Condensed consolidated interim financial statements
(Expressed in Canadian dollars - unaudited)

Finavera Solar Energy Inc.

(formerly Finavera Wind Energy Inc.)

September 30, 2015 and 2014

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying condensed consolidated interim financial statements of Finavera Solar Energy Inc. (formerly Finavera Wind Energy Inc.) (the “Company”) for the nine month periods ended September 30, 2015 and 2014 have been prepared by and are the responsibility of the Company’s management. The Company’s auditors have not reviewed these condensed consolidated interim financial statements. The audit committee of the Company has reviewed these condensed consolidated interim financial statements with management and have reported to the Board of Directors. The Board has approved the condensed consolidated interim financial statements contained herein.

November 30, 2015

Signed:	*Signed:*
“Jason Bak”, CEO	“Jon Lever”, CFO

FINAVERA SOLAR ENERGY INC.

(formerly Finavera Wind Energy Inc.)
Condensed Consolidated Statements of Financial Position
(Expressed in Canadian dollars- unaudited)

	Note	September 30, 2015 (Unaudited)	December 31, 2014 (Audited)
Assets			
Current assets:			
Cash		$ 92,652	$ 155,448
Restricted cash		12,364	12,364
Receivables		95,957	62,389
Prepaid expenses		10,120	15,982
Loan – related party	12(b)	196,200	180,000
Work in process		44,325	-
		451,618	426,183
Non-current assets:			
Property and equipment	5	382,777	21,150
Goodwill	6	5,612,867	-
Other assets	8	39,611	51,964
		6,035,255	73,114
		$ 6,486,873	$ 499,297
Liabilities and Shareholders' Deficiency			
Current liabilities:			
Accounts payable and accrued liabilities		$ 4,999,106	$ 3,130,131
Loans and borrowings	15	6,945,054	2,586,480
Customer deposits		59,410	-
Contingent consideration	6	530,433	-
Provisions	16	770,760	766,035
		13,304,763	6,482,646
Non-current liabilities:			
Contingent consideration	6	2,081,397	-
Loans and borrowings	15	160,728	1,475
Provisions	16	101,762	101,762
		15,648,650	6,585,883
Shareholders' deficiency:			
Share capital	9	36,031,974	34,984,271
Contributed surplus		10,761,494	10,761,494
Warrants	9	18,011	-
Accumulated deficit		(55,973,256)	(51,832,351)
		(9,161,777)	(6,086,586)
		$ 6,486,873	$ 499,297

Going concern (note 2(a))
Contingencies and commitments (note 14)
Subsequent events (notes 17)
The accompanying notes are an integral part of these condensed consolidated interim financial statements.
Approved on behalf of the Board:

Signed "Jason Bak" Director   Signed "David Lamont" Director

FINAVERA SOLAR ENERGY INC.

(formerly Finavera Wind Energy Inc.)
Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
For the three and nine month periods ended September 30, 2015 and 2014
(Expressed in Canadian dollars - unaudited)

	Note	Three months ended September 30 2015	Three months ended September 30 2014	Nine months ended September 30 2015	Nine months ended September 30 2014
Income:					
Revenue		$ 588,329	$ -	$ 597,515	$ -
Cost of goods sold		(392,227)	-	(393,452)	-
Gross margin		196,102	-	204,063	-
Expenses:					
Depreciation of property and equipment		3,705	1,882	6,767	5,725
Consulting fees		222,768	-	415,159	-
Insurance and filing fees		41,017	30,480	98,595	86,775
Marketing and advertising		476,852	5,759	478,476	7,878
Office, rent and utilities		101,955	2,186	138,479	35,330
Payroll and benefits		349,992	230,565	519,459	765,054
Professional fees		89,101	(24,383)	690,378	174,454
Stock-based compensation	11	8,685	-	14,908	199,608
Travel		44,027	10,891	89,894	42,795
Loss before undernoted items		(1,338,102)	(257,380)	(2,452,115)	(1,317,569)
Other income (expenses):					
Project development costs	7	-	314,640	-	(1,100,608)
Pattern transaction closing costs		-	-	-	(660,000)
Gain on sale of BC Wind Projects		-	15,313,260	-	15,313,260
Gain on sale of Investment in Cloosh Project		-	2,797,004	-	2,797,004
Loss on disposal of property and equipment		-	(757)	-	(757)
Provisions		-	70,000	-	-
		-	18,494,147	-	16,348,899
Net finance income (costs):					
Financing fees and net interest expense		(308,351)	(57,542)	(1,033,684)	(1,011,605)
Foreign exchange gain (loss)		63,421	(61,932)	(158,872)	(106,298)
Gain on forgiveness of accounts payable and other debts	15(v)	-	298,951	166,928	341,092
		(244,930)	179,477	(1,025,628)	(776,811)
Income (loss) for the period		**(1,386,930)**	**18,416,244**	**(3,273,680)**	**14,254,519**
Other comprehensive income(loss)					
Items that may be reclassified to profit and loss:					
Foreign currency translation adjustments		(867,225)	-	(867,225)	-
Income (Loss) and comprehensive income (loss) for the period		**$ (2,254,155)**	**$ 18,416,244**	**$ (4,140,905)**	**$ 14,254,519**
Income (loss) per share – basic and diluted:					
Basic		$ (0.04)	$ 0.46	$ (0.07)	$ (0.36)
Diluted		(0.04)	0.45	(0.07)	(0.35)
Weighted average number of common shares outstanding:					
Basic		51,716,887	39,726,649	44,029,189	39,726,649
Diluted		51,716,887	40,500,359	44,117,638	40,282,907

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

FINAVERA SOLAR ENERGY INC.

(formerly Finavera Wind Energy Inc.)
Condensed Consolidated Statements of Changes in Shareholders' Deficiency
For the nine month periods ended September 30, 2015 and 2014
(Expressed in Canadian dollars- unaudited)

	Note	Share capital	Contributed surplus	Warrants	Accumulated deficit	Total shareholders' deficiency
Balance, January 1, 2014		$ 34,984,271	$ 10,561,886	$ -	$ (65,134,158)	$ (19,588,001)
Comprehensive income for the period		-	-	-	14,254,519	14,254,519
Stock-based compensation expense	10	-	199,608	-	-	199,608
Balance, September 30, 2014		$ 34,984,271	$ 10,761,494	$ -	$ (50,879,639)	$ (5,133,874)
Comprehensive loss for the period		-	-	-	(952,712)	(952,712)
Balance, December 31, 2014		$ 34,984,271	$ 10,761,494	$ -	$ (51,832,351)	$ (6,086,586)
Comprehensive loss for the period		-	-	-	(4,140,905)	(4,140,905)
Issued shares for acquisition	9	1,012,795	-	-	-	1,012,795
Exercise of stock options		20,000	-		-	20,000
Fair value of exercised options		14,908	(14,908)	-	-	-
Loan warrants	9	-	-	18,011	-	18,011
Stock-based compensation expense	10	-	14,908		-	14,908
Balance, September 30, 2015		$ 36,031,974	$ 10,761,494	$ 18,011	$ (55,973,256)	$ (9,161,777)

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

FINAVERA SOLAR ENERGY INC.

(formerly Finavera Wind Energy Inc.)
Condensed Consolidated Statements of Cash Flows
For the nine month periods ended September 30, 2015 and 2014
(Expressed in Canadian dollars- unaudited)

	Note	2015	2014
Cash flows provided by (used in):			
Operating activities:			
Income (loss) for the period		$ (3,273,680)	$ 14,254,519
Items not affecting operating cash:			
Net finance expense		139,593	776,811
Project development expensed		-	1,100,608
Provision		-	-
Depreciation		6,767	5,725
Gain on forgiveness of debt		166,928	-
Gain on sale of BC Wind Projects		-	(15,313,260)
Gain on sale of Cloosh Valley Wind Project		-	(2,797,004)
Loss on disposal of property and equipment		-	757
Stock-based compensation		14,908	199,608
		(2,945,484)	(1,772,236)
Changes in:			
Receivables		105,547	4,864
Prepaid expenses		5,862	8,139
Work in process		67,097	-
Accounts payable and accrued liabilities		(24,350)	559,470
Net cash used in operating activities		(2,791,328)	(1,199,763)
Investing activities:			
Acquisition of Solar Alliance – advance on contingent consideration	6	(496,000)	-
Bank indebtedness acquired on acquisition of Solar Alliance	6	(15,738)	-
Proceeds from sale of BC Projects	7	-	24,573,881
Proceeds from sale of Cloosh Valley Wind Project		-	2,951,977
Interest received		12	29,937
Refund of deposits and interest		12,353	1,857,537
Purchase of property and equipment		-	(1,813)
Net cash provided by (used in) investing activities		(499,373)	29,411,519
Financing activities:			
Proceeds from loans and promissory note	15	5,093,365	878,599
Proceeds from issuance of share capital		20,000	-
Customer deposits		(172,877)	-
Interest and financing fees paid		(91,108)	(825,741)
Loans repaid	15	(1,621,475)	(27,491,716)
Net cash provided by (used in) financing activities		3,227,905	(27,438,858)
Increase (decrease) in cash		(62,796)	772,898
Cash, beginning of period		155,448	34,404
Cash, end of period		$ 92,652	$ 807,302

See note 11 for supplemental cash flow information

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

1. Reporting entity and nature of operations:

Finavera Solar Energy Inc., (formerly Finavera Wind Energy Inc., “Finavera” or the “Company”) has been involved in renewable energy since its inception in 2005. The Company completed its transition from wind energy to solar energy by acquiring 100% of the equity of San Diego, California based Solar Alliance of America, Inc. (“Solar Alliance”) on June 24, 2015 (note 6). The Company then changed its name from Finavera Wind Energy Inc. to Finavera Solar Energy Inc. on July 2, 2015. Solar Alliance markets and sells residential rooftop solar systems primarily in the San Diego, California market and has been in business since 2009.

The Company trades on the TSX Venture Exchange (“TSX-V”) under the symbol “FVR”.

2. Basis of preparation:

(a) Going concern:

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company has incurred operating losses since inception. At September 30, 2015, the Company had a significant working capital deficiency of $12.9 million (December 31, 2014 - $6.1 million) and had an accumulated deficit of $56.0 million (December 31, 2014 - $51.8 million).

Finavera’s ability to continue as a going concern is dependent on the Company’s ability to realize cash proceeds from the final €7.14 million milestone payment associated with the sale of its Cloosh Valley Wind Project (“Cloosh Project”), and its ability to raise debt or equity funding to fulfill its obligations. The Company continues to expect the final milestone payment from the 2010 sale to SSE of its 90% interest in the Cloosh Project to be received in either late 2015 or early in 2016.

The timing and receipt of the remaining €7.14 million due from SSE, which is payable at the Financial Close of the Cloosh Project, cannot be guaranteed. The conditions described above give rise to a material uncertainty that may cast significant doubt as to the Company’s ability to continue as a going concern. These condensed consolidated interim financial statements do not give effect to any adjustments that would be necessary to the carrying value of its assets and liabilities, its reported expenses, and the statement of financial position, and the classifications used, should the Company conclude that the going concern assumption is not appropriate. Such adjustments could be material.

2. Basis of preparation (continued):

(b) Statement of compliance:

These condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, The disclosures contained in these condensed consolidated interim financial statements do not include all of the information required for annual financial statements, and accordingly, these condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2014 prepared in accordance with International Financial Reporting Standards ("IFRS").

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 30, 2015.

(c) Basis of measurement:

These condensed consolidated interim financial statements have been prepared on the historical cost basis, with the exception of asset retirement provisions which are measured at fair value.

(d) Functional and presentation currency:

These condensed consolidated interim financial statements are presented in Canadian dollars. The US Dollar is the functional currency of Solar Alliance, and the Euro is the functional currency of the Company's Irish subsidiary, Finavera Renewables Ireland Limited. The functional currency of the Company is the Canadian dollar.

(e) Use of estimates and judgements:

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected

These condensed consolidated financial statements incorporate the financial statements of the Company and all of its wholly owned subsidiaries. All significant intercompany amounts and transactions have been eliminated in the consolidated financial statements.

Significant areas requiring the use of judgement relate to the assessment of the Company's ability to continue as a going concern (note 2(a)) and the Company's ability to utilize tax losses and the rates at which those losses will be realized. Information about significant areas requiring the use of management estimates are included in the relevant notes for the following estimates: the estimated fair value of the assets and liabilities on the acquisition of Solar Alliance; the estimated amount of asset retirement obligations and other provisions for contingent liabilities (notes 14 and 16) and the calculation of the fair values of stock-based compensation (note 10) and financial instruments for measurement and disclosure purposes (note 4).

2. Basis of preparation (continued):

(f) Business combination

Acquisition of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition under IFRS 3 "Business Combinations" are recognized at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", which are recognized and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in net earnings (loss).

3. Significant accounting policies:

The significant accounting policies that have been used in the preparation of these condensed consolidated interim financial statements are summarized in the Company's annual consolidated financial statements for the year ended December 31, 2014. All accounting policies have been applied consistently by the Company and its subsidiaries to all periods presented in these financial statements.

(i) Depreciation

New assets acquired in the current period are depreciable as follows

Asset	Basis	Rate
Real Property	Fair value	N/A
Automotive	Declining balance	30%
Furniture and equipment	Declining balance	30%

(ii) Revenue and Cost of Goods Sold

Revenue is recognized when earned, which the Company has determined for Solar Alliance to be the delivery of a final inspection of an installed solar system. Until that time, all project costs are charged to "Work in process", and any funds received in advance of revenue recognition are charged to "Customer deposits".

3. Significant accounting policies (continued):

New accounting policies not yet adopted:

IFRS 9 - Financial Instruments

This new standard is a partial replacement of IAS 39 Financial Instruments: Recognition and Measurement. This new standard is tentatively effective for annual periods beginning on or after January 1, 2018.

The Company has not early adopted this revised standard and is currently assessing the impact that this standard will have on its consolidated financial statements.

4. Financial instrument risk management:

Overview:

The Company is exposed to a number of risks arising from its use of financial instruments. The Company is or may be subject to certain risks including credit risk, liquidity risk, interest rate risk, currency risk and commodity price risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Financial instrument risk management strategies may expose the Company to further gains or losses, but serve to stabilize future cash flows, reduce the volatility of operating results, and increase overall financial strength.

Individual risks and the Company's approach to managing such risks are discussed as below.

Credit risk:

Credit risk is the risk that a counterparty to a financial asset will default, resulting in non-collectability and arises mainly from its cash, restricted cash, receivables, loan to related party and its deposits. The carrying amount of these assets of $436,784 as at September 30, 2015 representing the Company's exposure to credit risk. Cash and restricted cash is held with credit-worthy Canadian and United States financial institutions, receivables are primarily related to sales, and the loan to related party expects to be offset against previously accrued obligations. The Company has assessed the credit risk of these instruments to be negligible. The Company did not have an allowance for doubtful accounts at September 30, 2015 or December 31, 2014 nor did it incur any material bad debt expenses during those periods then ended.

Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations. The Company is subject to liquidity risk from its accounts payable and accrued liabilities and loans and borrowings. The Company currently has a significant working capital deficiency and has no credit facility with a financial institution (see note 2(a)). The Company sold its remaining principal wind project assets in 2014 to improve liquidity over the longer term future of the Company.

4. Financial instrument risk management (continued):

Market risk:

Market risk is the risk to the Company of adverse financial impacts due to changes in the fair value or future cash flows of financial instruments primarily as a result of fluctuations in interest rates and foreign exchange rates.

(*i*) Interest rate risk:

The Company's interest rate risk on loans and borrowings has been mitigated by fixing interest rates at the inception of the loans. At September 30, 2015 and December 31, 2014, the Company had no material debt subject to floating interest rates.

The Company's interest income from cash and restricted cash is also subject to interest rate risk, but such risk is not considered material based on the balances on hand and the Company's expectation of interest rates in the foreseeable future.

(ii) Currency risk:

The Company has liabilities denominated in United States dollars and Euros, totaling approximately US$1,683,000 and €4,638,000 as at September 30, 2015, and is therefore subject to currency risk. The Company does not currently use any derivative instruments to reduce its exposure to fluctuations in foreign currency exchange rates. An increase (decrease) in the US dollar and Euro exchange rates of 10% relative to the Canadian dollar would increase (decrease) net loss by approximately $225,000 and $693,000, respectively. In addition, the Company's contingent liabilities estimated to be US $1,950,000 would, if subject to the same 10% change in foreign exchange, increase (decrease) net loss by approximately $261,000.

(iii) Capital management:

The Company's capital is comprised of shareholders' equity and loans and borrowings. Finavera's overall objective has been to maintain sufficient capital to enable the Company to continue as a going concern and allow it to develop or dispose of certain wind project interests. The corporate objective has been to utilize debt financing to minimize shareholder dilution, and depending on terms, to issue equity securities as a means of raising capital. Market conditions impact the ability of the Company to maintain a balance between debt and equity. At September 30, 2015, the Company is not subject to any specific externally imposed capital requirements. The Company's capital management strategy has not changed during 2015.

4. Financial instrument risk management (continued):

Fair values:

Financial instruments measured at fair value or for which fair value is disclosed are categorized within a three-tier fair value hierarchy, which prioritizes the inputs in measuring fair value of financial instruments, as follows:

- Level 1: quoted prices (unadjusted) in active markets or identical assets or liabilities;
- Level 2: valuation techniques using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at September 30, 2015 and December 31, 2014, the Company does not have any financial instruments measured at fair value. The fair values disclosed below for loans and borrowings are classified as level 2.

The carrying values of the Company's cash, restricted cash, receivables, deposits, and accounts payable approximate their fair values because of their short term to maturity and/or the interest rates being charged. The fair value of the Company's loans and borrowings that are payable on demand, or that are past due, approximate their carrying value due to their short-term to maturity. The fair value of the Company's other loans and borrowings are estimated to not differ materially from the carrying value due to the terms to maturity, loan security and the interest rates being charged.

(Expressed in Canadian dollars)

5. Property and equipment:

	Real Property	Automobile	Office furniture and equipment	Computer and related equipment	Total
Cost:					
Balance at January 1, 2014	$ -	$ -	$ 5,878	$ 72,607	$ 78,485
Additions	-	-	-	4,554	4,554
Disposals	-	-	-	(8,579)	(8,579)
Balance at December 31, 2014	$ -	$ -	$ 5,878	$ 68,582	$ 74,460
Acquired on acquisition of Solar Alliance	341,413	19,864	7,117	-	368,394
Additions / Disposals	-	-	-	-	-
Balance at September 30, 2015	$ 341,413	$ 19,864	$ 12,995	$ 68,582	$ 442,854
Accumulated depreciation and impairments:					
Balance at January 1, 2014	$ -	$ -	$ 3,103	$ 48,840	$ 51,943
Depreciation for the period	-	-	555	7,281	7,836
Disposals				(6,469)	(6,469)
Balance at December 31, 2014	$ -	$ -	$ 3,658	$ 49,652	$ 53,310
Depreciation for the period	-	1,600	908	4,259	6,767
Balance at September 30, 2015	$ -	$ 1,600	$ 4,566	$ 53,911	$ 60,077
Carrying amounts:					
At December 31, 2014	$ -	$ -	$ 2,220	$ 18,930	$ 21,150
At September 30, 2015	$ 341,413	$ 18,264	$ 8,429	$ 14,671	$ 382,777

(Expressed in Canadian dollars)

6. Acquisition of Solar Alliance of America, Inc.:

On June 24, 2015, the Company completed the acquisition of 100% of the equity of Solar Alliance of American, Inc. Under the terms of the Share Purchase Agreement (the "SPA") entered into on May 4, 2015 ("Solar Alliance"), the Company issued 11,915,238 common shares of the Company on the closing date and will make cash payments of up to US$4 million, less certain deductions for advances, comprised of up to four installments of US$1 million each, contingent on Solar Alliance achieving certain revenue targets during any of the fiscal quarters beginning after the closing date of the Agreement and ending on or before December 31, 2017. Contingent payments are due 30 days after the end of any fiscal quarter that triggers such payment and will be adjusted for certain working capital items and related future cash flows. Pursuant to the acquisition, the Company advanced US$1.2 million of which US $0.8 million is being used by Solar Alliance for working capital and business expansion and US $0.4 million was paid to the Vendors as an advance against the future contingent payments.

The purchase price includes and recognizes the fair value of the additional contingent consideration payable pursuant to IFRS 3, as follows:

		US		CAD
Purchase Price:				
Cash payment	$	400,000	$	496,000
Shares issued (11,915,238 x $0.085)		815,783		1,012,795
Contingent consideration		1,950,000		2,420,925
Total consideration	$	3,165,783	$	3,929,720

The allocation of the purchase price over the fair value of the assets and liabilities of Solar Alliance as at the date of acquisition have been provisionally estimated as follows:

		US		CAD
Net assets (liabilities) acquired:				
Bank indebtedness	$	(12,677)	$	(15,738)
Accounts receivable		112,056		139,115
Property and equipment		296,731		368,394
Work in process		89,748		111,422
Accounts payable and accrued liabilities		(1,013,515)		(1,258,279)
Customers deposits		(187,102)		(232,287)
Loans and borrowings		(640,978)		(795,774)
Net identifiable liabilities acquired		(1,355,737)		(1,683,147)
Goodwill		4,521,520		5,612,867
Total net assets	$	3,165,783	$	3,929,720

6. Acquisition of Solar Alliance of America, Inc. (continued):

The provisional estimates will be finalized once certain documentation is completed and the financial statement audit of Solar Alliance is completed. Management believes the numbers are materially correct. In the current quarter, it was determined that no adjustment is required to the contingent consideration of US $1,950,000 that was recorded in the previous quarter.

Similarly, there were no material adjustments to the purchase price allocation or the fair value of any assets or other liabilities during the current quarter.

The fair value of the Company's common shares issued for the acquisition of Solar Alliance was determined using the closing market price of the Company's shares at June 24, 2015 of $0.085.

The Company commenced the consolidation of Solar Alliance's financial position and results of operations effective June 25, 2015. During the current quarter ended September 30, 2015, the Company recognized net revenue and expenses of Solar Alliance of $588,329 and $392,227 respectively. Had Solar Alliance been consolidated from January 1, 2015, its pro-forma consolidated statements of operations for the nine month period ended September 30, 2015 would report net revenue and expenses of $1,269,720 and $1,139,295 respectively.

For the three and nine month periods ended September 30, 2015 and 2014, there were no customers which accounted for over 10% of the Company's solar rooftop sales revenues.

At September 30, 2015, the accounts payable of Solar Alliance included an amount due to a key supplier that constituted 32% of the accounts payable and which comprised 55% of the Cost of Goods Sold during the period from acquisition to September 30, 2015.

(Expressed in Canadian dollars)

7. Sale of BC wind projects:

The Company began developing four wind projects in 2005 in north-central British Columbia known as the Meikle, Tumbler Ridge, Bullmoose and Wildmare Wind Energy Projects. In 2014 the Company sold its Meikle and Tumbler Ridge Wind Energy Projects (together the "BC Projects") to Pattern Renewable Holdings Canada ULC for total compensation of $24.1 million. The other two projects were written off in 2012.

The sale of the BC Projects to Pattern occurred in two transactions in 2014 as follows:

	Pattern Transaction	Pattern Settlement	Total
	(April 2014)	(July 2014)	
Proceeds from sale of BC Projects	$ 9,260,621	$ 14,860,006	$ 24,120,627
Assumption by Pattern of asset retirement obligations	157,066	-	157,066
Transaction cost	(550,000)	(150,000)	(700,000)
Carrying value of BC Projects	(8,867,687)	-	(8,867,687)
Loss on settlement of Development Loan	-	(434,188)	(434,188)
Gain on sale of BC Projects	$ -	$14,275,818	$ 14,275,818

The net proceeds were used as follows:

	Pattern Transaction	Pattern Settlement	Total
Proceeds from the sale of the BC Projects	$ 9,260,621	$14,860,006	$24,120,627
Transaction costs paid	-	(150,000)	(150,000)
Net Proceeds	9,260,621	14,710,006	23,970,627
Payment of GE Payout Loan and interest	(9,260,621)	(1,551,470)	(10,812,091)
Payment of Development Loan	-	(4,967,281)	(4,967,281)
Payment of Working Capital Facility	-	(6,701,255)	(6,701,255)
Payment of accounts payable	-	(250,000)	(250,000)
Payment of project costs	-	(90,000)	(90,000)
Net cash received	$ -	$1,150,000	$1,150,000

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(Expressed in Canadian dollars)

7. Sale of BC Wind Projects (continued):

The Company did not incur any project development costs during the nine month period ended September 30, 2015. The costs expensed on the Company's wind projects for the three and nine month periods ended September 30, 2014 were as follows:

Nine months ended September 30, 2014:	Meikle	Tumbler Ridge	Bullmoose	Wildmare	Total
Engineering	$ 589,083	$ 84,362	$ 113	$ 105,378	$ 778,936
First Nations	44,259	-	-	-	44,259
Land dues, fees and permits	4,332	25,267	-	1,034	30,633
Project insurance	9,029	4,262	4,262	4,262	21,815
Legal/Accounting and professional fees	124,965	-	-	-	124,965
Total	$ 771,668	$ 213,891	$ 4,375	$ 110,674	$ 1,100,608

Three months ended September 30, 2014:	Meikle	Tumbler Ridge	Bullmoose	Wildmare	Total
Engineering	$ 28,163	$ -	$ -	$ -	$ 28,163
Reversal of accrued expenses	(221,197)	-	-	-	(221,197)
Recovery of prior expenses	(121,606)	-	-	-	(121,606)
Total	$ (314,640)	$ -	$ -	$ -	$ (314,640)

8. Other assets:

This balance is comprised of the following items:

	September 30, 2015	December 31, 2014
BC License of Occupation security deposits (ii)	$ 19,000	$ 19,000
Office lease deposit	20,611	32,964
	$ 39,611	$ 51,964

(i) The Company has $19,000 on deposit with the BC Ministry of Forests, Lands, and Natural Resource Operations in respect of its remaining licenses of occupation. The funds are being held in a non-interest bearing trust by the Provincial Treasury.

(Expressed in Canadian dollars)

9. Share Capital and other components of equity:

Share capital:

Authorized: Unlimited number of common shares with no par value; and

100 Redeemable Preferred shares

Issued: 51,641,887 common shares

	Number of shares	Amount
Issued and outstanding common shares as at December 31, 2013 and December 31, 2014	39,726,649	$ 34,984,271
Shares issued for acquisition of Solar Alliance (note 6)	11,915,238	1,012,795
Shares issued on exercise of stock options	250,000	34,908
Issued and outstanding common shares as at September 30, 2015	51,891,887	$ 36,031,974

(a) Basic and dilutive earnings (loss) per share

For the period ended September 30, 2015, 2,840,400 (2014 – 1,136,900) stock options were not included in the determination of fully diluted earnings (loss) per share as they were anti-dilutive.

(b) Warrants:

The value of warrants in the statements of financial position reflects the fair value of outstanding warrants as determined using the Black-Scholes pricing model.

The following schedule shows changes in the warrants during the recent periods:

	Number of warrants	Amount
Balance, January 1, 2015	-	$ -
Warrants issued (note 15(i))	250,000	18,011
Balance, September 30, 2015	250,000	$ 18,011

The 250,000 warrants are exercisable at $0.085 per share for a one year period expiring May 27, 2016.

(Expressed in Canadian dollars)

10. Share-based payment:

The Company has a common share Stock Option Plan (equity-settled).

The Board of Directors of the Company may from time to time, at its discretion, and in accordance with the requirements of the TSX-V, grant to directors, officers and technical consultants to the Company, non-transferable options to purchase common shares, exercisable for a period of up to five years from the date of grant. There are no vesting requirements pursuant to the stock option plan. The Board may add such provisions at its discretion on a grant-by-grant basis. However, stock options granted in respect of investor relations activities must vest quarterly over a minimum one year period, pursuant to TSX-V policy.

The Board of Directors have resolved that the Stock Option Plan authorize the directors to grant stock options up to a maximum of 10% of the number of common shares issued and outstanding at the time of grant. The “rolling” stock option plan has been in effect since the Company was listed on the TSX-V.

On June 29, 2015, the Company granted 100,000 stock options to a consultant exercisable for a period of one year at a price of $0.08 per common share, The fair value of the options was calculated to be $6,223. On August 13, 2015, the Company granted 150,000 stock options to a consultant exercisable for a period of one year at a price of $0.08 per common share, The fair value of the options was calculated to be $8,686. Both option grants were fully exercised during the current quarter.

On January 31, 2014, the Company granted 2,460,000 stock options to certain directors and officers, exercisable for a period of five years at a price of $0.085 per common share. The fair value of the options was calculated to be $199,608 which was expensed in 2014 as the options were fully vested on the grant date.

At September 30, 2015 there were 2,840,400 (December 31, 2014 - 3,596,900) stock options outstanding, all of which are vested and exercisable. Details of the status of the Company’s stock options as at September 30, 2015 and the changes during the recent periods are as follows:

	Number of options	Weighted average exercise price
Outstanding, January 1, 2014	3,596,900	$ 0.123
Cancelled	(484,800)	0.205
Granted	2,460,000	0.085
Outstanding, December 31, 2014	3,596,900	$ 0.123
Granted	250,000	0.080
Exercised	(250,000)	0.080
Forfeited	(756,500)	0.127
Outstanding, September 30, 2015	2,840,400	$ 0.122

(Expressed in Canadian dollars)

10. Share-based payment (continued):

The following table summarizes the outstanding and exercisable stock options at September 30, 2015:

Expiry date	Number of options vested and exercisable	Number of options outstanding	Weighted average exercise price	Weighted remaining contractual life (in years)
January 21, 2018	852,400	852,400	$ 0.205	2.31
March 27, 2018	20,000	20,000	$ 0.205	2.49
January 31, 2019	1,968,000	1,968,000	$ 0.085	3.34
	2,840,400	2,840,400	$ 0.122	3.04

The following assumptions were used for the valuation of the stock options granted under the Stock Option Plan:

	Nine months ended September 30, 2015	Year ended December 31, 2014
Average risk-free interest rate	0.56%	1.30%
Expected life of option (in years)	1.00	5.00
Average volatility	244%	149%
Dividend yield	N/A	Nil%

11. Supplemental cash flow information:

	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Investing and financing non-cash transactions:		
Shares issued for acquisition of Solar Alliance	$ 1,012,795	$ -
Contingent consideration payable for acquisition of Solar Alliance	2,420,925	-
Warrants issued as finder's fee	18,011	-
Project development costs incurred by Pattern and added to loans and borrowings	-	842,697
Changes in accounts payable and accrued liabilities related to project development costs	-	(24,729)
Gain on forgiveness of accounts payable	166,928	12,563

(Expressed in Canadian dollars)

12. Related party transactions:

These financial statements include transactions during the period with related parties as follows:

(a) Amounts owing to related parties as at September 30, 2015 are $3,156 (December 31, 2014 - $3,156) in respect of expenses incurred to directors. These amounts are included in accounts payable and accrued liabilities in the statement of financial position and are non-interest bearing.

(b) At September 30, 2015, an amount of $196,200 was due from a company controlled by an officer of the Company (December 31, 2014 - $180,000), comprised of a loan of $180,000 plus accrued interest at 12% per annum.

All transactions with related parties are measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

In addition to their salaries, from time to time the Company also provides non-cash benefits to directors and executive officers, including share based compensation (note 10).

Compensation charged by key management personnel including the Chief Executive Officer, President, Chief Financial Officer, and the Board of Directors is set out below:

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Wages and benefits	$ -	$ 170,435	$ 77,612	$ 511,306
Consulting fees	139,515	-	370,195	-
Stock-based compensation	-	-	-	119,765
Contractual obligation – Pattern transaction closing costs	-	-	-	660,000
	$ 139,515	$ 170,435	$ 447,807	$1,291,071

(Expressed in Canadian dollars)

13. Segmented Information

	United States	Ireland	Canada	Total
As at and for the nine month period ended September 30, 2015:				
Segment total assets	$ 6,116,814	$ 3,630	$ 366,429	$ 6,486,873
Non-current assets	5,978,086	-	56,169	6,035,255
Net loss for the three months	(712,291)	(215,091)	(1,326,773)	(2,254,155)
Net loss for the nine months	(729,791)	(1,021,960)	(2,389,154)	(4,140,905)
As at and for the nine month period ended September 30, 2014:				
Segment total assets	$ -	$ 37,579	$ 884,996	$ 922,575
Non-current assets	-	-	73,687	73,687
Net income for the three months	-	2,727,307	15,688,937	18,416,244
Net income for the nine months	-	2,729,843	11,524,676	14,254,519

14. Contingencies and commitments:

(a) The Company is subject to payments under various equipment leases and an office lease agreement with the following commitments remaining:

2015	$ 58,452
2016	76,886

In December 2013, the Company signed a sublease agreement with a third party which substantially covers the remaining office lease obligations which comprises 97% of the amounts above.

(b) In 2013, the Company received a judgment of $600,000 from a lawsuit that arose after the Company's acquisition in 2007 of the Three Hills Wind Projects ("Three Hills"), comprised of the Ghost Pine and Lone Pine Wind Projects in Alberta, Canada. In November 2013, the plaintiff appealed the judgment. The Company filed a response to the appeal. On February 9, 2015, the Court of Appeal dismissed the action and in April 2015, the plaintiff filed an application for leave of appeal to the Supreme Court of Canada. The application for leave to appeal was dismissed by the Court on October 29, 2015.

(Expressed in Canadian dollars)

14. Contingencies and commitments (continued):

In 2008, the Company sold its Ghost Pine Wind Project and $1,000,000 of the proceeds was held back, and remains held back, pending resolution of the legal action described above. The amount of the holdback to be released is dependent upon the resolution of the above litigation matters and will be reduced by the cumulative amount of legal fees incurred by the purchaser. The Company is currently in discussions as to the amount of the holdback to be released. The Company may be liable for additional legal costs. The timing and additional cost of settling the dispute cannot be reasonably estimated, and accordingly, the net additional proceeds or any costs associated with its collection have not been recorded.

(c) On September 16, 2014, the Company received a claim from a creditor in the amount of $550,000 for services rendered plus interest of $27,539. These amounts had been previously accrued. On July 31, 2015, the parties amended a prior settlement agreement whereby $200,000 was paid to the creditor and $310,000 is to be paid at the earlier of December 31, 2015 and the receipt of the final Cloosh Project proceeds.

15. Loans and borrowings:

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortized cost. For more information about the Company's exposure to interest rate, foreign currency and liquidity risk, refer to note 4.

The balance including accrued interest is comprised of:

	September 30, 2015	December 31, 2014
Loan - secured (*i*)	$ 5,919,490	$ -
Loan (*ii*)	119,548	97,339
Finance lease obligation *(iii)*	2,891	10,155
Promissory Note *(iv)*	-	1,455,470
Demand loan (*v*)	903,125	1,024,991
Other loan*(vi)*	-	-
Secured bank loan *(vii)*	160,728	-
	7,105,782	2,587,955
Less: current portion	(6,945,054)	(2,586,480)
	$ 160,728	$ 1,475

15. Loans and borrowings (continued):

(i) On May 27, 2015, a subsidiary of the Company obtained a loan facility from a group of Irish lenders totaling €3,757,000 (approximately $5,080,000). The loan has a one year term and bears interest at 15% per annum. Finder's fees were €175,000 fee (paid) and 250,000 common share purchase warrants exercisable at $0.085 per common share for one year (issued). The loan is repayable prior to maturity, subject to a break fee of €563,550 less accrued interest, and must be repaid from the proceeds received by the subsidiary from the remaining contingent payment of €7.14 million due from SSE, related to the Company's previous sale of the Cloosh Project. The loan is secured by the Company's 100% interest in the share capital of the subsidiary. The loan was used primarily to finance the acquisition of a US residential solar marketing business or utility scale photovoltaic project and to provide working capital requirements of such business or project and to replace certain indebtedness.

(ii) The Company guaranteed a loan from a third party to a former subsidiary in the amount of US$65,000 on October 12, 2007. Interest began accruing on October 12, 2010, at a rate of 8.5% per annum. The loan is unsecured and payable on demand.

(iii) The Company is subject to two lease agreements for office equipment. The leases qualify as financing leases and as such a finance lease obligation of $2,891 has been recorded with the all current portion of the liability as at September 30, 2015.

(iv) In 2011 the Company entered into a settlement agreement and issued a promissory note of US$925,000 (the "Note") to a creditor of a former subsidiary in order to address outstanding issues between the parties. The Note was payable with interest at 10% per annum, on the earlier of March 31, 2014 or the date on which construction financing for the Cloosh Project is secured. Starting March 31, 2014, the Note was amended several times concurrently with the delay of the Cloosh Project. The final amendment on April 30, 2015 increased the interest rate to 15% per annum with a maturity date of June 30, 2015. In May 2015 the loan was extinguished by replacing the debt with a portion of new debt issued in May 2015 (note 15(i)).

(v) During 2012, the Company issued an unsecured promissory note for $1,000,000 bearing interest at 1.0% per annum that was payable on September 30, 2012. On August 28, 2014, the Company received a claim filed in the Supreme Court of British Columbia seeking to enforce payment of this note. On May 7, 2015, the parties entered into an agreement whereby the loan will be fully settled by paying $850,000 at the time the Company receives the proceeds due from SSE in respect of the 2010 sale of the Cloosh Project, with interest accruing at 5% per annum from January 1, 2015 to March 31, 2015, and 10% per annum thereafter.

(vi) A demand loan of US $32,000 with interest at 8% per annum was owed by Solar Alliance at the date of acquisition on June 24, 2015. The loan was repaid during the period.

(Expressed in Canadian dollars)

15. Loans and borrowings (continued):

(vii) Solar Alliance has a Note secured by its real property. The loan was obtained prior to the date of acquisition on June 24, 2015 and accrues interest at 9.5% with interest paid monthly.

16. Provisions:

The Company has recognized the following provisions at September 30, 2015 and December 31, 2014:

	September 30, 2015	December 31, 2014
Asset retirement obligations (*i*)	101,762	101,762
Other provisions (*ii*)	770,760	766,035
	872,522	867,797
Less: current portion	(770,760)	(766,035)
	$ 101,762	$ 101,762

(i) The Company has recorded asset retirement obligations ("AROs") associated with the future decommissioning of weather monitoring equipment situated on the former Wildmare Wind Energy Project site. The AROs were determined based on estimated future cost, a discount rate of 1.2% to 1.6% based on benchmark bond rates per the Bank of Canada, and a time period to decommissioning ranging from 1 year to 4 years.

(ii) Prior to the current period, the Company recorded other provisions of $600,000 and approximately $93,260 of accrued interest in respect of a legal judgment (note 14(b)), and $77,500 of other provisions.

17. Subsequent events:

On November 20, 2015 the Company received preliminary regulatory approval for a loan of €418,000 with a term of one year and an interest rate of 15% per annum, and the issuance of 500,000 share purchase warrants exercisable at $0.10 per share for a one year period. The loan closed on November 30, 2015.

In October 2015, 681,500 stock options were forfeited upon the resignation of a director, comprised of 492,000 options exercisable at $0.085 per share and 189,500 options exercisable at $0.205 per share.