



STARDUST SOLAR ENERGY INC.
(Formerly Bold Capital Enterprises Ltd.)
Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024 and 2023
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

STARDUST SOLAR ENERGY INC.
(Formerly Bold Capital Enterprises Ltd.)
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**NOTICE OF NO AUDITOR REVIEW AND
MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING**

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

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

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

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

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

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

As at	September 30, 2024		December 31, 2023	
Assets				
Current				
Cash	\$	1,535,180	\$	356,924
Accounts receivable (note 16(a))		260,580		133,362
Inventory		21,363		299,040
Prepaid expenses		15,657		5,700
		1,832,780		795,026
Advance to a private company (notes 2, 20)		11,744		-
Equipment (note 6)		16,832		18,284
Intangible assets (note 7)		21,940		22,883
Right-of-use asset (note 8)		-		38,950
	\$	1,883,296	\$	875,143
Liabilities and shareholders' deficiency				
Liabilities				
Current				
Accounts payable and accrued liabilities	\$	1,577,117	\$	701,998
Goods and services tax payable		94,956		38,632
Lease liability (note 8)		-		43,846
Due to related parties (note 15)		53,925		36,430
Subscription receipts (note 9)		-		315,865
Deferred revenue		280,366		387,744
Current portion of loans & borrowings (note 13)		15,819		5,383
		2,022,183		1,529,898
Convertible loans (note 14)		111,050		-
Income tax liability		10,177		9,971
Loans and borrowings (note 13)		110,960		24,873
	\$	2,254,370	\$	1,564,742
Shareholders' deficiency				
Share capital (note 9)	\$	5,993,776	\$	898,293
Contributed surplus (note 9)		201,006		76,000
Deficit		(6,259,981)		(1,358,346)
Accumulated other comprehensive loss		(305,875)		(305,546)
		(371,074)		(689,599)
	\$	1,883,296	\$	875,143

Nature of operations and going concern (note 1)
Subsequent events (note 19)

Approved on behalf of the Board:

"Mark Tadros" (signed)

Director

"Vitaly Melnikov" (signed)

Director

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

STARDUST SOLAR ENERGY INC.

(Formerly Bold Capital Enterprises Ltd.)

Condensed Interim Consolidated Statements of Income and Loss and Comprehensive Income and Loss (Unaudited)**(Expressed in Canadian Dollars)**

	Three months ended		Nine months ended	
	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Revenues (note 18)	\$ 896,030	\$ 493,893	\$ 2,845,871	\$ 1,869,700
Direct costs				
Direct wages	-	1,031	-	6,267
Freight in and duty	29,806	21,385	65,758	44,159
Purchases	545,559	449,945	1,844,879	1,043,382
Subcontracts	40,664	61,224	113,644	170,658
	616,029	533,585	2,024,281	1,264,466
Gross profit	280,001	(39,692)	821,590	605,234
Expenses				
Advertising and promotion	86,297	41,365	190,495	96,950
Depreciation and amortization (note 5, notes 6 and 7)	10,958	16,039	42,485	48,154
Bad debt	40,595	-	47,913	25,500
Business taxes, licenses and insurance	27,883	11,681	59,942	42,439
Interest and bank charges (note 7)	13,705	10,805	33,393	30,281
Office	18,320	12,436	46,484	34,376
Professional fees	17,846	8,394	52,772	27,444
Share-based compensation	256,530	46,648	644,059	113,005
Salaries and wages (note 14)	45,306	-	45,306	-
Travel	219,043	185,845	656,688	505,256
Utilities	3,226	2,793	11,890	11,681
	2,046	2,118	5,938	6,072
	736,805	338,124	1,837,911	941,158
Other Items				
Interest income	2,202	28,093	5,305	47
Asset impairment loss (note 6)	-	(28,715)	-	(28,046)
Foreign exchange	(466)	(6,209)	(1,004)	(970)
Government assistance (note 12)	626	6,216	10,000	6,216
RTO transaction cost (note 2)	(3,899,615)	-	(3,899,615)	-
Net loss before income taxes	(4,354,057)	(378,431)	(4,901,635)	(358,677)
Current income tax expense	-	(18)	-	(13,664)
Deferred income tax expense	-	(49)	-	(13,664)
Net loss	\$ (4,354,057)	\$ (378,498)	(4,901,635)	\$ (372,341)
Items not reclassified to net loss				
Foreign currency translation adjustment	(267)	(284)	(329)	61
Comprehensive loss	\$ (4,354,324)	\$ (378,782)	(4,901,964)	\$ (372,280)
Basic and diluted loss per share	\$ (0.20)	\$ (0.02)	(0.25)	\$ (0.02)
Weighted average number of common shares outstanding basic and diluted	21,823,871	19,000,024	19,941,306	19,000,024

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

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

For the nine months ended September 30, 2024 and 2023

	Common shares	Share Capital \$	Contributed Surplus \$	Deficit \$	Accumulated Other Comprehensive Income \$	Total \$
Balance, December 31, 2022	19,000,040	689,017	-	(707,310)	(305,615)	(323,908)
Acquisition of Sambuk (notes 3 and 8)	-	209,276	-	-	-	209,276
Warrant dividends granted (note 9)	-	-	76,000	(76,000)	-	-
Translation adjustment	-	-	-	-	61	61
Net income	-	-	-	(372,341)	-	(372,341)
Balance, September 30, 2023	19,000,040	898,293	76,000	(1,155,651)	(305,554)	(486,912)
Balance, December 31, 2023	19,000,040	898,293	76,000	(1,358,346)	(305,546)	(689,599)
Consideration in Bold RTO transaction (notes 2 and 9)	50,000,012	4,750,010	-	-	-	4,750,010
Subscription receipts conversion (note 9)	1,264,000	316,000	-	-	-	316,000
Fair value of agent's compensation warrants (note 10)	-	(2,388)	2,388	-	-	-
Concurrent financing - subscription receipts conversion (notes 9 and 10)	130,000	31,861	7,139	-	-	39,000
Concurrent financing – fair value of convertible loans' equity component (note 14)	-	-	70,173	-	-	70,173
Stock options grant (note 12)	-	-	45,306	-	-	45,306
Translation adjustment	-	-	-	-	(329)	(329)
Net loss	-	-	-	(4,901,635)	-	(4,901,635)
Balance, September 30, 2024	70,394,035	5,993,776	201,006	(6,259,981)	(305,875)	(371,074)

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

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

For the nine months ended September 30	2024	2023
Operating activities		
Net loss	\$ (4,901,635)	\$ (372,341)
Items not affecting cash:		
Amortization	42,486	47,085
Asset impairment loss	-	28,046
Interest on borrowings	246	-
Interest on lease liability	1,757	2,443
RTO transaction cost	3,899,615	-
Share-based compensation	45,306	-
Write-off of deposit	-	25,000
Change in working capital balances:		
Accounts payable and accrued liabilities	627,084	96,210
Accounts receivable	(127,083)	(113,548)
Deferred revenue	(107,378)	27,656
Due to related parties	17,495	(29,906)
Goods and services tax payable	56,324	22,916
Income tax payable	206	10,181
Inventory	277,677	6,238
Prepaid expenses	(6,815)	-
Cash used in operating activities	(174,717)	(250,020)
Investing activities		
Acquisition of equipment	(1,141)	(256)
Acquisition of intangible assets	-	(15,140)
Cash acquired in RTO transactions	1,083,545	314,729
Cash provided by investing activities	1,082,404	299,333
Financing activities		
Lease payments	(45,602)	(62,703)
Proceeds from loans & borrowings	280,000	-
Repayment of loans & borrowings	(2,500)	-
Proceeds from subscription receipts	39,000	220,000
Cash provided by financing activities	270,898	157,297
Foreign exchange on cash	(329)	61
Change in cash	1,178,256	206,671
Cash, beginning of period	356,924	41,271
Cash, end of period	\$ 1,535,180	\$ 247,942
Supplemental cash flow information		
Common shares issued in RTO transactions (notes 2 and 3)	\$ 4,750,010	\$ 291,744
Warrant dividend in shareholders' deficiency (note 10)	-	76,000
RTO transaction costs accrued through accounts payable	-	82,468
Interest paid	1,537	-
Taxes paid	-	-

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STARDUST SOLAR ENERGY INC.

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Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

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1. NATURE OF OPERATIONS AND GOING CONCERN

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

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

These condensed interim consolidated financial statements reflect the acquisition of Stardust Solar Holdings Inc. by Bold Capital Enterprises Ltd. on September 25, 2024. As the shareholders of Stardust Solar Holdings Inc. acquired control of Bold Capital Enterprises Ltd. following the acquisition, this transaction, described as a reverse takeover, has been accounted for as an acquisition of Bold Capital Enterprises Ltd. by Stardust Solar Holdings Inc. (note 2). The name of Bold Capital Enterprises Inc. was changed to Stardust Solar Energy Inc. on September 25, 2024. Stardust Solar Energy Inc. and Stardust Solar Holdings Inc. are referred to collectively herein as the “Company” or “Stardust”. Stardust Solar Holdings Inc. (formerly Sambuk Capital Limited) was incorporated under the laws of the province of British Columbia on July 30, 2019 (note 3).

These condensed interim consolidated financial Statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2024, the Company had a deficit of \$6,259,981 (December 31, 2023 - \$1,358,346), and, as of that date, the Company had a working capital deficit of \$189,403 (December 31, 2023 - \$734,872). For the three months ended September 30, 2024 and 2023, the Company incurred a net loss of \$4,354,057 and net loss of \$378,498, respectively. For the nine months ended September 30, 2024 and 2023, the Company incurred a net loss of \$4,901,964 and \$372,280, respectively. Without additional financing, the Company may not be able to fund its ongoing operations. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations. These condensed interim condensed interim consolidated financial Statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BOLD REVERSE TAKEOVER TRANSACTION

On December 27, 2023, Stardust Solar Holdings Inc. entered into a definitive agreement (the “Amalgamation Agreement”) with Bold Capital Enterprises Ltd., a Capital Pool Company (the “CPC”) under the policy of the TSX Venture Exchange (the “TSXV”), whereby Stardust Solar Holdings Inc. and CPC agreed to amalgamate and continue as one business under the name of Stardust Solar Energy Inc. Pursuant to the provisions of the Amalgamation Agreement, the CPC acquired all of the issued and outstanding shares in the capital of Stardust Solar Holdings Inc. in exchange for common shares of CPC (the “CPC Shares”). The CPC Shares have a deemed value of \$0.30 per share and are subject to standard escrow and resale restrictions under the policies of the TSXV.

Based on the review of IFRS 3 criteria, this transaction will be accounted for as a Reverse Takeover (the “Bold RTO Transaction”), with Stardust Solar Holdings Inc. being the acquiror for accounting purposes.

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

Following approval of the Bold RTO Transaction by the TSXV, and upon clearing of all other conditions precedent, the Amalgamation Agreement between Stardust Solar Holdings Inc. and the CPC closed, and Stardust Solar Holdings Inc. became a wholly owned legal subsidiary of the CPC. Pursuant to the Bold RTO Transaction, the CPC, among other things, consolidated its issued and outstanding common shares on the basis of 2.4876 common shares of CPC for one common share of the resulting issuer, Stardust Solar Energy Inc., (each a "Resulting Issuer Share"), and issued an aggregate of 51,394,012 Resulting Issuer Shares to the shareholders of Stardust Solar Holdings Inc., at a deemed issue price of \$0.30 per Resulting Issuer Share. Upon completion of the Bold RTO Transaction on September 25, 2024, the shareholders of Stardust Solar Holdings Inc. hold 51,394,012 Resulting Issuer Shares, representing 73% of the 70,394,035 issued and outstanding Resulting Issuer Shares on a non-diluted basis, and the shareholders of CPC hold 19,000,023 Resulting Issuer Shares, representing 27% of the 70,394,035 issued and outstanding Resulting Issuer Shares on a non-diluted basis.

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

Bold RTO Transaction cost

Common shares (note 9)	\$	4,750,010
Consideration	\$	4,750,010
Cash	\$	1,083,545
Prepaid expense		3,142
Accounts payable		(248,035)
Advance to a private company (note 19)		11,744
Net assets acquired	\$	850,396
RTO Transaction cost	\$	3,899,614

Advance to a private company

In March 2022, the CPC entered into an arm's length letter of intent with SinuSafe Medical Ltd. ("SinuSafe"), pursuant to which the CPC and SinuSafe intended to complete a transaction whereby the CPC would acquire all of the issued and outstanding shares in the share capital of SinuSafe (the "SinuSafe Transaction"). In connection with the proposed SinuSafe Transaction, in May 2022, the CPC executed a secured loan agreement (the "Loan Agreement") with SinuSafe pursuant to which it loaned SinuSafe the principal amount of \$350,000. The loan is secured against the core assets of SinuSafe, namely its patent and patent applications, has a term of 12 months and bears interest at a rate of 5% payable at maturity. In November 2022, the parties agreed to an extension for the negotiation and signature of a definitive agreement from October 31, 2022 to January 31, 2023. On March 31, 2023, the CPC decided not to grant any further extensions for the consummation of the SinuSafe Transaction and, unfortunately, the proposed SinuSafe Transaction lapsed. As a consequence of the

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termination of the proposed SinuSafe Transaction, the CPC demanded that SinuSafe repay the secured loan in the principal amount of \$350,000, as well as accrued and unpaid interest, the whole as contemplated in the Loan Agreement. Upon completion of the Bold RTO Transaction, the Company recognized the fair value of the CPC's identifiable assets and liabilities and valued the SinuSafe loan at \$11,744.

The Company, through its Israeli legal counsel, appeared before the Israeli court at the pre-hearing held on September 17, 2024 and which was scheduled to consider certain matters pertaining to the Company's proceedings against SinuSafe in respect of the amounts payable to the Company under the Loan Agreement (note 19(e)).

3. SAMBUK TRANSACTION

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

Based on the review of IFRS 3, Business Combination ("IFRS 3") criteria, this transaction is accounted for as a Reverse Takeover (the "Sambuk Transaction"), with Stardust being the acquiror for accounting purposes.

The arrangement constitutes a reverse business acquisition and has been accounted for as a share-based payment transaction in accordance with IFRS 2, Share-based Payment, as Sambuk did not meet the definition of a business, as defined in IFRS 3 with Stardust as the accounting acquiror (*legal subsidiary*). Accordingly, Sambuk's shareholders' equity balances at June 30, 2024, have been eliminated in the consolidated statement of financial position.

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

- (a) In accordance with IFRS, the Sambuk Transaction between Sambuk and Stardust has been assessed and classified as an asset acquisition under common control. As the receiving company's shares are privately held, and its non-controlling shareholders were not affected, the book-value method was applied to account for this transaction.
- (b) The fair value of 21,485,197 common shares and converted special warrants of Sambuk was determined to be \$291,744, or \$0.01358 per common share. Additionally, legal fees totaling \$82,468 relation to the Sambuk transaction and the issuance of the common shares and special warrants were incurred by Stardust, resulting in a net increase to equity of \$209,276. The net assets of Sambuk acquired in the RTO transaction were valued equal to the total consideration transferred and the transaction costs are considered costs associated with the issuance of the common shares and therefore net against the consideration in the consolidated statement of shareholders' deficiency. This amount has been recorded as share capital in the Company's consolidated statement of financial position as at December 31, 2023. The Sambuk transaction had no impact on the consolidation statements of loss and comprehensive loss for the three and nine months ended September 30, 2024 and the year ended December 31, 2023.

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Sambuk Transaction cost

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

4. BASIS OF PRESENTATION

(a) Statement of compliance

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

(b) Basis of consolidation

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

As at September 30, 2024 and December 31, 2023, the Company's legal subsidiaries included Stardust Solar Technologies USA, LLC ("Stardust USA") incorporated in Nevada, USA on December 7, 2019; and Stardust Solar Franchise Inc. ("Stardust Franchise") incorporated in British Columbia, Canada on October 23, 2020.

(c) Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standard ("IAS") 34 Interim Financial Reporting using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board. These condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements, and therefore should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2023.

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

These condensed interim consolidated financial Statements are presented in Canadian dollars, which is the Company's and Stardust Franchise's functional currency. Stardust USA has a functional currency of US dollars.

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(d) Approval of the condensed interim consolidated financial statements

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

5. ESTIMATES AND JUDGMENTS

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

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

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

Critical accounting judgments

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

Going concern

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

Impairment of equipment and intangible assets

For assets with finite lives, judgment is required in assessing whether certain factors would be considered an indicator of impairment. The Company considers both external and internal sources of information in assessing whether there are any indications that CGUs are impaired, or reversal of impairment is needed. Factors considered include current and forecast economic conditions, internal projections, and the Company's market capitalization relative to its net asset carrying amount. The Company does not have any assets with indefinite lives as at September 30, 2024.

Critical accounting estimates

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

Fair value measurements

Certain of the Company's assets such as investments are measured at fair value. The estimated fair value of financial assets, by their very nature, are subject to measurement uncertainty. The Company estimates fair value using valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Such valuation techniques include the Black Scholes model.

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

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The fair value of consideration to acquire the Company in the reverse takeover transaction comprised of common shares. Common shares were fair valued on the date of issuance. The Company applied *IFRS 2 - Share-based Payment* in accounting for the Bold RTO Transaction and Sambuk Transaction (note 2 and note 3, respectively).

Inventory

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

Financial liabilities

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

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

Revenue recognition

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

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

(i) Training and exam administration

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

(ii) System assessments and installation

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

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(iii) Product sales

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

(iv) Franchisee income

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

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

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

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

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	Furniture and Equipment	Computer Equipment	Total
Cost			
Balance at December 31, 2022	\$ 29,748	\$ 4,689	\$ 34,437
Additions	-	-	-
Balance at September 30, 2023	\$ 29,748	\$ 4,689	\$ 34,437
Additions	257	-	257
Balance at December 31, 2023	\$ 30,005	\$ 4,689	\$ 34,694
Additions	139	1,002	1,141
Balance at September 30, 2024	\$ 30,144	\$ 5,691	\$ 35,835
Accumulated depreciation			
Balance at December 31, 2022	\$ 10,501	\$ 2,453	\$ 12,954
Depreciation	1,896	379	2,275
Balance at September 30, 2023	\$ 12,397	\$ 2,832	\$ 15,229
Depreciation	1,098	83	1,181
Balance at December 31, 2023	\$ 13,495	\$ 2,915	\$ 16,410
Depreciation	2,306	287	2,593
Balance at September 30, 2024	\$ 15,801	\$ 3,202	\$ 19,003
Carrying amounts			
Carrying value at December 31, 2023	\$ 16,510	\$ 1,774	\$ 18,284
Carrying value at September 30, 2024	\$ 14,343	\$ 2,489	\$ 16,832

7. INTANGIBLE ASSETS

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

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	Customer Lists	Trademarks	Total
Cost			
Balance at December 31, 2022	\$ 31,162	\$ 10,000	\$ 41,162
Additions	-	15,140	15,140
Intangible asset impairment	(31,162)	-	(31,162)
Balance at September 30, 2023	\$ -	\$ 25,140	\$ 25,140
Additions	-	-	-
Balance at December 31, 2023 and September 30, 2024	\$ -	\$ 25,140	\$ 25,140
Accumulated depreciation			
Balance at December 31, 2022	\$ 3,116	\$ 1,000	\$ 4,116
Depreciation	-	628	628
Impairment	(3,116)	-	(3,116)
Balance at September 30, 2023	\$ -	\$ 1,628	\$ 1,628
Depreciation	-	629	629
Balance at December 31, 2023	\$ -	\$ 2,257	\$ 2,257
Depreciation	-	943	943
Balance at September 30, 2024	\$ -	\$ 3,200	\$ 3,200
Carrying amounts			
Carrying value at December 31, 2023	\$ -	\$ 22,883	\$ 22,883
Carrying value at September 30, 2024	\$ -	\$ 21,940	\$ 21,940

8. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Company has a lease agreement for its headquarter office space in Burnaby, BC. The continuity of the ROU asset and lease liability for the nine months ended September 30, 2024 and 2023 is as follows:

Right-of-use asset	
Balance at December 31, 2022	\$ 97,374
Depreciation	(43,818)
Balance at September 30, 2023	\$ 53,556
Depreciation	(14,606)
Balance at December 31, 2023	\$ 38,950
Depreciation	(38,950)
Balance at September 30, 2024	\$ -
Lease liability	
Lease liability at December 31, 2022	\$ 104,106
Lease payments	(51,303)
Lease interest	6,708
Lease liability at September 30, 2023	\$ 59,511
Lease payments	(17,100)
Lease interest	1,436
Lease liability at December 31, 2023	\$ 43,846
Lease payments	(45,602)
Lease interest	1,756
Lease liability at September 30, 2024	\$ -

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Amortization of the right-of-use asset for the three and nine months ended September 30, 2024, was \$14,605 and \$43,818 respectively (2023 – \$14,605 and \$43,818, respectively). Amortization is calculated over the term of the lease. Interest expense for the three and nine months ended September 30, 2024, was \$149 and \$1,757, respectively (2023 - \$1,843 and \$6,708, respectively). These amounts are included in interest and bank charges.

As at September 30, 2024, the Company had no long-term office lease commitment.

9. SHARE CAPITAL

(a) Authorized

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

(b) Issued and outstanding

	Common Shares		Amount
Balance at December 31, 2022	19,000,023	\$	689,017
Consideration in Sambuk Transaction (note 3)			209,276
Balance at December 31, 2023			898,293
Consideration in Bold RTO Transaction (note 2)	50,000,012		4,750,010
Concurrent financing – fair value of subscription receipts conversion to shares	130,000		31,861
Subscription receipts conversion to shares	1,264,000		316,000
Fair value of agent's compensation warrants	-		(2,388)
Balance at September 30, 2024	70,394,035	\$	5,993,776

In connection with the RTO Transaction (notes 1, 2 and 3), the Company completed the reverse acquisition of Bold Capital Enterprises Ltd. and consolidated its share capital.

Subscription receipts

On December 19, 2023, the Company received 1,264,000 subscription receipts at a price of \$0.25 per subscription receipt for cash proceeds of \$316,000. Each subscription receipt automatically converted with no additional payment and no additional action on behalf of the holder upon receipt of the TSXV approval and completion of the Bold RTO transaction on September 25, 2024. The conversion resulted in the issuance of 1,264,000 common shares and 25,600 agents' compensation warrants in relation to the subscription receipts. Each agents' compensation warrant is exercisable at a price of \$0.25 for a period of 24 months. The fair value of these agents' compensation warrants was measured using the Black Scholes valuation model and was determined to be \$2,388. As at September 30, 2024, the agent's compensation warrants remain outstanding.

Concurrent financing

On September 12, 2024, Stardust completed a private placement of 130,000 subscription receipts (the "Stardust Subscription Receipts") at a price of \$0.30 per subscription receipt for gross proceeds of \$39,000. On September 17, 2024, Each Stardust Subscription Receipt converted into one Stardust Share and one Stardust warrant. Such Stardust Shares and warrants were subsequently exchanged for equivalent securities of the Company upon completion of the Bold RTO Transaction on September 25, 2025 in accordance with the terms of the Amalgamation Agreement. Each warrant is exercisable into one common share at a price of \$0.40 per share for a period of 24 months from the date of issuance. The fair value of these warrants was measured using the Black Scholes valuation model and was determined to be \$7,139 or 0.05 per warrant. Accordingly, the balance of fair value of \$31,861 or \$0.25 per common share was

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allocated to common shares and recorded as share capital. As at September 30, 2024, the agent's compensation warrants remain outstanding.

10. WARRANTS

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

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

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

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

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

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

The fair value of these agents' compensation warrants was determined to be \$2,388. As at September 30, 2024, the agents' compensation warrants remain outstanding.

On September 12, 2024, Stardust completed a private placement of 130,000 subscription receipts (the "Stardust Subscription Receipts") at a price of \$0.30 per subscription receipt for gross proceeds of \$39,000. On September 17, 2024, Each Stardust Subscription Receipt converted into one Stardust Share and one Stardust warrant. Such Stardust Shares and warrants were subsequently exchanged for equivalent securities of the Company upon completion of the Bold RTO Transaction on September 25, 2025 in accordance with the terms of the Amalgamation Agreement. Each warrant is exercisable into one common share at a price of \$0.40 per share for a period of 24 months from the date of issuance. The fair value of these agents' compensation warrants was measured using the Black Scholes valuation model with the following inputs:

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

The fair value of these warrants was measured using the Black Scholes valuation model and was determined to be \$7,139. As at September 30, 2024, the agents' compensation warrants remain outstanding.

As of September 30, 2024 and December 31, 2023 the following share purchase warrants were outstanding:

	Number of warrants	Weighted average exercise price (\$)	Weighted average issue date value (\$)
Balance at December 31, 2022, September 30, 2023 and December 31, 2023	-	\$ -	\$ -
Issued	25,600	0.25	0.093281
Issued	130,000	0.40	0.054915
Balance September 30, 2024	155,600	\$ 0.38	\$ 0.000722

11. RESTRICTED SHARE UNITS

Stardust's board of directors (the "Board") approved a rolling restricted share unit ("RSU") plan on January 23, 2023 (the "RSU Plan"), which provides for a total of up to 20% of the issued and outstanding common shares available for issuance thereunder. The purpose of the RSU Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified executives, employees and consultants to contribute toward the long-term goals of the Company. All directors, consultants, and employees (as defined in the RSU Plan) of the Company and its related entities are eligible to participate in the RSU Plan. The RSU Plan was replaced by the Omnibus Equity Incentive Plan (the "Omnibus Plan") upon completion of the Bold RTO Transaction on September 25, 2024. Under the Omnibus Plan, the aggregate number of common shares reserved for issuance pursuant to awards other than for options granted under the Omnibus Plan shall not exceed 7,000,000 common shares.

On February 10, 2023, the Company conditionally granted 3,289,474 RSUs to key management personnel. Of these RSUs, 657,895 will vest one year after the Company's common shares are listed on a recognized securities exchange, and 2,631,579 RSUs will conditionally vest one year after the Company's common shares are listed on a recognized securities exchange, if the Company achieves a minimum of \$5,000,000 in consolidated revenue in its fiscal year ended December 31, 2025.

On December 13, 2023, the Company conditionally granted 250,000 RSUs to its employees. These RSUs will vest within one year after the Company's common shares are listed on a recognized securities exchange.

All RSUs will expire two years after the date the Company's common shares are listed on a recognized securities exchange.

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As at September 30, 2024, all 3,539,474 RSUs remain outstanding and subject to conditional approval by the exchange and issuance of the replacement RSUs under the Omnibus Plan. The Company previously assessed that probability of meeting all conditional grant and vesting terms was negligible. Accordingly, the fair value of these RSUs was previously determined to be \$nil. Subsequent to September 30, 2024, the Company will reassess the fair value of these replacement RSUs on the date of issuance of the replacement RSUs. On October 7, 2024, following the Company's listing on the TSXV, the original RSUs were canceled, and 3,289,474 replacement RSUs were granted to key management personnel. These replacement RSUs will vest as follows: 40% on October 7, 2025, 15% on April 7, 2026, 15% on October 7, 2026, 15% on April 7, 2027, and 15% on October 7, 2027. Additionally, 2,631,579 RSUs will start vesting after the Company meets the revenue milestone of \$5,000,000 in consolidated revenue for the fiscal year ending December 31, 2025. All RSUs will expire on October 7, 2028.

12. STOCK OPTION PLAN

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

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

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

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

The fair value of these stock options was determined to be \$45,306. As at September 30, 2024, these stock options remain outstanding.

13. GOVERNMENT ASSISTANCE, LOANS AND BORROWINGS

As at September 30, 2024, the Company had the following loans and borrowings:

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	September 30, 2024	December 31, 2023
CEBA / Business Loan (a)	\$ 26,425	\$ 30,256
BDC Loan (b)	100,355	-
	126,780	30,256
Less: current portion	(15,819)	(5,383)
Non-current portion	\$ 110,960	\$ 24,873

- (a) During the year ended December 31, 2020, the Company received revolving lines of credit totaling \$60,000 as part of the Canada Emergency Business Account (CEBA) program due to COVID-19. The loans are interest-free and require no principal payments until December 2022 (“Initial Term Date”). The loan can be extended to December 2025 and 33% (\$20,000) will be forgiven if the principal is repaid before the Initial Term Date. If the loan is extended past the Initial Term Date, it will carry an interest rate of 5% per annum beginning January 1, 2023 until the loan is repaid in full or the maximum maturity date of December 31, 2025. On January 12, 2022, the due date for the loan payable was extended to December 31, 2023. The Company repaid \$10,000 of the CEBA loan in 2022, and the remaining balance of the CEBA loan payable was \$30,000 (December 31, 2022 - \$30,000).

Effective November 22, 2023, the Company elected to restructure the CEBA loan by converting it into a commercial bank business loan. The revised arrangement requires repayment in 60 monthly installments, commencing on February 22, 2024. Each monthly installment is comprised of a minimum principal repayment of \$500, with interest accrual commencing February 1, 2024. The term loan agreement is classified as a financial liability recognized at fair value and subsequently measured at amortized cost using effective interest method. As at September 30, 2024, the carrying amount of the loan was \$26,425 (December 31, 2023 - \$30,256), including the undiscounted principal amount of \$26,500 and the cumulative amount of interest at effective interest rate of 8.22% per annum. Of the total carrying amount of the loan, \$6,150 is payable within one year and classified as current.

- (b) On August 21, 2024, Stardust Solar Technologies Inc., a wholly-owned subsidiary of Stardust, obtained an unsecured, non-convertible loan in the principal amount of \$100,000 from Business Development Canada (the “BDC Loan”). The maturity date of the BDC Loan is five years from the date of issuance. The BDC Loan bears floating interest at a rate of 11.97% per annum. For the first six (6) months of the term, interest-only payments will occur on a monthly basis (no principal payments). Following the first six (6) months of the term, applicable interest and principal payments will occur on a monthly basis. The term loan agreement is classified as a financial liability recognized at fair value and subsequently measured at amortized cost using effective interest method. As at September 30, 2024, the carrying amount of the loan was \$100,355 (December 31, 2023 - \$Nil), including the undiscounted principal amount of \$100,000 and the cumulative amount of interest at effective interest rate of 13.14% per annum. Of the total carrying amount of the loan, \$9,670 is payable within one year and classified as current.
- (c) On September 11, 2024, Stardust entered into a secured, non-convertible loan agreement with an arm’s length party (the “Secured Lender”), pursuant to which Stardust will borrow \$448,000 from the Secured Lender (the “Secured Loan”). The Secured Loan was issued on October 2, 2024 following the TSXV approval of the Secured Loan and the Bold RTO Transaction completion. The maturity date of the Secured Loan will be two years from the date of issuance. In connection with the Secured Loan, Stardust shall grant the Secured Lender first priority charge on all of Stardust’s present and after-acquired personal property.

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

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

The Secured Loan is subject to an original issue discount of \$48,000 (equal to 10.7% of the Secured Loan). Furthermore, Stardust must pay the Secured Lender a closing fee of \$12,320, equal to 2.75% of the Secured Loan. Stardust must also pay the costs and expenses related the Secured Loan, including the Secured Lender's legal fees of up to \$10,000 (exclusive of all taxes, disbursements and other miscellaneous costs).

During the three and nine months ended September 30, 2024, the Company received various government wage subsidies totaling \$6,250 and \$9,374, respectively (2023 - \$6,216).

14. CONVERTIBLE LOANS

On August 22, 2024, Stardust entered into convertible loan agreements with lenders (the "Lenders"), pursuant to which Stardust may borrow up to an aggregate of \$260,000 (the "Convertible Loans"). In September 2024, the Lenders issued the Convertible Loans in an aggregate amount of \$180,000. The remaining amounts of an aggregate of \$80,000 were issued after September 30, 2024. The maturity dates of the Convertible Loans will be two years from the date of issuance. The Convertible Loans bear interest at a rate of 12% per annum, which shall become due and payable on the maturity date. Anytime, prior to the maturity date, the Lenders may elect to convert the principal amount of the applicable Convertible Loan, in whole or in part, into units at \$0.40 per unit. Each unit will consist of one common share and one share purchase warrant. Each warrant will entitle the holder to acquire one common share for a period of two years from the date of issuance at an exercise price of \$0.40 per share. The conversion of any accrued interest on the Convertible Loans into common shares (as applicable) shall be subject to the any applicable stock exchange approval.

These Convertible Loans are accounted for as a compound financial instrument comprising a financial liability and an equity component (the conversion option). The fair value of the financial liability component was recognized at fair value and subsequently measured at amortized cost using effective interest method. The equity component was recorded as the difference between the total loan proceeds and the fair value of the financial liability component at a market interest rate for a similar loan without a conversion option. The fair value of the conversion option is recorded to shareholders equity and not remeasured after initial recognition. As at September 30, 2024, the carrying amount of the financial liability component of the Convertible Loans was \$111,050 (December 31, 2023 - \$Nil), including the cumulative amount of interest at effective interest rate of 12.68% per annum. The total carrying amount of the financial liability component is payable at maturity. As of September 30, 2024, the financial liability component was classified as non-current liability. The equity component, specifically the conversion option of the Convertible Loans, was valued at \$70,173 and recorded in the shareholders' equity.

15. RELATED PARTY TRANSACTIONS

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

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board of Directors and corporate officers.

During the three and nine months ended September 30, 2024, remuneration of key management included in salaries and wages was \$76,250 and 218,750 respectively (2023 - \$86,336 and 205,086 respectively) and as

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of September 30, 2024, no salaries or wages were owed to the Company's key management personnel (December 31, 2023 - \$Nil).

On September 25, 2024, the Company granted 500,000 stock options at an exercise price of \$0.40 per share pursuant to a consulting agreement with the Company's former director and officer. These stock options vest immediately and can be exercised until September 25, 2027. The fair value of these stock options was determined to be \$45,306. As at September 30, 2024, these stock options remain outstanding.

On February 10, 2023, the Company conditionally granted 3,289,474 RSUs to key management personnel. Of these RSUs, 657,895 will vest one year after the Company's common shares are listed on a recognized securities exchange, and 2,631,579 RSUs will conditionally vest one year after the Company's common shares are listed on a recognized securities exchange, if the Company achieves a minimum of \$5,000,000 in consolidated revenue in its fiscal year ended December 31, 2025.

On December 13, 2023, the Company conditionally granted 250,000 RSUs to its employees. These RSUs will vest within one year after the Company's common shares are listed on a recognized securities exchange.

All RSUs will expire two years after the date the Company's common shares are listed on a recognized securities exchange.

As at September 30, 2024, all 3,539,474 RSUs remain outstanding and subject to conditional approval by the exchange and issuance of the replacement RSUs under the Omnibus Plan. The Company previously assessed that probability of meeting all conditional grant and vesting terms was negligible. Accordingly, the fair value of these RSUs was previously determined to be \$nil. Subsequent to September 30, 2024, the Company will reassess the fair value of these replacement RSUs on the date of issuance of the replacement RSUs. On October 7, 2024, following the Company's listing on the TSXV, the original RSUs were canceled, and 3,289,474 replacement RSUs were granted to key management personnel. These replacement RSUs will vest as follows: 40% on October 7, 2025, 15% on April 7, 2026, 15% on October 7, 2026, 15% on April 7, 2027, and 15% on October 7, 2027. Additionally, 2,631,579 RSUs will start vesting after the Company meets the revenue milestone of \$5,000,000 in consolidated revenue for the fiscal year ending December 31, 2025. All RSUs will expire on October 7, 2028.

During the three and nine months ended September 30, 2024, a company controlled by a former director charged \$8,383 and \$18,499, respectively, for consulting services, including PV installation and design training (2023 – \$7,363 and \$13,023). No amounts were outstanding in accounts payable as of September 30, 2024 (December 31, 2023 - \$Nil).

During the three and nine months ended September 30, 2024, the Company incurred expenses of \$76,790 and \$100,866, respectively, for services provided by a company controlled by an officer and director (2023 - \$Nil). As of September 30, 2024, \$31,129 remained outstanding (December 31, 2023 - \$7,376).

As at September 30, 2024, the total amount due to related parties was \$53,925 payable to key management personnel (December 31, 2023 - \$36,430). Amounts due from/to related parties are unsecured, non-interest-bearing and are without fixed terms of repayment.

16. RISK MANAGEMENT

(a) Credit risk

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

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With respect to its accounts receivable, the Company maintains provisions for potential credit losses, and any such losses to date have been within management's expectations. The Company recognizes and measures potential credit losses on its accounts receivable based on a combination of historical data, forward-looking information, and judgment about the credit environment. To reduce the credit risk of accounts receivable, the Company regularly reviews the collectability of the accounts receivable to ensure there is no indication that these amounts will not be fully recoverable. Additionally, the Company engages in the evaluation of the creditworthiness of its customers. The Company adopted a policy of full prepayment for its product sales, system assessments and installations, training & exam administration immediately upon prepayment invoicing, thereby lowering the risk of potential credit losses. The franchise royalties are also payable immediately upon invoicing. However, the Company, at its sole discretion, may offer extended payment terms up to 90 days upon the franchisee's request. This extension is subject to the Company's assessment of the franchisee's creditworthiness and other relevant factors, evaluated on a case-by-case basis. The upfront franchise fees are payable immediately upon execution. However, the Company, at its sole discretion, may offer extended payment terms upon the franchisee's request. This extension is subject to the Company's assessment of the franchisee's creditworthiness and other relevant factors, evaluated on a case-by-case basis. As at September 30, 2024, the Company's accounts receivable included \$144,934 in franchise fees with extended payment terms of 91 or more days.

(b) Liquidity risk

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

As at September 30, 2024, the Company had a cash balance of \$1,535,180 (December 31, 2023 - \$356,924) available to apply against short-term business requirements and current liabilities of \$2,022,183 (December 31, 2023 - \$1,529,898). All of the Company's short-term liabilities are due within 90 days of September 30, 2024, except the current portion of the lease liability and borrowings which represent lease payments and loan payments due within 12 months from the applicable period-end and government assistance due within 12 months. The Company's undiscounted cash outflow obligations relating to the lease liability, loans and borrowings and convertible loans are discussed in notes 8, 13 and 14 respectively.

(c) Market risk

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

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

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on is at nominal interest rates. The Company is not exposed to significant interest rate risk.

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

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(Formerly Bold Capital Enterprises Ltd.)

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17. CAPITAL MANAGEMENT

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

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

The Company defines its capital as shareholders' deficiency. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. The Company did not change its approach to capital management during the nine months ended September 30, 2024, and 2023.

18. SEGMENTED INFORMATION

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

All assets of the Company are located in Canada with exception of operational cash balances in the USA entity.

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Three months ended September 30, 2024	Head Office Operations	Canadian Franchise Operations	USA Franchise Operations	Total
System assessment & installations	\$ 26,502	\$ -	\$ (1,808)	\$ 24,694
Product sales	466,505	-	211,857	678,362
Training & exam administration	46,195	-	-	46,195
Franchise fees	18,574	124,670	3,535	146,779
Total revenue	557,776	124,670	213,584	896,030
Direct costs	(438,108)	-	(177,921)	(616,029)
Gross Profit	119,668	124,670	35,663	280,001
Expenses	(673,879)	(45,484)	(17,442)	(736,805)
	\$ (554,211)	\$ 79,186	\$ 18,221	\$ (456,804)

Nine months ended September 30, 2024	Head Office Operations	Canadian Franchise Operations	USA Franchise Operations	Total
System assessment & installations	\$ 63,910	\$ -	\$ 25,649	\$ 89,559
Product sales	1,110,575	-	1,069,127	2,179,702
Training & exam administration	177,144	-	-	177,144
Franchise fees	54,897	322,026	22,543	399,466
Total revenue	1,406,526	322,026	1,117,319	2,845,871
Direct costs	(1,028,304)	-	(995,977)	(2,024,281)
Gross profit	378,222	322,026	121,342	821,590
Expenses	(1,722,336)	(61,236)	(54,339)	(1,837,911)
	\$ (1,344,114)	\$ 260,790	\$ 67,003	\$ (1,016,321)

Total Assets	\$ 1,630,260	\$ 193,036	\$ 60,000	\$ 1,883,296
Total Liabilities	\$ (2,105,737)	\$ (64,971)	\$ (83,662)	\$ (2,254,370)

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Three months ended September 30, 2023	Head Office Operations	Canadian Franchise Operations	USA Franchise Operations	Total
System assessment & installations	\$ 41,230	\$ -	\$ -	\$ 41,230
Product sales	296,740	-	101	296,841
Training & exam administration	44,172	-	-	44,172
Franchise fees	11,630	67,779	32,241	111,650
Total revenue	393,772	67,779	32,241	493,893
Direct costs	(531,661)	-	(53,531)	(585,192)
Gross Profit	(137,889)	67,779	21,189	(91,299)
Expenses	(316,513)	(10,220)	(11,391)	(338,124)
	\$ (454,402)	\$ 57,559	\$ 32,580	\$ (429,423)

Nine months ended September 30, 2023	Head Office Operations	Canadian Franchise Operations	USA Franchise Operations	Total
System assessment & installations	\$ 100,305	\$ -	\$ -	\$ 100,305
Product sales	1,185,571	(184)	20,760	1,206,147
Training & exam administration	241,587	-	-	241,587
Franchise fees	27,059	262,095	32,507	321,661
Total revenue	1,554,522	261,911	53,267	1,869,700
Direct costs	(1,210,935)	-	(53,531)	(1,264,466)
Gross profit	343,587	261,911	(264)	605,234
Expenses	(874,040)	(59,102)	(8,016)	(941,158)
	\$ (530,453)	\$ 202,809	\$ (8,280)	\$ (335,924)

Total Assets	\$ 425,459	\$ 102,635	\$ 25,781	\$ 553,875
Total Liabilities	\$ (987,316)	\$ (37,099)	\$ (16,372)	\$ (1,040,787)

19. SUBSEQUENT EVENTS

- (a) On October 7, 2024, the Company's common shares commenced trading on the TSX Venture Exchange under the symbol "SUN".
- (b) On October 29, 2024, the Company announced that its common shares have begun trading on the Frankfurt Stock Exchange under the symbol "6330".
- (c) On November 6, 2024, the Company granted a total of 825,000 stock options to certain directors, officers and service providers pursuant to the Omnibus Plan. Each option is exercisable for one common share of the company at an exercise price of 20 cents per share for a period of three years from the grant date. All options shall vest in quarterly instalments over a period of 12 months from the date of grant. Furthermore, the company granted 250,000 restricted share units (RSUs) to a director and officer of the company. All RSUs vest at 100 per cent after 12 months from the date of grant, expiring on Nov. 6, 2028. All options and RSUs are subject to the terms of the Omnibus Plan and applicable securities law hold periods.
- (d) The Company has entered into a definitive agreement dated November 25, 2024 (the "Definitive Agreement") between, inter alia, the Company and Solar Grids Development LLC ("Solar Grids") to acquire 100% of the assets of Solar Grids, a U.S.-based solar energy company specializing in solar installations and franchise development (the "Acquisition"). The Company anticipates the Acquisition will close on or

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prior to November 30, 2024. Pursuant to the terms of the Definitive Agreement, Stardust Solar will acquire, among other things: all rights, titles, and interests in Solar Grids' assets, including franchise agreements, intellectual property, and goodwill, digital and physical assets contributing to the Solar Grids brand identity, websites, training curricula, and business management systems supporting franchise operations (collectively, the "Purchased Assets").

As consideration for the Purchased Assets, the Company will issue to Solar Grids an aggregate of 4,000,000 common shares in the capital of the Company (the "Consideration Shares") at a deemed price of \$0.25 per Consideration Share (subject to the policies of the TSXV). 85% of the Consideration Shares (the "Closing Shares") will be issued on the closing date of the Acquisition (the "Closing Date"), and the remaining 15% of the Consideration Shares will be issued on the date that is thirty-sixth months following the Closing Date. The Acquisition is an arm's length transaction for the purposes of the policies of the TSX Venture Exchange (the "TSXV") and no finder's fees are payable in connection with the Acquisition. The Acquisition is subject to the TSXV's final acceptance. All securities issuable in connection with the Acquisition will be subject to a hold period of four months and one day after the date of issuance. In addition, the Closing Shares will be subject to voluntary restrictions on transfer commencing on the date of issuance, with 400,000 of such Closing Shares being released from such voluntary restrictions on the Closing Date and an additional 600,000 of such Closing Shares being released from such voluntary restrictions every six (6) months thereafter for a period of thirty (30) months from the Closing Date.

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