policies as those used in its consolidated financial statements.

Revenue is analyzed geographically as follows:

For the years ended September 30	2022	2021
	\$	\$
Americas	3,830,773	3,170,272
Europe, Middle East, Africa	185,069	150,149
Asia Pacific	75,606	86,940
Australia	8,407	59,240
Total	4,099,855	3,466,601

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(r) Leases and right of use assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

A lease liability is initially measured at the present value of the unpaid lease payments discounted using the interest rate implicit in the lease or if that rate cannot be reliably determined, the Company's incremental borrowing rate. Subsequently, the Company measures a lease liability at amortized cost using the effective interest method. It is then remeasured to reflect revised in-substance fixed lease payments. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

(s) Standards, amendments and interpretations

Issued but not yet effective

IAS 1 "Presentation of Financial Statements" ("IAS 1")

In January 2020, the International Accounting Standards Board (IASB) issued amendments to IAS 1 which were incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in April 2020. The amendments clarify the requirements for classifying liabilities as either current or non-current by:

- Specifying that the conditions which exist at the end of the reporting period determine if a right to defer settlement of a liability exists;
- Clarifying that settlement of a liability refers to the transfer to the counterparty of cash, equity instruments, other assets or services;
- Clarifying that classification is unaffected by management's expectation about events after the balance sheet date; and
- Clarifying the classification requirements for debt an entity may settle by converting it into equity.

The amendments clarify existing requirements, rather than make changes to the requirements, and so are not expected to have a significant impact on the Company's financial statements. However, the clarifications may result in reclassification of some liabilities from current to non-current or vice-versa. In July 2020, the IASB issued an amendment to defer the effective date of the amendments by one year from its originally planned effective date to annual periods beginning on or after January 1, 2023 due to the impact of the COVID-19 pandemic. Early application is permitted. The AcSB endorsed the IASB's amendment to defer the effective date in October 2020.

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IAS 1 "Presentation of Financial Statements" ("IAS 1") and IFRS Practice Statement 2 "Making Materiality Judgments"

In February 2021, the IASB issued amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgments* which were incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in June 2021. The amendments help entities provide accounting policy disclosures that are more useful to primary users of financial statements by:

- Replacing the requirement to disclose "significant" accounting policies under IAS 1 with a requirement to disclose "material" accounting policies. Under this, an accounting policy would be material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that primary users of general purpose financial statements make on the basis of those financial statements.
- Providing guidance in IFRS Practice Statement 2 to explain and demonstrate the application of the four-step materiality process to accounting policy disclosures.

The amendments shall be applied prospectively and are not expected to have a significant impact on the Company's financial statements. The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. Once an entity applies the amendments to IAS 1, it is also permitted to apply the amendments to IFRS Practice Statement 2.

IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" ("IAS 8")

In February 2021, the IASB issued amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* which were incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in June 2021. The amendments introduce a new definition of "accounting estimates" to replace the definition of "change in accounting estimates" and also include clarifications intended to help entities distinguish changes in accounting policies from changes in accounting estimates. The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The Company is currently evaluating the impact of the above amendment on its consolidated financial statements. The Company plans to apply the above amendments on the first annual reporting period following the effective date of the respective amendment.

4. TRADE AND OTHER RECEIVABLES

Trade and other receivables consist of the following:

	September 30, 2022	September 30, 2021
	\$	\$
Trade receivables	134,382	192,075
Allowance for expected credit loss	(56,513)	(38,147)
Net trade receivables	77,869	153,928
Sales taxes receivable	49,989	22,020
Total trade and other receivables	127,858	175,948

These amounts are all due within a short-term period and the net carrying values reasonably approximate the fair value of the receivables.

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Allowance for expected credit loss

	September 30, 2022	September 30, 2021
	\$	\$
Balance, beginning of the year	(38,147)	(11,727)
Adjustment to expected credit loss	(18,366)	(26,420)
Balance, end of the year	(56,513)	(38,147)

The expected credit loss was calculated as follows:

	Days past due					Total
	Current	< 30	31 - 60	61 - 90	> 90	
		\$	\$	\$	\$	\$
Trade receivables	-	61,385	9,655	1,404	61,938	134,382
Expected credit loss (%)	0.00%	0.50%	1.00%	26.00%	90.00%	
Expected credit loss (\$)	-	(307)	(97)	(365)	(55,744)	(56,513)
Net trade receivables	-	61,078	9,558	1,039	6,194	77,869

As at September 30, 2022, three customers accounted for more than 10% of total trade receivables (2021 – two customers accounted for more than 10%)

5. MARKETABLE SECURITIES

Marketable securities are classified as fair value through profit or loss and are comprised of:

	September 30, 2022	September 30, 2021
	\$	\$
Stria Lithium Inc. (1)	161,250	-

(1) In August 2022, following receipt of final approval from the TSX Venture Exchange, the Company completed the sale of its Romer property (the "Property") to Stria Lithium Inc. ("Stria"), a related party which shares common management, for the following consideration: (i) cash in the amount of \$125,000; (ii) 750,000 common shares of Stria with a fair value of \$112,500; and (iii) a net smelter royalty ("NSR") of 1.0%. Stria will have the option to purchase 50% of the NSR such that the NSR is reduced from 1.0% to 0.5% (the "Partial NSR Buyout Option"). The Partial NSR Buyout Option may be exercised at any time by Stria for consideration of \$500,000 payable in cash or stock or a combination thereof at Stria's discretion. As the Romer property has no verified resources, the NSR had been valued at \$Nil in the consolidated financial statements.

Given that the carrying value of the Romer property was \$Nil, the entire consideration received (\$237,500) was recorded as a gain on sale of mineral exploration property. During the year ended September 30, 2022,

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the Company recorded a change in fair value of financial assets through profit or loss of \$48,750, in connection with these marketable securities (\$Nil for the year ended September 30, 2021).

6. INVENTORY

Inventory consists of the following:

	September 30, 2022	September 30, 2021
	\$	\$
Parts	1,013,907	429,430
Finished goods	281,599	148,144
Total inventory	1,295,506	577,574

During the year ended September 30, 2022, a total of \$2,345,521 of inventory was included in cost of goods sold as an expense (2021 - \$1,690,023). Other expenses included in cost of goods sold include, but are not limited to, shipping and packaging costs.

7. PROPERTY AND EQUIPMENT

	Solar Panels				Total
	Modules	Electronics	Moulds	Equipment	
	\$	\$	\$	\$	\$
Cost					
Balance, September 30, 2021	31,177	15,604	62,253	75,320	184,354
Additions	-	-	-	23,947	23,947
Net exchange differences	2,366	1,184	4,857	10,987	19,394
Cost, September 30, 2022	33,543	16,788	67,110	110,254	227,695
Accumulated depreciation					
Balance, September 30, 2021	6,582	4,242	18,273	33,686	62,783
Depreciation	2,136	1,069	6,420	12,113	21,738
Net exchange differences	705	353	2,229	8,488	11,775
Accumulated depreciation, September 30, 2022	9,423	5,664	26,922	54,287	96,296
Net Book Value, September 30, 2022	24,120	11,124	40,188	55,967	131,399

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	Solar Panels				Total
	Modules	Electronics	Moulds	Equipment	
	\$	\$	\$	\$	\$
Cost					
Balance, September 30, 2020	32,690	16,362	65,360	39,600	154,012
Additions	-	-	-	40,771	40,771
Net exchange differences	(1,513)	(758)	(3,107)	(5,051)	(10,429)
Cost, September 30, 2021	31,177	15,604	62,253	75,320	184,354
Accumulated depreciation					
Balance, September 30, 2020	4,698	3,299	12,679	29,741	50,417
Depreciation	2,115	1,059	6,357	8,333	17,864
Net exchange differences	(231)	(116)	(763)	(4,388)	(5,498)
Accumulated depreciation, September 30, 2021	6,582	4,242	18,273	33,686	62,783
Net Book Value, September 30, 2021	24,595	11,362	43,980	41,634	121,571

8. RIGHT OF USE ASSETS

	Office	Office	Total
	(USA)	Equipment	
	\$	\$	\$
Cost			
Balance, September 30, 2021	777,621	26,782	804,403
Net exchange differences	58,958	2,031	60,989
Cost, September 30, 2022	836,579	28,813	865,392
Accumulated depreciation			
Balance, September 30, 2021	125,363	11,686	137,049
Depreciation	117,057	5,853	122,910
Net exchange differences	18,114	1,316	19,430
Accumulated depreciation, September 30, 2022	260,534	18,855	279,389
Net Book Value, September 30, 2022	576,045	9,958	586,003

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	Office (Canada)	Office (USA)	Office Equipment	Total
	\$	\$	\$	\$
Cost				
Balance, September 30, 2020	54,247	162,380	28,038	244,665
Additions	-	622,793	-	622,793
Net exchange differences	-	(7,552)	(1,256)	(8,808)
Cost, September 30, 2021	54,247	777,621	26,782	858,650
Accumulated depreciation				
Balance, September 30, 2020	27,123	62,967	6,000	96,090
Depreciation	27,124	64,920	5,798	97,842
Net exchange differences	-	(2,524)	(112)	(2,636)
Accumulated depreciation, September 30, 2021	54,247	125,363	11,686	191,296
Net Book Value, September 30, 2021	-	652,258	15,096	667,354

During the year ended September 30, 2022, the Company capitalized \$46,091 of depreciation to inventory as part of manufacturing overhead (2021 - \$17,663).

9. LINE OF CREDIT

The company has a \$75,000 line of credit with the Royal Bank of Canada, with interest payable on any outstanding balance at the rate of prime plus 1.78%. The line of credit does not have a maturity date. As at September 30, 2022, \$Nil was drawn on the line of credit (2021 - \$Nil). The line of credit is secured with a general security agreement over the Company's property.

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10. DEFERRED GOVERNMENT GRANTS

	September 30, 2022	September 30, 2021
	\$	\$
Balance, beginning of the year	24,546	119,226
PPP Loan (1)		
Amount recognized in profit or loss	-	(97,659)
Net exchange difference	-	(5,539)
CEBA Loan (Note 11)		
Initial recognition	-	11,813
Amount recognized in profit or loss	(4,546)	(3,295)
Balance, end of the year	20,000	24,546
Current	-	-
Long-term	20,000	24,546
	20,000	24,546
Total amount recognized in profit or loss	4,546	100,954

(1) Paycheck Protection Program

On May 7, 2020, the Company received a loan under the US Federal Government's Paycheck Protection Program ("PPP Loan") for US\$77,250 (\$103,198 CAD). The purpose of the loan was to provide payroll support to companies due to the economic difficulties caused by COVID-19. On March 9, 2021, the entire loan was forgiven.

11. LONG TERM DEBT

	September 30, 2022	September 30, 2021
	\$	\$
Balance, beginning of the year	35,501	24,205
CEBA Loan		
Initial recognition	-	8,187
Interest accretion	4,499	3,109
Balance, end of the year	40,000	35,501

Under the Canada Emergency Bank Account program ("CEBA"), part of the Government of Canada's economic response plan to help Canadian businesses deal with the COVID-19 pandemic, the Company has received loans totaling \$60,000, with \$40,000 received in fiscal 2020 and another \$20,000 received in fiscal 2021. The CEBA loan is interest free until December 31, 2023, at which point any remaining balance will be converted into a 2 year term loan bearing annual interest at 5%. No principal payments are required until

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December 31, 2025. Principal repayments can be made voluntarily at any time without any fees or penalties. Up to \$20,000 of the loan may be forgiven, provided that \$40,000 is paid back by December 31, 2023.

The loans were recognized at fair value based on an estimated market interest rate of 10% and expected repayment of a total of \$40,000 on December 31, 2022, with the \$20,000 balance being forgiven. During the year ended September 30, 2020, on receipt of the first \$40,000, the Company recognized a deferred government grant in the amount of \$17,105, being the difference between the loan amount (\$40,000) and the fair value of the loan (\$22,895). Similarly, during the year ended September 30, 2021, on receipt of the additional \$20,000, the Company recognized an additional deferred government grant in the amount of \$11,813, being the difference between the loan amount (\$20,000) and the fair value of the loan (\$8,187).

During the year ended September 30, 2022, other income in the amount of \$4,546 (2021 – \$3,295) was recognized in the statement of comprehensive loss, which represents the benefit of receiving the interest free loan.

12. CUSTOMER DEPOSITS

The Company requires many of its customers to prepay upon placing of an order. Such prepayments are recognized as customer deposits until the goods are shipped to the customer. Customer deposits are included within current liabilities in the consolidated statement of financial position.

	September 30, 2022	September 30, 2021
	\$	\$
Customer deposits	48,423	27,935

13. SHARE CAPITAL

Authorized

An unlimited number of common shares (voting, participating and without par value)

Issued and fully paid

	Number of shares	\$
Balance, September 30, 2020	47,762,257	4,715,438
Shares issued for cash (1)(2)	6,300,000	2,016,000
Shares issued in settlement of amounts due to related parties (3)	5,131,313	635,000
Shares issued on exercise of warrants	18,750,000	3,975,000
Shares issued on exercise of stock options	2,996,178	283,340
Share issuance costs	-	(61,832)
Balance, September 30, 2021 and September 30, 2022	80,939,748	11,562,946

(1) On June 10, 2021, the Company completed a private placement for gross proceeds of \$1,500,000. The private placement was comprised of 4,687,500 units at a price of \$0.32 per unit. Each unit is comprised of one common share and one half of a common share purchase warrant. Each whole warrant entitles

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the holder to purchase one additional common share of the Company at a price of \$0.50 until June 10, 2023. The proceeds from the financing (\$1,500,000) were allocated entirely to share capital (\$1,500,000), after which there was no residual amount to allocate to warrants. Other share issuance costs total \$24,065 and were presented as a reduction of share capital.

- (2) On July 12, 2021, the Company completed a private placement for gross proceeds of \$516,000. The private placement was comprised of 1,612,500 units at a price of \$0.32 per unit. Each unit is comprised of one common share and one half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.50 until July 12, 2023. In connection with the financing, the Company paid cash finders' fees of \$14,000 and issued, as additional consideration, 47,250 non-transferable broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of \$0.50 until July 12, 2023. The proceeds from the financing (\$516,000) were allocated entirely to share capital (\$516,000), after which there was no residual amount to allocate to warrants. The warrants issued as commissions have been recorded at a value of \$16,558 based on the Black-Scholes option pricing model, using the following assumptions: stock price of \$0.375, risk-free interest rate of 0.46%, expected life of warrants of 2 years, annualized volatility of 282% and dividend rate of 0%. The underlying expected stock price volatility is based on historical data of the Company's shares over the last two years. The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of issuance with an expiry commensurate with the expected life of the warrants. Other share issuance costs total \$7,209 and were presented as a reduction of share capital.
- (3) On February 3, 2021, BESI issued 5,131,313 common shares of the Company, at a deemed price and approximate fair value of \$0.12375 per share, in settlement of indebtedness to Grafoid Inc. in the amount of US\$500,000 (\$635,000 CAD). The Company did not recognize a gain or loss on settlement of the debt.

14. WARRANTS

The following table reflects the continuity of warrants outstanding:

	Number of warrants	Weighted average exercise price \$
Balance, September 30, 2020	18,750,000	0.18
Issued	3,197,250	0.50
Exercised	(18,750,000)	0.18
Balance, September 30, 2021 and September 30, 2022	3,197,250	0.50

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As at September 30, 2021 and September 30, 2022, the following warrants were issued and outstanding:

Number of warrants	Issue date value	Exercise price	Expiry date
	\$	\$	
2,343,750	-	0.50	June 10, 2023
806,250	-	0.50	July 12, 2023
47,250	16,558	0.50	July 12, 2023
3,197,250	16,558		

15. STOCK OPTIONS

The following table reflects the continuity of stock options outstanding:

	Number of stock options	Weighted average exercise price
		\$
Balance, September 30, 2020	8,663,451	0.06
Granted (1)	3,000,000	0.23625
Exercised	(2,996,178)	0.06
Expired	(2,072,273)	0.06
Balance, September 30, 2021	6,595,000	0.13
Granted (2)	6,300,000	0.18
Forfeited	(243,750)	0.16
Balance, September 30, 2022	12,651,250	0.16

(1) On February 8, 2021, 3,000,000 stock options were granted to Directors, Officers, employees and consultants at an exercise price of \$0.23625 per share, expiring on February 8, 2026 and vesting over a three year period.

(2) On February 17, 2022, 6,300,000 stock options were granted to Directors, Officers, employees and consultants at an exercise price of \$0.18 per share, which all vested immediately and expire on February 17, 2027.

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As at September 30, 2022, the following stock options were outstanding and exercisable:

Range of exercise prices	Outstanding			Exercisable	
	Number outstanding	Weighted average remaining contractual life (in years)	Weighted average outstanding exercise price	Number vested	Weighted average vested exercise price
\$0.05	3,495,000	2.69	\$0.05	1,835,000	\$0.05
\$0.18	6,300,000	4.39	0.18	6,300,000	\$0.18
\$0.23625	2,856,250	3.42	\$0.23625	999,688	\$0.23625
	12,651,250	3.71	\$0.16	9,134,688	\$0.16

As at September 30, 2021, the following stock options were outstanding and exercisable:

Range of exercise prices	Outstanding			Exercisable	
	Number outstanding	Weighted average remaining contractual life (in years)	Weighted average outstanding exercise price	Number vested	Weighted average vested exercise price
\$0.05	3,595,000	3.69	\$0.05	1,201,000	\$0.05
\$0.23625	3,000,000	4.42	\$0.23625	450,000	\$0.23625
	6,595,000	4.03	\$0.13	1,651,000	\$0.10

The following table reflects the weighted-average fair value of stock options granted between October 1, 2020 and September 30, 2022 and the related Black-Scholes option pricing model inputs that were used in the calculations:

For the years ended September 30	2022	2021
Stock options granted	6,300,000	3,000,000
Weighted average fair value	0.18	0.31
Weighted-average exercise price	0.18	0.23625
Weighted-average market price at date of grant	0.18	0.315
Expected life of stock options (years)	5	5
Expected stock price volatility	214%	217%
Risk-free interest rate	1.75%	0.50%
Expected dividend yield	0%	0%

The underlying expected stock price volatility is based on historical data of the Company's shares over a period commensurate with the expected life of the options.

The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of grant with an expiry commensurate with the expected life of the options.

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Stock-based compensation of \$1,398,696 (all of which relate to equity-settled stock-based payment transactions) was included in the statement of comprehensive loss for the year ended September 30, 2022 (2021 - \$397,826) and credited to contributed surplus.

16. SUPPLEMENTAL CASH FLOW INFORMATION

For the years ended September 30	2022	2021
	\$	\$
Changes in non-cash working capital are as follows:		
Trade and other receivables	53,750	(30,185)
Amounts due from related parties	(1,752)	12,870
Inventory	(627,960)	(308,848)
Prepaid expenses	(33,075)	(205,712)
Accounts payable and accrued liabilities	547,223	(76,146)
Customer deposits	17,112	(48,036)
Warranty provision	2,888	802
Current tax payable	-	(36,506)
Amounts due to related parties	(192,300)	(129,883)
	(234,114)	(821,644)

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17. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, trade receivables, amounts due from related parties, marketable securities, accounts payable and accrued liabilities, lease obligation, amounts due to related parties and long-term debt. The fair value of these financial instruments approximates their carrying value due to their short-term nature except for long-term debt where the fair value approximates its carrying value due to being subject to market rate interest. The fair value of the Company's marketable securities is based on quoted prices in an active market (Level 1).

The classification of financial instruments is as follows:

As at	September 30, 2022	September 30, 2021
	\$	\$
Financial assets		
Amortized cost		
Cash	2,475,869	4,207,099
Trade receivables	77,869	153,928
Amounts due from related parties	2,278	369
Fair value through profit or loss		
Marketable securities	161,250	-
Total financial assets	2,717,266	4,361,396
Financial liabilities		
Amortized cost		
Accounts payable and accrued liabilities	(1,172,553)	(370,812)
Lease obligation	(642,234)	(692,522)
Amounts due to related parties	(36,668)	(438,282)
Long-term debt	(40,000)	(35,501)
Total financial liabilities	(1,891,455)	(1,537,117)

18. RISK MANAGEMENT AND CAPITAL MANAGEMENT

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in Note 17. The main types of risks are interest rate risk, currency risk, credit risk and liquidity risk.

The Company's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimizing exposure to financial markets. Long-term investments are managed to generate lasting returns. The Company does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Company is exposed are described below.

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Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's financial assets exposed to interest rate risk include cash held in investment savings accounts bearing variable interest rates. The Company has not entered into any derivative contracts to manage this risk. The Company's policy as it relates to its cash balances is to invest excess cash in highly liquid, low-risk, short-term interest-bearing investments with maturities of 360 days or less from the original date of acquisition. As at September 30, 2022, the Company had cash balances of \$2,475,869 (2021 - \$4,207,099) and interest income derived from these investments during the year ended September 30, 2022 was \$12,724 (2021 - Nil). The Company has limited exposure to financial risk arising from fluctuations in variable interest rates earned on cash given the low volatility of these rates.

The \$60,000 loan received under the Canadian federal government's CEBA program (Note 11) is interest free if repaid by December 31, 2023 and is subject to a fixed interest rate thereafter, so there is no associated interest rate risk.

Currency risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and other price risk, which result from its operating activities.

Through its subsidiary, Braille Battery Inc., the Company operates internationally and is therefore subject to foreign currency risk. The Company reports its financial results in Canadian dollars, however most of the Company's revenue is transacted in US dollars. The Company incurs expenses in both Canadian and US dollars. To date, the Company has not used foreign currency forward contracts or other hedging strategies to manage its foreign currency exposure.

The following table illustrates the sensitivity of loss and other comprehensive loss ("OCL") with respect to the Company's financial assets and financial liabilities and the USD/CAD exchange rate, assuming all other things being equal. It assumes a +/- 10% change of the USD/CAD exchange rate at September 30, 2022 and September 30, 2021. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

If the Canadian dollar had strengthened against the USD by 10% then this would have had the following impact:

For the years ended Sept 30	2022	2021
	\$	\$
Net loss	25	227
Other comprehensive loss	106,280	51,325

If the Canadian dollar had weakened against the USD by 10% then this would have had the following impact:

For the years ended Sept 30	2022	2021
	\$	\$
Net loss	(25)	(227)
Other comprehensive loss	(106,280)	(51,325)

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Exposure to foreign exchange rates varies during the year depending on the volume of international transactions. Nonetheless, the analysis above is considered to be representative of the Company's exposure to currency risk.

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. A customer is considered to be in default when the trade receivable ages beyond 30 days. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

It is management's opinion that the Company is not exposed to significant credit risk. The Company's financial assets exposed to credit risk are cash and trade receivables and maximum exposure is equal to the carrying values of these assets, totalling \$2,553,738 at September 30, 2022 (2021 - \$4,361,396). Credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings. Trade receivables consist of amounts due from a large number of customers in the automotive industry and from various geographical areas. Credit risk is mitigated by requiring new customers to either prepay for their purchase or to apply for short term credit by going through the Company's credit evaluation and monitoring system.

None of the Company's financial assets are secured by collateral or other credit enhancements. Management considers that all the above financial assets that are not impaired or past due for each of the reporting dates are of good credit quality.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash inflows and outflows in day-to-day business. The Company considers expected cash flows from financial assets in assessing and managing liquidity risk. As at September 30, 2022, the Company had working capital of \$2,924,220, including cash of \$2,475,869 and current liabilities of \$1,486,970, due within the next 12 months. During the year ended September 30, 2022, the Company had negative net cash flows from operations of \$1,682,632. There has been no change to management's assessment of liquidity risk compared with the prior year.

The Company has financial liabilities of \$1,891,455 of which \$1,371,881 are due within twelve months and \$519,574 are due in 1 to 5 years.

Capital management

The Company manages its capital to ensure its ability to continue as a going concern and to provide an adequate return to its shareholders. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares through equity offerings or acquire/dispose of assets. The Company is not subject to any external capital requirements, neither regulatory nor contractual. In order to facilitate the management of its capital requirements, the Company prepares annual budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews its capital management approach on an ongoing basis. There have been no changes to the Company's capital management approach during the years ended September 30, 2022 and 2021.

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19. RELATED PARTY TRANSACTIONS

Transactions with related parties not disclosed elsewhere in these consolidated financial statements are as follows. Unless otherwise stated, none of these transactions incorporated special terms and conditions and no guarantees were given or received.

Amounts due from related parties

	September 30, 2022	September 30, 2021
	\$	\$
Grafoid Inc.	2,278	369

Amounts due to related parties

	September 30, 2022	September 30, 2021
	\$	\$
9174893 Canada Inc.	-	209,314
9176055 Canada Inc.	-	9,233
Focus Graphite Inc.	-	2,703
GGTC Inc.	-	126,170
Grafoid Inc.	-	54,194
2608861 Ontario Inc.	36,668	36,668
	36,668	438,282

9174893 Canada Inc.

As at September 30, 2021, included in amounts due to related parties is an amount of \$209,314 due to 9174893 Canada Inc., a company owned by a former officer of the Company. During the year ended September 30, 2022, the amount was reclassified to accounts payables and accrued liabilities.

9176055 Canada Inc.

During the year ended September 30, 2022, the Company was charged \$69,894 (2021 - \$67,540) by 9176055 Canada Inc. ("9176055"), a company owned by an officer of the Company, for consulting fees. As at September 30, 2022, included in amounts due to related parties is an amount of \$Nil (2021 - \$9,233) due to 9176055.

Focus Graphite Inc.

As at September 30, 2022, included in amounts due to related parties is an amount of \$Nil (2021 - \$2,703) due to Focus Graphite Inc. ("Focus"), which shares common management. The amounts relate to shared office expenses.

GGTC Inc.

Prior to the 2022 fiscal year, the Company leased space on a monthly basis from GGTC Inc. ("GGTC"), a company owned by a director and a former officer of the Company. During the year ended September 30,

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2021, GGTC charged the Company rent in the amount of \$28,042. As at September 30, 2022, included in amounts due to related parties is an amount of \$Nil (2021 - \$126,170).

Grafoid Inc.

As at September 30, 2022, included in amounts due to related parties is an amount of \$Nil (2021 - \$54,194) due to Grafoid Inc. ("Grafoid"), which shares common management

2608861 Ontario Inc.

During the year ended September 30, 2022, the Company was charged \$Nil (2021 - \$9,040) by 2608861 Ontario Inc., a company owned by a director and former officer of the Company, for equipment rental fees. As at September 30, 2021, included in amounts due to related parties is an amount of \$36,668 (2021 - \$36,668).

Thombeth Holdings Inc.

During the year ended September 30, 2022, the Company was charged \$495,826 (2021 - \$377,336) by Thombeth Holdings Inc. ("Thombeth"), a company owned by an officer/director of the Company, for consulting fees. As at September 30, 2022, included in accounts payable and accrued liabilities is an amount of \$137,000 (2021 - \$Nil).

Key management compensation

The following table reflects compensation of key management personnel (Directors and Officers of the Company):

Year ended September 30	2022	2021
	\$	\$
Consulting fees	565,720	444,876
Stock-based compensation	1,071,663	270,996
	1,637,383	715,872

20. COMMITMENTS

The Company's future minimum lease payments for office rent and equipment rental are as follows:

	Within 1 year	1 to 5 years	After 5 years	Total
	\$	\$	\$	\$
Office (USA)	162,659	623,723	-	786,382
Office Equipment	7,862	4,586	-	12,448
Total	170,521	628,309	-	798,830

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21. LEASE OBLIGATION

	\$
Balance, September 30, 2020	154,905
Addition	622,793
Interest expense	31,752
Lease payments	(116,928)
Balance, September 30, 2021	692,522
Interest expense	63,628
Lease payments	(159,369)
Net exchange differences	45,453
Balance, September 30, 2022	642,234
Current	162,660
Long-term	479,574
	642,234

During the year ended September 30, 2022, the Company capitalized \$24,290 of interest on lease obligation to inventory as part of manufacturing overhead (2021 - \$6,308).

22. WARRANTY PROVISION

The Company offers a two-year warranty on most of its products. Usually, warranty claims are settled within the first year and are covered entirely by Company. After the first year, the Company offers coverage on a prorated basis, depending on when the claim is made in the second year. The calculation of the warranty provision is based on historical warranty claims by customers. As at September 30, 2022, included within current liabilities on the Company's consolidated statements of financial position is a warranty provision of \$45,420 (2021 - \$39,430), which represents an estimate of expected warranty claims in the future.

23. CONTINGENT LIABILITIES

The Company is subject to claims and legal actions that arise in the ordinary course of business. It is the opinion of management that any ultimate liability that may arise from such matters would not have a significant adverse effect on the consolidated financial statements of the Company.

During the year ended September 30, 2021, a legal claim was brought against the Company by a former officer of the Company. Pleadings are closed but productions have not been exchanged nor have examinations for discovery been completed. As such, it is too early to evaluate this claim.

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24. INCOME TAXES

Relationship between expected tax expense and accounting profit or loss

The relationship between the expected tax (recovery) expense based on the combined federal and provincial income tax rate in Canada and the reported tax (recovery) expense in the consolidated statements of loss and comprehensive loss can be reconciled as follows:

For the years ended September 30	2022	2021
	\$	\$
Net loss before income tax	(2,769,193)	(770,983)
Expected tax recovery calculated using the combined federal and provincial income tax rate in Canada of 26.5% (26.5% in 2021)	(733,836)	(204,310)
Adjustments for the following items:		
Tax impact of temporary differences for which no deferred tax asset was recognized	308,903	129,392
Foreign tax rate differential	(8,407)	(18,145)
Change in tax rates	(14,002)	29,830
Permanent differences	373,049	79,747
Other	74,293	(53,020)
Income tax (recovery) expense	-	(36,506)

Components of deferred tax expense (recovery)

For the years ended September 30	2022	2021
	\$	\$
Origination and reversal of temporary differences	(294,901)	(159,222)
Change in tax rates	(14,002)	29,830
Tax impact of temporary difference for which no deferred tax asset was recognized	308,903	129,392
Deferred tax expense (recovery)	-	-

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Deferred tax assets and liabilities and variation of recognized amounts during the period

The company has recognized the following deferred tax assets and liabilities:

	Balance September 30, 2021	Recognized in profit or loss	Recognized in foreign exchange	Balance September 30, 2022
	\$	\$	\$	\$
Property and equipment	(25,501)	(1,899)	(1,541)	(28,941)
Investments	-	(6,460)	-	(6,460)
Non-capital losses	25,501	8,359	1,541	35,401
	-	-	-	-

	Balance September 30, 2020	Recognized in profit or loss	Recognized in foreign exchange	Balance September 30, 2021
	\$	\$	\$	\$
Property and equipment	(23,902)	(2,684)	1,085	(25,501)
Other	(7,888)	7,888	-	-
Non-capital losses	31,790	(5,204)	(1,085)	25,501
	-	-	-	-

As at September 30, 2022 and 2021, the Company had the following temporary differences. No deferred tax assets were recorded for these temporary differences.

As at September 30	2022	2021
	\$	\$
Property and equipment	18,727	19,713
Lease liabilities, net of right of use assets	51,911	25,141
Reserves	389,876	620,531
Non-capital losses	5,533,662	3,916,108
Other	57,100	69,513
Mineral exploration properties and exproation and evaluation assets	1,070,192	1,307,692
	7,121,468	5,958,698

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As at September 30, 2022, the Company has the following non-capital losses for which no deferred tax asset was recorded. These carryforward balances expire as follows:

	Canada	US
	\$	\$
2034	378,972	-
2035	215,859	-
2036	166,420	-
2037	241,691	-
2038	820,217	240,435
2039	615,931	-
2040	295,108	-
2041	879,743	-
2042	1,439,021	-
Indefinite	-	240,265
	5,052,962	480,700