BERKLEY RENEWABLES INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended September 30, 2015 and 2014

(Unaudited - Expressed in Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The condensed consolidated interim financial statements of Berkley Renewables Inc. (the "Company") are the responsibility of the Company's management. The condensed consolidated interim financial statements are prepared in accordance with International Accounting Standards Board and reflect management's best estimates and judgment based on information currently available.

Management has developed and is maintaining a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities and reviews the results of the audit and the annual condensed consolidated interim financial statements prior to their approval.

The condensed consolidated interim financial statements as at September 30, 2015 and 2014 and for the periods then ended have not been reviewed and audited.

"Matt Wayrynen"
Matt Wayrynen
President & CEO
November 30, 2015

"Pamela Saulnier"
Pamela Saulnier
Chief Financial Officer
November 30, 2015

BERKLEY RENEWABLES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(unaudited)

		Sept. 30, 2015		December 31, 2014
ASSETS				
Current assets				
Cash and cash equivalents	$	**487,345**	$	328,418
Trade and other receivables (Note 16)		**2,893**		15,918
Prepaid expenses		**34,000**		-
Due from related parties (Note 14)		**1,532,506**		1,787,333
Total current assets		**2,056,744**		2,131,669
Investment in RepliCel Life Sciences (Note 5)		**365,183**		365,183
Petroleum and natural gas interests (Note 6)		**101,122**		108,615
Other property and equipment (Note 7)		**2,528**		3,195
Total non-current assets		**468,833**		476,993
Total assets	$	**2,525,577**		2,608,662
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$	**758,455**	$	857,116
Taxes payable		**502,972**		401,563
Due to related parties (Note 14)		**595,983**		1,047,254
Total current liabilities		**1,857,410**		2,305,933
Convertible debenture (Note 9)		**-**		47,910
Decommissioning liability (Note 8)		**151,046**		148,976
Total liabilities		**2,008,456**		2,502,819
SHAREHOLDERS' EQUITY				
Share capital (Note 10)		**15,363,712**		15,356,712
Warrants (Note 11)		**-**		4,815
Contributed surplus		**1,813,955**		1,809,140
Equity portion of convertible debentures		**2,521**		2,521
Deficit		**(16,961,516)**		(17,270,708)
Accumulated other comprehensive income		**4,237**		(70,441)
		222,909		(167,961)
Non-controlling interest (Note 13)		**294,212**		273,804
Total shareholders' equity		**517,121**		105,843
Total liabilities and shareholders' equity	$	**2,525,577**	$	2,608,662

Going concern (Note 1)

Approved by the Board of Directors and authorized for issue on November 30, 2015

"Matt Wayrynen"
Director

"Tyrone Docherty"
Director

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

BERKLEY RENEWABLES INC.
CONSENDED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE INCOME (LOSS)
(undaudited)

		For the three months ended Sept. 30, 2015		For the three months ended Sept. 30, 2014		For the nine months ended Sept. 30, 2015		For the nine months ended Sept. 30, 2014
Revenue (Note 18)	**$**	477,391	$	4,550	$	786,980	$	22,166
Operating expenses								
Royalty expense		217		841		650		1,981
Operating costs		6,839		5,017		19,337		14,847
Depletion and accretion (Notes 6 & 8)		2,288		3,197		7,493		9,852
Net income (loss) from operations		468,047		(4,505)		759,500		(4,424)
General and administrative expenses								
Management fees (Note 14)		52,500		94,175		206,875		288,200
Professional fees		6,582		6,420		20,689		7,828
Consulting fees		23,645		3,500		140,146		49,297
Administrative, office services and premises		2,754		25,288		32,531		57,191
Depreciation (Note 7)		228		245		667		793
Shareholder information		-		1,710		20,000		10,844
Filing and transfer agent fees		1,792		1,550		8,992		10,252
		87,501		132,888		429,900		424,405
Other income (expenses)								
Unrealized gain (loss) on marketable securities		-		174		-		(1,447)
Other income		-		-		-		(271)
		-		174		-		(1,718)
Net income (loss) for the period		380,546		(137,219)		329,600		(430,547)
Other comprehensive loss								
Unrealized (loss) gain on investment		7,351		(136,572)		74,678		45,906
Total comprehensive (loss) income for the period	$	387,897	$	(273,291)		404,278		(384,641)
Net loss attributed to:								
Owners of the parent		357,141		(85,195)		309,192		(327,132)
Non-controlling interest (Note 13)		23,405		(52,024)		20,408		(103,415)
		380,546		(128,840)		329,600		(430,547)
Total comprehensive loss attributed to:								
Owners of the parent		364,492		(221,267)		383,870		(281,226)
Non-controlling interest (Note 13)		23,405		(52,024)		20,408		(103,415)
		387,897		(273,291)		404,278		(384,641)
Basic and diluted net loss per share (Note 12)	$	0.04	$	(0.03)	$	0.04	$	(0.04)

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

BERKLEY RENEWABLES INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Share Capital	Equity Portion of Convertible Debenture	Warrants	Contributed Surplus	Deficit	Non-Controlling Interest	Accumulated Other Comprehensive Income	Total
Balance as at December 31, 2013		$ 15,356,712	$ -	$ 80,942	$ 1,733,013	$ (16,768,510)	$ 354,859	$ 23,436	$ 780,452
Net loss for the period		-	-	-	-	(327,132)	-	-	(327,132)
Unrealized gain on investment		-	-	-	-	-	-	45,906	45,906
Non-controlling interest		-	-	-	-	-	(103,415)	-	(103,415)
Balance as at September 30, 2014		$ 15,356,712	$ -	$ 80,942	$ 1,733,013	$ (17,095,642)	$ 251,444	$ 69,342	$ 395,811
Balance as at December 31, 2014		$ 15,356,712	$ 2,521	$ 4,815	$ 1,809,140	$ (17,270,708)	$ 273,804	$ (70,441)	$ 105,843
Exercised warrants		7,000	-	-	-	-	-	-	7,000
Expired warrants		-	-	(4,815)	4,815	-	-	-	-
Net income (loss) for the period		-	-	-	-	309,192	-	-	309,192
Unrealized loss on investment	*5*	-	-	-	-	-	-	74,678	74,678
Non-controlling interest	*14*	-	-	-	-	-	20,408	-	20,408
Balance as at September 30, 2015		$ 15,363,712	$ 2,521	$ -	$ 1,813,955	$ (16,961,516)	$ 294,212	$ 4,237	$ 517,121

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

BERKLEY RENEWABLES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	For the nine months ended Sept. 30, 2015	For the nine months ended Sept. 30, 2014	For the nine months ended Sept. 30, 2015	For the nine months ended Sept. 30, 2014
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net income (loss) for the period	**$** 380,546	$ (137,219)	$ 329,600	$ (430,547)
Items not requiring cash in the period				
Depreciation, depletion and accretion (Notes 6, 8 & 9)	4,586	3,442	10,230	10,645
	385,132	(133,777)	339,830	(419,902)
Change in non-cash working capital (Note 15)	1,007	13,558	(18,227)	85,139
Cash provided by (used in) operating activities	386,139	(120,219)	321,603	(334,763)
INVESTING ACTIVITIES				
Proceeds on sale of marketable securities	-	7,283	33,768	10,127
Cash received from investing activities	-	7,283	33,768	10,127
FINANCING ACTIVITIES				
Amounts due from related parties (Note 16)	535,400	97,535	254,827	200,111
Amounts due to related parties (Note 16)	(478,761)	-	(451,271)	40,848
Cash (used in) provided by financing activities	56,639	97,535	(196,444)	240,959
Decrease in cash and cash equivalents	442,778	(15,341)	158,927	(83,677)
Cash and cash equivalents, beginning of period	44,567	70,311	328,418	138,647
Cash and cash equivalents, end of period	**$** 487,345	$ 54,970	$ 487,345	$ 54,970

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

1. Nature of Operations and Going Concern

Berkley Renewables Inc. ("Berkley") was created on the amalgamation of Fortune Island Mines Ltd., Kerry Mining Ltd. and Berkley Resources Ltd. under the Company Act (British Columbia) on July 18, 1986. Previously focused on the acquisition, exploration, development and production from petroleum and natural gas interests in Alberta, Canada, Berkley is currently diversifying its strategy into renewable sources of energy, specifically the management and operation of photovoltaic power generation. The address of the registered office is 900, 570 Granville Street, Vancouver, British Columbia, V6C 3P1.

On July 8, 2010, Berkley acquired a 53% interest in American Uranium Corporation ("AUC"). The results of American Uranium Corporation's operations have been included in these consolidated financial statements since that date. American Uranium Corporation is an exploration-stage company engaged in the acquisition and exploration of mineral property interests in the United States.

On November 7, 2011, Berkley acquired 501 common shares of Solar Flow-Through 2012-I Management Ltd. ("SFT2012") representing a 51% interest. As part of the acquisition, SFT2012 became a direct subsidiary of Berkley. On September 24, 2012, Berkley acquired an additional 449 common shares in SFT2012 for a total interest of 95% as at December 31, 2014 and June 30, 2015.

On November 7, 2011, Berkley acquired 501 common shares of Solar Flow-Through 2012-I General Partner Ltd. ("SFT2012 GP Ltd.") representing a 51% interest. As part of the acquisition, SFT2012 GP Ltd. became a direct subsidiary of Berkley. On September 24, 2012, Berkley acquired an additional 449 common shares in SFT2012 GP Ltd. for a total interest of 95% as at December 31, 2015 and June 2015.

On April 12, 2013, Berkley acquired 950 common shares of Solar Flow-Through 2013-I Management Ltd. ("SFT2013") representing a 95% interest as at December 31, 2013. As part of the acquisition, SFT2013 became a direct subsidiary of Berkley.

On April 12, 2013, Berkley acquired 950 common shares of Solar Flow-Through 2013-I General Partner Ltd. ("SFT2013 GP Ltd.") representing a 95% interest as at December 31, 2013. As part of the acquisition, SFT2013 GP Ltd. became a direct subsidiary of Berkley.

On September 3, 2014, Berkley acquired 950 common shares of Solar Flow-Through 2014-I Management Ltd. ("SFT2014") representing a 95% interest as at December 31, 2014. As part of the acquisition, SFT2014 became a direct subsidiary of Berkley.

On September 3, 2014, Berkley acquired 950 common shares of Solar Flow-Through 2014-I General Partner Ltd. ("SFT2014 GP Ltd.") representing a 95% interest as at December 31, 2014. As part of the acquisition, SFT2014 GP Ltd. became a direct subsidiary of Berkley.

On May 11, 2015, Berkley acquired 950 common shares of Solar Flow-Through 2015-I Management Ltd. ("SFT2015") As part of the acquisition, SFT2014 became a direct subsidiary of Berkley.

On May 11, 2015, Berkley acquired 950 common shares of Solar Flow-Through 2015-I General Partner Ltd. ("SFT2015 GP Ltd."). As part of the acquisition, SFT2015 GP Ltd. became a direct subsidiary of Berkley.

1. Nature of Operations and Going Concern (continued)

The consolidated financial statements include the financial statements of Berkley Renewables Inc. and the subsidiaries listed in the following table (hereinafter together referred to as the "Company"):

			% equity interest	
Name	**Country of Incorporation**	**Functional Currency**	**Sept. 30, 2015**	**Dec. 31, 2014**
American Uranium Corp.	US	Canadian Dollars	53%	53%
Solar Flow-Through 2012-I General Partner Ltd.	Canada	Canadian Dollars	95%	95%
Solar Flow-Through 2012-I Management Ltd.	Canada	Canadian Dollars	95%	95%
Solar Flow-Through 2013-I General Partner Ltd.	Canada	Canadian Dollars	95%	95%
Solar Flow-Through 2013-I Management Ltd.	Canada	Canadian Dollars	95%	95%
Solar Flow-Through 2014-I General Partner Ltd.	Canada	Canadian Dollars	95%	95%
Solar Flow-Through 2014-I Management Ltd.	Canada	Canadian Dollars	95%	95%
Solar Flow-Through 2015-I General Partner Ltd.	Canada	Canadian Dollars	95%	-
Solar Flow-Through 2015-I Management Ltd.	Canada	Canadian Dollars	95%	-

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has net income for the period of $329,600 and an accumulated deficit of $16,961,516 as at September 30, 2015. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional capital through the issuance of treasury shares or debt and achieve profitable operations in the future. The management of the Company has developed a strategy to address this uncertainty, including additional equity and/or debt financing; however, there are no assurances that any such financing can be obtained on favourable terms, if at all.

If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying values of assets and liabilities, reported revenues and expenses, and the consolidated statement of financial position classifications used.

The consolidated financial statements were authorized for issuance on November 30, 2015 by the Directors of Berkley.

2. Basis of Preparation

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). The condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements and notes thereto for the fiscal year ended December 31, 2014.

2. Basis of Preparation (continued)

Statement of Compliance (continued)

The Company has followed the same accounting policies and methods of computation used in Berkley's consolidated financial statements for the fiscal year ended December 31, 2014, except for those policies which have changed as a result of the adoption of new and amended IFRS pronouncements effective January 1, 2015. In addition, certain disclosures that are required to be included in annual financial statements are not included in these interim financial statements. Therefore, these condensed interim consolidated financial statements should be read in conjunction with the aforementioned.

The condensed interim consolidated financial statements are presented in Canadian dollars ("$Cdn").

3. Significant Accounting Estimates and Judgments

The preparation of the Company's condensed interim consolidated financial statements requires management to make, at the end of the reporting period, judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingencies and commitments. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to required estimates are recognized in the year in which the estimate is revised.

The key estimates and judgements concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below. Readers are cautioned that the following list is not exhaustive and other items may also be affected by estimates and judgements.

Significant judgments

CGU determination

The Company's assets are aggregated into cash-generating units (CGU's) based on their ability to generate largely independent cash flows. These CGU's are used for impairment testing. CGU's are determined by similar geological structure, shared infrastructure and geographical proximity.

Significant estimates and assumptions

Impairment of non-financial assets

The Company assesses its P&NG and E&E assets for possible impairment if there are events or changes in circumstances that indicate the carrying values of the assets may not be recoverable. Such indicators include changes in the Company's business plans, changes in commodity prices, evidence of physical damage and significant downward revisions to estimated recoverable volumes or increases in estimated future development expenditures. The assessment for impairment for P&NG and E&E assets involves comparing the carrying value of the CGU with the higher of value in use and fair value less costs to sell. Determination as to whether and how much an asset is impaired involves management estimates on highly uncertain matters such as future commodity prices, the effects of inflation on operating expenses, discount rates, production profiles and the outlook for regional supply-and-demand conditions for crude oil, natural gas and liquids. Impairment is recognized in earnings in the period in which carrying amount exceeded the recoverable amount.

3. Significant Accounting Estimates and Judgments (continued)

Significant estimates and assumptions *(continued)*

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

Share-based payment transactions

The Company follows the fair value method to record share-based payment expense with respect to options granted. The fair value of each option granted is estimated based on the date of grant and a provision for the cost is provided for with a corresponding credit to reserves in shareholders' equity over the vesting period of the option agreement. Forfeitures are estimated for each tranche, and adjusted as required to reflect actual forfeitures that have occurred in the period. In order to record share-based payment expense, the Company estimates the fair value of share options granted using assumptions related to interest rates, expected lives of the options, volatility of the underlying security, forfeitures and expected dividend yields.

Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable earnings will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable earnings together with future tax planning strategies.

Useful lives of property and equipment

The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property and equipment would increase the recorded expenses and decrease the non-current assets.

Allowance for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analysed historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

3. Significant Accounting Estimates and Judgments (continued)

Significant estimates and assumptions (continued)

Fair value of financial instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty. Trade and other receivables are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Decommissioning liabilities and accretion

The amounts recorded for decommissioning liabilities and the related accretion expenses are based on estimates of the costs to abandon and reclaim the wells and facilities and the estimated time period in which these costs are expected to be incurred in the future. In determining the fair value of the decommissioning liabilities, assumptions and estimates are made in relation to discount rates, the expected cost for the reclamation, the expected cost to recover the asset and the expected timing of those costs. The Company's operations are affected by federal, provincial and local laws and regulations concerning environmental protection. The Company's provisions for future site restoration and reclamation are based on known requirements. It is not currently possible to estimate the impact on operating results, if any, of future legislative or regulatory developments.

Depletion and depreciation

Amounts recorded for depreciation are based on estimates including economic life of the asset and residual values of the asset at the end of its economic life. Depletion of resource assets is measured over the life of proved and probable reserves on a unit-of production basis and commences when the wells are substantively complete and after commercial production has begun. Reserve estimates and the associated future capital can have a significant impact on earnings, as these are key components to the calculation of depletion. A downward revision in the reserve estimate or an upward revision to future capital would result in increased depletion, reduced earnings and reduced carrying value of petroleum and natural gas property assets.

4. Significant Accounting Policies

These condensed interim consolidated financial statements have been prepared using the same accounting policies and methods of computation as described in Note 3 of the consolidated financial statements for the fiscal year ended December 31, 2014. Standards issued but effective for annual period beginning after January 1, 2014 are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date.

i) IAS 1, "Presentation of Financial Statements": In December 2014, the IASB issued amendments to IAS 1, clarifying guidance on the concepts of materiality and aggregation of items in the consolidated financial statements, the use and presentation of subtotals in the statement of loss and comprehensive loss, and providing additional flexibility in the structure and disclosures of the consolidated financial statements to enhance understandability. The amendments to IAS may be applied immediately, and become mandatory for annual periods beginning on or after January 1, 2016. The Company is currently evaluating the impact of the standard on its consolidated financial statements.

4. Significant Accounting Policies (continued)

ii) IFRS 9, “Financial Instruments”: In July 2014, the IASB completed the final elements of IFRS 9. The standard supersedes earlier version of IFRS 9 and completes the IASB’s project to replace IAS 39 “Financial nstruments: Recognition and Measurement”. IFRS 9, as amended, includes a principle-based approach for classification and measurement of financial assets, as single ‘expected loss’ impairment model and a substantially-reformed approach to hedge accounting. The standard will come into effect for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The Company is currently evaluating the impact of the standard on its consolidated financial statements.

iii) IFRS 11, “Joint Arrangements”: In May 2014, the IASB issued amendments to IFRS 11 to address the accounting for acquisitions of interests in joint operations. The amendments address how a joint operator should account for the acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business. IFRS 11, as amended, now requires that such transactions be accounted for using the principles related to business combinations accounting, as outlined in IFRS 3 “Business Combinations”. The amendments are to be applied prospectively and are effective for annual periods beginning on or after January 1, 2016, with earlier adoption permitted. The Company is currently evaluating the impact of the standard on its consolidated financial statements.

iv) IFRS 15, “Revenue from Contract with Customers”: The IASB issued the standard to replace IAS 18 which establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. The standard is effective for the annual periods beginning on January 1, 2018, with the required retrospective application and earlier adoption permitted. The Company is currently evaluating the impact of the standard in its consolidated financial statements.

v) IAS 16, “Property, Plant and Equipment” and IAS 38, “Intangible Assets”. In May 2014, the IASB issued amendments to IAS 16 and IAS 38 to clarify acceptable methods of depreciation and amortization. The amended IAS 16 eliminates the use of a revenue-based depreciation method for items of property, plant and equipment. Similarly, amendments to IAS 38 eliminate the use of a revenue-based amortization model for intangible assets except in certain circumstances. The amendments are to be applied prospectively and are effective for annual periods beginning on or after January 1, 2016, with earlier adoption permitted. The Company is currently evaluating the impact of the standard on its consolidated financial statements.

5. Investment in RepliCel Life Sciences

During 2010, Berkley acquired 400,000 common shares of Trichoscience Innovations Inc. (“Trichoscience”) at a price of $1.00 per share. On May 9, 2011, Trichoscience became a wholly-owned subsidiary of RepliCel Life Sciences (“RepliCel”). Each outstanding share of Trichoscience was exchanged for 2.2953 common shares of RepliCel, plus 459,160 Class B preferred shares and 459,160 Class C convertible preferred shares. The Class B preferred shares were extinguished and during 2014 the Class C convertible preferred shares were converted at a 5:1 ratio into 91,832 common shares of Replicel. The common shares were being held in escrow and have been released at 15% per quarter beginning January 1, 2012.

As at September 30, 2015, all 986,980 shares have been released from escrow (2014 – 918,120) and any shares currently held have been valued at RepliCel’s trading price at the reporting date.

6. Petroleum and Natural Gas Interests

Cost or deemed cost		
Balance at December 31, 2013	$	799,731
Change in estimate (Note 8)		5,305
Balance at December 31, 2014	$	805,036
Additions		-
Balance at September 30, 2015	$	805,036
Depletion		
Balance at December 31, 2013	$	663,400
Depletion		9,934
Impairment		23,087
Balance at December 31, 2014	$	696,421
Depletion		7,493
Balance at September 30, 2015	**$**	**703,914**
Net book value		
At December 31, 2014	$	108,615
At September 30, 2015	$	101,122

7. Other Property and Equipment

		Computer equipment		Furniture, fixtures and equipment		Leasehold improvements		Total
Cost or deemed cost								
December 2014 and September 30, 2015	**$**	**36,724**	**$**	**9,199**	**$**	**4,078**	**$**	**50,001**

		Computer equipment		Furniture, fixtures and equipment		Leasehold improvements		Total
Depreciation								
Balance at December 31, 2013	$	33,562	$	8,373	$	4,078	$	46,013
Depreciation		675		118		-		793
Balance at December 31, 2014	$	33,805	$	8,414	$	4,078	$	46,806
Depreciation		562		105		-		667
Balance at September 30, 2015	$	34,367	$	8,519	$	4,078	$	47,473
Net book value								
At December 31, 2014							$	3,195
At September 30, 2015							**$**	**2,528**

8. Decommissioning Liability

The following table presents the reconciliation of the carrying amount of the obligation associated with the decommissioning of the Company's P&NG assets:

		Sept. 30, 2015		Dec. 31, 2014
Balance, beginning of period	**$**	**148,976**	$	139,596
Accretion		**2,070**		4,075
Change in estimates		**-**		5,305
Balance, end of period	**$**	**151,046**	$	148,976

Berkley estimates the total undiscounted amount of cash flows required to settle its decommissioning liability is approximately $160,811 (2014 - $158,035) which will be incurred between 2017 and 2029. The majority of these obligations will be incurred in 2017. An inflation factor of 1.5% (2014 – 1.5%) has been applied to the estimated asset retirement cost. Risk-free discount rates of 1.34% - 2.96% (2013 – 1.69% - 2.96%) was used to calculate the fair value of the decommissioning liability.

9. Convertible Debenture

During 2014, the Company issued a convertible debenture (the “Debenture”) for an aggregate principal amount of $100,000. The Debenture bears interest at 10% per annum payable monthly commencing on February 14, 2014. The Debenture is convertible at the option of the holder into fully paid into Units consisting of one common shares and one common share purchase warrant at a deemed price of $0.15 per Unit. Each common share purchase warrant shall be exercisable at a price of $0.30 per warrant for a period of two years following the date of conversion. The Debenture matures on February 14, 2017. The debenture has been repaid in full.

The debenture has been classified as debt, net of the value of the conversion feature at the date of issue which has been classified as part of shareholders’ equity. The liability portion is measured at amortized cost and will accrete up to the principal balance at maturity using the effective interest method. The accretion and the interest paid are expensed in the consolidated statement of loss and comprehensive loss. The value of the conversion feature was determined at the time of issue as the difference between the principle value of the Debenture and the discounted cash flows assuming a rate of 14%.

10. Share Capital

a) Authorized

Unlimited Class A common shares, without par value.

b) Issued

	Number of shares		Amount
Balance as at December 31, 2014	10,376,451	$	15,356,367
Warrants exercised (i)	35,000		7,000
Balance at September 30, 2015	10,411,451	$	15,363,712

i. On January 9, 2015, 35,000 warrants were exercised for gross proceeds of $7,000.

11. Warrants

The following table summarizes information about warrants outstanding as at:

	September 30, 2015		December 31, 2014	
	Number of Shares Subject to Warrants	Exercise price range	Number of Shares Subject to Warrants	Exercise price range
Balance outstanding, beginning of period	257,500	$0.20	2,550,000	$0.20
Exercised	(35,000)	$0.20	-	-
Expired	(222,500)	$0.20	(2,292,500)	$0.20
Balance outstanding, end of period	-	-	257,500	$0.20

12. Income (loss) Per Share

Basic income or loss per share amounts are calculated by dividing the net income or loss of the year attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year.

The Company's dilutive instruments consist of common share purchase warrants and stock options.

		Sept. 30, 2015		Dec. 31, 2014
Net income (loss) attributable to owners of the parent	**$**	**357,141**	$	(142,242)
Weighted average shares outstanding		**10,411,511**		10,376,451
Basic and diluted income (loss) per common share	**$**	**0.04**	$	(0.01)

The basic and diluted loss per share amounts are the same as the common share purchase warrants and stock options were excluded from the dilution calculation, as they were anti-dilutive.

13. Non-Controlling Interest

The Company's non-controlling interest in the consolidated statement of financial position was as follows:

		Sept. 30, 2015		Dec. 31, 2014
American Uranium Corp.	**$**	**245,303**	$	248,073
Solar Flow-Through 2012-I General Partner Ltd		**(6,836)**		(6,736)
Solar Flow-Through 2012-I Management Ltd.		**(17,207)**		(17,150)
Solar Flow-Through 2013-I General Partner Ltd		**(394)**		(369)
Solar Flow-Through 2013-I Management Ltd.		**43,004**		46,003
Solar Flow-Through 2014-I General Partner Ltd.		**(19,419)**		(19,053)
Solar Flow-Through 2014-I Management Ltd.		**15,087**		23,036
Solar Flow-Through 2015-I General Partner Ltd.		**(70)**		
Solar Flow-Through 2015-I Management Ltd.		**34,744**		-
	$	**294,212**	$	273,804

The Company's non-controlling interests included in the consolidated statement of loss and comprehensive loss were as follows:

		Sept. 30, 2015		Dec. 31, 2014
American Uranium Corp.	**$**	**(2,770)**	$	(24,805)
Solar Flow-Through 2012-I General Partner Ltd		**(100)**		(72)
Solar Flow-Through 2012-I Management Ltd.		**(57)**		-
Solar Flow-Through 2013-I General Partner Ltd		**(25)**		-
Solar Flow-Through 2013-I Management Ltd.		**(2,999)**		-
Solar Flow-Through 2014-I General Partner Ltd.		**(366)**		-
Solar Flow-Through 2014-I Management Ltd.		**(7,949)**		-
Solar Flow-Through 2015-I General Partner Ltd.		**(70)**		
Solar Flow-Through 2015-I Management Ltd.		**34,744**		-
	$	**20,408**	$	(25,855)

Related Party Transactions

Balances and transactions between Berkley and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions with other related parties are disclosed below:

Due to related parties	**Sept. 30, 2015**	**December 31, 2014**
Directors (fees and expenses)	(70,604)	(67,104)
Solar Flow-Through 2012 Limited Partner	(100,000)	(341,490)
Solar High Yield Projects #1 (2012) Ltd.	(174,144)	(174,144)
Solar Flow-Through 2013 Limited Partner	(80,928)	(80,928)
Solar Flow-Through Project #1 (2013) Ltd.	(9,843)	(9,843)
Solar Flow-Through 2014 Limited Partnership	(160,064)	(373,745)
	(595,583)	(1,047,254)

Due from related parties	**Sept. 30, 2015**	**December 31, 2014**
Solar Flow-Through 2012 Limited Partner	280,000	274,000
Solar High Yield Projects #1 (2012) Ltd.	309,314	524,632
Solar Flow-Through 2013 Limited Partner	450,017	426,848
Solar Flow-Through Project #1 (2013) Ltd.	278,000	440,000
Solar Flow-Through 2014 Limited Partnership	121,853	121,853
Solar Flow-Through 2015-I Limited Partnership	93,322	-
	1,532,506	1,787,333

Balances and transactions between Berkley and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions with other related parties are disclosed below:

a) Due to related parties consists of $70,604 (2014 - $163,604) due to Directors of Berkley for Directors fees, consulting fees and expenses.

b) Berkley takes part in a cost sharing arrangement to reimburse Oniva International Services Corporation ("Oniva"), a private company owned by public companies having common Directors, for a variable percentage of its overhead expenses, to reimburse 100% of its out-of-pocket expenses incurred on behalf of Berkley, and to pay a percentage fee based on the total overhead and corporate expenses. The agreement may be terminated with one-month notice by either party. Rent, administrative services, office supplies and accounting charges totalling $30,775 were incurred by the Company to Oniva during the period ended September 30, 2015 (2014 - $71,266).

   Management and consulting fees totalling $237,500 were paid or accrued to management and their private companies in the period ended September 30, 2015 (2014 - $288,200).

Related party transactions were in the normal course of operations and have been measured at fair value, are non-interest bearing and are due on demand.

14. Related Party Transactions (continued)

Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the nine months ended Sept. 30, 2015 and 2014 consisted of salaries and bonuses, as follows:

	Sept. 30, 2015 $	**Sept. 30, 2014 $**
Compensation	**237,500**	288,200
	237,500	288,200

15. Supplemental Cash Flow Information

	Three months ended		Nine months ended	
	Sept. 30, 2015 **$**	Sept. 30, 2014 $	Sept. 30, 2015 $	Sept. 30, 2014 $
Change in non-cash working capital items:				
Trade and other receivables	1,059	(9,891)	13,025	(32,684)
Prepaid expenses	(34,000)	-	(34,000)	(8,000)
Accounts payable and accrued liabilities	33,948	3,667	2,748	125,823
Net change in non-cash working capital items	1,007	13,558	(18,227)	85,139

16. Financial Instruments and Financial Risk Management

Fair Values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. At September 30, 2015 and December 31, 2014, the Company's financial instruments include cash and cash equivalents, trade and other receivables, due from related parties, marketable securities, investment in RepliCel Life Sciences, accounts payable and accrued liabilities and due to related parties.

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

16. Financial Instruments and Financial Risk Management (continued)

Berkley classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 - inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets;
- Level 2 - inputs to the valuation methodology included quoted prices for identical assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace; and,
- Level 3 - inputs to the valuation methodology are not based on observable market data.

Cash and cash equivalents and marketable securities are recorded based on Level 1 of the fair value hierarchy. Investment in RepliCel is recorded based on Level 1 of the fair value hierarchy for shares released from escrow and shares in escrow are recorded based on Level 2 of the fair value hierarchy.

The carrying value of trade and other receivables, due from related parties, accounts payable and accrued liabilities and due to related parties equals fair value due to the short-term nature of these balances.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with the risk management policies as set out herein:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of cash and cash equivalents and trade and other receivables represents the maximum credit exposure. A substantial portion of the Company's trade and other receivables are with natural gas and liquids marketers and joint venture partners in the oil and gas industry and are subject to normal industry credit risks. As at September 30, 2015, the maximum credit exposure is the carrying amount of the trade and other receivables of $2,893 (2014 – $132,786). As at September 30, 2015, the Company had cash of $44,567 (2014 - $70,311) that is deposited in banks. Management has assessed the risk of loss to be minimal. As at June 30, 2015, the Company's receivables consisted of $3,952 from revenue receivable from petroleum and natural gas marketers. The Company did not provide for any doubtful accounts nor was it required to write-off any receivables during the three months ended September 30, 2015 (2014 – nil).

The Company considers its trade and other receivables to be aged as follows:

		Sept. 30, 2015
Past due by less than 30 days	**$**	**962**
Past due by less than 90 days		**1,931**
Past due by more than 90 days		**-**
	$	**2,893**

16. Financial Instruments and Financial Risk Management (continued)

Credit risk (continued)

Amounts past due by more than 90 days are from Canada Revenue Agency therefore impairment would not be required as the Company expects to receive the full amount from this government agency.

Liquidity risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

The Company's operating cash requirements are continuously monitored by management. As factors impacting cash requirements change, liquidity risks may necessitate the need for the Company to raise capital by issuing equity. The Company's financial liabilities are comprised of accounts payable and accrued liabilities and due to related parties, which have expected maturities of less than one year.

Market risk

The significant market risk exposures affecting the financial instruments held by the Company are those related to foreign currency exchange rates and commodity price risk which are explained as follows:

i. Currency risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company enters into transactions denominated in United States currency for which the related expenses and accounts payable balances are subject to exchange rate fluctuations. As at June 30, 2015, the following items are denominated in United States currency:

	Sept. 30, 2015 CAD$
Cash and cash equivalents	**487,345**
Accounts payable and accrued liabilities	**758,455**

The Company's foreign exchange sensitivity is in relation to movements of the USD against the Canadian dollar. Based on USD balances as at September 30, 2015, a 5% increase/decrease of the USD against the Canadian dollar would result in an increase/decrease in total comprehensive loss of approximately $4,439.

ii. Commodity price risk

Commodity price risk is the risk that the cash flows and operations of the Company will fluctuate as a result of changes in commodity prices. Significant changes in commodity prices can also impact the Company's ability to raise capital or obtain additional debt financing. Commodity prices for crude oil are impacted by world economic events that dictate the levels of supply and demand.

The Company's financial performance is closely linked to crude oil and natural gas prices. While the Company may employ the use of financial instruments in the future to manage these price exposures, it currently does not have enough producing wells to hedge its production, and its crude oil and natural gas liquids are sold into spot markets. Given productions levels, a 10% change in commodity prices would not have a material effect on earnings.

17. Capital Management

The Company defines its capital to include the following:

		Sept. 30, 2015		Dec. 31, 2014
Cash and cash equivalents	**$**	**487,345**	$	328,418
Shareholders' equity	**$**	**517,121**	$	105,843

The Company's objective is to maintain access to sources of capital with which to finance its operations. The Company manages its capital structure and makes changes to it in light of changes in economic conditions and the risk characteristics of the underlying investments. The Company will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate in the specific circumstances. At September 30, 2015 and December 31, 2014, the Company was not subjected to any externally imposed capital requirements.

18. Operating Segments

For management purposes, the Company is organized into divisions based on their products and services provided. Management monitors the operating results of each division separately for the purpose of making decisions about resource allocation and performance assessment.

The Corporation has two reportable operating segments as follows:

- The oil and gas division is involved in the development and production of oil and natural gas from petroleum and natural gas interests in Alberta, Canada;

- The Solar management division provides consulting services relating to the financing, strategy and operations management to companies in the renewable energy industry, specifically photovoltaic power generation; and,

- The Corporate division does not represent an operating segment and is included for informational purposes only. Corporate division expenses consist of public company costs, as well as salaries, share-based compensation, interest and finance costs and office and administrative costs relating to corporate employees.

	Oil and Gas	Solar Management	Corporate	Total
	Nine months ended September 30, 2015			
Revenue	9,297	777,683	-	786,980
Royalties	(650)	-	-	(650)
Operating costs	(19,337)	-	-	(19,337)
Depletion and accretion	(7,493)	-	-	(7,493)
General and administrative expenses	(12,000)	(151,467)	(266,433)	(429,900)
Loss for the period	(30,183)	626,216	(266,433)	329,600

18. Operating Segments (continued)

	Oil and Gas	Solar Management	Corporate	Total
		As at September 30, 2015		
Current assets	536,657	1,483,566	36,521	2,056,744
Total assets	642,828	1,483,566	399,183	2,525,577
Current liabilities	473,846	1,255,240	128,324	1,857,410
Total liabilities	626,392	1,255,240	126,824	2,008,456

	Oil and Gas	Solar Management	Corporate	Total
		Nine months ended September 30, 2014		
Revenue	22,166	-	-	22,166
Royalties	(1,891)	-	-	(1,891)
Operating costs	(14,847)	-	-	(14,847)
Depletion and accretion	(9,852)	-	-	(9,852)
General and administrative expenses	-	24,608	399,797	424,405
Other income (expenses)				
Unrealized gain (loss) on marketable securities	-	-	(1,447)	(1,447)
Other income	-	-	(271)	(271)
Loss for the period	4,424	24,608	401,515	430,547

	Oil and Gas	Solar Management	Corporate	Total
		As at September 30, 2014		
Current assets	12,645	509,783	412,612	935,040
Total assets	127,583	509,783	933,494	1,570,860
Current liabilities	365,803	-	667,835	1,033,638
Total liabilities	507,214	-	667,835	1,175,049