

SONOMA CAPITAL INC.

CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTH PERIODS ENDED APRIL 30, 2013 AND 2012

(EXPRESSED IN CANADIAN DOLLARS)

NOTICE TO READER

The accompanying condensed unaudited interim consolidated financial statements have been prepared by
and are the responsibility of the Company's management.

These financial statements have not been reviewed on behalf of the shareholders by the
independent external auditors of the Company.

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SONOMA CAPITAL INC.

Condensed Unaudited Interim Consolidated Statements of Financial Position (Expressed in Canadian Dollars)

	<u>ASSETS</u>	April 30, 2013	July 31, 2012
Current			
Cash		\$ -	\$ 34
Total Assets		<u>\$ -</u>	<u>\$ 34</u>
	<u>LIABILITIES</u>		
Current			
Accounts payable and accrued liabilities		\$ 158,206	\$ 103,026
Total Liabilities		<u>\$ 158,206</u>	<u>\$ 103,026</u>
	<u>SHAREHOLDERS' DEFICIENCY</u>		
Share capital (note 4)		520,290	520,290
Deficit		<u>(678,496)</u>	<u>(623,282)</u>
Total shareholders' deficiency		<u>(158,206)</u>	<u>(102,992)</u>
Total liabilities and shareholders' deficiency		<u>\$ -</u>	<u>\$ 34</u>

Nature of business and going concern (note 1)
Commitments and contingencies (note 7)

APPROVED ON BEHALF OF THE BOARD

"ANDRES TINAJERO"
DIRECTOR

"CLAUDE FORGET"
DIRECTOR

(See accompanying notes to the unaudited interim condensed consolidated financial statements.)

SONOMA CAPITAL INC.

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

	Three months ended April 30, 2013	Three months ended April 30, 2012	Nine months ended April 30, 2013	Nine months ended April 30, 2012
Expenses				
Professional fees	\$ 3,806	\$ 4,973	\$ 4,244	\$ 22,383
Consulting fees	16,998	49,252	50,898	109,387
Filing fees	-	92	-	2,803
Office and general	-	77	72	677
Total expenses	(20,804)	(54,394)	(55,214)	(135,250)
Other income				
Recovery of expenses	-	-	-	4,990
Interest income (note 3)	-	4,044	-	7,973
Net loss and comprehensive loss	(20,804)	(50,350)	(55,214)	(122,287)
Loss per share weighted average number of shares outstanding – basic and diluted				
Loss per share	(0.002)	(0.005)	(0.006)	(0.015)
Weighted average number of common shares outstanding				
Basic and diluted	9,600,000	9,600,000	9,600,000	8,370,652

(See accompanying notes to the unaudited interim condensed consolidated financial statements.)

SONOMA CAPITAL INC.**Condensed Unaudited Interim Consolidated Statements of Changes in Equity****(Expressed in Canadian Dollars)**

	<u>Share Capital</u>		<u>Reserves</u>		<u>Accumulated Deficit</u>	<u>Total</u>
	<u>Number of Shares</u>	<u>Amount</u>	<u>Share based payments</u>	<u>Warrants</u>		
Balance at August 1, 2011	3,800,000	\$ 240,000	\$ -	\$ -	\$ (276,251)	\$ (36,251)
Common stock issued in private placement	5,600,000	\$ 280,000	-	-	-	280,000
Common stock issued for settlement of debt and for services	200,000	10,000	-	-	-	10,000
Net loss and comprehensive loss for the period	-	-	-	-	(122,287)	(122,287)
Balance at April 30, 2012	9,600,000	\$ 530,000	\$ -	\$ -	\$ (398,538)	\$ 131,462
Cost of share issuance - cash		(9,710)	-	-	-	\$ (9,710)
Net loss and comprehensive loss for the period	-	-	-	-	(224,744)	(224,744)
Balance at July 31, 2012	9,600,000	\$ 520,290	\$ -	\$ -	\$ (623,282)	\$ (102,992)
Net loss and comprehensive loss for the period	-	-	-	-	(55,214)	(55,214)
Balance at April 30, 2013	9,600,000	\$ 520,290	\$ -	\$ -	\$ (678,496)	\$ (158,206)

(See accompanying notes to the unaudited interim condensed consolidated financial statements.)

SONOMA CAPITAL INC.**Condensed Unaudited Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)**

For the nine months ended April 30,	<u>2013</u>	<u>2012</u>
Operating Activities		
Net loss	\$ (55,214)	\$ (122,287)
Adjustments for non-cash items:		
Common stock issued for services provided	-	5,000
Recovery of expenses	-	(4,990)
Changes in non-cash working capital items:		
Accounts receivable	-	(4,417)
Accounts payable and accrued liabilities	55,180	51,038
	<u>(34)</u>	<u>(75,656)</u>
Financing Activities		
Issuance of share capital, net of issue costs	-	280,000
	<u>-</u>	<u>280,000</u>
Investing Activities		
Loans provided to investee	-	(205,000)
	<u>-</u>	<u>(205,000)</u>
Net decrease in cash during the period	(34)	(656)
Cash – beginning of the period	34	676
Cash – end of the period	\$ -	\$ 20

(See accompanying notes to the unaudited interim condensed consolidated financial statements.)

SONOMA CAPITAL INC.

Notes to the Consolidated Financial Statements

For the three and nine month periods ended April 30, 2013 and 2012

(Expressed in Canadian Dollars)

1. Nature of Business and Going Concern

Sonoma Capital Inc. (the "Company" or "Sonoma") was incorporated under the Canada Business Corporations Act on July 19, 2004. The Company was previously classified as a Capital Pool Corporation as defined in TSX Venture Exchange Inc. (the "Exchange") Policy 2.4. The Company has nominal assets other than cash and proposes to identify and evaluate potential acquisitions or businesses with a view to completing a Qualifying Transaction, as defined in Exchange Policy 2.4.

On October 3, 2011, the Company incorporated Sonoma Energy Inc. ("Sonoma Energy") in Nevada, USA. Sonoma Energy does not have operations, assets or liabilities.

The Company filed a final prospectus on January 31, 2007, in Quebec only and is therefore a reporting issuer in Quebec.

The Company did not raise any proceeds relating to this prospectus offering and all deferred share issuance fees relating to this offering were expensed.

The Company's head office is located at 77 King Street West, Suite 3000, Toronto, Ontario M5K 1H1.

The Company's continued existence as a going concern, as planned, depends on its ability to successfully obtain additional financing. While the Company has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. These statements have been prepared on a going-concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future.

The Company plans to pursue additional financing in the immediate future.

2. Basis of Preparation

2.1 Statement of compliance

These unaudited interim condensed consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS 34") 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

2.2 Basis of presentation

These unaudited interim condensed consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's July 31, 2012, annual financial statements.

SONOMA CAPITAL INC.

Notes to the Consolidated Financial Statements

For the three and nine month periods ended April 30, 2013 and 2012

(Expressed in Canadian Dollars)

2. Basis of Preparation

2.3 Adoption of new and revised standards and interpretation

At the date of authorization of these Financial Statements, the International Accounting Standards Board ("IASB") and the International Financial Reporting Issues Committee ("IFRIC") has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted these standards, amendments and interpretations. However the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

- IFRS 7 '*Financial Instruments, Disclosures*' - effective for annual periods beginning on or after January 1, 2013, IFRS 7 has been amended to provide more extensive quantitative disclosures for financial instruments that are offset in the statement of financial position or that are subject to enforceable master netting similar arrangements.
- IFRS 9 '*Financial Instruments: Classification and Measurement*' – effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.
- IFRS 10 '*Consolidated Financial Statements*' – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.
- IFRS 11 '*Joint Arrangements*' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form.
- IFRS 12 '*Disclosure of Interests in Other Entities*' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.
- IFRS 13 '*Fair Value Measurement*' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy.
- IAS 1 '*Presentation of Financial Statements*' - the IASB amended IAS 1 with a new requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss.
- IAS 19 '*Employee Benefits*' - effective for annual periods beginning on or after January 1, 2013, a number of amendments have been made to IAS 19, which included eliminating the use of the "corridor" approach and requiring remeasurements to be presented in OCI. The standard also includes amendments related to termination benefits as well as enhanced disclosures.

SONOMA CAPITAL INC.

Notes to the Consolidated Financial Statements

For the three and nine month periods ended April 30, 2013 and 2012

(Expressed in Canadian Dollars)

2. Basis of Preparation, (continued)

2.3 Adoption of new and revised standards and interpretation, (continued)

- IAS 27 '*Separate Financial Statements*' - effective for annual periods beginning on or after January 1, 2013, as a result of the issue of the new consolidation suite of standards, IAS 27 *Separate Financial Statements* has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.
- IAS 28 '*Investments in Associates and Joint Ventures*' - effective for annual periods beginning on or after January 1, 2013, as a consequence of the issue of IFRS 10, IFRS 11 and IFRS 12, IAS 28 has been amended and will provide the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee.
- IAS 32 '*Financial instruments, Presentation*' – In December 2011, effective for annual periods beginning on or after January 1, 2014, IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.

The Company is currently assessing the impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

3. Notes receivable

As of April 30, 2013, the Company has provided loans to Caldera Geothermal Inc. ("Caldera") aggregating \$205,000. The notes receivable bear interest at 8% per annum, are unsecured, due on demand and have no specific repayment date.

Caldera is a related party by virtue of certain common shareholders.

As at April 30, 2012, the Company determined that the loan to Caldera will likely not be recovered and as such, has recorded a write down of the loan and interest receivable to \$nil.

SONOMA CAPITAL INC.

Notes to the Consolidated Financial Statements

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4. Share capital

Unlimited common shares authorized, issued and outstanding as follows:

	Number of Shares	Amount
August 1, 2011	3,800,000	240,000
Shares issued under private placement (i)	5,600,000	280,000
Shares issued for settlement of debt and services provided (ii)	200,000	10,000
Cost of share issuance		(9,710)
July 31, 2012 and April 30, 2013	9,600,000	\$ 520,290

(i) Between August 23, 2011 and September 26, 2011, the Company completed a private placement of 5,600,000 common shares for aggregate cash consideration of \$280,000, at \$0.05 per common share.

(ii) On August 2, 2011, the Company issued 100,000 common shares to a director and shareholder of the Company in full and complete repayment of a \$5,000 promissory note. On August 31, 2011, the Company issued 100,000 common shares to FOI as payment of \$5,000 in consulting services provided, valued at \$0.05 per common share.

5. Related party transactions

On August 2, 2011, the Company settled a promissory note due to a director and shareholder of the Company in the amount of \$5,000 through the issuance of 100,000 shares of common stock (note 4).

During the nine month period ended April 30, 2013, Cavalry provided \$50,850 (2012 - \$50,850) of financial accounting and consulting services. Also, during the nine month period ended April 30, 2013, FOI invoiced the Company \$nil (2012 - \$50,850) for strategic consulting services, of which \$5,000 was paid through the issuance of 100,000 shares of the Company's common stock.

Included in accounts payable and accrued liabilities as at April 30, 2013 is \$95,872 (July 31, 2012 - \$62,975) in amounts due to related parties.

SONOMA CAPITAL INC.

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(Expressed in Canadian Dollars)

6. Capital management

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company includes equity, comprised of issued common shares and deficit, in the definition of capital. As at April 30, 2013, the Company had \$nil (July 31, 2012 - \$34) in cash and current liabilities of \$158,206 (July 31, 2012 - \$103,026), which is not sufficient for the Company to meet its ongoing obligations.

The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital.

7. Commitments and contingencies

The Company and Cavalry entered into a management services agreement on November 25, 2011. The management services agreement includes services for controllership, bookkeeping and corporate secretarial services. In consideration for these services the Company agreed to pay \$5,000 per month until a going public transaction by the Company or as terminated by the Company.

The Company and FOI entered into a financial advisory agreement on November 1, 2011 until April 30, 2012. In consideration for these services the Company agreed to pay \$5,000 per month. On April 30th, 2012, the agreement was terminated.

8. Financial Instruments

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 judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of the Company's cash, other receivables, loans receivables, and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of these instruments

SONOMA CAPITAL INC.

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9. Financial risk exposure and risk management

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks. The Board approves the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's search for potential acquisitions or businesses with a view of completing a transaction, and limited exposure to credit and market risks.

The types of risk exposures and the way in which such exposures are managed as follows:

(a) 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 currently settles its financial obligation out of cash. The Company is susceptible to liquidity risk due to the negative working capital. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(b) Interest rate risk

The Company is not exposed to any significant interest rate risk.

(b) Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of notes receivable.