GREENANGEL ENERGY CORP.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

NOVEMBER 30, 2012 AND 2011

MANNING ELLIOTT
CHARTERED ACCOUNTANTS

11th floor, 1050 West Pender Street, Vancouver BC, Canada V6E 3S7
Phone: 604.714.3600 Fax: 604.714.3669 Web: manningelliott.com

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
GreenAngel Energy Corp.

We have audited the accompanying financial statements of GreenAngel Energy Corp. which comprise the statements of net assets as at November 30, 2012, November 30, 2011 and December 1, 2010, and the statements of operations and comprehensive loss, changes in cash flows and equity for the years ended November 30, 2012 and November 30, 2011, and the related notes comprising a summary of significant accounting policies and other explanatory information.

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

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained based on our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the net assets of GreenAngel Energy Corp. as at November 30, 2012, November 30, 2011 and December 1, 2010, and its financial performance and its cash flows for the years ended November 30, 2012 and November 30, 2011 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Manning Elliott LLP

CHARTERED ACCOUNTANTS

Vancouver, British Columbia

March 11, 2013

GREENANGEL ENERGY CORP.

STATEMENTS OF NET ASSETS

(Expressed in Canadian Dollars)

	November 30, 2012	November 30, 2011 (Note 9)	December 1, 2010 (Note 9)
ASSETS			
Cash and cash equivalents	$ 121,259	$ 94,798	$ 276,985
Investments (Note 3)	2,084,054	3,002,408	2,963,322
	2,205,313	3,097,206	3,240,307
LIABILITIES			
Accounts payable and accrued liabilities	21,802	25,298	18,898
Deferred income tax liability	-	-	2,879
	21,802	25,298	21,777
NET ASSETS	$ 2,183,511	$ 3,071,908	$ 3,218,530
SHAREHOLDERS' EQUITY			
Share capital (Note 4)	$ 2,830,850	$ 2,733,883	$ 2,733,883
Share-based payment reserve	199,833	170,248	110,620
Retained earnings (deficit)	(847,172)	167,777	374,027
	$ 2,183,511	$ 3,071,908	$ 3,218,530

Subsequent event (Note 10)

Approved on behalf of the Board of Directors:

/s/ *"Michael Volker"*
Michael Volker, Director

/s/ *"Bruce Schmidt"*
Bruce Schmidt, Director

(The accompanying notes are an integral part of these financial statements)

GREENANGEL ENERGY CORP.

STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

FOR THE YEARS ENDED NOVEMBER 30, 2012 AND 2011

(Expressed in Canadian Dollars)

	2012	2011 (Note 9)
REVENUE	$ 97,754	$ -
EXPENSES		
Administrative, management, and directors fees (Note 5)	40,531	97,807
Accounting and legal	31,402	26,793
Share-based payments	29,585	59,628
Office, promotion, and miscellaneous	29,347	66,874
Transfer agent and regulatory fees	14,762	15,655
	145,627	266,757
LOSS BEFORE OTHER ITEMS AND INCOME TAXES	(47,873)	(266,757)
OTHER ITEMS		
Change in unrealized gain (loss) on investments	(976,932)	44,086
Interest income	9,856	13,542
	(967,076)	57,628
NET LOSS BEFORE INCOME TAXES	(1,014,949)	(209,129)
DEFERRED INCOME TAX RECOVERY	-	2,879
NET LOSS AND COMPREHENSIVE LOSS	$ (1,014,949)	$ (206,250)
NET LOSS PER COMMON SHARE - BASIC AND DILUTED	$ (0.06)	$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	15,764,796	15,764,796

GREENANGEL ENERGY CORP.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED NOVEMBER 30, 2012 AND 2011

(Expressed in Canadian dollars)

	2012	2011 (Note 9)
OPERATING ACTIVITIES		
Net loss	$ (1,014,949)	$ (206,250)
Items not involving cash:		
Share-based payments	29,585	59,628
Financing revenue	(97,754)	
Change in unrealized (gain) loss on investments	976,932	(44,086)
Deferred income tax recovery	–	(2,879)
	(106,186)	(193,587)
Change in non-cash working capital items – accounts payable	(3,495)	6,400
CASH USED IN OPERATING ACTIVITIES	(109,681)	(187,187)
INVESTING ACTIVITIES		
Distributions received as return of capital	39,175	5,000
CASH PROVIDED BY INVESTING ACTIVITIES	39,175	5,000
FINANCING ACTIVITIES		
Proceeds on issuance of common shares	96,967	–
CASH PROVIDED BY FINANCING ACTIVITIES	96,967	–
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	26,461	(182,187)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	94,798	276,985
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 121,259	$ 94,798

GREENANGEL ENERGY CORP.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED NOVEMBER 30, 2012 AND 2011

(Expressed in Canadian dollars)

	Common Shares Issued	Amount	Share-based Payment Reserve	Retained Earnings (Deficit)	Total
As at December 1, 2010	15,764,796	$ 2,733,883	$ 110,620	$ 374,027	$ 3,218,530
Share-based payments	-	-	59,628	-	59,628
Net loss and comprehensive loss	-	-	-	(206,250)	(206,250)
As at November 30, 2011	15,764,796	$ 2,733,883	$ 170,248	$ 167,777	$ 3,071,908
As at December 1, 2011	15,764,796	$ 2,733,883	$ 170,248	$ 167,777	$ 3,071,908
Common shares issued	1,000,000	96,967	-	-	96,967
Share-based payments	-	-	29,585	-	29,585
Net loss and comprehensive loss	-	-	-	(1,014,949)	(1,014,949)
As at November 30, 2012	16,764,796	$ 2,830,850	$ 199,833	$ (847,172)	$ 2,183,511

(The accompanying notes are an integral part of these financial statements)

1. NATURE OF BUSINESS

GreenAngel Energy Corp. (the "Company") was incorporated under the Business Corporations Act of British Columbia on October 26, 2007 as Angelwest Capital Corp. and was a Capital Pool Company ("CPC") as defined by Policy 2.4 of the TSX Venture Exchange (the "TSX"). Effective October 27, 2009, the Company changed its name to GreenAngel Energy Corp. and completed its Qualifying Transaction by acquiring equity interests in certain entities. Its primary business is investing in early stage technology companies that are focused on the production or conservation of energy or energy efficiency improvements. The Company's head office and principal place of business is suite 7300 – 515 West Hastings Street, Vancouver, British Columbia, Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These are the Company's first IFRS annual financial statements for the year ended November 30, 2012. The explanation of how the transition to IFRS has affected the reported net assets, financial performance and cash flows of the Company is provided in Note 9. Subject to certain IFRS transition elections the Company has consistently applied the same accounting policies throughout all years presented, as if the policies have always been in effect.

These financial statements were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on March 11, 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of presentation

The financial statements have been prepared using the historical cost convention except for certain financial instruments, which are measured at fair value as explained in the accounting policies set out below. All amounts are expressed in Canadian dollars unless otherwise stated.

Significant Accounting Judgements and Estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The information about significant areas of judgement and estimation uncertainty considered by management in preparing the financial statements are:

- Fair value of investment in securities not quoted in an active market;
- Recognition of deferred tax assets; and
- Share-based payments expense.

Cash and cash equivalents

Cash and cash equivalents in the statement of net assets comprise cash at banks and on hand, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

Financial instruments

All financial instruments are initially measured at fair value and categorized as either held-to-maturity, fair value through profit or loss ("FVTPL"), loans and receivables, available-for-sale or other financial liabilities.

Held-to-maturity financial assets are subsequently measured at amortized cost using the effective interest method. Impairment losses are charged to net earnings in the period in which they arise.

FVTPL financial instruments are measured at fair value with changes in fair value charged or credited to earnings in the period in which they arise.

Loans and receivables are subsequently measured at amortized cost using the effective interest method. Impairment losses are charged to net earnings in the period in which they arise.

Available-for-sale financial instruments are measured at fair value with changes in fair value charged or credited to other comprehensive income. Impairment losses are reclassified from other comprehensive income and charged to net earnings in the period in which they arise.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Other financial liabilities are initially measured at fair value less directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method.

Investments

Investments consist of common shares, preferred shares, partnership units and warrants held in non-public companies that are focused on the production or conservation of energy or energy efficiency improvements. At the end of each financial reporting period, the Company's management estimates fair value of its investments based on the criteria below and records such valuations in the financial statements. Options and warrants of non-public companies are carried at $nil.

Investments are initially recorded at cost, being the fair value at the time of acquisition. At each reporting period thereafter, the fair value of an investment may, depending on circumstances, be adjusted by applying one or more of the following valuation techniques:

- There has been a significant subsequent equity financing provided by outside investors at a valuation above or below the current fair value of the investee company, in which case the fair value of the investment is adjusted to the value at which the financing took place; or
- Based on financial information received from the investee company it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern, in which case the fair value of the investment is adjusted downward; or
- There have been significant corporate, political, operating or economic events affecting the investee company that, in the Company's opinion, have a positive or negative impact on the investee company's prospects and, therefore, its fair value; or
- The investee company is placed into receivership or bankruptcy.

In addition to the circumstances described above, the Company will take into account general market conditions when determining if an adjustment to the fair value of an investment is warranted at the end of each reporting period. Absent the occurrence of any of these events, or any significant change in general market conditions, the fair value of the investment is left unchanged.

Application of the valuation techniques described above may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized. The amount at which an investment could be disposed of may differ from its carrying value due to the availability and/or reliability of information available to, and determinations reached by, the Company. Any fair value estimated by the application of these techniques may not be realized.

Transaction costs incurred in the purchase and sale of investments are recorded as an expense in the statement of operations and comprehensive loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Revenue for corporate and advisory services is recognized when persuasive evidence of an arrangement exists, services have been rendered, the price is determinable, and collectability is reasonably assured.

From time to time, the Company will receive equity in the form of common or preferred shares for corporate or advisory services rendered. In order to record revenue, the Company uses the estimated fair values of the equity instruments once the services have been rendered.

Functional currency

The financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

Income taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for table temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting not taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Basic and diluted loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions

The share option plan allows Company employees and consultants to acquire shares of the Company. All options granted are measured at fair value and are recognized in expenses as share-based payments with a corresponding increase in equity reserves. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value of employee options is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. Share options granted to non-employees or consultants are measured at the fair value of goods or services received. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

New accounting standards issued but not yet effective - Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning on or after December 1, 2012, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

New accounting standards effective December 1, 2013

IFRS 10 *Consolidated Financial Statements* - IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 *Consolidation - Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements.*

IFRS 11 *Joint Arrangements* - IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-monetary Contributions by Venturers*.

IFRS 12 *Disclosure of Interests in Other Entities* - IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 *Fair Value Measurement* - IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting standards effective December 1, 2013 (continued)

Amendments to other standards - In addition, there have been other amendments to existing standards, including IAS 27 *Separate Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 13.

Amendments to IAS 1 *Presentation of Financial Statements* - The IASB has amended IAS 1 to require entities to separate items presented in other comprehensive income ("OCI") into two groups, based on whether or not items may be reclassified into profit or loss in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately.

Each of the new standards, IFRS 10 to 13, and the amendments to other standards, is effective for the Company beginning on December 1, 2013. The Company does not expect a significant impact on its financial statements from these new standards.

New accounting standards effective December 1, 2015

IFRS 9 *Financial Instruments* - IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 is effective for annual periods beginning on or after January 1, 2015 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

(Expressed in Canadian Dollars)

3. INVESTMENTS

As at November 30, 2012, the Company held the following investments:

Investees	Common Shares	Preferred Shares	Partnership Units	Cost	Fair Value
Delaware Power Systems Corp.	965,000	-	-	$ 414,500	$ 164,050
Dpoint Technologies Inc.	448,718	-	-	350,000	778,533
Espresso Capital Partnership	-	-	5,000	1,275	5,825
Habitat Enterprises Ltd.	1,533,334	-	-	230,000	34,055
Light-Based Technologies Inc.	960,000	600,000	-	390,000	780,000
Paradigm Environmental Technologies Inc.	169,184	-	-	447,675	223,837
Rapid Electric Vehicles Inc.	1,500,000	-	-	300,000	-
Mazza Innovation Ltd.	480,000	-	-	97,754	97,754
				$2,253,450	$ 2,084,054

The Company's investment in Mazza Innovation Ltd. is subject to the following vesting conditions: 120,000 common shares vest immediately upon grant (November 30, 2012) and the remaining shares vest daily over 3 years.

As at November 30, 2011, the Company held the following investments:

Investees	Common Shares	Preferred Shares	Partnership Units	Cost	Fair Value
Delaware Power Systems Corp.	965,000	-	-	$ 414,500	$ 414,500
Dpoint Technologies Inc.	448,718	-	-	350,000	637,180
Espresso Capital Partnership	-	-	5,000	45,000	45,000
Habitat Enterprises Ltd.	1,533,334	-	-	230,000	340,553
Light-Based Technologies Inc.	960,000	600,000	-	390,000	780,000
Paradigm Environmental Technologies Inc.	169,184	-	-	447,675	447,675
Rapid Electric Vehicles Inc.	1,500,000	-	-	300,000	337,500
				$2,177,175	$ 3,002,408

4. SHARE CAPITAL

a) Authorized:

An unlimited number of common voting shares without par value.

b) Issued and Outstanding:

	Number	Amount
Balance at November 30, 2011 and December 1, 2010	15,764,796	$ 2,733,883
Issued	1,000,000	$ 96,967
Balance at November 30, 2012	16,764,796	$ 2,830,850

(Expressed in Canadian Dollars)

4. SHARE CAPITAL (continued)

c) Escrow Shares

At November 30, 2012, no shares are held in escrow. Under an escrow agreement, 2,000,000 shares were originally placed in escrow of which 10% were released on the issuance of the Final Exchange Bulletin for the TSX's acceptance of the Qualifying Transaction. 15% was released every six months thereafter for a period of thirty-six months. The final release occurred in the fourth quarter of 2012.

d) Stock Options

The Company has adopted an incentive share option plan for granting options to directors, employees and consultants, under which the total outstanding options are limited to 10% of the outstanding common shares of the Company at any one time. Under the plan, the exercise price of an option shall not be less than the discounted market price at the time of granting, or as permitted by the policies of TSX. Options granted may not exceed a term of five years from the grant date. Options granted to consultants conducting investor relation activities vest 25% upon grant, and 25% every three months thereafter. Vesting period for all other options will be determined by the board of directors at the time of each grant.

During the year ended November 30, 2012, the Company did not grant any stock options.

	Number of Options Outstanding & Exercisable	Weighted Average Exercise Price
Balance, December 1, 2010	1,200,000	$0.20
Granted	150,000	$0.20
Balance, November 30, 2011 and 2012	1,350,000	$0.20

e) Warrants

	Number of Warrants	Exercise Price	Expiry Date
Balance, November 30, 2011 and 2010	999,273	$0.20	November 23,2012
Expired	999,273	$0.20	November 23,2012
Issued	1,000,000	$0.10	November 30,2014
Balance, November 30, 2012	1,000,000	$0.10	November 30,2014

5. RELATED PARTY TRANSACTIONS AND EXECUTIVE COMPENSATION

The Company had the following related party transactions:

(a) Directors fees of $18,000 (2011: $34,500) were paid during the year.

(b) Management fees of $21,840 (2011: $52,416) were paid during the year.

(Expressed in Canadian Dollars)

6. INCOME TAXES

In assessing the realizability of deferred income tax assets, management considers whether it is more likely than not that some portion of all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of future income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred income tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period.

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2012	2011
Combined Canadian statutory income tax rate	26.67%	26.67%
Income taxes (recovery) at statutory rate	$ (270,687)	$ (55,774)
Non-deductible items	7,084	15,903
Non-taxable portion of unrealized loss (gain)	130,274	(5,879)
Change in income tax rates	8,346	2,864
Change in unrecognized deferred income tax assets	124,983	40,007
Deferred income tax expense (recovery)	$ –	$ (2,879)

Significant components of the Company’s deferred income tax assets (liabilities) are shown below:

	November 30, 2012	November 30, 2011
Non-capital loss carry forwards	$ 136,522	$ 129,316
Share issue costs	1,263	5,602
Investments	27,205	(94,911)
Unrecognized deferred tax assets	(164,990)	(40,007)
Net deferred income tax asset (liability)	$ –	$ –

The Company’s deferred tax assets (liabilities) presented above have been presented on a gross basis and have not been tax effected. The Company has approximately $546,000 of losses for tax purposes which may be used to reduce income taxes of future years and will expire from 2027 to 2032.

(Expressed in Canadian Dollars)

7. FINANCIAL INSTRUMENTS AND RISK

Financial Instruments

Under IFRS, financial instruments are classified into one of the following categories: held-to-maturity, fair value through profit or loss ("FVTPL"), loans and receivables, available-for-sale or other financial liabilities.

The following table summarizes information regarding the carrying values of the Company's financial instruments:

	November 30, 2012 $	**November 30, 2011 $**	**December 1, 2010 $**
Cash and cash equivalents - FVTPL	121,259	94,798	276,985
Long term investments – FVTPL	2,084,054	3,002,408	2,963,322
Accounts payable - Other financial liabilities	21,802	25,298	18,898

The estimated fair values of cash and cash equivalents and accounts payable approximate their respective carrying values due to their nature and short terms to maturity. Investments are carried at the fair value of the investments.

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

(c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

7. FINANCIAL INSTRUMENTS AND RISK (continued)

The following table presents the Company's financial instruments, measured at fair value on the statements of net assets and categorized into levels of the fair value hierarchy:

	Balance at November 30, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	$	$	$	$
Cash and cash equivalents	121,259	121,259	-	-
Investments	2,084,054	-	2,084,054	-

Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents. The Company limits exposure to credit risk by maintaining its cash and cash equivalents with high-credit quality financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and cash equivalents.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash and cash equivalents balances to meet current working capital requirements. The Company is dependent on obtaining regular financings in order to continue as a going concern. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash and cash equivalents consist of cash deposited in business accounts and redeemable guaranteed investment certificates held by high credit quality financial institutions. The Company is not invested in any asset backed commercial paper.

Foreign Exchange Risk

The Company does not have significant foreign exchange risk as all of its transactions are in Canadian dollars.

Interest Rate Risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash and cash equivalents. The Company's practice has been to invest cash at floating rates of interest, in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return for shareholders.

Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company's ability to raise capital to fund operations and investments is subject to risks associated with fluctuations in the stock market. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to identify and to invest in investments with long-term growth potential, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets.

The Company's investment policy is to invest in early stage technology companies that are focused on the production or conservation of energy or energy efficiency improvements. Management looks to assets that will grow in value in the future and create growth in income over time.

The Company expects its current capital resources will be sufficient to carry its operations through its 2013 fiscal year.

9. TRANSITION TO IFRS

For all periods up to and including the year ended November 30, 2011, the Company prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles ("CGAAP"). The Company has prepared financial statements which comply with IFRS applicable for periods beginning on or after December 1, 2011 as described in the accounting policies.

In preparing these financial statements, the opening statement of net assets was prepared as at December 1, 2010, the Company's date of transition to IFRS (the "Transition Date"). This note explains the principal adjustments made in restating the previous CGAAP net assets as at December 1, 2010 and its previously published CGAAP financial statements for the year ended November 30, 2011.

Exemptions

IFRS 1, First-Time Adoption of International Financial Reporting Standards allows first time adopters certain exemptions from the retrospective application of IFRSs. The Company has elected to apply the following exemptions:

IFRS 2 Share-based Payment has not been applied to the options issued under the Stock Option Plans that were vested prior to January 1, 2010.

Designation of previously recognized financial instruments - IFRS 1 provides an exemption that permits a first-time adopter to designate financial assets and liabilities as at fair value through profit or loss or as available-for-sale at the date of transition to IFRS. The Company has elected to use this option and has designated all its investments as carried at fair value through profit and loss.

Estimates

IFRS 1 does not permit changes to estimates previously made. Accordingly, estimates used at the Transition Date are consistent with estimates made at the same date under CGAAP.

Reconciliations:

The reconciliations between the previously reported financial results under CGAAP and the current reported financial results under IFRS are provided as follows:

(Expressed in Canadian Dollars)

9. TRANSITION TO IFRS (continued)

	December 1, 2010		
	Canadian GAAP $	Effect of transition to IFRS $	IFRS $
ASSETS			
Cash and cash equivalents	276,985	–	276,985
Investments	2,963,322	–	2,963,322
	3,240,307	–	3,240,307
LIABILITIES			
Accounts payable and accrued liabilities	18,989	–	18,989
Deferred income tax liability	2,879	–	2,879
	21,777		21,777
NET ASSETS	3,218,530		3,218,530
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	2,733,883	–	2,733,883
CONTRIBUTED SURPLUS	110,620	(110,620)	–
SHARE-BASED PAYMENT RESERVE	–	110,620	110,620
RETAINED EARNINGS	374,027	–	374,027
	3,218,530	–	3,218,530

The amount previously reported as contributed surplus has been reclassified to share-based payment reserve for presentation purposes.

(Expressed in Canadian Dollars)

9. TRANSITION TO IFRS (continued)

	November 30, 2011		
	Canadian GAAP $	Effect of transition to IFRS $	IFRS $
ASSETS			
Cash and cash equivalents	94,798	–	94,798
Investments	3,002,408	–	3,002,408
	3,097,206	–	3,097,206
LIABILITIES			
Accounts payable and accrued liabilities	25,298	–	25,298
NET ASSETS	3,071,908		3,071,908
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	2,733,883	–	2,733,883
CONTRIBUTED SURPLUS	170,248	170,248	–
SHARE-BASED PAYMENT RESERVE	–	(170,248)	170,248
RETAINED EARNINGS	167,777	–	167,777
	3,071,908	–	3,071,908

The amount previously reported as contributed surplus has been reclassified to share-based payment reserve for presentation purposes.

No reconciliation is required for the statement of cash flows and statement of operations and comprehensive loss as there are no significant differences.

10. SUBSEQUENT EVENT

On January 12, 2013 the Company purchased 427,988 common shares of Moj.io Inc. at a price of $0.0001 per share for total consideration of $43.