

GENCAN CAPITAL INC.

LISTING STATEMENT

Dated: October 23, 2015

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LISTING STATEMENT

GENCAN CAPITAL INC.

No securities regulatory authority (including, without limitation, any securities regulatory authority of any Canadian province or territory, the SEC, or any securities regulatory authority of any U.S. State has expressed an opinion about the securities described herein and it is an offence to claim otherwise.

Unless the context otherwise requires, capitalized terms used in this Listing Statement that are not defined herein have the meanings ascribed to such terms in the Glossary of Terms attached as Appendix A hereto. All references to dollar amounts in this Listing Statement are to Canadian dollars unless expressly stated otherwise.

NAME AND INCORPORATION

Gencan Capital Inc. was incorporated on October 31, 2013 pursuant to the OBCA under the name "Lampton Developments Inc.". Lampton Developments Inc. changed its name to Genterra Energy Inc. on January 27, 2014 and to Gencan on August 17, 2015. The head office and registered office of Gencan is located at 106 Avenue Road, Toronto, Ontario, M5R 2H3.

CORPORATE STRUCTURE

Gencan is a wholly owned subsidiary of Genterra Capital Inc., an Ontario company whose common shares are traded on the TSXV under the symbol "GIC". Genterra is the owner of the property in which Gencan's solar energy generation equipment is located. On July 10, 2015, Genterra announced that it had entered into a definitive agreement with Gencan to undertake a plan of arrangement, subject to shareholder and court approval, whereby Genterra will spin-off approximately 28% of Gencan to the Genterra Shareholders other than the Litwin Group.

Pursuant to the Arrangement, Genterra Shares held by Genterra Shareholders, other than the Litwin Group, will be exchanged for cash and, subject to the number of Genterra Shares held by a Genterra Shareholder, Gencan Shares. As a result of the Arrangement, Gencan is being spun-off as a public company and Genterra will become wholly-owned, directly and indirectly, by the Litwin Group.

Under the terms of the Arrangement, Genterra Shareholders, other than the Litwin Group, will receive in respect of each Genterra Share that they hold, the following consideration:

- Each Genterra Shareholder who holds less than 500 Genterra Shares will receive Cdn\$2.25 in cash for each Genterra Share held; and
- Each Genterra Shareholder who holds 500 Genterra Shares or more will receive Cdn\$1.96 in cash and two (2) Gencan Shares for each Genterra Share held.

The two (2) Gencan Shares offered as partial consideration for each Genterra Share held by a Genterra Shareholder who holds 500 Genterra Shares or more represents Cdn\$0.29 per Genterra Share based on a Valuation Report dated June 23, 2015 of CVS. CVS also provided an opinion to the Special Committee that the consideration is fair from a financial point of view to Genterra Shareholders other than the Litwin Group.

Following completion of the Arrangement, it is expected that Genterra will own approximately 72% of the issued and outstanding Gencan Shares, with the remaining balance being held by public shareholders. Upon completion of the Arrangement, Gencan expects that it will become a reporting issuer in British Columbia, Alberta, Ontario and Quebec. An application has been made to list the Gencan Shares on the CSE.

Prior to completion of the Arrangement, Gencan intends to effect a split of its 100 issued and outstanding common shares into issued and outstanding into 16,628,716 common shares.

The Arrangement was approved by Gencan's shareholders at a special meeting of shareholders duly called and held on August 27, 2015. On September 2, 2015, Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) issued a Final Order approving the Arrangement.

GENERAL DEVELOPMENT OF THE BUSINESS

Gencan installed solar energy generation equipment on the roof of a property owned by its parent company, Genterra, and began commercial operations on August 18, 2014 under a Feed-In Tariff Contract with the Ontario Power Authority.

Beginning in 2009, a FIT Program was developed for the Province of Ontario to encourage and promote greater use of renewable energy sources including on-shore wind, waterpower, renewable biomass, biogas, landfill gas and solar photovoltaic (PV) for electricity generating projects in Ontario. The fundamental objective of the FIT Program, in conjunction with the *Green Energy and Green Economy Act, 2009* (Ontario) and Ontario's Long Term Energy Plan, 2010, is to facilitate the increased development of renewable generating facilities of varying sizes, technologies and configurations via a standardized, open and fair process.

The FIT Program is open to projects with a rated electricity generating capacity greater than 10 kilowatts (kW) and generally up to 500 kW. The Ontario Power Authority recently announced large renewable projects for greater than 500 kW.

On June 9, 2011, Highroad, a company controlled by Fred A. Litwin and certain members of his family and certain directors and officers who are also directors and officer of the Gencan, entered into a Feed-In Tariff Contract with the Ontario Power Authority for a solar PV rooftop facility at Genterra's property at 450 Dobbie Drive, in Cambridge, Ontario to supply the energy produced by the facility to Cambridge and North Dumfries Hydro Inc. The contract provides for a gross capacity of 500 kW and a price of \$0.635 per kWh. The terms of the contract include standard requirements relating to design, construction and operation of the facility, electricity payment and delivery obligations and other standard provisions for FIT Contracts. The term of the contract extends to August 17, 2034. This contract has since been assigned by Highroad to Gencan.

On January 1, 2014 Genterra and Gencan entered into a Rooftop Lease Agreement whereby Genterra agreed to lease to Gencan an approximately 120,000 square foot portion of the roof at the 450 Dobbie Drive site in Cambridge, at a rent of \$0.50 per square foot (inclusive of HST), for the erection, installation and operation of the photovoltaic solar power facility. The term of the Lease is twenty (20) years, with a renewal option in Gencan's favour for an additional ten (10) year term.

On August 1, 2014, Gencan entered into a Management Services Agreement with Highroad, pursuant to which Highroad agreed to manage all matters pertaining to Gencan's solar energy operations for an annual fee of \$60,000.00. The Management Services Agreement is terminable by either party on sixty (60) day's prior written notice.

Endura Energy Project Corp., which designs, builds and consults on the development of medium and large scale solar energy systems, completed the design and construction of Gencan's solar PV rooftop system which began commercial operation on August 18, 2014. The solar PV rooftop system is located in a commercial urban area where the power is needed most and mitigates the need for the transport and distribution of electricity from distant parts of the province.

The installed solar power provides enough energy to power approximately 100 average homes and reduces carbon emissions equivalent to planting 450 trees, each year.

DESCRIPTION OF THE BUSINESS AND CORPORATE STRATEGY

Gencan's primary asset is its significant interest in a Renewable Power Solar PV Rooftop System. The business objective of Gencan is to create and maximize shareholder value through internal growth of investments and new acquisitions that satisfy its corporate goals as defined by the Company's management.

Gencan provides an opportunity to invest in hard asset investments, managed by an experienced team with a successful track record. As part of this growth strategy, management intends to evaluate other non-energy related opportunities that they believe will add value for the Company and its shareholders. In doing so, Gencan intends to diversify risk by spreading its investments among various types of assets to build and maintain a growth oriented portfolio of investments with higher risk-adjusted returns. Gencan intends to explore opportunities to diversify into other non-energy related industries and businesses through investments and acquisitions.

Gencan's entry into the power generation business was an initial step in the application of its corporate strategy. Operating as an independent power producer, Gencan acquired assets with high quality contracted cash flows serving utility, commercial and residential customers.

As development costs for renewables continue to become more competitive versus their fossil fuel counterparts, the realized cost of energy from renewables is competitive to traditional fuels in certain geographic areas around the world. This is especially true when taking into account that most wholesale electricity markets are heterogeneous spot markets, where an independent power producer could create a significant amount of value by monetizing power supply during periods of higher than average market prices.

Globally, 44.2 Gigawatts of solar power was installed in 2014, representing a 14% increase over 2013 and cumulating to over 180 Gigawatts of installed capacity. This is the result of a drive to reduce reliance on energy from fossil fuel and nuclear sources. This demand is expected to increase by 30% in 2015. Over the next 5 years, PV installations are projected to increase at a compound annual growth rate of 10.5%.

The North American power generation industry is comprised of a large number of power producers. In 2008, the grid-connected market in Canada accounted for approximately 34% of total solar PV sales; this figure ballooned to 99% in 2013, mainly driven by the introduction of the Province of Ontario's FIT Program in 2009. Of the grid-connected systems, the mix between residential/commercial systems (<500 kW AC) and utility scale installations (>500 kW AC) is 23% and 77%, respectively.

Ontario, the area in which Gencan operates, has a centrally planned electricity market with a strong mandate to increase the amount of clean and renewable energy. The Ontario Government takes a lead role in defining the electricity mix to be procured by the Ontario Power Authority ("OPA"). The OPA is mandated to develop a detailed and integrated power supply plan, to procure the electricity generation and to manage contracts for privately owned generation. The Independent Electricity System Operator ("IESO"), which merged with the OPA, provides essential electricity services to the people of Ontario - ensuring there is enough power to meet the province's energy needs in real-time while also planning and securing energy for the future. The IESO oversees the wholesale electricity market, where the price of energy is determined. It also administers the rules that govern the market and, through an arm's-length market monitoring function, ensures that it is operated fairly and efficiently. The electricity sector is regulated by the Ontario Energy Board.

In the regulated and centrally-planned market of Ontario, Gencan competes for long term Power Purchase Agreements to supply credit worthy counterparties such as the incumbent utility or a government agency. In order to do so, Gencan is required to develop projects that meet the counterparty requirements (location, capacity and generation type), secure suitable sites and focus on being a low cost developer and efficient operator.

The Ontario Feed-In Tariff (FIT) Program was developed to encourage and promote greater use of renewable energy sources including on-shore wind, waterpower, renewable biomass, biogas, landfill gas and solar PV for electricity generating projects in Ontario. The fundamental objective of the FIT Program is to facilitate the increased development of renewable generating facilities of varying sizes, technologies and configurations via a standardized,

open and fair process. The FIT Program is open to projects with a rated electricity generating capacity greater than 10 kilowatts (kW) and generally up to 500 kW.

The FIT program in Ontario entered its fourth iteration in 2015, with current contract rates offered between 50%-60% less than those previously observed under the original 2009 program. Although this is due to various factors, the drop in rates are mainly attributed to global decreases in the cost of solar PV systems and the removal of the Province's requirement for domestic content in systems built under a FIT contract. Domestic content required a minimum of 60% of the total system (labour, modules, inverters etc.) to be sourced from domestic companies and manufacturers. With the third iteration of the FIT program, these increased costs are no longer subsidized by the government through inflated tariff rates.

The drop in rates has not stifled competition, as demand from investors to deploy capital and the credit worthiness of a FIT contract has yields, in the case of most FIT projects, in the range of 6% to 11%. By consolidating small FIT projects into portfolios to create securitized long-term investment products, the increase in demand for these income-producing assets has continued to drive strong competition for contracts within Ontario, despite the significantly lower tariff rates and accordingly the lower investment returns.

Gencan's initial investment into alternative energy, which began commercial operation in August 2014, consists of a solar PV rooftop System located in a commercial urban area in Cambridge, Ontario providing electricity under a 20 year FIT Program Contract. This system provides enough energy to power approximately 100 homes and reduces carbon emissions equivalent to planting 450 new trees.

Gencan's rooftop solar energy generation equipment consists of 2,795 solar panels with a modular tilt of 20 degrees and an azimuth of 15 degrees east of south. The total size of the system is 726.7 kW DC capacity with a maximum of 500.0 kW AC production.

Revenue is earned under a twenty year FIT Program Contract with the Ontario Power Authority at a rate of \$0.635 per kWh delivered to the local utility provider. In contrast, new contracts awarded by the Ontario Power Authority for a similar size system as the Company's is at \$0.316 per kWh.

The business objective of Gencan is to create and maximize shareholder value through its solar energy generation operations and potential expansion or new acquisitions that satisfy its goals as defined by management.

Management intends to evaluate additional opportunities for the installation of further Solar Systems. Management will also evaluate other potential clean power generation assets such as wind and hybrid energy solutions, for use in remote areas, that provide contracted power on a 24 hour 365 day basis. Retail electricity costs continue to rise due to the increasing cost of producing electricity from fossil fuels caused by investments in generation plants and transmission and distribution infrastructure and increased regulatory costs. Accordingly, management believes that the renewable power generation segment will grow as renewable energy sources become capable of being able to generate electricity at a cost equal to or lower than prevailing electricity prices. Gencan will consider competing for additional contracted opportunities in the Ontario market, but could also expand into other areas across Canada as the business grows and the market for clean power generation expands.

In 2013 the Ontario Government released its updated Long Term Energy Plan. The Long Term Energy Program includes five principles to guide future decisions; cost effectiveness, reliability, clean energy, community engagement and conservation, before building new generation. The Long Term Plan expects that nearly half of Ontario's installed capacity will be renewable energy by 2025. By the end of 2015, Ontario will have a total of 1.12 Gigawatts of grid-connected solar PV. When including hydro and other renewable sources to this figure, Ontario plans to have 20 Gigawatts of renewables connected by 2025.

An Ontario Energy Report will be issued on an annual basis to provide updates on how supply and demand are tracking and to review progress in implementing the Long Term Energy Plan. The IESO, in consultation with stakeholders, initiated a process to consider issues relating to a potential capacity market or auction process. Under the Plan, the IESO has introduced a new competitive procurement process for larger scale renewable projects, the Large Renewable Procurement (LRP). The LRP is a competitive process for procuring large renewable energy

projects generally larger than 500 kW. The LRP is an important component of Ontario's ongoing commitment to building a cleaner and more sustainable energy system, and represents a key step in the province's 2025 target for renewable energy to comprise about half of Ontario's installed capacity. Targets for the LRP include procurement for additional solar and wind contracts. Gencan will continue to review this process on an ongoing basis to assess if there are any opportunities and implications for Gencan's future development of independent power production.

SELECTED FINANCIAL INFORMATION

The following selected financial information was derived directly and indirectly from Gencan's financial statements, which are attached as Appendix B to this Listing Statement.

Selected Financial Information as at	March 31, 2015 (\$)	September 30 2014 (\$)
ASSETS		
Cash and cash equivalents	80,019	882
Accounts receivable	349,150	303,572
Prepaid expenses and deposits	24,317	53,605
Equipment	2,151,845	2,206,032
Deferred income taxes	29,498	9,940
Total Assets	<u>2,634,829</u>	<u>2,574,031</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable and accrued liabilities	66,585	237,419
Interest payable	60,769	10,085
Deferred rent	31,311	32,118
Loan payable to parent	2,557,970	2,321,970
Total Liabilities	<u>2,716,635</u>	<u>2,601,592</u>
SHAREHOLDER'S DEFICIENCY		
Capital stock	10	10
Deficit	(81,816)	(27,571)
Total Shareholder's Deficiency	<u>(81,806)</u>	<u>(27,561)</u>
Total Liabilities and Shareholder's Deficiency	<u>2,634,829</u>	<u>2,574,031</u>

Selected Financial Information	For the Three Months Ended		For the Six Months Ended	For the Period October 31, 2013 to March 31, 2014	For the Period ⁽¹⁾ Ended September 30, 2014
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	September 30, 2014
REVENUE					
Solar energy generation	63,423	–	126,238	–	41,413
Operating costs	20,423	12,800	39,353	12,800	42,140
Administrative and general	39,200	–	55,817	–	13,329
Interest	25,229	–	50,684	–	10,085
Amortization	26,796	–	54,187	–	13,100
Income tax expense (recovery)	(12,779)	(3,392)	(19,558)	(3,392)	(9,940)
	98,869	(9,408)	(180,843)	(9,408)	68,714
Net income (loss) and comprehensive income (loss)	(35,446)	(9,408)	(54,245)	(9,408)	(27,571)
Earnings (loss) per share					
Basic and diluted	(354.46)	(94.08)	(542.45)	(94.08)	(275.71)
Cash dividends declared on common shares	–	–	–	–	–

(1) Period refers to the period from incorporation on October 31, 2013 to September 30, 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following MD&A provides a review of the financial condition and results of operations of Gencan for the fiscal year ended September 30, 2014 and the six months ended March 31, 2015. This MD&A should be read in conjunction with Gencan's audited financial statements and notes thereto for the fiscal year ended September 30, 2014 and unaudited condensed interim financial statements and notes thereto for the six months ended March 31, 2015 included as Appendix B herein.

In this document and in Gencan's audited financial statements and unaudited condensed interim financial statements, unless otherwise noted, all financial data is prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts, unless specifically identified as otherwise, in the audited and unaudited financial statements and this MD&A, are expressed in Canadian dollars.

MD&A contains forward-looking statements, including statements concerning possible or assumed future results of operations of Gencan. Forward-looking statements typically involve words or phrases such as "believes", "expects", "anticipates", "intends", "foresees", "estimates" or similar expressions. Forward-looking statements involve risks, uncertainties and assumptions, as described from time to time in Gencan's reports and filed with securities commissions in Canada, which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. In addition, Gencan expressly disclaims any obligation to publicly update or alter its previously issued forward-looking statements.

Overview

Gencan is an Ontario Company operating in Canada with significant interests in solar energy generation equipment located in Cambridge, Ontario, Canada.

A FIT Program was developed for the Province of Ontario to encourage and promote greater use of renewable energy sources including on-shore wind, waterpower, renewable biomass, biogas, landfill gas and solar PV for electricity generating projects in Ontario. The fundamental objective of the FIT Program, in conjunction with the *Green Energy and Green Economy Act, 2009* (Ontario) and Ontario's Long Term Energy Plan, 2010, is to facilitate the increased development of renewable generating facilities of varying sizes, technologies and configurations via a standardized, open and fair process.

The FIT Program is open to projects with a rated electricity generating capacity greater than 10 kilowatts (kW) and generally up to 500 kW. The Ontario Power Authority recently announced large renewable projects for greater than 500 kW.

Highroad, a company controlled by Fred A. Litwin and certain members of his family and certain directors and officers who are also directors and officer of the Company, entered into a Feed-In Tariff Contract with the Ontario Power Authority for a solar PV rooftop facility at Genterra's property at 450 Dobbie Drive, in Cambridge, Ontario to supply the energy produced by the facility to Cambridge and North Dumfries Hydro Inc. Highroad also entered into an agreement for Gencan to install the solar energy generation equipment on the roof of the 450 Dobbie Drive property. Highroad's FIT Contract has since been assigned by Highroad to Gencan, and Highroad manages the project operation on behalf of Gencan.

Endura Energy Project Corp., which designs, builds and consults on the development of medium and large scale solar energy systems, completed the design and construction of the Gencan's solar PV rooftop system which began commercial operation on August 18, 2014. The solar PV rooftop system is located in a commercial urban area where the power is needed most and mitigates the need for the transport and distribution of electricity from distant parts of the province.

The installed solar power provides enough energy to power approximately 100 average homes and reduces carbon emissions equivalent to planting 450 trees, each year.

Gencan's rooftop solar energy generation equipment consists of 2,795 solar panels with a modular tilt of 20 degrees and an azimuth of 15 degrees east of south. The total size of the system is 726.7 kW DC capacity with a maximum of 500.0 kW AC production.

Revenue is earned under a twenty year FIT Program Contract with the Ontario Power Authority at a rate of \$0.635 per kWh delivered to the local utility provider. In contrast, new contracts awarded by the Ontario Power Authority for a similar size system as the Company's is at \$0.316 per kWh.

The business objective of Gencan is to create and maximize shareholder value through its solar energy generation operations and potential expansion or new acquisitions that satisfy its goals as defined by management.

Outlook

Gencan's Board of Directors believes that its recent activities which have focused on the development of the solar energy generation operation will provide the Gencan with a strong balance sheet and cash flows.

Management continues to evaluate potential opportunities that they believe will add value for Gencan and its shareholders including the potential for new solar energy generation operations under new FIT contracts which the Government of Ontario continues to award.

Liquidity and Capital Resources

Gencan's principal sources of liquidity are cash and cash equivalents on hand and cash flow from operations.

The following table provides a summary of certain information with respect to Gencan's capital structure and financial position:

	March 31, 2015	September 30 2014
Working Capital	326,132	110,555
Ratio of Current Assets to Current Liabilities	3.6 : 1	1.4 : 1
Cash and cash equivalents	80,019	882
Debt : Shareholders' equity	-31.3 : 1	-84.2 : 1
Debt : Total capitalization	1.03 : 1	1.01 : 1

September 30, 2014

Gencan's working capital was \$110,555 as at September 30, 2014 which primarily represents revenue receivable and sales taxes recoverable offset by outstanding payables relating to the solar energy generation equipment.

During the period from incorporation on October 1, 2013 to September 30, 2014 Gencan's cash position increased by \$882. The net increase was due to the following:

- Operating Activities decreased cash by \$101,966 during the period. This was a result of \$17,792 of cash generated from operations and \$119,758 from changes in non-cash components of working capital;
- Financing Activities increased cash by \$2,321,980 during the period mainly from the proceeds received from the loan payable;
- Investing Activities decreased cash by \$2,219,132 from the investment in solar energy generation equipment.

March 31, 2015

Gencan's working capital increased to \$326,132 as at March 31, 2015 compared to \$110,555 as at September 30, 2014 mainly due to decreased liabilities and increased cash and cash equivalents. This balance primarily represents revenue receivable and sales taxes recoverable offset by outstanding payables relating to the solar energy generation equipment and interest.

During the six months ended March 31, 2015 the Gencan's cash position increased by \$79,137. The net increase was due to the following:

- Operating Activities decreased cash by \$156,863. This was a result of \$30,261 of cash generated from operations and \$187,124 used in changes in non-cash components of working capital;
- Financing Activities increased cash by \$236,000 from the proceeds received from the loan payable;
- Investing Activities did not impact cash.

Gencan anticipates that it will require approximately \$270,000 in order to meet its ongoing expected costs for the next twelve months. These costs include solar energy generation operating expenses, rent, fees for management and administrative services provided to Gencan, audit and legal fees, interest expense on the loan payable and income

taxes. Gencan expects to generate the revenue required in order to service these expenditures from its existing solar energy generation equipment.

Results Of Operations

Review of Results for the Fiscal Period Ended September 30, 2014

Gencan began producing and selling electricity generated from its solar energy generation equipment in mid-August 2014. The revenue generated and the expenses incurred for the three months ended September 30, 2014 represents the initial revenue generated and expenses incurred from the equipment and consequently there is no revenue or expenses in the comparable period. The solar energy generation equipment produced approximately 65,000 kW hours of electricity from start up to September 30, 2014.

Solar Energy Generation Revenue. The solar energy generation revenue represents revenue earned from its solar energy generation equipment located on the roof of a building in Cambridge, Ontario owned by Gencan's parent, Genterra.

Operating Costs. Operating costs include solar energy generation operating expenses including insurance and straight line rent charges for the rental of the roof where the solar energy generation equipment is located.

Administrative and General Expenses. Administrative and general expenses include management fees paid to Highroad to manage the Company's solar energy generation operation.

Interest Expense. Interest expense represents interest charged by Genterra on the outstanding loan payable.

Amortization. Amortization expense represents the amortization of the solar energy generation equipment from when the Company began producing electricity in mid-August 2014. Amortization is provided for as outlined in the note 3(c) to Gencan's audited financial statements for the period ended September 30, 2014.

Income Tax Provision. There are no differences between Gencan's statutory tax rate and its effective tax rate which is 26.5%.

Net Loss. Net loss for the period ended September 30, 2014 was \$27,571.

Inflation. Inflation has not had a material impact on the results of Gencan's operations in its last quarter or fiscal period and is not anticipated to materially impact operations during its next fiscal year.

Review of Results for the Three and Six Month Periods Ended March 31, 2015

Gencan began producing and selling electricity generated from its solar energy generation equipment in mid-August 2014. The revenue generated and the expenses incurred for the three and six month periods ended March 31, 2015 represents the revenue generated and expenses incurred from the equipment during these periods and there is no revenue and only minor expenses in the comparable periods. The solar energy generation equipment produced approximately 100,000 kW hours of electricity for the three months ended March 31, 2015, and approximately 200,000 kW hours during the six months ended March 31, 2015.

Solar Energy Generation Revenue. The solar energy generation revenue represents revenue earned from its solar energy generation equipment located on the roof of a building in Cambridge, Ontario owned by Gencan's parent, Genterra.

Operating Costs. Operating costs include solar energy generation operating expenses including insurance and straight line rent charges for the rental of the roof where the solar energy generation equipment is located. Operating costs for the three and six months ended March 31, 2015 represent straight line rent charges for the periods.

Administrative and General Expenses. Administrative and general expenses include management fees paid to Highroad to manage the Gencan's solar energy generation operation.

Interest Expense. Interest expense represents interest charged by Genterra on the outstanding loan payable.

Amortization. Amortization expense represents the amortization of the solar energy generation equipment from when it began producing electricity in mid-August 2014. Amortization is provided for as outlined in the note 3(c) to Gencan's audited financial statements for the period ended September 30, 2014.

Income Tax Provision. There are no differences between Gencan's statutory tax rate and its effective tax rate which is 26.5%.

Net Loss. Net loss for the three and six month periods ended March 31, 2015 was \$35,446 and \$54,245 respectively, compared to a net loss of \$9,408 for both the three and six months ended March 31, 2014.

Inflation. Inflation has not had a material impact on the results of Gencan's operations in its last quarter and is not anticipated to materially impact on Genterra Capital's operations during its current fiscal year.

Related Party Transactions

Gencan entered into transactions and had outstanding balances with various companies related by common ownership and management.

The transactions with related parties are in the normal course of business.

Gencan's solar energy generation project is located on the roof of a building owned by its parent, Genterra. Gencan rents the roof from Genterra for \$52,813 per annum.

Gencan has entered into an agreement with Highroad to manage its solar energy generation operation for \$60,000.00 per annum. Certain directors and officers of Highroad are also directors and officers of Gencan, and both companies are controlled by Fred A. Litwin and certain members of his family.

Gencan has entered into an administrative services agreement with Genterra for \$6,000 per annum commencing in October 2014.

Related party transactions for the fiscal period ended September 30, 2014 are summarized as follows:

Under the above agreements, management fees of \$10,000 was charged by Highroad and rent of \$6,282 was charged by Genterra.

Accounts payable and accrued liabilities at September 30, 2014 include \$6,282 due to Genterra and \$10,000 due to Highroad. These amounts are unsecured and are due on demand.

Loan payable at September 30, 2014 of \$2,321,970 is due to Genterra on demand and bears interest at 4% per annum. During the period, \$10,085 of interest was charged under this loan and is included in interest payable on the statement of financial position as at September 30, 2014.

Related party transactions for the six months ended March 31, 2015 are summarized as follows:

Under the above agreements, management fees of \$30,000 was charged by Highroad and rent of \$26,406 and administrative services fees of \$3,000 was charged by Genterra.

Accounts payable and accrued liabilities at March 31, 2015 include \$Nil (September 30, 2014: \$6,282) due to Genterra and \$Nil (September 30, 2014: \$10,000) due to Highroad. These amounts are unsecured and are due on demand.

Loan payable at March 31, 2015 of \$2,557,970 (September 30, 2014: \$2,321,970) is due to Genterra on demand and bears interest at 4% per annum. During the six months ended March 31, 2015, \$50,684 (2014: \$Nil) of interest was charged under this loan and is included in interest payable on the statement of financial position as at March 31, 2015.

Share Data

The following table sets forth the outstanding share data for Gencan as at July 1, 2015:

	Authorized	Issued
Common Shares	Unlimited	100

Risks And Uncertainties

Gencan is subject to a number of broad risks and uncertainties including general economic conditions. In addition to these broad business risks, Gencan has specific risks that it faces, the most significant of which are outlined below. The risks and uncertainties discussed herein highlight the more important factors that could significantly affect Gencan's operations and profitability. They do not represent an exhaustive list of all potential issues that could affect the financial results of Gencan and are not presented in any particular order of relevance.

Cash Deposits Held At Banks May Exceed The Amounts Of Insurance Provided On Such Deposits And Any Loss Arising Therefrom Could Have A Material Adverse Affect On Gencan's Financial Condition And Results Of Operations

Deposits held with banks may exceed the amount of insurance provided on such deposits. If Gencan were to suffer a loss as a result of a failure of one of these banks and the insurance provided thereon was insufficient to cover the amount of the deposit, results of operations may suffer. This could adversely affect financial condition and cash flow.

Adverse Currency Fluctuations on Cash Deposits Held In Foreign Denominated Currencies Could Have A Material Adverse Affect On Gencan's Financial Condition And Results Of Operations

Currency risk is the risk that a negative variation in exchange rates between the Canadian Dollar and foreign currencies will affect Gencan's operating and financial results. If Gencan holds funds denominated in a foreign currency and the value of this currency experiences a negative fluctuation due to a change in exchange rates this could have a material adverse affect on Gencan's financial condition and results of operations.

The Need To Maintain Liquidity And Gencan's Financial Condition Could Be Adversely Affected By Market And Economic Conditions

A liquidity risk arises from Gencan's management of working capital and principal repayments on its debt obligations to avoid difficulty in meeting its financial obligations as they become due. Liquidity is essential to Gencan and may be impaired by circumstances that management may be unable to control, such as general market disruption or an operational problem which in turn could affect Gencan's financial condition and ability to satisfy debt service obligations.

Gencan May Not Be Able To Produce Expected Levels of Energy From Solar Generation

The amount of electricity generated by Gencan's solar energy generation equipment depends on the availability of solar irradiation, which is naturally variable. Lower than anticipated solar irradiation levels at Gencan's solar energy generation equipment location may reduce Gencan's revenues and profitability and may adversely affect Gencan's financial condition and results of operations.

Gencan May Experience Solar Generation Equipment Failure

Gencan's solar energy generation equipment are subject to the risk of equipment failure resulting from the deterioration of the assets from use or age, latent defect and design or operation error, among other things. To the extent that the solar energy generation equipment requires longer than forecast downtimes for maintenance and repair, or suffers power generation disruptions for other reasons, Gencan's operating results, financial condition and profitability may be adversely affected.

Gencan's Solar Energy Generation Operations Are Highly Regulated And May Be Exposed To Increased Regulation Which Could Result In Additional Costs

Gencan's solar energy generation operations are subject to government regulation. Any new law, rule or regulation could require additional expenditures to achieve or maintain compliance or could adversely impact Gencan's ability to generate and deliver power, which may reduce Gencan's revenues, increase its expenses and affect profitability which may adversely affect Gencan's financial condition and results of operations.

Gencan Is Relying On A Solar Energy Feed-In Tariff Contract For Delivery Of Electricity To The Local Utility

Gencan's contract to delivery electricity to the local utility under the existing Ontario Feed-In Tariff Program expires in 2034. Gencan expects this contract to be fulfilled for its term. However, should this contract be cancelled or modified for reasons not anticipated and beyond Gencan's control, this could substantially affect Gencan's revenue and profitability and may adversely affect Gencan's financial condition and results of operations.

Gencan May Not Be Able To Renegotiate Financing Terms As They Come Due Which Could Affect Gencan's Liquidity And Financial Condition

Gencan cannot be certain that it will be able to successfully renegotiate financing on favourable terms on the existing equipment. This could impact Gencan's liquidity, financial condition and ability to meet working capital requirements.

General Uninsured Losses May Result In Gencan Losing Its Investment In And Cash Flows From Equipment And Could Reduce Net Income

Gencan carries comprehensive general liability with policy specifications, limits and deductibles customarily carried for similar equipment. There are however certain types of risks (generally of a catastrophic nature such as wars or environmental contamination) that are either uninsurable or not insurable on an economically viable basis. Should an uninsured or underinsured loss occur, the value of Gencan's assets would be reduced by any such uninsured loss. In addition, Gencan could lose its investment in and anticipated revenues, profits and cash flows from its equipment, but would continue to be obliged to repay any recourse indebtedness on such equipment which in turn would reduce net income. Accordingly an uninsured or underinsured loss could impact Gencan's financial condition.

Environmental Legislation And Contamination May Affect Gencan's Operating Results

Environmental legislation and policies has become an increasingly important feature of property ownership and management in recent years. Under various laws, owners could become liable for the costs of effecting remedial work necessitated by the release, deposit or presence of certain materials, including hazardous or toxic substances and, accordingly, environmental contamination could be considered a risk factor. The cost of defending against claims of liability, complying with environmental regulatory requirements, or remediating any contaminated property could materially adversely affect Gencan, its assets and results of operations.

Critical Accounting Policies and Estimates

Gencan's discussion and analysis of its results of operations and financial condition are based upon its financial statements that have been prepared in accordance with IFRS. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Estimates and assumptions are evaluated on an ongoing basis and are based on historical and other factors believed to be reasonable under the circumstances. The results of these estimates may form the basis of the carrying value of certain assets and liabilities and may not be readily apparent from other sources. Actual results, under conditions and circumstances different from those assumed, may differ from estimates.

Notes 2, 3 and 4 of Gencan's audited financial statements for the fiscal period ended September 30, 2014 and Notes 2 and 3 of Gencan's unaudited condensed interim financial statements for the six months ended March 31, 2015 provide a detailed discussion of significant accounting policies and application of critical accounting estimates and judgements.

Financial Instruments, Financial Risk Management and Other Instruments

Gencan does not utilize financial instruments such as hedging instruments to manage financial risks.

For cash and cash equivalents, accounts receivable, trade and other payables and loans and borrowings with a maturity of less than one year, fair value is not materially different from the carrying amount due to the effect of the time value of money. See Notes 10 and 11 of Gencan's audited financial statements for the fiscal period ended September 30, 2014 and Note 5 of Gencan's unaudited condensed interim financial statements for the six months ended March 31, 2015 for a more detailed discussion.

Proposed Transactions

Management periodically enters into informal discussions with prospective business partners in the normal course of operations. However, management does not believe that any of these discussions constitute a proposed transaction for the purpose of this MD&A.

Off-Balance Sheet Arrangements

Gencan had no off balance sheet arrangements as of March 31, 2015 and September 30, 2014.

New Accounting Standards and Accounting Pronouncements

Levies

Interpretation of International Financial Reporting Interpretations Committee, IFRIC 21, Levies, provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets, and those where the timing and amount of the levy is certain. It identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014, with early adoption permitted and is applied retrospectively. Management has adopted this standard for the period beginning October 1, 2014 and has determined that the adoption had no impact on the financial statements.

Presentation of Financial Instruments

IAS 32, Financial Instruments: Presentation, was amended to clarify that an entity currently has a legally enforceable right to offset if that right is not contingent on a future event and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. The amendments to IAS 32 also clarify when a settlement mechanism provides for net settlement or gross settlement that

is equivalent to net settlement. IAS 32 is effective for annual periods beginning on or after January 1, 2014. Management has adopted this standard for the period beginning October 1, 2014 and has determined that the adoption had no impact on the financial statements.

Financial Instruments

IFRS 9, Financial Instruments: Classification and Measurement, introduces new requirements for the classification and measurement of financial instruments, a single forward-looking expected loss impairment model and a substantially reformed approach to hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Management has not yet considered the potential impact of the adoption of IFRS 9.

Revenue Recognition

The IASB issued IFRS 15, Revenue Recognition, in June 2014. The objective of IFRS 15 is to provide a single, comprehensive revenue recognition model for all contracts with customers. It contains a single principles based five step approach that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It also contains new disclosure requirements. IFRS 15 will be effective for the Company on October 1, 2017, with early adoption permitted. Management has not yet considered the potential impact of the adoption of IFRS 15.

MARKET FOR SECURITIES

Upon completion of the Arrangement, Gencan expects that it will become a reporting issuer in British Columbia, Alberta, Ontario and Quebec. An application has been made to list the Gencan Shares on the CSE. There can be no assurance as to if, or when, the Gencan Shares will be listed or traded. As the Gencan Shares are not listed on a stock exchange, unless and until such a listing is obtained, Gencan Shareholders may not have a market for their shares.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of Gencan immediately following completion of the Arrangement:

Designation of Security	Amount authorized or to be authorized	Amount outstanding immediately following the Arrangement
Common Shares ⁽¹⁾	Unlimited	16,628,716 shares
Share Capital		\$10
Loan Payable ⁽²⁾		\$2,557,970

Notes:

- (1) There are no outstanding options to acquire securities of Gencan.
- (2) The loan is outstanding pursuant to a Demand Promissory Note made on August 1, 2014 by Gencan in favour of Genterra, and bears interest at a rate of 4% per annum. Pursuant to an Amending Agreement made on July 16, 2015, the loan has been converted into a 5-year term loan repayable on August 1, 2019, with interest at a rate of 4% per annum calculated and payable monthly in arrears.

OPTIONS TO PURCHASE SECURITIES

Gencan does not have a stock option plan and has not ever granted any stock options.

DESCRIPTION OF SECURITIES

Common Shares

Gencan is authorized to issue an unlimited number of Gencan Shares. The holders of Gencan Shares will be entitled to dividends, if, as and when declared by Gencan's board of directors. Holders of Gencan Shares will also be entitled to one vote per share at the meetings of Gencan Shareholders and, upon liquidation, to share equally in the assets of Gencan that are distributable to Gencan Shareholders. As at July 1, 2015, there are 100 Gencan Shares issued and outstanding as fully paid and non-assessable shares.

In order to accommodate the terms and conditions set forth in the Plan of Arrangement, it is expected that immediately prior to the completion of the Arrangement Gencan will file Articles of Amendment under the OBCA to effect the split of the 100 issued and outstanding Gencan Shares into 16,628,716 Gencan Shares, which is equal to twice the number of Genterra Shares currently issued and outstanding.

Upon completion of the Arrangement, Gencan expects that it will become a reporting issuer in British Columbia, Alberta, Ontario and Quebec. An application has been made to list the Gencan Shares on the CSE. There can be no assurance as to if, or when, the Gencan Shares will be listed or traded. As the Gencan Shares are not listed on a stock exchange, unless and until such a listing is obtained, Gencan Shareholders may not have a market for their shares.

DIVIDEND POLICY

Following completion of the Arrangement, the declaration of dividends will be at the sole discretion of the board of directors of Gencan. Gencan currently does not anticipate dividends on the Gencan Shares in the immediate future and intends to retain its earnings to finance the growth and development of its business.

ESCROWED SECURITIES

As of the date of this Filing Statement, no securities of Gencan are held in escrow. There is no expectation that following completion of the Arrangement any holders of Gencan Shares will be required to deposit Gencan Shares into escrow pursuant to any regulatory requirement.

PRINCIPAL SECURITY HOLDERS

As of the date of this Filing Statement, Gencan is a wholly-owned subsidiary of Genterra. Following completion of the Arrangement, it is expected that other than Fred A. Litwin and his children, there will be no persons or corporations that beneficially own, directly or indirectly, or exercise control or direction over securities carrying in excess of 10% of the voting rights attached to any class of outstanding voting securities of Gencan. Following completion of the Arrangement, it is expected that Fred A. Litwin and his children will own all of the issued and outstanding shares of Genterra which will, in turn, hold approximately 72% of the issued and outstanding Gencan Shares.

DIRECTORS AND EXECUTIVE OFFICERS

Following completion of the Arrangement, the directors and executive officers of Gencan will be the same as those persons who are currently the directors and executive officers of Genterra. The following table sets forth the name of each of the persons proposed as a director or officer of Gencan, all positions and offices in Gencan to be held, municipality of residence, and their principal occupation at the present and during the preceding five years:

Name, Expected Positions, and Municipality of Residence	Principal Occupations for the Previous Five Years	Number of shares beneficially owned, directly or over which control or direction is exercised
<i>Fred A. Litwin</i> Chairman and Director Toronto, Ontario	Executive, Forum Financial Corporation	See Note ⁽¹⁾
<i>Stan Abramowitz</i> Chief Financial Officer, Secretary and Director Toronto, Ontario	Executive, Forum Financial Corporation	Nil
<i>Mark Dawber</i> Director Toronto, Ontario	Chartered Professional Accountant & Corporate Director	Nil
<i>Sol Nayman</i> Director Toronto, Ontario	President, S.D. Nayman Management Inc. & Corporate Director	Nil
<i>Alan Kornblum</i> Director Toronto, Ontario	Since 2011, President, 337572 Ontario Limited a management consulting firm; previously, President, Distinctive Designs Furniture Inc.	Nil
<i>Mark Litwin</i> President Toronto, Ontario	President, Sutton Management Limited	See Note ⁽¹⁾

Notes:

- (1) Following completion of the Arrangement, it is expected that Fred A. Litwin and his children will own all of the issued and outstanding shares of Genterra which will, in turn, hold approximately 72% of the issued and outstanding Gencan Shares

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Corporate Cease Trade Orders

As at the date of this Circular, no director or executive officer of Gencan is, or within the ten years prior to the date of this Circular has been, a director, chief executive officer or chief financial officer of any company (including Gencan), that while that person was acting in that capacity:

- (a) was subject to a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order), an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "**Order**"); or
- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that

occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcy

To the knowledge of Gencan, other than Alan Kornblum, who was a director of Distinctive Designs Furniture Inc. which made an assignment in bankruptcy during 2011, as at the date of this Circular no director, executive officer, or shareholder holding a sufficient number of securities of Gencan to affect materially the control of Gencan is, or within the ten years prior to the date of this Circular has:

- (a) been a director or executive officer of any company (including Gencan) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties and Sanctions

To the knowledge of Gencan, as at the date of this Circular no director, executive officer, or shareholder holding a sufficient number of securities of Gencan to affect materially the control of Gencan has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of the directors and officers of Gencan will not be devoting all of their time to the affairs of Gencan. Certain of the directors and officers of Gencan are directors and officers of other companies, one of which is in the same business as Gencan.

The directors and officers of Gencan are required by law to act in the best interests of Gencan. They have the same obligations to the other companies in respect of which they act as directors and officers. Any decision made by any of such officers or directors involving Gencan will be made in accordance with their duties and obligations under the applicable laws of Canada.

CORPORATE GOVERNANCE

Following completion of the Arrangement, Gencan expects that its corporate governance practices, at least initially, will be modelled along the practices adopted by Genterra. Some of the guidelines in National Policy 58-201 followed by Genterra will not be considered suitable for Gencan at its current stage of development, and therefore these guidelines will not be adopted. National Instrument 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices in Form 58-101F2 for Venture Issuers, which disclosure is set out below.

Board of Directors

Structure and Compensation

The Board will be composed of five (5) directors, being Fred A. Litwin, Stan Abramowitz, Mark E. Dawber, Alan Kornblum and Sol D. Nayman.

Form 58-101F2 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under National Instrument 52-110 - *Audit Committees* (“MI 52-110”), which provides that a director is independent if he or she has no direct or indirect “material relationship” with Gencan. “Material relationship” is defined as a relationship which could, in the view of Gencan’s Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment. The board of directors of Gencan will be constituted with a majority of “independent directors”. Of the five (5) proposed nominees, only two (2), being Fred A. Litwin, who will be Chairman of Gencan, and Stan Abramowitz, Secretary and Chief Financial Officer of Gencan, are “inside” or management directors, and accordingly are not considered “independent” within the meaning of MI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

The quantity and quality of the Board compensation will be reviewed on an annual basis. It is expected that the Board compensation arrangements will adequately reflect the responsibilities and risks involved in being an effective director of Gencan.

Mandate of the Board

The mandate of the Board, as prescribed by the *Business Corporations Act* (Ontario), is to manage or supervise the management of the business and affairs of Gencan and to act with a view to the best interests of Gencan. In doing so, the board will oversee the management of Gencan’s affairs directly and through its audit committee and corporate governance committee. In fulfilling its mandate, the Board, among other matters, will be responsible for reviewing and approving Gencan’s overall business strategies, reviewing and approving significant capital investments, reviewing major strategic initiatives to ensure that Genterra Energy’s proposed actions accord with shareholder objectives, reviewing succession planning, assessing management’s performance against approved business plans and industry standards, reviewing and approving the reports and other disclosure issued to shareholders, ensuring the effective operation of the Board and safeguarding shareholders’ equity interests through the optimum utilization of Gencan’s capital resources. The Board will also take responsibility for identifying the principal risks of Gencan’s business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable.

In keeping with its overall responsibility for stewardship of Gencan, the Board will be responsible for the integrity of Gencan’s internal control and management systems and for Gencan’s policies respecting corporate disclosure and communication.

Each member of the Board will be advised that he is entitled to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances.

The Board will not have, and Gencan does not consider it necessary to have, any formal structures or procedures in place to ensure that the Board can function independently of management. The intended composition of the Board, in which only two of five directors are or will be members of management, is believed to be sufficient to ensure that the Board can function independently of management.

Nomination and Assessment

The Board will determine new nominees to the Board, although it is not intended that a formal process will be adopted. The nominees will generally be the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President. The Board will monitor, but not formally assess, the performance of individual Board members or committee members.

The Board does not intend to have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on Gencan's size, its stage of development and the limited number of individuals on the Board, a formal assessment process is considered to be inappropriate at this time. The Board will evaluate its own effectiveness on an ad hoc basis. All directors will be free to make suggestions on improvement of the board's practice at any time and are encouraged to do so. The proposed size of the Board is such that the entire Board will take responsibility for selecting new directors and assessing current directors. A proposed director's credentials will be reviewed in advance of a Board Meeting with one or more members of the Board prior to the proposed director's nomination.

The Corporate Governance Committee will be responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of prospective board members as well as the composition of the Board as a whole. This assessment will include member's contribution, qualification as independent, as well as consideration of diversity, age, skills and experience in the context of the needs of the Board.

New directors will be provided with an information package about Gencan and will be briefed on strategic plans, short, medium and long-term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing corporation policies.

The skills and knowledge of the proposed Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The proposed Board is comprised of individuals with varying backgrounds, who have over 90 years of collective experience in managing and maintaining operations of publicly traded companies. Board members will be encouraged to take courses that will continue to update their knowledge of any changes in regulatory and reporting requirements, as well as communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members will have full access to Gencan's records.

Meetings of the Board

It is intended that the Board will meet at least quarterly to review, among other things, the performance of Gencan. Results will be compared and measured against a previously established plan and performance in prior years. The Board will also hold a meeting each year to review and assess Gencan's overall strategic objectives. Other meetings of the Board will be called to deal with special matters as circumstances require.

Ethical Business Conduct

Business Conduct

It is intended that Gencan will adopt and implement policies regarding a Code of Business Conduct and Ethics, which will be distributed to all of its directors, officers, employees, agents and representatives, including consultants. The objectives of this Code are summarized as follows:

Code of Business Conduct and Ethics:

The Code will state that all directors, officer, employees, agents and representatives, including consultants, of Gencan must:

- obey applicable laws and regulations governing Gencan's business conduct;
- avoid all conflicts of interest between work and personal affairs;
- refrain from insider trading;

- respect the rights of and deal fairly with Gencan’s customers, suppliers, competitors and employees, and not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice;
- avoid any discrimination or harassment against any group or individual, whether on the basis of race, colour, religion, national or ethnic origin, age, gender, sexual orientation, marital status, physical or mental disability, or on the basis of any other personal characteristics protected by law;
- strive to create a safe workplace and to protect the environment;
- promote honest and accurate recording and reporting of information in order to make responsible business decisions;
- maintain the confidentiality of confidential information;
- protect and preserve Gencan’s assets and ensure their efficient use;
- avoid giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business; and
- cooperate in internal investigations of misconduct.

Expectations of Management

Gencan will expect its management to operate the business of Gencan in a manner that enhances shareholder value and is consistent with the highest level of integrity.

Committee Responsibilities and Activities

Gencan intends for its Board to have two committees: an Audit Committee and a Corporate Governance Committee. A summary of the responsibilities and activities and the membership of each of these Committees is set out below.

The Audit Committee

Mandate

The Audit Committee will assist the Board in fulfilling its responsibilities relating to Gencan’s corporate accounting and reporting practices. The Audit Committee will be responsible for ensuring that management has established appropriate processes for monitoring Gencan’s systems and procedures for financial reporting and controls, reviewing all financial information in disclosure documents, monitoring the performance and fees and expenses of Gencan’s external auditors and recommending external auditors for appointment by shareholders. The Audit Committee will also be responsible for reviewing Gencan’s quarterly and annual financial statements prior to approval by the Board and release to the public. The Audit Committee will also meet periodically with Gencan’s external auditors to discuss and review specific issues as appropriate.

In accordance with MI 52-110, Gencan’s Audit Committee will establish procedures for:

- (a) the receipt, retention and treatment of complaints received by Gencan regarding accounting, internal accounting controls or auditing matters; and
- (b) the confidential, anonymous submission by employees of Gencan of concerns regarding questionable accounting or auditing matters.

Gencan will also implement a “Whistleblower” Policy to satisfy the obligations under MI 52-110, as recommended by the Audit Committee. This Policy will be available to all directors, officers, employees, consultants and contractors of Gencan.

Composition

The Committee must be comprised of three directors as determined by the Board of Directors, all of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee. It is intended that the Audit Committee be comprised of Mark E. Dawber, Alan Kornblum and Sol D. Nayman, each of whom qualifies as an “independent” director for purposes of Multilateral Instrument 52-110.

All proposed members of Gencan’s Audit Committee are financially literate and have a working familiarity with basic finance and accounting practices. For the purposes of Gencan’s proposed Audit Committee Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by Gencan’s financial statements.

The members of the Audit Committee are required to be appointed by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Audit Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

It is intended that the Audit Committee meet quarterly, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least quarterly with the Chief Financial Officer (or individual acting in that capacity, if there is no such position) and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

- (a) Review and update this Charter annually; and
- (b) Review Gencan’s financial statements, MD&A and any annual and interim earnings, press releases before Gencan publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of Genterra Energy;
- (b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and Gencan, consistent with Independence Standards Board Standard 1;
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- (d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors;

- (e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of Gencan's accounting principles, internal controls and the completeness and accuracy of Gencan's financial statements; and
- (g) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of Gencan's financial reporting process, both internal and external;
- (b) Consider the external auditors' judgments about the quality and appropriateness of Gencan's accounting principles as applied in its financial reporting;
- (c) Consider and approve, if appropriate, changes to Gencan's auditing and accounting principles and practices as suggested by the external auditors and management;
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) Review the Company's certification process; and
- (j) Establish a procedure for the confidential, anonymous submission by employees of Gencan of concerns regarding questionable accounting or auditing matters.

Other

The Committee will also review any related-party transactions.

Pre-Approval Policies and Procedures

It is intended that the Committee will adopt specific policies and procedures for the engagement of non-audit services.

The Corporate Governance Committee

It is intended that Gencan will establish a Corporate Governance Committee to monitor corporate governance practices. The proposed members of this committee are Mark E. Dawber, Alan Kornblum and Sol D. Nayman.

Compensation Committee

Management and the Board of Gencan believe that Gencan currently has no requirement for a Compensation Committee. However, if the size of the proposed Board of Directors is increased and if Gencan deems it necessary, a Compensation Committee will be appointed which will be comprised of independent directors. A Compensation Committee would be responsible for reviewing all overall compensation strategy, objectives and policies; annually reviewing and assessing the performance of the executive officers; recommending to the Board the compensation of the executive officers; reviewing executive appointments; and recommending the adequacy and form of directors' compensation.

CAPITALIZATION

Issued Capital (Common Shares)

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
<u>Public Float</u>				
Total outstanding (A)	16,628,716	16,628,716	100	100
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	12,529,884	12,529,884	75.36	75.36
Total Public Float (A-B)	4,098,832	4,098,832	24.64	24.64
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)				
Total Tradeable Float (A-C)	16,628,716	16,628,716	100	100

Public Securityholders (Registered)

For the purposes of this table, "public securityholders" are persons other than persons enumerated in section (B) of the previous table..

Common Shares

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	<u>NIL</u>	<u>NIL</u>
100 – 499 securities	<u>NIL</u>	<u>NIL</u>
500 – 999 securities	<u>NIL</u>	<u>NIL</u>
1,000 – 1,999 securities	<u>34</u>	<u>46,466</u>
2,000 – 2,999 securities	<u>7</u>	<u>17,926</u>
3,000 – 3,999 securities	<u>NIL</u>	<u>NIL</u>
4,000 – 4,999 securities	<u>4</u>	<u>18,100</u>
5,000 or more securities	<u>18</u>	<u>4,016,340</u>
TOTAL	<u>63</u>	<u>4,098,832</u>

Public Securityholders (Beneficial)

This table includes (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings.

Common Shares

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	<u>NIL</u>	<u>NIL</u>
100 – 499 securities	<u>NIL</u>	<u>NIL</u>
500 – 999 securities	<u>NIL</u>	<u>NIL</u>
1,000 – 1,999 securities	<u>76</u>	<u>105,280</u>
2,000 – 2,999 securities	<u>18</u>	<u>43,322</u>
3,000 – 3,999 securities	<u>11</u>	<u>37,936</u>

4,000 – 4,999 securities	<u>9</u>	<u>38,964</u>
5,000 or more securities	<u>40</u>	<u>3,873,330</u>
TOTAL	<u>154</u>	<u>4,098,832</u>

Non-Public Securityholders (Registered)

For the purposes of this table, "non-public securityholders" are persons enumerated in section (B) of the issued capital table.

Common Shares

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	<u>NIL</u>	<u>NIL</u>
100 – 499 securities	<u>NIL</u>	<u>NIL</u>
500 – 999 securities	<u>NIL</u>	<u>NIL</u>
1,000 – 1,999 securities	<u>NIL</u>	<u>NIL</u>
2,000 – 2,999 securities	<u>NIL</u>	<u>NIL</u>
3,000 – 3,999 securities	<u>NIL</u>	<u>NIL</u>
4,000 – 4,999 securities	<u>NIL</u>	<u>NIL</u>
5,000 or more securities	<u>1</u>	<u>12,529,884</u>
TOTAL	<u>1</u>	<u>12,529,884</u>

There are no securities which are convertible or exchangeable into common shares of Gencan, and there are no common shares of Gencan which are reserved for issuance upon the exchange or conversion of any other securities.

EXECUTIVE COMPENSATION

The information contained below is provided as required under Form 51-102F6 contained in National Instrument 51-102 – *Continuous Disclosure* (the "**Instrument**") for venture issuers, as such term is defined in the Instrument,

The following table provides a summary of compensation earned during each of Gencan's last three fiscal years by Genterra's President and Secretary. There are no other executive officers of Genterra whose total salary and bonus exceeded \$150,000.00 during any such year

Name & Principal Position	Annual Compensation			
	Year	Salary	Bonus	Other Annual Compensation
Mark I. Litwin President ⁽²⁾	2014	Nil	Nil	\$10,000 ⁽¹⁾
	2013	n/a	n/a	n/a
	2012	n/a	n/a	n/a
Stan Abramowitz Secretary ⁽²⁾	2014	Nil	Nil	Nil
	2013	n/a	n/a	n/a
	2012	n/a	n/a	n/a

Notes:

- (1) This amount relates to management fees paid by Gencan to Highroad relating to the management of Gencan's solar energy operations.
- (2) The Executive Officers of Gencan are compensated through its parent company, Genterra.

Long Term Incentive Plans

Gencan does not have any long-term incentive plans.

Stock Options

Gencan does not have a stock option plan and has not ever granted any stock options.

Employment Contracts

There are no employment contracts between Gencan and the Named Executive Officers and compensatory plan or arrangement with respect to the Named Executive Officers that results or will result from the resignation, retirement or any other termination of employment of such officers' employment with Gencan, from a change in control of Gencan or a change in the Named Executive Officers' responsibilities following a change-in-control.

Compensation of Directors

Each director of Gencan is currently compensated through its parent company, Genterra. It is intended that the proposed new directors of Gencan, who are the same persons as the current directors of Genterra, will be compensated in substantially the same manner as they are currently compensated by Genterra.

Management Contracts

During the period ended September 30, 2014, Highroad provided management services to Gencan for fees of \$10,000 for the management of the solar energy generation operation. Mark I. Litwin is an officer and director of Highroad and Stan Abramowitz is an officer of Highroad.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

Except as disclosed in Interest Of Insiders In Material Transactions, no present or proposed director or officer and none of their respective associates or affiliates is or has been indebted to Gencan at any time since September 30, 2014; nor has any such person's indebtedness to any other entity been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by Gencan.

RISK FACTORS

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of Gencan and could cause the Gencan's operating and financial performance to differ materially from the estimates described in forward-looking statements related to Gencan. These include widespread risks associated with any form of business and specific risks associated with Gencan's business and its involvement in the solar energy industry. **An investment in the Gencan Shares, as well as Gencan's prospects, are highly speculative due to the high-risk nature of its business and the present stage of its operations. Gencan Shareholders may lose their entire investment.** The risks described below are not the only ones facing Gencan. Additional risks not currently known to Gencan, or that Gencan currently deems immaterial, may also impair Gencan's business or operations. If any of the following risks actually occur, Gencan's business, financial condition, operating results and prospects could be adversely affected.

Genterra Shareholders should consult with their professional advisors to assess the Arrangement and their resulting investment in Gencan. In evaluating Gencan and its business and whether to vote in favour of the Arrangement, Genterra Shareholders should carefully consider, in addition to the other information contained in the Circular and this Appendix G, the risk factors which are set out in this Appendix G under "*Management's Discussion and Analysis – Risks and Uncertainties*" as well as the risk factors which follow, and the risks associated with the Arrangement (see in the Circular "*The Arrangement – Risks Associated with the Arrangement*"). These risk factors may not be a definitive list of all risk factors associated with the Arrangement, an investment in Gencan or in connection with Gencan's business or operations.

Limited Business History

Gencan has a short history of operations and has no history of earnings. The likelihood of success of Gencan must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. Gencan has limited financial resources and there is no assurance that funding will be available to it when needed. There is also no assurance that Gencan can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Early Stage of Development

The solar power market is still at a relatively early stage of development and future demand for solar power products is uncertain. Market data for the solar power industry is not as readily available as for more established industries, where trends are more reliably assessed from data gathered over a longer period of time. Many factors may affect the viability of solar power technology and the demand for solar power products, including:

- the cost-effectiveness, performance and reliability of solar power products, compared to conventional and other renewable energy sources and products;
- the availability of government subsidies and incentives to support the development of the solar power industry;
- the availability and cost of capital, including long-term debt and tax equity, for solar power projects;
- the success of other alternative energy technologies, such as wind power, hydroelectric power, geothermal power and biomass fuel;

- fluctuations in economic and market conditions that affect the viability of conventional and other renewable energy sources, such as increases or decreases in the prices of oil, gas and other fossil fuels; and
- the availability of favorable regulation for solar power within the electric power industry and the broader energy industry.

If solar power technology is not suitable for widespread adoption or if sufficient demand for solar power products does not develop or takes longer to develop than Gencan anticipates, it may not be able to increase its market share.

Availability of third-party financing

General economic conditions, liquidity and the availability and cost of capital could materially and adversely affect Gencan's business and results of operations. Most solar power projects, including those of Gencan, require financing for development and construction with a mixture of equity and third party funding. Furthermore, solar power projects compete for capital with other forms of fixed income investments such as government and corporate bonds. Some classes of investors compare the returns of solar power projects with bond yields and expect a similar or higher internal rate of return, adjusted for risk and liquidity. Higher interest rates could render existing funding more expensive and present an obstacle for potential funding that would otherwise spur the growth of the solar power industry.

In light of the uncertainty in the global credit and lending environment, Gencan cannot make assurances that financial institutions will continue to offer funding to solar power project developers at reasonable costs. An increase in interest rates or a decrease in funding of capital projects within the global financial market could make it difficult to fund solar power systems. Constricted credit markets may impede our ability to expand and accordingly affect Gencan's results of operations.

Government Regulation

The market for electricity generation products is heavily influenced by government regulations and policies concerning the electric utility industry, as well as policies disseminated by electric utilities. These regulations and policies often relate to electricity pricing and technical interconnection of customer-owned electricity generation, and could deter further investment in the research and development of alternative energy sources. Gencan expects that solar power products and their installation will continue to be subject to government regulations and policies relating to safety, utility interconnection and metering, construction, environmental protection, and other related matters. Any new regulations or policies pertaining to Gencan's solar power system may result in significant additional expenses to Gencan.

Competition

Gencan has a large number of competitors. Some of Gencan's competitors have longer operating histories, access to larger customer bases, greater resources and significantly greater economies of scale than those of Gencan. As a result, they may be able to respond more quickly to changing demands or devote greater resources to the development, promotion and sales of their products. This may allow them to capture higher margins or have lower costs. In addition, new competitors or alliances among existing competitors could emerge and rapidly acquire significant market share. If Gencan fails to compete successfully, it may not be able to increase our market share.

Lack of Technical Consultants

Gencan's future success depends, to a significant extent, on its ability to attract technical consulting personnel. Recruiting capable consultants, particularly those with expertise in the solar power industry, is vital to Gencan's success. If Gencan is unable to attract qualified consultants, its business may be materially and adversely affected.

Compliance with Environmental Laws

Gencan is required to comply with all local environmental regulations. Gencan believes that it complies with all relevant environmental laws and regulations and has all necessary environmental permits to conduct its business as it is presently conducted. However, if more stringent regulations are adopted in the future, the costs of complying with these new regulations could be substantial. If Gencan fails to comply with present or future environmental regulations, it may be required to pay substantial fines, suspend production or cease operations. If compliance is unduly expensive or unduly difficult, Gencan's financial results may be adversely affected.

Limited Insurance Coverage

Although Gencan currently carries third-party liability insurance against property damages, the policies for this insurance are limited in scope and may not cover all claims relating to personal injury, property or environmental damage arising from incidents on Gencan's properties or relating to its operations. Any occurrence of these or other incidents which are not insured under Gencan's existing insurance policies could have a material adverse effect on its business, financial condition or results of operations.

Listing of Gencan Shares

The Gencan Shares are not currently listed on any stock exchange. Although an application has been made to list the Gencan Shares on the CSE, there is no assurance when, or if, the Gencan Shares will be listed on the CSE or on any other stock exchange. Until the Gencan Shares are listed on a stock exchange, shareholders of Gencan may not be able to sell their Gencan Shares. Even if a listing is obtained, ownership of Gencan Shares will involve a high degree of risk.

Qualification under the Tax Act for a Registered Plan

If the Gencan Shares are not listed on a designated stock exchange in Canada before the due date for Gencan's first income tax return or if Gencan does not otherwise satisfy the conditions in the Tax Act to be a "public corporation", the Gencan Shares will not be considered to be a qualified investment for a Registered Plan from their date of issue. Where a Registered Plan acquires a Gencan Share in circumstances where the Gencan Share is not a qualified investment under the Tax Act for the Registered Plan, adverse tax consequences may arise for the Registered Plan and the annuitant under the Registered Plan, including that the Registered Plan may become subject to penalty taxes, the annuitant of such Registered Plan may be deemed to have received income therefrom or be subject to a penalty tax or, in the case of a registered education savings plan, such plan may have its tax exempt status revoked.

Fluctuation in Market Value of Gencan Shares

Assuming the Gencan Shares are listed on a stock exchange, the market price of the Gencan Shares, as a publicly traded stock, can be affected by many variables not directly related to the corporate performance of Gencan, including the market in which it is traded, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of Gencan Shares in the future cannot be predicted. The lack of an active public market could have a material adverse effect on the price of Gencan Shares

Substantial Number of Authorized but Unissued Gencan Shares

Gencan has an unlimited number of Gencan Shares which may be issued by the Gencan Board without further action or approval of Gencan's shareholders. While the Gencan Board is required to fulfill its fiduciary obligations in connection with the issuance of such shares, Gencan Shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of Gencan's shareholders

PROMOTERS

Genterra took the initiative of founding and organizing Gencan and its business and operations and, as such, may be considered to be the promoter of Gencan for the purposes of applicable securities legislation. As at the date of this Circular, Genterra is the sole (100%) shareholder of Gencan. Following completion of the Arrangement, Genterra will own approximately 12,038,562 Gencan Shares representing approximately 72% of the issued and outstanding Gencan Shares.

During the 10 years before the date of this Listing Statement, Genterra has not become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Genterra has not been subject to any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority, has not entered into a settlement agreement with a provincial and territorial securities regulatory authority, and has not had any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

LEGAL PROCEEDINGS

There are no legal proceedings outstanding, threatened or pending, as of the date of this Circular, by or against Gencan or which Gencan is a party or to which any of the assets of Gencan is subject, nor to Gencan's knowledge are any such legal proceedings contemplated, which could become material to the Genterra Shareholders or to a shareholder of Gencan.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as set forth below, since Gencan's incorporation, no director, executive officer, or shareholder who beneficially owns, or exercises control or direction over, directly or indirectly, more than 10% of the outstanding Gencan Shares, or any known associates or affiliates of such persons, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or is reasonably expected to materially affect Gencan:

- During the period ended September 30, 2014, Gencan entered into an agreement with Highroad, which provides for the management by Highroad of Gencan's solar energy generation operation for \$60,000 per annum. During the fiscal year ended September 30, 2014 and the six months ended March 31, 2015 Gencan paid \$10,000 and \$30,000, respectively, under this agreement.
- During the period ended September 30, 2014, Gencan entered into a lease agreement with its parent company, Genterra, to lease the roof of 450 Dobbie Drive, Cambridge, Ontario where Gencan's solar energy generation equipment is located, for \$52,813 per annum. During the fiscal year ended September 30, 2014 and the six months ended March 31, 2015 Gencan paid \$6,282 and \$26,407, respectively, under this lease agreement.
- During the period ended September 30, 2014, Gencan entered into a loan agreement with its parent company, Genterra, which is due on demand and bears interest at 4% per annum and is secured by a general security agreement. As of September 30, 2014, \$2,321,970 (March 31, 2015: \$2,557,970) was outstanding under this loan agreement and \$10,085 (March 31, 2015: \$50,684) of interest had been charged by Genterra. Pursuant to an Amending Agreement made on July 16, 2015, the loan has been converted into a 5-year term loan repayable on August 1, 2019, with interest at a rate of 4% per annum calculated and payable monthly in arrears.

AUDITOR, TRANSFER AGENT AND REGISTRAR

It is expected that BDO Canada LLP , TD Bank Tower, 66 Wellington Street, West Suite 3600, PO Box 131 Toronto, Ontario, Canada M5K 1H1, will continue to act as Gencan's Auditor.

It is expected that Computershare, 100 University Avenue, 8th Floor, Toronto Ontario, M5J 2Y1 will be appointed to act as Gencan's Transfer Agent and Registrar.

MATERIAL CONTRACTS

Since its incorporation, Gencan has entered into the following material contracts:

- Gencan is party to a management contract with Highroad Estates Inc. whereby Highroad has agreed to provide administration and management services relating to Gencan's solar energy generation operation for an annual fee of \$60,000.
- Gencan has a loan payable to its parent company Genterra in the amount of \$2,557,970 as of March 31, 2015. This amount is due on demand, bears interest at 4% per annum and is secured by a general security agreement. Pursuant to an Amending Agreement made on July 16, 2015, the loan has been converted into a 5-year term loan repayable on August 1, 2019, with interest at a rate of 4% per annum calculated and payable monthly in arrears.
- Gencan leases the roof in which its solar energy generation equipment is installed located at 450 Dobbie Drive from Genterra for \$52,813 per annum expiring in August 2034.
- Genterra receives revenue from Cambridge and North Dumfries Hydro Inc. from its solar energy generation equipment under a Feed-In Tariff Contract dated June 9, 2011 of \$0.635 per kWh produced which expires on August 17, 2034 (twenty years from initial commercial operation).

INTERESTS OF EXPERTS

Auditors

Effective January 19, 2015 BDO Canada LLP were appointed as auditors of Gencan by the board of directors.

BDO Canada LLP have no registered or beneficial interest, direct or indirect, in any securities or property of Gencan, or any of Gencan's Associates or Affiliates, nor does it expect to receive any such securities or other property.

Fees paid to BDO Canada LLP for its services rendered are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
September 30, 2014	\$16,275	Nil	Nil	Nil

Financial Advisor

Pursuant to an engagement by the Special Committee of Gencan's parent company, Genterra, Corporate Valuation Services Limited prepared a valuation report entitled "Estimate of Fair Market Value of all the Shares of Gencan Inc.", dated June 23, 2015 and a fairness opinion entitled "Fairness Opinion on the Terms of an Arrangement by which the Publicly Owned Shares of Genterra are acquired by it in a Going Private Transaction", dated June 23, 2015. Both documents were completed by Corporate Valuation Services Limited and were prepared for the Special Committee.

Corporate Valuation Services Limited has no registered or beneficial interest, direct or indirect, in any securities or property of Gencan, or any of Gencan's associates or affiliates, nor does it expect to receive any such securities or other property.

OTHER MATERIAL FACTS

There are no other material facts other than as disclosed herein.

FINANCIAL STATEMENTS

See Appendix B which includes the annual audited financial statements and the unaudited condensed interim financial statements for Gencan.

Appendix A

GLOSSARY OF TERMS

In this Listing Statement, unless there is something in the subject matter inconsistent therewith, the following terms shall have the respective meanings set out below, words importing the singular number shall include the plural and vice versa and words importing any gender shall include all genders.

"**affiliate**" has the meaning ascribed to that term in the Securities Act.

"**Arrangement**" means an arrangement under the provisions of Section 182 of the OBCA, on the terms and conditions set forth in the Plan of Arrangement as amended from time to time in accordance with its terms.

"**Arrangement Agreement**" means the Arrangement Agreement dated as of July 10, 2015 between Genterra and Gencan, as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with its terms.

"**Arrangement Resolution**" means the special resolution to be considered and, if thought fit, passed by the Genterra Shareholders to approve the Arrangement Agreement and the Plan of Arrangement.

"**Computershare**" means Computershare Investor Services Inc., the transfer agent and registrar for the Genterra Shares.

"**Consideration**" means the consideration to be received pursuant to the Plan of Arrangement in respect of each Genterra Share that is issued and outstanding immediately prior to the Effective Time, consisting of (i) Cdn\$2.25 in cash for each Genterra Share held by each Genterra Shareholder who holds less than 500 Genterra Shares; and (ii) Cdn\$1.96 in cash and two (2) Gencan Shares for each Genterra Share held by each Genterra Shareholder who holds 500 Genterra Shares or more.

"**Court**" means the Ontario Superior Court of Justice (Commercial List).

"**CSE**" means the Canadian Securities Exchange.

"**CVS**" means Corporate Valuation Services Limited, financial advisor to the Special Committee.

"**Effective Date**" means the date upon which the Arrangement becomes effective as established by the date of issue shown on the certificate giving effect to the Arrangement as issued by the Director appointed pursuant to Section 278 of the OBCA.

"**Effective Time**" means 12:01 a.m. (Toronto time) on the Effective Date or such other time as Genterra and Gencan may agree in writing.

"**Fairness Opinion**" means an opinion of CVS dated June 23, 2015, which is addressed to the Special Committee and provides that the Consideration is fair, from a financial point of view, to the holders of Genterra Shares other than the Interested Genterra Shareholders, and is otherwise in a form acceptable to the Special Committee.

"**Final Order**" means the order of the Court approving the Arrangement under Section 182 of the OBCA, in form and substance acceptable to Genterra and Gencan, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of both Genterra and Gencan, each acting reasonably) at any time prior to the Effective Date or, if appealed, as affirmed or amended (provided that any such amendment is acceptable to both Genterra and Gencan, each acting reasonably) on appeal unless such appeal is withdrawn, abandoned or denied.

"**FIT Program**" means a Feed-In Tariff Program.

"**Gencan**" means Gencan Capital Inc., a corporation existing under the laws of the Province of Ontario and formerly known as Genterra Energy Inc.

"**Genterra**" means Genterra Capital Inc., a corporation existing under the laws of the Province of Ontario.

"**Gencan Shareholders**" means the holders of Gencan Shares from time to time.

"**Gencan Shares**" means the common shares of Gencan to be transferred to certain Genterra Shareholders as a portion of the Consideration distributed under the Plan of Arrangement.

"**Genterra Shareholder Approval**" means the requisite approval of the Arrangement Resolution by at least 66⅔% of the votes cast on the Arrangement Resolution by the Genterra Shareholders present in person or by proxy at the Meeting and subject to the simple majority of the votes cast on the Arrangement Resolution excluding the votes of Genterra Shares held or controlled by Interested Genterra Shareholders.

"**Genterra Shareholders**" means the holders from time to time of Genterra Shares.

"**Genterra Shares**" means the common shares without par value in the capital of Genterra.

"**Highroad**" means Highroad Estates Inc., a corporation existing under the laws of the Province of Ontario.

"**IFRS**" means International Financial Reporting Standards as incorporated in the Handbook of the Canadian Institute of Chartered Accountants, at the relevant time applied on a consistent basis.

"**Interested Genterra Shareholder**" means, at the applicable time, a holder of Genterra Shares who is, for the purposes of voting on the Arrangement Resolution an "interested party" within the meaning of MI 61-101 or otherwise required to be excluded for the purposes of a vote on the Arrangement Resolution under the requirements of MI 61-101.

"**Law**" or "**Laws**" means all laws, statutes, codes, ordinances (including zoning), decrees, rules, regulations, by-laws, notices, judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, injunctions, orders, decisions, settlements, writs, assessments, arbitration awards, rulings, determinations or awards, decrees or other requirements of any Governmental Authority having the force of law and any legal requirements arising under the common law or principles of law or equity and the term "applicable" with respect to such Laws and, in the context that refers to any person, means such Laws as are applicable at the relevant time or times to such person or its business, undertaking, property or securities and emanate from a Governmental Authority having jurisdiction over such person or its business, undertaking, property or securities.

"**Litwin Group**" means, collectively, Fred A. Litwin and members of his family and their respective associates and affiliates, who beneficially own, directly or indirectly, or exercise control or direction over Genterra Shares;

"**MD&A**" means management's discussion and analysis.

"**Meeting**" means the special meeting of Genterra Shareholders, including any adjournment or postponement thereof, to be held for the purpose of, among other things, obtaining the Genterra Shareholder Approval.

"**OBCA**" means the *Business Corporations Act* (Ontario) R.S.O. 1990, as amended.

"**Plan of Arrangement**" means the plan of arrangement substantially in the form and content set out in Schedule A to the Arrangement Agreement, as amended, modified or supplemented from time to time in accordance with Article 6 of the Plan of Arrangement or at the direction of the Court in the Final Order, with the consent of Genterra and Gencan, each acting reasonably.

"**Registered Plan**" means a trust governed by an RRSP, RRIF, registered disability savings plan, deferred profit sharing plan, registered education savings plan or TFSA.

"SEC" means the United States Securities and Exchange Commission.

"**Special Committee**" means the special committee established by the Genterra Board in connection with the transactions contemplated by the Arrangement Agreement consisting of Mark E. Dawber (Chair), Sol D. Nayman and Alan Kornblum.

"**Tax**" or "**Taxes**" means all taxes, dues, duties, rates, imposts, fees, levies, other assessments, tariffs, charges or obligations of the same or similar nature, however denominated, imposed, assessed or collected by any Governmental Authority, including all income taxes, including any tax on or based on net income, gross income, income as specifically defined, earnings, gross receipts, capital gains, profits, business royalty or selected items of income, earnings or profits, and specifically including any federal, provincial, state, territorial, county, municipal, local or foreign taxes, state profit share taxes, windfall or excess profit taxes, capital taxes, royalty taxes, production taxes, payroll taxes, health taxes, employment taxes, withholding taxes, sales taxes, use taxes, goods and services taxes, custom duties, value added taxes, ad valorem taxes, excise taxes, alternative or add-on minimum taxes, franchise taxes, gross receipts taxes, license taxes, occupation taxes, real and personal property taxes, stamp taxes, anti-dumping taxes, countervailing taxes, occupation taxes, environment taxes, transfer taxes, and employment or unemployment insurance premiums, social insurance premiums and worker's compensation premiums and pension (including Canada Pension Plan) payments, and other taxes, fees, imposts, assessments or charges of any kind whatsoever together with any interest, penalties, additional taxes, fines and other charges and additions that may become payable in respect thereof.

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended.

"**TSXV**" means the TSX Venture Exchange.

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.

"**Valuation Report**" means a report of Corporate Valuation Services Limited dated June 23, 2015, which is addressed to the Special Committee and provides an estimate of the fair market value of all of the Gencan Shares as at March 31, 2015, and is otherwise in a form acceptable to the Special Committee.

APPENDIX B
FINANCIAL STATEMENTS OF GENCAN INC.

GENCAN INC.

Financial Statements

Period Ended September 30, 2014

(Expressed in Canadian Dollars)



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INDEPENDENT AUDITOR'S REPORT

To the shareholder of Gencan Inc.

We have audited the accompanying financial statements of Genterra Energy Inc., which comprise the statement of financial position as at September 30, 2014, and the statement of income (loss) and comprehensive income (loss), statement of changes in equity (deficiency) and statement of cash flows for the period from incorporation on October 31, 2013 to September 30, 2014 and 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, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit 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 the auditor's 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, the auditor considers 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 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 financial position of Gencan Inc. as at September 30, 2014 and its financial performance and its cash flows for the period from incorporation on October 31, 2013 to September 30, 2014 in accordance with International Financial Reporting Standards.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

April 20, 2015

Toronto, Ontario

Gencan Inc.
Statement of Financial Position
As at September 30, 2014

Notes

Assets

Current assets

Cash and cash equivalents
 Accounts receivable

\$ 882
 303,572
 53,605
 358,059

Prepaid expenses and deposits

Equipment

5

2,206,032

Deferred income taxes

8

9,940

Total assets

\$ 2,574,031

Liabilities and Shareholder's Deficiency

Current liabilities

Accounts payable and accrued liabilities

\$ 237,419
 10,085

Interest payable

6

247,504

32,118
 2,321,970

Deferred rent

Loan payable

6

2,601,592

Shareholder's Deficiency

10

Capital stock

7

(27,571)
 (27,561)

Deficit

\$ 2,574,031

Total shareholder's deficiency

Total liabilities and shareholder's deficiency

Approved on behalf of the Board:



Director

Mark Litwin



Director

Stan Abramowitz

See accompanying notes to the financial statements

Gencan Inc.

Statement of Income (Loss) and Comprehensive Income (Loss) For the period from Incorporation on October 31, 2013 to September 30, 2014

	<i>Notes</i>	
Revenue		
Solar energy generation		\$ 41,143
		<u>41,143</u>
Expenses		
Operating costs		42,140
Administrative and general		13,329
Interest	6	10,085
Amortization	5	13,100
		<u>78,654</u>
Loss before incometaxes		<u>(37,511)</u>
Income taxes (recovery)		
Current		-
Deferred	8	(9,940)
		<u>(9,940)</u>
Net loss for the period, also being comprehensive loss		<u>\$ (27,571)</u>
Loss per share		
Basic and diluted		<u>\$ (275.71)</u>
Weighted average number of common shares		
Basic and diluted		100

See accompanying notes to the financial statements

Gencan Inc.

Statement of Changes in Equity (Deficiency)

For the period from Incorporation on October 31, 2013 to September 30, 2014

	Capital Stock		Deficit	Total Equity (Deficiency)
	Common shares			
	Number of shares	Amount		
<i>Notes</i>				
Balance at October 31, 2013	100	\$ 10	\$ -	\$ 10
Net loss for the period	-	-	(27,571)	(27,571)
Balance at September 30, 2014	100	\$ 10	(27,571)	\$ (27,561)

See accompanying notes to the financial statements

Gencan Inc.

Statement of Cash Flows

For the period from Incorporation on October 31, 2013 to September 30, 2014

	<i>Notes</i>	
Cash flows from operating activities		
Net loss for the period		\$ (27,571)
Adjustments to reconcile net loss to net cash flows:		
Amortization	5	13,100
Deferred income taxes recovery	8	(9,940)
Deferred rent		32,118
Interest expense		10,085
		<u>17,792</u>
Changes in non-cash components of working capital:		
Accounts receivable		(303,572)
Prepaid expenses and deposits		(53,605)
Accounts payable and accrued liabilities		237,419
Net cash flows used in operating activities		<u>(101,966)</u>
Cash flows from financing activities		
Issuance of capital stock	7	10
Proceeds from loan payable	6	2,321,970
Net cash flows from financing activities		<u>2,321,980</u>
Cash flows used in investing activities		
Investment in equipment	5	(2,219,132)
Net cash flows used in investing activities		<u>(2,219,132)</u>
Net increase in cash and cash equivalents		<u>882</u>
Cash and cash equivalents, beginning of period		<u>-</u>
Cash and cash equivalents, end of period		<u>\$ 882</u>
Cash and cash equivalents are comprised of the following:		
Cash balances with banks		\$ 882
Short term deposits		-
Total cash and cash equivalents		<u>\$ 882</u>

See accompanying notes to the financial statements

Gencan Inc.

Notes to the Financial Statements

For the period from Incorporation on October 31, 2013 to September 30, 2014

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Nature of operations

Gencan Inc. (“GE” or “the Company”) is a Canadian company and the holder of a Solar Energy Feed-In Tariff Program Contract with interests in solar energy generation equipment located in Ontario, Canada. The Company was incorporated on October 31, 2013 and the address of the Company’s registered office is 106 Avenue Road, Toronto, Ontario, M5R 2H3. The Company is a 100% subsidiary of GenterraCapital Inc. (“GCI”), which is a public company traded on the TSX Venture Exchange.

Basis of presentation

These financial statements include the accounts of the Company only. The Company does not have any subsidiaries.

2. BASIS OF PREPARATION

(a) Statement of compliance

The Company prepares financial statements in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The policies applied in these financial statements are based on IFRS issued and effective as of September 30, 2014. These financial statements were authorized for issue by the Board of Directors on April 20, 2015.

(b) Functional currency

These financial statements are presented in Canadian dollars, the Company’s functional currency.

(c) Basis of measurement

These financial statements are prepared on the historical cost basis.

(d) Critical judgements in the application of accounting policies

The following are the critical judgements that have been made in applying the Company’s accounting policies and that have the most significant effect on the amounts in the financial statements:

Leases: The Company’s policy for leases is described in note 3(e). In applying this policy, the Company makes judgements in determining whether its leases are operating or finance leases. The Company has determined that all of its leases are operating leases.

Equipment: The Company’s policy for equipment is described in note 3(c). In applying this policy, the Company makes judgements in determining whether certain costs are additions to the carrying amount of the equipment. Judgement is also applied in determining whether an impairment in value exists at each reporting date.

Deferred income taxes: The Company’s policy for deferred income taxes is described in note 3(i). In applying this policy, the Company makes judgements in determining whether the recoverability of deferred income tax assets is probable. The Company has determined that the realization of certain income tax losses carried forward are probable and has recorded a deferred income tax asset relating to these losses.

Gencan Inc.

Notes to the Financial Statements

For the period from Incorporation on October 31, 2013 to September 30, 2014

Impairment of financial assets: The Company's policy for the recognition of an impairment of financial assets is described in note 3(d). In applying this policy, the Company makes judgements in determining whether an event has occurred to cause the value of the underlying asset to become impaired. The Company has determined that none of its financial assets are impaired.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) New accounting standards

The Company has adopted all IFRS's in effect for the fiscal year ended September 30, 2014.

(b) Foreign currencies

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end rates are recognized in the statements of income and comprehensive income.

(c) Equipment

Equipment is stated at the lower of cost, net of accumulated amortization, and its recoverable amount. Equipment is reviewed for impairment at the end of each reporting period. If it is determined that the net recoverable amount of Equipment is less than its carrying value, the Equipment is written down to its recoverable amount. The recoverable amount of Equipment is the higher of fair value less costs to sell and its value in use. Fair value is determined as the amount that would be obtained from the sale of the Equipment in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows of Equipment is discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the Equipment. Any impairment in value of Equipment is recorded in the statements of income and comprehensive income. Where an impairment loss of Equipment subsequently reverses, the carrying amount is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years. A reversal of an impairment loss on Equipment is recognized immediately in the statements of income and comprehensive income.

Amortization is being provided for over the estimated useful life of Equipment as follows:

Solar Energy Generation Equipment:

Solar modules and racking	straight-line over twenty years
Energy transformer	straight-line over ten years

(d) Financial instruments

The Company's financial assets and liabilities include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, interest payable and loan payable.

The Company's financial assets and liabilities can be classified into any of the following specified categories:

i) available-for-sale ("AFS") financial assets, ii) fair value through profit or loss ("FVTPL"), iii) loans and receivables, iv) held to maturity investments and v) other liabilities. The classification depends on the nature and purpose of the financial assets and liabilities and is determined at the time of initial recognition.

Gencan Inc.

Notes to the Financial Statements

For the period from Incorporation on October 31, 2013 to September 30, 2014

Cash and cash equivalents: The Company's cash equivalents consist primarily of investments in short-term deposits which are either cashable or have maturities of three months or less from dates of placement. Cash and cash equivalents are included in the loans and receivables financial instruments category and are initially recognized at the fair value that is directly attributable to the acquisition or issue. They are carried in the statements of financial position at amortized cost using the effective interest rate method. The Company does not hold any asset backed commercial paper.

Accounts receivable: The Company's accounts receivable consists primarily of sales taxes recoverable and solar energy sales receivables. Accounts receivable are classified as loans and receivables. These are non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. They are initially recognized at the fair value that is directly attributable to their acquisition or issue and subsequently carried at amortized cost using the effective interest rate method. The effect of discounting on these financial instruments is not considered to be material. All other gains or losses are recognized when the instrument is removed from the statement of financial position.

Other financial liabilities: The Company's other financial liabilities include accounts payable and accrued liabilities, interest payable and loan payable.

(i) Accounts payable and accrued liabilities and interest payable consist primarily of trade payables and accrued interest on the loan payable. They are initially recognized at the fair value that is directly attributable to their acquisition or issue and subsequently carried at amortized cost using the effective interest rate method. The effect of discounting on these financial instruments is not considered to be material.

(ii) Loan payable consists of a loan payable to the Company's parent company and is initially recognized at the fair value directly attributable to the issue of the instrument, net of transaction costs. It is subsequently carried at amortized cost using the effective interest rate method. Interest expense is recognized in the statements of income and comprehensive income in the same period as incurred. All other gains or losses are recognized when the instrument is removed from the statement of financial position. The effect of discounting on these financial instruments is not considered to be material.

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at each financial position reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include, among other evidence: i) significant financial difficulty of the issuer or counterparty; or ii) default or delinquency in interest or principal payments; or iii) it becoming probable that the borrower will enter bankruptcy or financial re-organization.

Certain categories of financial assets that are assessed not to be impaired individually, such as accounts receivable and prepayments, are subsequently assessed for impairment on a collective basis. For these assets, the carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statements of income and comprehensive income in the relevant period. With the exception of AFS instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying amount of the investment at the date the

Gencan Inc.

Notes to the Financial Statements

For the period from Incorporation on October 31, 2013 to September 30, 2014

impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

The Company does not have any derivative financial instruments.

The Company does not have any financial instruments recorded at fair value.

(e) Leases

Where substantially all of the risks and rewards incidental to ownership of a leased asset has been transferred to the Company ("Finance Lease"), the asset is treated as if it had been purchased. The amount initially recognized as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are then allocated between capital repayment and interest expense which is charged to the statement of income and comprehensive income over the period of the lease. Where substantially all of the risks and rewards incidental to ownership of a leased asset are not transferred to the Company ("Operating Lease"), the total rents payable in the lease are charged to expense on a straight-line basis over the term of the lease.

(f) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(g) Revenue recognition

Revenue from solar energy generation equipment is recognized as produced and received by the local utility.

(h) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable effective interest rate.

(i) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying value and tax basis of assets and liabilities and the benefit of tax losses available to be carried forward for tax purposes.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets are recorded in the financial statements if realization is considered probable. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the year that the rate changes.

Gencan Inc.

Notes to the Financial Statements

For the period from Incorporation on October 31, 2013 to September 30, 2014

(j) Earnings (loss) per share

Basic earnings (loss) per common share is calculated by dividing the earnings (loss) attributed to common shareholders for the period by the weighted average number of common shares outstanding in the period. Diluted earnings (loss) per common share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. The Company does not have any potential common shares issuable.

(k) Segment reporting

A segment is a component of the Company that: i) engages in business activities from which it may earn revenue and incur expenses, ii) whose operating results are reviewed by the board of directors, and iii) for which discrete financial information is available. Management of the Company has identified one reportable industry segment, solar energy generation, with all equipment located in Ontario, Canada.

(l) New accounting standards not yet effective

IFRS 9, *Financial Instruments: Classification and Measurement*, introduces new requirements for the classification and measurement of financial instruments, a single forward-looking expected loss impairment model and a substantially reformed approach to hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Management has not yet considered the potential impact of the adoption of IFRS 9.

Interpretation of International Financial Reporting Interpretations Committee, IFRIC 21, *Levies*, provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, and those where the timing and amount of the levy is certain. It identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014, with early adoption permitted and is applied retrospectively. Management anticipates that this standard will be adopted for the period beginning October 1, 2014 and has determined that the adoption thereof will have no impact on the financial statements.

IAS 32, *Financial Instruments: Presentation*, was amended to clarify that an entity currently has a legally enforceable right to offset if that right is not contingent on a future event and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. The amendments to IAS 32 also clarify when a settlement mechanism provides for net settlement or gross settlement that is equivalent to net settlement. IAS 32 is effective for annual periods beginning on or after January 1, 2014. Management anticipates that this standard will be adopted for the period beginning October 1, 2014 and has determined that the adoption thereof will have no impact on the financial statements.

The IASB issued IFRS 15, *Revenue Recognition*, in June 2014. The objective of IFRS 15 is to provide a single, comprehensive revenue recognition model for all contracts with customers. It contains a single principles based five step approach that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It also contains new disclosure requirements. IFRS 15 will be effective for the Company on October 1, 2017, with early adoption permitted. Management has not yet considered the potential impact of the adoption of IFRS 15.

Gencan Inc.

Notes to the Financial Statements

For the period from Incorporation on October 31, 2013 to September 30, 2014

4. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- (i) the recoverability of accounts receivable and prepayments totaling \$357,177;
- (ii) the estimated useful lives of solar energy generation equipment totaling \$2,206,032 and the related amortization of \$13,100;
- (iii) the provision for income taxes recovery of \$9,940.

5. EQUIPMENT

	Solar modules and racking	Energy transformer	Total
Cost			
Balance - October 31, 2013	\$ -	\$ -	\$ -
Additions	2,094,832	124,300	2,219,132
Balance - September 30, 2014	<u>\$ 2,094,832</u>	<u>\$ 124,300</u>	<u>\$ 2,219,132</u>
Accumulated amortization			
Balance - October 31, 2013	\$ -	\$ -	\$ -
Amortization	11,722	1,378	13,100
Balance - September 30, 2014	<u>\$ 11,722</u>	<u>\$ 1,378</u>	<u>\$ 13,100</u>
Net book value			
September 30, 2014	<u>\$ 2,083,110</u>	<u>\$ 122,922</u>	<u>\$ 2,206,032</u>

6. LOAN PAYABLE

The loan payable is due to the Company's parent, GCI. It is due on demand and bears interest at 4% per annum. The loan is collateralized by a general security agreement on all the assets of the Company. The carrying value of the loan payable approximates its fair value (see Note 11).

Gencan Inc.

Notes to the Financial Statements

For the period from Incorporation on October 31, 2013 to September 30, 2014

7. CAPITAL STOCK AND EQUITY

Capital stock

Authorized

Unlimited Common shares, no par value

Issued and outstanding

100 Common Shares

September 30 2014	
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\$	10
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During the year, the Company issued 100 common shares for \$10.

Equity

The Company's equity consists of capital stock and retained earnings. The break-down of the Company's capital stock is described above.

Deficit represent cumulative net losses and decreases in net assets of the Company.

8. INCOME TAXES

The income of the Company is subject to current income tax at a combined federal and provincial rate of 26.5%.

There was no difference between the Company's effective tax rate and the combined statutory tax rate for the period.

Deferred income tax is calculated using a tax rate of 26.5%. The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and liabilities is as follows:

Deferred income tax asset

Non-capital loss carry forwards

Deferred rent

Solar energy generation equipment

September 30 2014	
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\$	132,892
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	8,511
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	(131,463)
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\$	9,940
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Gencan Inc.

Notes to the Financial Statements

For the period from Incorporation on October 31, 2013 to September 30, 2014

9. EARNINGS (LOSS) PER SHARE

(a) Basic

Basic earnings (loss) per share is calculated by dividing the net income (loss) attributable to commonshareholders by the weighted average number of common shares in issue during the period.

Net loss for the period	\$ (27,571)
Weighted average number of common shares	100
Basic loss per share	\$ (275.71)

(b) Diluted

Diluted earnings (loss) per share has not been calculated as there are no potential common shareissuances.

10. FINANCIAL INSTRUMENTS

In accordance with IFRS, the Company is required to classify its financial instruments carried at fair value inthe financial statements using a fair value hierarchy that exhibits the significance of the inputs used in makingthe measurements. The Company does not have any financial assets which are measured at fair value.

11. FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, interest payable and loan payable. The Company is exposed tovarious risks as it relates to these financial instruments. The risks and processes for managing the risks are setout below:

(a) **Liquidity risk**

Liquidity risk arises from the Company's management of working capital and principal repayments on itsdebt obligations. It is the risk that the Company will encounter difficulty in meeting its financial obligationsas they fall due.

The Company's objective is to ensure that it will always have sufficient cash to allow it to meet its liabilitieswhen they become due. To achieve this goal the Company seeks to maintain cash balances to meet expectedrequirements for a period of twelve months. At the date of the statement of financial position, the Companyexpected to generate sufficient liquid resources to meet its obligations under all reasonable expectedcircumstances.

Accounts payable and accrued liabilities are due within one year. The Company's loan payable and accruedinterest thereon, while due on demand, will not be called for redemption by the holder within the next twelvemonths.

Gencan Inc.

Notes to the Financial Statements

For the period from Incorporation on October 31, 2013 to September 30, 2014

The Company's major contractual obligations in the subsequent twelve-month periods are as follows:

	2015	2016	2017	2018	2019	Thereafter	Total
Accounts payable and other liabilities	\$ 247,504	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 247,504
Loan payable	2,321,970	-	-	-	-	-	2,321,970
Operating lease and contract payable	62,991	62,991	62,991	52,813	52,813	785,913	1,080,512
	\$ 2,632,465	\$ 62,991	\$ 62,991	\$ 52,813	\$ 52,813	\$ 785,913	\$ 3,649,986

(b) Foreign exchange risk

Currency risk is the risk that a variation in exchange rates between the Canadian dollar and foreign currencies will affect the Company's operating and financial results. Any currency gains or losses are included in the consolidated statements of income (loss) and comprehensive income (loss).

At September 30, 2014, the Company had no monetary assets and liabilities denominated in foreign currencies and had no outstanding foreign exchange commitments.

The Company does not undertake currency hedging activities.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company has reduced its exposure to interest rate risk over cash flows through the use of fixed rate instruments on certain of its financial liabilities. The Company has not used derivative financial instruments to alter its exposure to interest rate risk.

As of September 30, 2014, no borrowings of the Company bear interest on a prime plus basis. In doing so, the Company has not exposed itself to fluctuations in interest rates that are inherent in such a market.

(d) Other price risk

Other price risk is the risk that the market value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company does not have any financial instruments subject to this risk.

(e) Concentration of credit risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivables. The Company does not have any significant amounts outstanding which are past due or impaired.

Cash and cash equivalents are maintained at one financial institution. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions of reputable credit and therefore bear minimal credit risk. Interest due is included with accounts receivable.

Gencan Inc.

Notes to the Financial Statements

For the period from Incorporation on October 31, 2013 to September 30, 2014

A portion of accounts receivable is represented by electricity sales receivables due from a single utility. Management believes that collection risk on this receivable is not significant.

The Company sells all of its generated electricity to a single utility under a twenty year Feed-In Tariff delivery contract. While this constitutes a significant credit concentration, Management believes that the risk is not significant.

(f) Fair value of financial assets and liabilities

The carrying values of the cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, interest payable and loan payable approximate their respective fair values due to the short-term nature of these instruments.

12. CAPITAL RISK MANAGEMENT

The Company's primary objective when managing capital is to create and maximize shareholder value through the operation of its solar energy generation equipment.

The Company considers its total capitalization to consist of loan payable, Common share capital and accumulated retained earnings (deficit). Management reviews its capital management approach on an ongoing basis.

As at September 30, 2014 the Company did not have any externally imposed capital requirements.

The following table provides a summary of certain information with respect to the Company's capital structure and financial position as at September 30, 2014:

	September 30 2014
Loan payable	\$ 2,321,970
Shareholders' equity (deficiency)	(27,561)
	<u>\$ 2,294,409</u>

13. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, Officers of the Company, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

The Company entered into transactions and had outstanding balances with various companies related by virtue of common ownership and management. These transactions were in the normal course of operations and were measured at the amount of consideration established and agreed to by the related parties.

Significant related party transactions and balances not disclosed elsewhere in these consolidated financial statements are as follows:

Gencan Inc.

Notes to the Financial Statements

For the period from Incorporation on October 31, 2013 to September 30, 2014

The Company is the owner of a solar energy generation project located on the roof of one of its parent's (GCI) properties, which is being rented by the Company from GCI for \$52,813 per annum. The Company has entered into an agreement with Highroad Estates Inc. ("Highroad"), a company of which certain directors and officers are also directors and officers of the Company, to manage this operation for \$60,000 per annum.

In addition, the Company has entered into an administrative services agreement with GCI for \$6,000 per annum commencing in October, 2014.

Under the above agreements, management fees of \$10,000 was charged by Highroad and rent of \$6,282 was charged by GCI.

Accounts payable and accrued liabilities at September 30, 2014 include \$6,282 due to GCI and \$10,000 due to Highroad. These amounts are unsecured and are due on demand.

Loan payable at September 30, 2014 of \$2,321,970 is due to GCI on demand and bears interest at 4% per annum. During the period, \$10,085 of interest was charged under this loan and is included in interest payable on the statement of financial position as at September 30, 2014.

The Company did not directly pay any remuneration to key management for the period ended September 30, 2014.

GENCAN INC.

Condensed Interim Financial Statements

**Six Month Period Ended March 31, 2015 and from Incorporation
On October 31, 2013 to March 31, 2014**

(Unaudited)

(Expressed in Canadian Dollars)

Gencan Inc.

Condensed Interim Statements of Financial Positions

As at March 31, 2015 and September 30, 2014

(Unaudited)

	As at March 31 2015	As at September 30 2014
Assets		
Current assets		
Cash and cash equivalents	\$ 80,019	\$ 882
Accounts receivable	349,150	303,572
Prepaid expenses and deposits	24,317	53,605
	453,486	358,059
Equipment	2,151,845	2,206,032
Deferred income taxes	29,498	9,940
	\$ 2,634,829	\$ 2,574,031
Liabilities and Shareholder's Deficiency		
Current liabilities		
Accounts payable and accrued liabilities	\$ 66,585	\$ 237,419
Interest payable	60,769	10,085
	127,354	247,504
Deferred rent	31,311	32,118
Loan payable	2,557,970	2,321,970
	2,716,635	2,601,592
Shareholder's Deficiency		
Capital stock	10	10
Deficit	(81,816)	(27,571)
Total shareholder's deficiency	(81,806)	(27,561)
	\$ 2,634,829	\$ 2,574,031

See accompanying notes to the condensed interim financial statements

Gencan Inc.

Condensed Interim Statements of Income (Loss) and Comprehensive Income (Loss)

For the six month period ended March 31, 2015 and from Incorporation on October 31, 2013 to March 31, 2014

(Unaudited)

	For the three months ended March 31 2015	For the three months ended March 31 2014	For the six months ended March 31 2015	For the period Oct 31, 2013 to March 31 2014
Revenue				
Solar energy generation	\$ 63,423	\$ -	\$ 126,238	\$ -
	<u>63,423</u>	<u>-</u>	<u>126,238</u>	<u>-</u>
Expenses				
Operating costs	20,423	12,800	39,353	12,800
Administrative and general	39,200	-	55,817	-
Interest	25,229	-	50,684	-
Amortization	26,796	-	54,187	-
	<u>111,648</u>	<u>12,800</u>	<u>200,041</u>	<u>12,800</u>
Loss before income taxes	(48,225)	(12,800)	(73,803)	(12,800)
Income taxes (recovery)				
Current	-	-	-	-
Deferred	(12,779)	(3,392)	(19,558)	(3,392)
	<u>(12,779)</u>	<u>(3,392)</u>	<u>(19,558)</u>	<u>(3,392)</u>
Net loss for the period, also being comprehensive loss	\$ (35,446)	\$ (9,408)	\$ (54,245)	\$ (9,408)
Loss per share				
Basic and diluted	\$ (354.46)	\$ (94.08)	\$ (542.45)	\$ (94.08)
Weighted average number of common shares				
Basic and diluted	100	100	100	100

See accompanying notes to the condensed interim financial statements

Gencan Inc.

Condensed Interim Statements of Changes in Equity (Deficiency)

For the six month period ended March 31, 2015 and from Incorporation on October 31, 2013 to March 31, 2014

(Unaudited)

	Capital Stock		Deficit	Total Equity (Deficiency)
	Common shares			
	Number of shares	Amount		
Balance at October 31, 2013	100	\$ 10	\$ -	\$ 10
Net loss for the period	-	-	(9,408)	(9,408)
Balance at March 31, 2014	100	\$ 10	\$ (9,408)	\$ (9,398)
Balance at October 31, 2013	100	\$ 10	\$ -	\$ 10
Net loss for the period	-	-	(27,571)	(27,571)
Balance at September 30, 2014	100	\$ 10	\$ (27,571)	\$ (27,561)
Balance at September 30, 2014	100	\$ 10	\$ (27,571)	\$ (27,561)
Net loss for the period	-	-	(54,245)	(54,245)
Balance at March 31, 2015	100	\$ 10	\$ (81,816)	\$ (81,806)

See accompanying notes to the condensed interim financial statements

Gencan Inc.

Condensed Interim Statements of Cash Flows

For the six month period ended March 31, 2015 and from Incorporation on October 31, 2013 to March 31, 2014

(Unaudited)

	For the six months ended March 31 2015	For the period Oct 31, 2013 to March 31 2014
Cash flows from operating activities		
Net loss for the period	\$ (54,245)	\$ -
Adjustments to reconcile net loss to net cash flows:		
Amortization	54,187	-
Deferred income taxes recovery	(19,558)	-
Deferred rent	(807)	-
Interest expense	50,684	-
	30,261	-
Changes in non-cash components of working capital:		
Accounts receivable	(45,578)	(10)
Prepaid expenses and deposits	29,288	-
Accounts payable and accrued liabilities	(170,834)	679,454
Net cash flows from (used in) operating activities	(156,863)	679,444
Cash flows from financing activities		
Issuance of capital stock	-	10
Proceeds from loans payable	236,000	-
Net cash flows from financing activities	236,000	10
Cash flows used in investing activities		
Investment in equipment	-	(679,454)
Net cash flows used in investing activities	-	(679,454)
Net increase in cash and cash equivalents	79,137	-
Cash and cash equivalents, beginning of period	882	-
Cash and cash equivalents, end of period	\$ 80,019	\$ -
Cash and cash equivalents are comprised of the following:		
Cash balances with banks	\$ 80,019	\$ -
Short term deposits	-	-
Total cash and cash equivalents	\$ 80,019	\$ -

See accompanying notes to condensed interim financial statements

Gencan Inc.

Notes to the Condensed Interim Financial Statements

For the six month period ended March 31, 2015 and from Incorporation on October 31, 2013 to March 31, 2014

(Unaudited)

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Nature of operations

Gencan Inc. (“GE” or “the Company”) is a Canadian company and the holder of a Solar Energy Feed-In Tariff Program Contract with interests in solar energy generation equipment located in Ontario, Canada. The Company was incorporated on October 31, 2013 and the address of the Company’s registered office is 106 Avenue Road, Toronto, Ontario, M5R 2H3. The Company is a 100% subsidiary of GenterraCapital Inc. (“GCI”), which is a public company traded on the TSX Venture Exchange.

Basis of presentation

These condensed interim financial statements include the accounts of the Company only. The Company does not have any subsidiaries.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). These statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company’s annual audited financial statements for the period ended September 30, 2014, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB.

These condensed interim financial statements were authorized for issue by the Board of Directors on May 29, 2015.

The policies applied in these condensed interim financial statements are based on IFRS issued and outstanding as of the date of authorization.

(b) Basis of preparation

These condensed interim financial statements are presented in Canadian dollars. The financial statements are prepared on the historical cost basis.

These condensed interim financial statements follow the same significant accounting policies and critical judgments in the application of those policies as described in the Company’s audited financial statements for the period ended September 30, 2014 and have been applied consistently in the preparation of these condensed interim financial statements, with the exception of the impact of adopting the following accounting standards and amendments to standards:

Gencan Inc.

Notes to the Condensed Interim Financial Statements

For the six month period ended March 31, 2015 and from Incorporation on October 31, 2013 to March 31, 2014

(Unaudited)

New Accounting Standards and Amendments

Interpretation of International Financial Reporting Interpretations Committee, IFRIC 21, *Levies*, provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, and those where the timing and amount of the levy is certain. It identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

IAS 32, *Financial Instruments: Presentation*, was amended to clarify that an entity currently has a legally enforceable right to offset if that right is not contingent on a future event and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. The amendments to IAS 32 also clarify when a settlement mechanism provides for net settlement or gross settlement that is equivalent to net settlement.

IFRIC 21 and IAS 32 are effective and have been adopted for the Company's interim and annual reporting periods commencing October 1, 2014. Management has determined that the adoption of IFRIC 21 and IAS 32 have no impact on these condensed interim financial statements.

New Accounting Standards Not Yet Effective

IFRS 9, *Financial Instruments: Classification and Measurement*, introduces new requirements for the classification and measurement of financial instruments, a single forward-looking expected loss impairment model and a substantially reformed approach to hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Management has not yet considered the potential impact of the adoption of IFRS 9.

IFRS 15, *Revenue Recognition*, provides a single, comprehensive revenue recognition model for all contracts with customers. It contains a single principles based five step approach that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It also contains new disclosure requirements. IFRS 15 is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. Management has not yet considered the potential impact of the adoption of IFRS 15.

3. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of these condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Gencan Inc.

Notes to the Condensed Interim Financial Statements

For the six month period ended March 31, 2015 and from Incorporation on October 31, 2013 to March 31, 2014

(Unaudited)

- (i) the recoverability of accounts receivable and prepayments totaling \$373,467 (September 30, 2014: \$357,177);
- (ii) the estimated useful lives of solar energy generation equipment totaling \$2,151,845 (September 30, 2014: \$2,206,032) and the related amortization of \$54,187 (2014: \$Nil);
- (iii) the provision for income taxes recovery of \$19,558 (2014: \$3,392).

4. LOAN PAYABLE

The loan payable is due to the Company's parent, GCI. It is due on demand and bears interest at 4% per annum. The loan is collateralized by a general security agreement on all the assets of the Company. The loan payable is not expected to be called for redemption by the holder within the next twelve months.

5. FAIR VALUE MEASUREMENTS AND DISCLOSURES

Fair Value Measurement

The Company does not have any financial assets or liabilities measured at fair value.

Fair Value Disclosures

Fair value represents management's estimates of the market value at a given point in time, which may not reflect fair value in the future. These calculations are subjective in nature, involve uncertainties and are a matter of judgement and therefore cannot be determined with precision.

The carrying values of the cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, interest payable and loan payable approximate their respective fair values due to the short-term nature of these instruments.

6. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, Officers of the Company, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

The Company entered into transactions and had outstanding balances with various companies related by virtue of common ownership and management. These transactions were in the normal course of operations and were measured at the amount of consideration established and agreed to by the related parties.

Significant related party transactions and balances not disclosed elsewhere in these condensed interim financial statements are as follows:

The Company is the owner of a solar energy generation project located on the roof of one of its parent's (GCI) properties, which is being rented by the Company from GCI for \$52,813 per annum. The Company has entered into an agreement with Highroad Estates Inc. ("Highroad"), a company of which certain directors and officers are also directors and officers of the Company, to manage this operation for \$60,000 per annum.

Gencan Inc.

Notes to the Condensed Interim Financial Statements

For the six month period ended March 31, 2015 and from Incorporation on October 31, 2013 to March 31, 2014

(Unaudited)

In addition, the Company has entered into an administrative services agreement with GCI for \$6,000 per annum which commenced in October, 2014.

Under the above agreements, management fees of \$30,000 (2014: \$Nil) were charged by Highroad, and rent of \$26,406 (2014: \$Nil) and administrative services fees of \$3,000 (2014: \$Nil) were charged by GCI.

Accounts payable and accrued liabilities at March 31, 2015 include \$Nil (September 30, 2014: \$6,282) due to GCI and \$Nil (September 30, 2014: \$10,000) due to Highroad. These amounts are unsecured and are due on demand.

Loan payable at March 31, 2015 of \$2,557,970 (September 30, 2014: \$2,321,970) is due to GCI on demand and bears interest at 4% per annum. During the period, \$50,684 (2014: \$Nil) of interest was charged under this loan and is included in interest payable on the statement of financial position as at March 31, 2015.

The Company did not directly pay any remuneration to key management for the period ended March 31, 2015 or 2014.

CERTIFICATE OF ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Gencan Capital Inc., hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Gencan Capital Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, this 23rd day of October, 2015.

"Mark Litwin"
Chief Executive Officer

"Stan Abramowitz"
Chief Financial Officer

Genterra Capital Inc.

Per: *"Mark Litwin"*
Promoter

"Fred Litwin"
Director

"Stan Abramowitz"
Director