

Pacific Green Technologies Inc.  
Form 10-Q  
February 19, 2014

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2013

or

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 000-54756

PACIFIC GREEN TECHNOLOGIES INC.  
(Exact name of registrant as specified in its charter)

|  |                                   |
|--|-----------------------------------|
| Delaware   | N/A                               |
| (State or other jurisdiction of incorporation or organization) | (IRS Employer Identification No.) |

|   |            |
|---|------------|
| 5205 Prospect Road, Suite 135-226, San Jose, CA | 95129      |
| (Address of principal executive offices)        | (Zip Code) |

(408) 538-3373  
(Registrant's telephone number, including area code)

N/A  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ YES ☐ NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required

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to submit and post such files).

☐ YES ☒ NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See the definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated

filer ☐

Accelerated filer ☐

Non-accelerated (Do not check if a smaller reporting

filer ☐ company)

Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

☐ YES ☒ NO

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY  
PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court.

☐ YES ☐ NO

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

16,184,181 common shares issued and outstanding as of February 3, 2014.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Our consolidated unaudited interim financial statements for the three and nine month periods ended December 31, 2013 form part of this quarterly report. They are stated in United States Dollars (US\$) and are prepared in accordance with United States generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X.

PACIFIC GREEN TECHNOLOGIES INC.

(A Development Stage Company)

December 31, 2013

(Expressed in US dollars)

(unaudited)

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PACIFIC GREEN TECHNOLOGIES INC.  
(A Development Stage Company)  
Consolidated Balance Sheets  
(Expressed in U.S. dollars)

|  | December 31,<br>2013<br>\$<br>(unaudited) | March 31,<br>2013<br>\$ |
|--|---|-------------------------|
| <b>ASSETS</b>  |   |                         |
| Cash   | 371,090                                   | 93,228                  |
| Accounts receivable  | –   | 206,663                 |
| VAT receivable   | 19,368                                    | –                       |
| Prepaid expenses   | 21,470                                    | 687                     |
| Total Current Assets   | 411,928                                   | 300,578                 |
| Intangible assets (Note 4)   | 44,643,120                                | –                       |
| Total Assets   | 45,055,048                                | 300,578                 |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>                |   |                         |
| <b>Current Liabilities</b>   |   |                         |
| Accounts payable and accrued liabilities (Note 8)                    | 359,806                                   | 264,088                 |
| Loans payable (Note 6)   | 820,926                                   | 100,000                 |
| Current portion of note payable (Note 7)                             | 1,927,909                                 | 968,656                 |
| Due to related parties (Note 8)                                      | 5,460,568                                 | 1,161,481               |
| Total Current Liabilities  | 8,569,209                                 | 2,494,225               |
| Note payable, net of unamortized discount of \$1,054,564 (Note 7)    | 2,017,527                                 | 2,605,743               |
| Total Liabilities  | 10,586,736                                | 5,099,968               |
| <b>Nature of Operations and Continuance of Business (Note 1)</b>     |   |                         |
| <b>Commitments (Note 12)</b>   |   |                         |
| <b>Subsequent Event (Note 13)</b>                                    |   |                         |
| <b>Stockholders' Equity (Deficit)</b>                                |   |                         |
| Preferred stock, 10,000,000 shares authorized, \$0.001 par value     |   |                         |
| Nil shares issued and outstanding                                    | –   | –                       |
| Common stock, 500,000,000 shares authorized, \$0.001 par value       |   |                         |
| 16,184,181 and 5,727,404 shares issued and outstanding, respectively | 16,184                                    | 5,727                   |
| Additional paid-in capital   | 43,411,830                                | 1,566,866               |
| Share subscriptions received (Note 9)                                | 25,000                                    | –                       |
| Accumulated other comprehensive income (loss)                        | (98,709 )                                 | 10,949                  |
| Deficit accumulated during the development stage                     | (8,885,993 )                              | (6,382,932)             |
| Total Stockholders' Equity (Deficit)                                 | 34,468,312                                | (4,799,390)             |
| Total Liabilities and Stockholders' Equity (Deficit)                 | 45,055,048                                | 300,578                 |

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

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## PACIFIC GREEN TECHNOLOGIES INC.

(A Development Stage Company)

## Consolidated Statements of Operations and Comprehensive Loss

(Expressed in U.S. dollars)

(unaudited)

|  | Three<br>Months<br>Ended<br>December<br>31,<br>2013<br>\$ | Three<br>Months<br>Ended<br>December<br>31,<br>2012<br>\$ | Nine<br>Months<br>Ended<br>December<br>31, 2013<br>\$ | Nine<br>Months<br>Ended<br>December<br>31, 2012<br>\$ | Accumulated<br>from<br>April 5,<br>2011<br>(Date of<br>Inception)<br>to December<br>31,<br>2013<br>\$ |
|--|---|---|---|---|---|
| Revenue  | –   | –   | –   | –   | –   |
| Expenses   |   |   |   |   |   |
| Amortization of intangible assets                | 399,401   | –   | 761,248   | –   | 761,248   |
| Consulting fees (Note 8)                         | 281,063   | 252,249   | 831,926   | 574,133   | 2,432,148   |
| Foreign exchange loss (gain)                     | (131,811 )  | 6,411   | (150,741 )  | 6,717   | (146,729 )  |
| Office and miscellaneous                         | 44,030  | 7,080   | 57,971  | 18,941  | 221,911   |
| Professional fees                                | 85,899  | 48,731  | 274,114   | 107,032   | 486,774   |
| Research and development                         | 17,723  | 3,332   | 32,741  | 10,751  | 92,878  |
| Transfer agent and filing fees                   | 9,011   | 1,455   | 30,771  | 8,631   | 40,650  |
| Travel   | 19,007  | 19,354  | 48,039  | 20,928  | 81,594  |
| Total operating expenses                         | 724,323   | 338,612   | 1,886,069   | 747,133   | 3,970,474   |
| Loss before other expense                        | (724,323 )  | (338,612 )  | (1,886,069 )  | (747,133 )  | (3,970,474 )  |
| Other expense                                    |   |   |   |   |   |
| Interest expense (Note 8)                        | (220,646 )  | (92,726 )   | (616,992 )  | (188,303 )  | (1,141,642 )  |
| Net loss for the period                          | (944,969 )  | (431,338 )  | (2,503,061 )  | (935,436 )  | (5,112,116 )  |
| Other comprehensive income (loss)                |   |   |   |   |   |
| Foreign currency translation gain (loss)         | (31,408 )   | 15,463  | (109,658 )  | 6,647   | (98,709 )   |
| Comprehensive loss for the period                | (976,377 )  | (415,875 )  | (2,612,719 )  | (928,789 )  | (5,210,825 )  |
| Net loss per share, basic and diluted            | (0.06 )   | (0.08 )   | (0.19 )   | (0.18 )   |   |
| Weighted average number of shares<br>outstanding | 15,929,107  | 5,631,732   | 13,167,856  | 5,268,820   |   |

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



PACIFIC GREEN TECHNOLOGIES INC.  
(A Development Stage Company)  
Consolidated Statements of Cash Flows  
(Expressed in U.S. dollars)  
(unaudited)

|   | Nine<br>Months<br>Ended<br>December<br>31, 2013<br>\$ | Nine<br>Months<br>Ended<br>December<br>31,<br>2012<br>\$ | Accumulated<br>from<br>April 5,<br>2011<br>(Date of<br>Inception)<br>to December<br>31,<br>2013<br>\$ |
|---|---|--|---|
| Operating Activities  |   |  |   |
| Net loss for the period   | (2,503,061 )  | (935,436 )   | (5,112,116 )  |
| Adjustments to reconcile net loss to net cash used in operating activities: |   |  |   |
| Accretion of discount on note payable                                       | 371,037   | —  | 819,766   |
| Amortization of intangible assets   | 761,248   | —  | 761,248   |
| Imputed interest  | 238,313   | 188,303  | 299,304   |
| Stock-based compensation  | —   | 100,000  | 911,443   |
| Changes in operating assets and liabilities:                                |   |  |   |
| Accounts receivable   | 206,663   | —  | 206,663   |
| VAT receivable  | (19,368 )   | 12,899   | (19,518 )   |
| Prepaid expenses  | (20,783 )   | —  | (21,470 )   |
| Accounts payable and accrued liabilities                                    | (194,494 )  | 22,299   | (52,498 )   |
| Due to related parties  | 437,932   | —  | 437,932   |
| Net Cash Used In Operating Activities                                       | (722,513 )  | (611,935 )   | (1,769,246 )  |
| Investing Activities  |   |  |   |
| Cash acquired on acquisition of subsidiary                                  | 16,263  | 1,430  | 17,693  |
| Acquisition of intangible assets  | (21,311 )   | —  | (21,311 )   |
| Net Cash Provided by (Used In) Investing Activities                         | (5,048 )  | 1,430  | (3,618 )  |
| Financing Activities  |   |  |   |
| Proceeds from related parties   | 14,876  | 62,808   | 453,424   |
| Proceeds from sale of common shares   | 1,040,000   | 600,000  | 1,640,002   |
| Proceeds from note payable  | —   | —  | 100,000   |
| Net Cash Provided by Financing Activities                                   | 1,054,876   | 662,808  | 2,193,426   |
| Effect of Foreign Exchange Rate Changes on Cash                             | (49,453 )   | (6,511 )   | (49,472 )   |
| Change in Cash  | 277,862   | 45,792   | 371,090   |

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|   |            |        |            |
|---|------------|--------|------------|
| Cash, Beginning of Period                               | 93,228     | 3,348  | –          |
| Cash, End of Period                                     | 371,090    | 49,140 | 371,090    |
| Non-cash Investing and Financing Activities:            |            |        |            |
| Debt settled with the acquisition of intangible assets  | 330,842    | –      | 330,840    |
| Common stock issued for acquisition of intangible asset | 26,602,108 | –      | 26,602,108 |
| Supplemental Disclosures:                               |            |        |            |
| Interest paid   | –          | –      | –          |
| Income taxes paid                                       | –          | –      | –          |

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

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PACIFIC GREEN TECHNOLOGIES INC.

(A Development Stage Company)

Notes to the Consolidated Financial Statements

December 31, 2013

(Expressed in U.S. Dollars)

(unaudited)

1. Nature of Operations and Continuance of Business

Pacific Green Technologies Inc. (the “Company”) was incorporated in Delaware on March 10, 1994, under the name of Beta Acquisition Corp. In September 1995, the Company changed its name to In-Sports International, Inc. In August 2002, the Company changed its name to ECash, Inc. On June 13, 2012, the Company changed its name to Pacific Green Technologies Inc.

On June 14, 2012, the Company acquired Pacific Green Technologies Limited (“PGT Limited”) in exchange for the issuance of 5,000,000 shares of common stock and a \$5,000,000 promissory note (Refer to Note 6). The transaction resulted in the former shareholders of PGT Limited collectively owing a majority of the issued and outstanding common shares of PGT Inc. The accounting principle applicable to a reverse takeover (“RTO”) was applied to account for this transaction. Under this basis of accounting, PGT Limited has been identified as the acquirer and, accordingly, these consolidated financial statements are a continuation of the financial statements of PGT Limited. The consolidated statement of operations and comprehensive loss include the operations of PGT Limited for the period from April 5, 2011 (inception) to December 31, 2013 and the operations of the Company from June 15, 2012 to December 31, 2013.

On May 15, 2013, the Company acquired Pacific Green Energy Parks Limited (“PGEP”) and its wholly-owned subsidiary, Energy Park Sutton Bridge (“EPSB”) in exchange for a cash payment of \$100 and the issuance of 3,500,000 shares of common stock. In addition to the acquisition agreement, the Company is committed to issuing a further \$3,000,000 payable in common shares in the event PGEP either purchased the property or secured a lease permitting PGEP to operate a biomass power plant facility and a further \$33,000,000 payable in common shares in the event PGEP secures sufficient financing to construct the facility (Refer to Note 11(e)). The consolidated statement of operations and comprehensive loss includes the operations of PGEP and EPSB for the period from May 16, 2013 to December 31, 2013.

These consolidated financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has never generated revenues since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders and note holders, the ability of the Company to obtain necessary equity financing to continue operations, and ultimately the attainment of profitable operations. As at December 31, 2013, the Company has a working capital deficiency of \$8,157,281 and has an accumulated deficit of \$8,885,993 since inception. These factors raise substantial doubt regarding the Company’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of Presentation

These consolidated financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States, and are expressed in U.S. dollars. These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, PGT Limited, PGEP, and EPSB, a wholly owned subsidiary of PGEP. All inter-company accounts and transactions have been eliminated. The Company's fiscal year-end is March 31.

(b)

#### Interim Financial Statements

These interim unaudited financial statements have been prepared on the same basis as the annual financial statements and in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the Company's financial position, results of operations and cash flows for the periods shown. The results of operations for such periods are not necessarily indicative of the results expected for a full year or for any future period.

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PACIFIC GREEN TECHNOLOGIES INC.  
(A Development Stage Company)  
Notes to the Consolidated Financial Statements  
December 31, 2013  
(Expressed in U.S. Dollars)  
(unaudited)

2. Significant Accounting Policies (continued)

(c) Use of Estimates

The preparation of financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses in the reporting period. The Company regularly evaluates estimates and assumptions related to the useful life and recoverability of intangible assets, valuation of long-term debt, stock-based compensation and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

(d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents.

(e) Intangible Assets

Intangible assets are stated at cost less accumulated amortization and are comprised of patent applications acquired and options to acquire land. The patent applications are amortized straight-line over 17 years or over the estimated useful life.

(f) Impairment of Long-lived Assets

The Company reviews long-lived assets such as property and equipment and intangible assets with finite useful lives for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. If the total of the expected undiscounted future cash flows is less than the carrying amount of the asset, a loss is recognized for the excess of the carrying amount over the fair value of the asset.

(g) Financial Instruments and Fair Value Measurements

ASC 820, "Fair Value Measurements and Disclosures" requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company's financial instruments consist principally of cash, accounts receivable, VAT receivable, accounts payable and accrued liabilities, loans payable, due to related parties and note payable. Pursuant to ASC 820, the fair value of cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. With the exception of long-term note payable, the recorded values of all other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations. The long-term portion of the note payable has been discounted to reflect its net present value as at December 31, 2013. In management's opinion, the Company is not exposed to significant interest, credit or currency risks arising from these financial instruments.

PACIFIC GREEN TECHNOLOGIES INC.

(A Development Stage Company)

Notes to the Consolidated Financial Statements

December 31, 2013

(Expressed in U.S. Dollars)

(unaudited)

2. Significant Accounting Policies (continued)

(h) Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with ASC 740, "Income Taxes". The asset and liability method provides that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

(i) Foreign Currency Translation

The Company's functional and reporting currency is the United States dollar. The functional currencies of both PGT Limited and EPSB are in Great British pounds. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. Non-monetary assets, liabilities and items recorded in income arising from transactions denominated in foreign currencies are translated at rates of exchange in effect at the date of the transaction. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income.

The accounts of PGT Limited and EPSB are translated to United States dollars using the current rate method. Accordingly, assets and liabilities are translated into United States dollars at the period-end exchange rate while revenue and expenses are translated at the average exchange rates during the period. Related exchange gains and losses are included in a separate component of stockholders' equity as accumulated other comprehensive income.

(j) Stock-based Compensation

The Company records stock-based compensation in accordance with ASC 718, "Compensation – Stock Compensation", using the fair value method. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The Company uses the Black-Scholes option pricing model to calculate the fair value of stock-based awards. This model is affected by the Company's stock price as well as assumptions regarding a number of subjective variables. These subjective variables include, but are not limited to the Company's expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. The value of the portion of the award that is ultimately expected to vest is recognized as an expense in the consolidated statement of operations over the requisite service period.

(k) Loss Per Share

The Company computes net income (loss) per share in accordance with ASC 260, Earnings per Share. ASC 260 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic

EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive. As at December 31, 2013, the Company had 62,500 potentially dilutive shares outstanding.

(l) Comprehensive Loss

Comprehensive loss consists of net loss and other related gains and losses affecting stockholders' equity that are excluded from net income or loss. As at December 31, 2013 and March 31, 2013, comprehensive loss includes cumulative translation adjustments for changes in foreign currency exchange rates during the period.

(m) Investments

Investments where the Company exercises significant influence, but not control, over the investee are accounted for using the equity method of accounting. Under the equity method of accounting, the investment, originally recorded at cost, is adjusted to recognize the share of net earnings or losses of the investee.



PACIFIC GREEN TECHNOLOGIES INC.  
(A Development Stage Company)  
Notes to the Consolidated Financial Statements  
December 31, 2013  
(Expressed in U.S. Dollars)  
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2. Significant Accounting Policies (continued)

(n) Reclassifications

Certain figures have been reclassified for comparative purposes to conform to the presentation adopted in the current period.

(o) Recent Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect and that may impact its consolidated financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

3. Acquisition of Pacific Green Energy Parks Ltd. and Energy Park Sutton Bridge Limited

On May 15, 2013, the Company entered into a stock purchase agreement with all the shareholders of PGEP. PGEP is the sole shareholder of EPSB. PGEP is developing a biomass power plant facility which EPSB holds an option to purchase the real property upon which the facility will be built.

Pursuant to the stock purchase agreement, the Company agreed to acquire 100% of the issued and outstanding shares of common stock of PGEP from the shareholders in exchange for:

- i. a payment of \$100 upon execution of the stock purchase agreement (paid);
- ii. \$14,000,000 paid in shares of common stock of the Company at a deemed price at the lower of \$4 per share or the average closing price per share of its capital stock in the ten trading days immediately preceding the date of closing of the stock purchase agreement (issued);
- iii. \$3,000,000 payable in shares of common stock of the Company at a deemed price at the lower of \$4 per share or the average closing price per share of its capital stock in the ten trading days immediately preceding the date upon which PGEP either purchases the property or secures a lease permitting PGEP to operate the facility on the property, which has not yet occurred; and
- iv. subject to leasing or purchasing the property and PGEP securing sufficient financing for the construction of the facility, \$33,000,000 payable in shares of common stock of the Company at a deemed price at the lower of \$4 per share or the average closing price per share of its common stock in the ten trading days immediately preceding the date that PGEP secures sufficient financing for the construction of the facility, which has not yet occurred.

On May 15, 2013, pursuant to the stock purchase agreement, the Company issued 3,500,000 shares of common stock with a fair value of \$4 per share, to the former shareholders of PGEP. At the date of acquisition, the fair values of the assets and liabilities of PGEP and its wholly owned subsidiary EPSB consisted of the following:

\$

|  |              |
|--|--------------|
| Cash                                     | 16,263       |
| Intangible assets                        | 18,397,016   |
| Accounts payable and accrued liabilities | (61,128 )    |
| Due to related parties                   | (3,691,430 ) |
| Loan payable                             | (660,721 )   |
| Fair value of shares issued              | 14,000,000   |

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PACIFIC GREEN TECHNOLOGIES INC.  
(A Development Stage Company)  
Notes to the Consolidated Financial Statements  
December 31, 2013  
(Expressed in U.S. Dollars)  
(unaudited)

4. Intangible Assets

|   | Cost<br>\$ | Accumulated<br>amortization<br>\$ | December<br>31, 2013<br>Net carrying<br>value<br>\$ | March 31,<br>2013<br>Net<br>carrying<br>value<br>\$ |
|---|------------|-----------------------------------|---|---|
| Options to acquire land                       | 18,430,162 | –                                 | 18,430,162  | –   |
| Patent applications and technical information | 26,974,206 | 761,248                           | 26,212,958  | –   |
|   | 45,404,368 | 761,248                           | 44,643,120  | –   |

On May 15, 2013, the Company acquired PEGP and its wholly owned subsidiary EPSB for the issuance of 3,500,000 common shares (Refer to Note 3). EPSB holds options to purchase land on which the Company plans to build a biomass power plant facility.

On May 17, 2013, the Company entered into an Assignment of Assets agreement with Enviro whereby the Company acquired various patent applications and technical information related to the manufacture of a wet scrubber for removing sulphur, other pollutants and the particulate matter from diesel engine exhaust. In exchange for these assets the Company waived all obligations owing to the Company as well as agreed to return a total of 88,876,443 of Enviro's shares back to Enviro. (Refer to Note 9). The obligations waived consisted of \$237,156 owing to PGT Inc. as well as \$93,721 of debt owing to PGG which was assigned to PGT Inc.

5. Investment

On November 22, 2013, the Company received 606 common shares, representing 40% of the issued and outstanding capital, of Peterborough Renewable Energy Limited ("PREL"), a private UK company. Companies controlled by significant shareholders made arrangements, by revising consulting agreements with PREL and ceasing creditor protection action, which resulted in the Company receiving this equity investment. PREL has negative working capital and a deficit of approximately GBP 650,000 at November 22, 2013. There's no measureable fair value to record the cost of the investment to the Company and PREL is presently inactive. No proportionate loss has been recorded in these financial statements based on activity in PREL and the Company has not assumed any liabilities as a result of this investment.

6. Loans Payable

(a) On October 29, 2011, the Company's wholly owned subsidiary, PGEP, assumed a \$720,926 (£435,000) loan, bearing interest at 6.5% per annum and due December 31, 2013. The loan was made for the exclusive purpose of assisting in financing the consulting work required to obtain planning permission for a biomass power plant, which is being conducted through EPSB. On April 15, 2012, the lender agreed to waive its right to interest on the loan.

(b) On April 2, 2013, the Company entered into a loan agreement with a non-related party for proceeds of \$100,000. The loan bears interest at 10% per annum, has matured and is due on demand.

7. Note Payable

|                                   |           |
|-----------------------------------|-----------|
|                                   | \$        |
| Balance, March 31, 2013           | 3,574,399 |
| Accretion of unamortized discount | 371,037   |
|                                   | 3,945,436 |
| Less: current portion             | 1,927,909 |
| Long-term portion                 | 2,017,527 |

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PACIFIC GREEN TECHNOLOGIES INC.  
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7. Note Payable (continued)

The principal repayments of the note payable are as follows:

|               | \$        |
|---------------|-----------|
| June 12, 2013 | 1,000,000 |
| June 12, 2014 | 1,000,000 |
| June 12, 2015 | 1,000,000 |
| June 12, 2016 | 1,000,000 |
| June 12, 2017 | 1,000,000 |
|               | 5,000,000 |

On June 14, 2012, the Company entered into the Assignment and Share Transfer Agreement with Pacific Green Group Limited (“PGG”), a company under common control, concerning the assignment of Representation Agreement entered between PGG and EnviroTechnologies Inc. (“Enviro”) and the purchase of 100% of the issued and outstanding common shares of PGT Limited, a subsidiary of PGG, in exchange for an aggregate of 5,000,000 shares of common stock as well as a \$5,000,000 promissory note.

The note payable will be repaid in instalments of \$1,000,000 on the anniversary of the agreement beginning on June 12, 2013 with the income earned under the terms of Representation Agreement. If the Company is unable to meet the repayment schedule, PGG will have the option to either roll over any unpaid portion to the following payment date or to convert the outstanding amount into shares of the Company’s stock. The note had been discounted at a market rate of 18% to arrive at the net present value of \$3,127,171 as at June 12, 2012. The note is unsecured and cannot itself be used by PGG to cause the Company to become insolvent. During the nine months ended December 31, 2013, the Company recorded imputed interest of \$238,313 (2012 - \$188,303) at a rate of 18% which has been included in additional paid-in capital.

8. Related Party Transactions

- (a) During the nine months ended December 31, 2013, the Company incurred \$21,465 (2012 – \$nil) to directors for consulting fees.
- (b) During the nine months ended December 31, 2013, the Company incurred \$11,536 (2012 - \$nil) to a company under common control for consulting fees.
- (c) During the nine months ended December 31, 2013, the Company incurred \$180,000 (2012 – \$131,111) in consulting fees to a company which is a shareholder and under common control.
- (d) As at December 31, 2013, \$44,333 (26,750 GBP) (March 31, 2013 - \$75,945 (£50,000)) was owed to a company under common control for consulting fees incurred, which is included in accounts payable and accrued liabilities. The Company incurred \$24,392 (15,750 GBP) (2012 - \$nil) to a company under common

control for consulting fees.

- (e) As at December 31, 2013, the Company owed \$3,871,725 (March 31, 2013 - \$1,150,218) to a company under common control. The amount owing is unsecured, non-interest bearing, and due on demand.
- (f) As at December 31, 2013, the Company owed \$33,216 (20,042 GBP)(March 31, 2013 - \$nil) to a company under common control. The amount owing is unsecured , non-interest bearing, and due on demand.
- (g) As at December 31, 2013, the Company owed \$786,509 to a significant shareholder.
- (h) As at December 31, 2013, the Company owed \$769,119 (March 31, 2013 – \$11,263) to directors of the Company's wholly owned subsidiaries. The amounts owing are unsecured, non-interest bearing, and due on demand.

9. Common Stock

- (a) On April 3, 2013, the Company issued 1,765,395 shares of common stock with a fair value of \$7,061,580 in a share exchange agreement with shareholders of Enviro for the acquisition of 17,653,872 which were subsequently returned to Enviro pursuant to the Assignment of Assets agreement dated May 15, 2013. Refer to Note 4.
- (b) On April 25, 2013, the Company issued 668,238 shares of common stock with a fair value of \$2,672,952 in a share exchange agreement with the shareholders of Enviro for the acquisition of 6,682,357 which were subsequently returned to Enviro pursuant to the Assignment of Assets agreement dated May 15, 2013. Refer to Note 4.
- (c) On May 15, 2013, the Company issued 3,500,000 shares of common stock with a fair value of \$14,000,000 to acquire 100% of the shares of PGEP and its wholly owned subsidiary EPSB.

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9. Common Stock (continued)

(d) On June 17, 2013, the Company issued 806,132 shares of common stock with a fair value of \$3,224,528 in a share exchange agreement with the shareholders of Enviro for the acquisition of 8,061,286 which were subsequently returned to Enviro pursuant to the Assignment of Assets agreement dated May 15, 2013. Refer to Note 4.

(e) On June 24, 2013, the Company issued 25,000 shares of common stock for proceeds of \$100,000.

(f) On August 6, 2013, the Company issued 84,000 shares of common stock with a fair value of \$336,000 in a share exchange agreement with shareholders of Enviro for the acquisition of 1,040,000, which were subsequently returned to Enviro pursuant to the Assignment of Assets agreement dated May 15, 2013. Refer to Note 4.

(g) On August 27, 2013, the Company issued 3,246,350 shares of common stock with a fair value of \$12,985,400 in a share exchange agreement with the shareholders of Enviro for the acquisition of 32,463,500, which were subsequently returned to Enviro pursuant to the Assignment of Assets agreement dated May 15, 2013. Refer to Note 4.

(h) On October 11, 2013, the Company issued 67,412 shares of common stock with a fair value of \$269,648 in a share exchange agreement with the shareholders of Enviro for the acquisition of 674,107 common shares of Enviro, which were subsequently returned to Enviro pursuant to the Assignment of Assets agreement dated May 15, 2013. Refer to Note 4.

(i) On October 31, 2013, the Company issued 18,750 shares of common stock for proceeds of \$75,000.

(j) On December 19, 2013, the Company issued 262,500 shares of common stock for proceeds totaling \$840,000.

(k) On December 27, 2013, the Company issued 13,000 shares of common stock with a fair value of \$52,000 in a share exchange agreement with the shareholders of Enviro for the acquisition of 130,000 common shares of Enviro, which were subsequently returned to Enviro pursuant to the Assignment of Assets agreement dated May 15, 2013. Refer to Note 4.

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# 10. Stock Options

The following table summarizes the continuity of stock options:

|  | Number of<br>options | Weighted<br>average<br>exercise<br>price<br>\$ | Weighted<br>average<br>remaining<br>contractual<br>life<br>(years) | Aggregate<br>intrinsic<br>value<br>\$ |
|--|----------------------|--|--|---------------------------------------|
| Outstanding and exercisable, March 31, 2013 and<br>December 31, 2013 | 62,500               | 0.01   | 0.9  | 452,500                               |

Additional information regarding stock options as of December 31, 2013 is as follows:

| Number of<br>options | Exercise<br>price<br>\$ | Expiry date       |
|----------------------|-------------------------|-------------------|
| 62,500               | 0.01                    | December 18, 2014 |

# 11. Segmented Information

The Company is located and operates in the US and its subsidiaries are primarily located and operating in the United Kingdom. Geographical information is as follows:

|                   | United<br>States<br>\$ | United<br>Kingdom<br>\$ | Total<br>\$ |
|-------------------|------------------------|-------------------------|-------------|
| December 31, 2013 |                        |                         |             |
| Revenue           | —                      | —                       | —           |
| Intangible assets | 26,212,958             | 18,430,162              | 44,643,120  |

# 12. Commitments

(a) On May 1, 2010, the Company entered into consulting agreements with Sichel Limited (“Sichel”), the parent company of PGG. Sichel will assist the Company in developing commercial agreements for Green Technology and the building of an international distribution centre. Effective March 31, 2013, this consulting agreement was assigned to PGG. The agreement shall continue for four years with consideration as follows:

i)



Stock consideration to PGG or to any third party as directed by PGG of 5,000 ordinary shares of the Company upon signing of the agreement, which have been waived by PGG;

ii) Monthly consultancy fees of \$20,000 are to be paid within fourteen days of each month-end. If the Company is unable to pay this fee, then PGG has the option to elect to be paid 5,000 common shares of the Company in lieu of cash;

iii) Sales commission of 10% of sales value excluding shipping and local sales taxes; and

iv) Finance commission of 10% of net proceeds of any funds raised by way of issued of stock, debt or convertible note after any brokers commission as introduced by PGG.

(b) On February 10, 2009, EPSB entered into an Option Agreement to acquire land located in Lincolnshire, England (the "Property") ("Davis Option"). Pursuant to the agreement, the option expires on August 10, 2011. If EPSB exercises its option within 18 months from the date of the Option Agreement, the purchase price will be £3,500,000. Otherwise, the purchase price will be £4,000,000. The sellers also have a Share Option, in which they can substitute £1,000,000 of the purchase price for 5% of the nominal value of the common stock of EPSB ("Consideration Shares").

On July 27, 2011, EPSB entered into a supplemental agreement to amend certain terms of the Option Agreement. Pursuant to the supplemental agreement, the expiry date of the Option Agreement was extended to August 9, 2013, and the purchase price was increased to £3,200,000 in the event that the Share Option is exercised on or before August 9, 2013 and increases to £4,200,000 in the event the Share Option is exercised after August 9, 2013 and before June 9, 2014.

(c) On March 3, 2009, EPSB entered into an Option Agreement to acquire land located in Lincolnshire, England (the "Property") ("Wing Option"). Pursuant to the agreement, the option was set to expire on March 3, 2012 and the purchase price is £400,320.

On August 9, 2011, EPBS entered into a supplemental agreement to amend certain terms of the Option Agreement. Pursuant to the supplemental agreement, the expiry date of the Option Agreement was extended to March 2, 2014, and the purchase price was increased to £420,336.

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12. Commitments (continued)

(d) On March 26, 2012, PGEP and its subsidiary, EPSB, entered into a Consultancy Agreement with Green Energy Parks Consulting Limited ("GEPC"), a subsidiary of Green Energy Parks Limited ("GEP") which is a company under common control, to provide services related to the design and development of planning schemes for energy from biomass and waste facilities. In consideration for the services, EPSB agreed to pay £80,000 upon signing (paid), £80,000 per month for three months (paid) and £64,000 for the remaining five months (£128,000 paid) ("Consultancy Consideration"). If EPSB obtains planning permission for the construction of a waste biomass to energy power plant on the land, GEPC will produce designs related to the construction of the plant and grant the license to EPSB in consideration for a total of £1,250,000 ("Design Consideration" – See below), of which £312,500 is payable three months after planning permission is obtained, and a further £85,227 per month is payable for the following eleven months. In addition, EPSB agreed to pay GEPC success fees of £250,000 upon obtaining the planning permission ("Planning Success Fee" – See below) and a further £1,000,000 upon the exercise of the Davis and Wing land options ("Option Success Fee").

On March 5, 2013, PGEP and EPSB entered into a supplemental agreement to amend certain terms of the Consultancy Agreement. In full and final satisfaction of the Consulting Consideration due from EPSB to GEPC, EPSB agreed to pay GEPC £10,000 within seven days of the date of the supplemental agreement (paid), £15,000 within 45 days (paid) and £25,000 within 75 days. In addition, the Planning Success Fee was amended to £20,000 within seven days of obtaining planning permission and a further £30,000 within seven days of the date upon which the judicial review period in respect to the planning permission has expired. Furthermore, the Option Success Fee was amended to £425,500 if the Davis Option is exercised and £75,500 if the Wing Option is exercised, which shall be payable 50% in cash and 50% in common stock. If the Davis Option is extended for an addition twelve months by August 2013, GEP shall be paid a success fee of £50,000 which will be deducted from the cash consideration due under the Option Success Fee. The Consultant also agreed to waive the Design Consideration. Upon written notice by the Company, GEP agreed to irrevocably sell its 25% interest in EPSB to the Company for \$3,500,000 in the equivalent of common stock at a deemed price of \$6 per share.

(e) On May 15, 2013, the Company entered into an acquisition agreement to acquire 100% of the issued and outstanding shares of PGEP. As part of the acquisition agreement, the Company is required to issue \$3,000,000 payable in shares of common stock in the event of PGEP either purchasing the property or securing a lease permitting PGEP to operate a biomass power plant facility. The Company is also required to issue \$33,000,000 payable in shares of common stock in the event of PGEP securing sufficient financing for the construction of the facility.

(f) On September 26, 2013, the Company entered into an agreement with a director whereby the Company will pay the director a monthly fee of £2,000 for services provided.

(g) On October 22, 2013, the Company entered into an agreement with a director whereby the director will focus on developing potential new business opportunities and general sales on behalf of the Company. For these services the Company has agreed to pay compensation as follows:

- £450 per day and a guarantee of a minimum of four days per month for six months
- £50,000 when the Company is in a position to drawdown funds in order to commence the development and construction (the “Financial Close”) of the Company’s 49MW biomass power plant at Sutton Bridge, Lincolnshire (the “Project”)
- options on the Financial Close of the completion of the Project to purchase 10,000 common shares of the Company for \$2 per share, and
- on the Financial Close of the Project, 20,000 common shares of Pacific Green Group Limited

In addition to the above compensation, the Company has agreed to also pay the director commissions based on percentages of sales generated and financing obtained on behalf of the Company.

- (h) On October 22, 2013, the Company entered into an agreement with a director whereby the director will oversee all aspects of the development and completion of the Company’s biomass power plant at Sutton Bridge, Lincolnshire with the Company agreeing to pay compensation of £1,000 per day with a guarantee of a minimum of four days a month for two months for these services.

Following the completion of the project, the director has agreed to serve as Chief Operating Officer of the Company for which the Company has agreed to pay compensation as follows:

- a salary of £96,000 per annum
- £100,000 bonus when the Company is in a position to drawdown funds in order to commence the development and construction (the “Financial Close”) of the Project
- on the Financial Close, 100,000 common shares of the Company from Pacific Green Group Limited
- options to purchase 50,000 common shares of the Company at \$2 per share
- on appointment as Chief Operating Officer, 100,000 common shares of the Company from Pacific Green Group Limited

### 13. Subsequent Event

Subsequent to December 31, 2013, the Company received subscription proceeds of \$25,000 for 6,250 shares of common stock at \$4 per share.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

FORWARD-LOOKING STATEMENTS

This quarterly report contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "could", "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable laws, including the securities laws of the United States, we do not intend to update any of the forward-looking statements so as to conform these statements to actual results.

Our unaudited consolidated financial statements are stated in U.S. dollars and are prepared in accordance with generally accepted accounting principles in the United States. The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this quarterly report.

As used in this current report and unless otherwise indicated, the terms "we", "us", "our" and "our company" mean Pacific Green Technologies Inc., a Delaware corporation, and our wholly owned subsidiaries, Pacific Green Technologies Limited, a United Kingdom corporation, Pacific Green Energy Parks Limited, a British Virgin Islands corporation, and its wholly owned subsidiary, Energy Park Sutton Bridge, a United Kingdom corporation, unless otherwise indicated.

Corporate History

Our company was incorporated in Delaware on March 10, 1994, under the name of Beta Acquisition Corp. In September 1995, we changed our name to In-Sports International, Inc. In August 2002, we changed our name from In-Sports International, Inc. to ECash, Inc. In 2007, due to limited financial resources, we discontinued our operations. Over the course of the last five years, we have sought new business opportunities.

On June 13, 2012, we changed our name to Pacific Green Technologies Inc. and effected a reverse split of our common stock following which we had 27,002 shares of common stock outstanding with \$0.001 par value.

Effective December 4, 2012, we filed with the Delaware Secretary of State a Certificate of Amendment of Certificate of Incorporation, wherein we increased our authorized share capital to 510,000,000 shares of stock as follows:

- 500,000,000 shares of common stock with a par value of \$0.001; and
- 10,000,000 shares of preferred stock with a par value of \$0.001.

The increase of authorized capital was approved by our board of directors on July 1, 2012 and by a majority of our stockholders by a resolution dated July 1, 2012.

## Historical business overview

On May 1, 2010 we entered into a consulting agreement with Sichel Limited. Sichel has investigated new opportunities for us and has subscribed for shares of our company's common stock. The consulting agreement entitles Sichel to \$20,000 per calendar month. With an effective date of March 31, 2013, the consulting agreement, along with all amounts owed to Sichel, were assigned to Pacific Green Group Limited ("PGG"). Pursuant to the terms of the consulting agreement, if we are unable to pay the monthly consulting fee, PGG may elect to be paid in shares of stock, and if we are unable to make payments for more than six months in any 12 month period, PGG has the right to appoint an officer or director to the board, which right has not been exercised at this time.

## New strategy

Management, assisted by PGG, has identified an opportunity to build a business focused on marketing, developing and acquiring technologies designed to improve the environment by reducing pollution. To this end we have entered into and closed an assignment and share transfer agreement, on June 14, 2012, for the assignment of a representation agreement and the acquisition of a company involved in the environmental technology industry.

The assignment and share transfer agreement provided for the acquisition of 100% of the issued and outstanding shares of Pacific Green Technologies Limited, formerly PGG's subsidiary in the United Kingdom. Additionally, PGG has assigned to our company a ten year exclusive worldwide representation agreement with EnviroTechnologies Inc., (formerly EnviroResolutions, Inc.), a Delaware corporation, to market and sell EnviroTechnologies' current and future environmental technologies. The representation agreement entitles PGG to a commission of 20% of all sales (net of taxes) generated by EnviroTechnologies. Pursuant to the terms of the assignment and share transfer agreement, all rights and obligations under the representation agreement have been transferred to our company. We currently anticipate that sales under the representation agreement will be our sole source of revenue for the foreseeable future. We had intended to complete an acquisition of EnviroTechnologies, as this would have been a logical step in our development. However, as discussed herein, we have settled with EnviroTechnologies as an alternative.

Both Sichel and PGG are wholly owned subsidiaries of the Hookipia Trust. PGG's wholly owned subsidiary was Pacific Green Technologies Limited. As a result, we acquired Pacific Green Technologies Limited from PGG. Sichel is a significant shareholder of our company and also provides us with consulting services pursuant to the consulting agreement as noted above. The sole director of Sichel is also the sole director of PGG. Further, PGG is a significant shareholder of EnviroTechnologies.

The assignment and share transfer agreement closed on June 14, 2012 via the issuance of 5,000,000 shares of our common stock as well as a \$5,000,000 promissory note to PGG. We have consequently undertaken the operations of Pacific Green Technologies Limited and PGG's obligations under the representation agreement.

Full consideration contemplated by the assignment and share transfer agreement was \$25,000,000 satisfied through the issue of 5,000,000 new shares of our common stock at a price of \$4 per share with the balance of \$5,000,000 structured as a promissory note over the next five years as follows:

- June 12, 2013, \$1,000,000 (which amount remains outstanding and has been rolled over to the following payment date);
- June 12, 2014, \$1,000,000;
- June 12, 2015, \$1,000,000
- June 12, 2016, \$1,000,000;
- June 12, 2017, \$1,000,000.



Under the terms of the promissory note, the loan repayments specified above shall not exceed the amount we earn under the terms of the representation agreement. If we are unable to meet the repayment schedule set out above, PGG will have the option to either roll over any unpaid portion to the following payment date or to convert the outstanding amount into new shares of our common stock. However, the entire amount of the promissory note is due upon the maturity date on the fifth anniversary. The promissory note is unsecured.

The total consideration of \$25,000,000 was a purchase price not determined under U.S. GAAP, and both the \$25,000,000 total price and the deemed price of \$4 per share does not represent the fair value of the stock issued or a value used in accounting for the acquisition. The number of shares issued and the terms of the promissory note were negotiated between the parties and are intended to represent full consideration for the acquisition of Pacific Green Technologies Limited and the representation agreement.

Effective December 18, 2012, we entered into a non-executive director agreement with Dr. Neil Carmichael, wherein Dr. Carmichael will receive compensation of \$1,000 per year for the term of the agreement and was granted options to purchase up to 62,500 shares of common stock at an exercise price of \$0.01 per share of common stock. The options will terminate the earlier of 24 months, or upon the termination of the agreement and Dr. Carmichael's engagement with our company. As of the date of this quarterly report, the options to Dr. Carmichael have not been exercised.

On April 3, 2013, we entered into and closed a share exchange agreement with certain shareholders of EnviroTechnologies. Pursuant to the terms of the share exchange agreement, we agreed to acquire 17,653,872 issued and outstanding common shares of EnviroTechnologies from the shareholders in exchange for the issuance of 1,765,395 shares of the common stock of our company. We issued an aggregate of 1,765,395 common shares to 47 shareholders.

On April 25, 2013, we entered into and closed share exchange agreements with certain shareholders of EnviroTechnologies. Pursuant to the terms of the share exchange agreement, we agreed to acquire 6,682,357 issued and outstanding common shares of EnviroTechnologies from the shareholders in exchange for the issuance of 668,238 shares of common stock of our company. We issued an aggregate of 668,238 common shares to 20 shareholders.

On May 15, 2013, we entered into and closed a stock purchase agreement with all five of the shareholders of Pacific Green Energy Parks Limited ("PGEP"), a company incorporated in the British Virgin Islands. PGEP is the sole shareholder of Energy Park Sutton Bridge Limited, a company incorporated in the United Kingdom. PGEP is developing a biomass power plant facility and holds an option to purchase the real property upon which the facility will be built.

Pursuant to the stock purchase agreement, we agreed to acquire all of the 1,752 issued and outstanding common shares of PGEP from the shareholders in exchange for:

- a payment of \$100 upon execution of the stock purchase agreement, which has been paid by us;
- \$14,000,000 paid in common shares in our capital stock at a deemed price at the lower of \$4 per share or the average closing price per share of our capital stock in the ten trading days immediately preceding the date of closing of the stock purchase agreement, which have been issued by us;
- \$3,000,000 payable in common shares of our capital stock at a deemed price at the lower of \$4 per share or the average closing price per share of our capital stock in the ten trading days immediately preceding the date upon which PGEP either purchases the property or secures a lease permitting PGEP to operate the facility on the property, which has not yet occurred; and
- subject to leasing or purchasing the property and PGEP securing sufficient financing for the construction of the facility, \$33,000,000 payable in common shares of our capital stock at a deemed price at the lower of \$4 per share or the average closing price per share of our capital stock in the ten trading days immediately preceding the date that

PGEP secures sufficient financing for the construction of the facility, which has not yet occurred.



All consideration from our company to the shareholders has been and will be issued on a pro-rata, pari-passu basis in proportion to the respective number of shares of PGEP sold by each respective shareholder. On May 15, 2013, pursuant to the stock purchase agreement, we issued an aggregate of 3,500,000 common shares, at an agreed upon deemed price of \$4 per share, to the five shareholders.

Pacific Green Energy Parks Limited and its wholly owned subsidiary, Energy Park Sutton Bridge, are now subsidiaries of our company.

On May 17, 2013, we entered into a debt settlement agreement with EnviroTechnologies and EnviroResolutions (collectively, the “Debtors”). Pursuant to the terms of the debt settlement agreement, we agreed to release and waive all obligations of the Debtors to repay debts, in the aggregate of \$293,406 and CAD\$38,079, to us and agreed to return an aggregate of 88,876,443 (as of December 31, 2013, 22,975,439 common shares of EnviroTechnologies remain to be returned) common shares of EnviroTechnologies to EnviroResolutions. As consideration for this release and waiver and return of shares, the Debtors agreed to transfer all rights, interests and title to certain intellectual property, the physical embodiments of such intellectual property, and to the supplemental agreement dated March 5, 2013 among EnviroResolutions, Peterborough Renewable Energy Limited (“PREL”) and Green Energy Parks Limited (“GEPL”) (collectively, the “Debtors’ Assets”).

The Debtors’ Assets include the intellectual property rights throughout most of the world for the ENVI-Clean™ system, the ENVI-Pure™ system and the ENVI-SEA™ scrubber. The ENVI-Clean™ system removes most of the sulphur dioxide, particulate matter, greenhouse gases and other hazardous air pollutants from the flue gases produced by the combustion of coal, biomass, municipal solid waste, diesel and other fuels. The ENVI-Pure™ emission system combines the ENVI-Clean™ highly effective patent-pending wet scrubbing technology with an innovative wet electrostatic precipitator and a granular activated carbon adsorber to remove particulate matter, acid gases, regulated metals, dioxins and VOCs from the flue gas to levels significantly below those required by strictest international regulations. The ENVI-SEA™ scrubber can be applied to diesel exhaust emissions that require sulphur and particulate matter abatement. Using seawater on a single-pass basis as the scrubbing fluid in combination with its patent pending scrubbing head will provide a highly interactive zone of turbulent mixing for absorption of SO<sub>2</sub>, particulate matter and other pollutants from the engine’s exhaust.

On June 11, 2013, we submitted 24,336,229 common shares of EnviroTechnologies to EnviroTechnologies for cancellation pursuant to our debt settlement agreement with EnviroTechnologies and EnviroResolutions dated May 17, 2013.

On June 17, 2013, we entered into and closed share exchange agreements with certain shareholders of EnviroTechnologies. Pursuant to the terms of the share exchange agreements we agreed to acquire 8,061,286 issued and outstanding common shares of EnviroTechnologies from the shareholders in exchange for the issuance of 806,132 shares of common stock of our company. We issued as aggregate of 806,132 shares of common stock to 19 shareholders.

On August 6, 2013, we entered into two share exchange agreements with two shareholders of EnviroTechnologies. Pursuant to the terms of the agreements, we agreed to acquire 440,000 issued and outstanding common shares of EnviroTechnologies from one shareholder in exchange for shares of common stock of our company on a 1 for 10 basis. Pursuant to the terms of the other agreement, we agreed to acquire 600,000 issued and outstanding common shares of EnviroTechnologies from one shareholder in exchange for shares of common stock of our company on a 1 for 15 basis.

On August 27, 2013, we entered into share exchange agreements with certain shareholders of EnviroTechnologies. Pursuant to the terms of the agreements, we have agreed to acquire 32,463,489 issued and outstanding common shares

of EnviroTechnologies from the shareholders in exchange for shares of common stock of our company on a 1 for 10 basis.

On September 13, 2013, we submitted 41,564,775 common shares of EnviroTechnologies to EnviroTechnologies for cancellation pursuant to our debt settlement agreement with EnviroTechnologies and EnviroResolutions dated May 17, 2013.

On September 26, 2013, we entered into an agreement with Dr. Andrew Jolly, wherein Dr. Jolly has agreed to serve as a director of our company. Pursuant to the agreement, our company is to compensate Dr. Jolly for serving as a director of our company at GBP£2,000 (approximately US\$3,235) per calendar month. Effective October 1, 2013, we appointed Dr. Jolly as a director of our company.

On October 11, 2013, we entered into share exchange agreements with certain shareholders of EnviroTechnologies. Pursuant to the terms of the agreements, we have agreed to acquire 674,107 issued and outstanding common shares of EnviroTechnologies from the shareholders in exchange for shares of common stock of our company on a 1 for 10 basis.

On October 22, 2013, we entered into an agreement with Mr. Chris Williams, wherein Mr. Williams has agreed to serve as business development director of our company effective December 5, 2013. As business development director of our company, Mr. Williams will focus on developing potential new business opportunities and generating sales from our existing assets.

Pursuant to the agreement, our company is to compensate Mr. Williams for serving as a business development director of our company with

- GBP£450 (approximately US\$730) per day and a guarantee of a minimum of four days a month for six months;
- GBP£50,000 (approximately US\$81,000) when we are in a position to drawdown funds in order to commence the development and construction (the “Financial Close”) of our 49MW biomass power plant at Sutton Bridge, Lincolnshire (the “Project”);
- options on the Financial Close of the completion of the Project to purchase 10,000 common shares in our company at \$2 per share; and
- on the Financial Close of the Project, 20,000 common shares of our company from PGG.

In addition to the above compensation, we have agreed to compensate Mr. Williams with commissions of:

- 10%, 8% and 6% for the first, second and third years, respectively, for Envi emissions control equipment sales on any license fees generated;
- 3% of net sales for Envi emissions control equipment sales that are direct sales (with no third party commissions);
  - 1% of net sales of any for Envi emissions control equipment sales from third party agents;
  - 5% of any financial equity raised for our company prior to the close of the Project;
  - 0.25% of any debt introduced for the Project;
  - 0.5% of any financial equity introduced for the Project;
- 10%, 6%, 4% and 2% for years 1, 2, 3 and thereafter, respectively, of any heat off-take sales related to the Project entered into before December 31, 2013
- 5%, 3% and 2% for years 1, 2 and thereafter, respectively, of any heat off-take sales related to the Project entered into on or after December 31, 2013; and
- 0.25% and 0.2% for years 1 and 2, respectively, of power purchase agreements.

Effective October 31, 2013, we entered into a private placement agreement. Pursuant to the agreement, we issued 18,750 common shares in our capital stock at a purchase price of \$4.00 per share, for total proceeds of \$75,000.

Pursuant to a debt settlement agreement dated May 17, 2013 among our company, EnviroTechnologies and EnviroResolutions, on November 22, 2013, our company was transferred a 40% shareholding in Peterborough Renewable Energy Limited (“PREL”) by Green Energy Parks Ltd. (“GEPL”) (who had prior to this transfer held all the issued and outstanding shares of PREL). PREL is a limited liability company incorporated under the laws of the United Kingdom.

PREL was incorporated by GEPL to develop a 79MWe waste to energy power station at Peterborough, United Kingdom (the “Peterborough Plant”). The Peterborough Plant has full planning permission at 79MWe and environmental agency permits. It is understood that the Peterborough Plant will be built in two stages at a total capital cost of approximately GBP£500 million (approximately US\$824,534,442). As of this date, PREL owns 20% of Energy Park Investments Limited, the holding company that is currently intended to finance the development of the Peterborough Plant in turn through its wholly owned operating subsidiary Energy Park Peterborough Limited.

Effective December 19, 2013, we entered into private placement agreements with nine subscribers. Pursuant to the agreements, we issued an aggregate of 262,500 common shares in our capital stock at a purchase price of \$3.20 per share, for total proceeds of \$840,000.

On December 27, 2013, we entered into and closed share exchange agreements with certain shareholders of EnviroTechnologies. Pursuant to the terms of the share exchange agreements, we acquired 130,000 issued and outstanding common shares of EnviroTechnologies from the shareholders in exchange for shares of common stock of our company on a 1 for 10 basis. On December 27, 2013, we issued an aggregate of 13,000 common shares to the shareholders of EnviroTechnologies.

On January 27, 2014, we entered into an agreement with Pöyry Management Consulting (UK) Limited. Pursuant to the agreement, Pöyry is to provide consulting services to us. Our company has agreed compensate Pöyry a minimum of £5,000 (approximately US\$ 8,293) as consulting fees for the first year of the agreement and a variable hourly rate as set out in the agreement.

## Results of Operations

The following summary of our results of operations should be read in conjunction with our unaudited interim consolidated financial statements for the three and nine months ended December 31, 2013 and 2012.

Our net loss and comprehensive loss for the three and nine month periods ended December 31, 2013 and 2012 and from April 5, 2011 (inception) to December 31, 2013 are summarized as follows:

|                                   | Three Months Ended<br>December 31, |               | Nine Months Ended<br>December 31, |               | Period from<br>April 5,<br>2011<br>(Inception)<br>to<br>December<br>31,<br>2013 |
|-----------------------------------|------------------------------------|---------------|-----------------------------------|---------------|---|
|                                   | 2013                               | 2012          | 2013                              | 2012          | 2013  |
| Amortization of intangible assets | \$399,401                          | \$ Nil        | \$761,248                         | \$ Nil        | \$761,248   |
| Consulting fees                   | \$281,063                          | \$ 252,249    | \$831,926                         | \$ 574,133    | \$2,432,148   |
| Foreign exchange (gain) loss      | \$(131,811 )                       | \$ 6,411      | \$(150,741 )                      | \$ 6,717      | \$(146,729 )  |
| Interest expense                  | \$220,646                          | \$ 92,726     | \$616,992                         | \$ 188,303    | \$1,141,642   |
| Office and miscellaneous          | \$44,030                           | \$ 7,080      | \$57,971                          | \$ 18,941     | \$221,911   |
| Professional fees                 | \$85,899                           | \$ 48,731     | \$274,114                         | \$ 107,032    | \$486,774   |
| Research and development          | \$17,723                           | \$ 3,332      | \$32,741                          | \$ 10,751     | \$92,878  |
| Transfer agent and filing fees    | \$9,011                            | \$ 1,455      | \$30,771                          | \$ 8,631      | \$40,650  |
| Travel                            | \$19,007                           | \$ 19,354     | \$48,039                          | \$ 20,928     | \$81,594  |
| Net Loss                          | \$(944,969 )                       | \$ (431,338 ) | \$(2,503,061 )                    | \$ (935,436 ) | \$(5,112,116)   |

Expenses for the three month period ended December 31, 2013 were \$944,969 as compared to \$431,338 for the three month period ended December 31, 2012. Expenses for the nine month period ended December 31, 2013 were \$2,503,061 as compared to \$935,436 for the nine month period ended December 31, 2012. Expenses for the period from April 5, 2011 (inception) to December 31, 2013 were \$5,112,116. With the increased activity in the development of the business, we incurred significant increases in consulting fees and professional fees over the comparative period. Additionally, we reported significantly higher levels of interest expense which related to non-cash accretion of a note payable and imputed interest on a loan with a related party.

During the nine months ended December 31, 2013, we began to amortize our intangible assets, comprising patent applications and intellectual property, over their estimated useful lives. During the three and nine month periods ended December 31, 2013, we did not generate any revenue.

## Liquidity and Capital Resources

## Working Capital

|                     | As at<br>December<br>31,<br>2013 | As at<br>March 31,<br>2013 |
|---------------------|----------------------------------|----------------------------|
| Current Assets      | \$411,928                        | \$300,578                  |
| Current Liabilities | \$8,569,209                      | \$2,494,225                |

|                           |               |               |
|---------------------------|---------------|---------------|
| Working Capital (Deficit) | \$(8,157,281) | \$(2,193,647) |
|---------------------------|---------------|---------------|

## Cash Flows

|   | Nine<br>Months<br>Ended<br>December<br>31,<br>2013 | Nine<br>Months<br>Ended<br>December<br>31,<br>2012 |
|---|--|--|
| Net cash provided by (used in) operating activities | \$(722,513 )                                       | \$(611,935 )                                       |
| Net cash provided by (used in) investing activities | \$(5,048 )   | \$1,430  |
| Net cash provided by financing activities           | \$1,054,876  | \$662,808  |
| Effect of foreign exchange                          | \$(49,453 )  | \$(6,511 )   |
| Change in cash                                      | \$277,862  | \$45,792   |

As of December 31, 2013, we had \$371,090 in cash, \$411,928 in total current assets, \$8,569,209 in total current liabilities and a working capital deficit of \$8,157,281. As of March 31, 2013, we had a working capital deficit of \$2,193,647.

We are dependent on funds raised through equity financing and proceeds from shareholder loans. Our net loss of \$5,112,116 from our inception on April 5, 2011 to December 31, 2013 was funded primarily by related party financing and loans, as well as from proceeds of stock issuances.

From our inception on April 5, 2011 to December 31, 2013 we spent \$1,769,246 on operating activities. During the nine months ended December 31, 2013 we spent \$722,513 on operating activities, whereas \$611,935 was spent on operating activities for the nine month period ended December 31, 2012.

From our inception on April 5, 2011 to December 31, 2013 we spent \$3,618 on investing activities, which related to the acquisition of intangible assets offset by cash acquired on acquisition of our subsidiary.

From our inception on April 5, 2011 to December 31, 2013 we received \$2,193,426 from financing activities, which consisted of \$453,424 in proceeds from related parties, \$1,640,002 raised from the proceeds of the sale of our common stock, and \$100,000 in proceeds from notes payable and. During the nine months ended December 31, 2013 we received \$1,054,876 from financing activities, which consisted of proceeds from related parties, subscriptions received and proceeds from the sale of our common shares, whereas we received \$662,808 from financing activities during the nine month period ended December 31, 2012.

We will require additional funds to fund our budgeted expenses over the next 12 months. These funds may be raised through, equity financing, debt financing, or other sources, which may result in further dilution in the equity ownership of our shares.

We anticipate that our cash expenses over the next 12 months (beginning January 2014) will be approximately \$1,640,000 as described in the table below. These estimates may change significantly depending on the nature of our business activities and our ability to raise capital from our shareholders or other sources.

| Description  | Estimated Expenses (\$) |
|--|-------------------------|
| Legal and accounting fees                                  | 120,000                 |
| Technology and IP acquisition, testing and servicing costs | 600,000                 |
| Marketing and advertising                                  | 75,000                  |
| Investor relations and capital raising                     | 80,000                  |
| Management and operating costs                             | 200,000                 |
| Salaries and consulting fees                               | 500,000                 |
| General and administrative expenses                        | 65,000                  |
| Total  | \$ 1,640,000            |

Our general and administrative expenses for the year will consist primarily of transfer agent fees, bank and interest charges and general office expenses. The professional fees are related to our regulatory filings throughout the year and include legal, accounting and auditing fees.

Based on our planned expenditures, we will require approximately \$1,640,000 to proceed with our business plan over the next 12 months. As of December 31, 2013, we had \$371,090 cash on hand. If we secure less than the full amount of financing that we require, we will not be able to carry out our complete business plan and we will be forced to proceed with a scaled back business plan based on our available financial resources.





We intend to raise the balance of our cash requirements for the next 12 months from private placements, shareholder loans or possibly a registered public offering (either self-underwritten or through a broker-dealer). If we are unsuccessful in raising enough money through such efforts, we may review other financing possibilities such as bank loans. At this time we do not have a commitment from any broker-dealer to provide us with financing. There is no assurance that any financing will be available to us or if available, on terms that will be acceptable to us.

Even though we plan to raise capital through equity or debt financing, we believe that the latter may not be a viable alternative for funding our operations as we do not have sufficient tangible assets to secure any such financing. We anticipate that any additional funding will be in the form of equity financing from the sale of our common stock. However, we do not have any financing arranged and we cannot provide any assurance that we will be able to raise sufficient funds from the sale of our common stock to finance our operations. In the absence of such financing, we may be forced to abandon our business plan.

#### Going Concern

Our financial statements for the three and nine month periods ended December 31, 2013 have been prepared on a going concern basis and contain an additional explanatory paragraph which identifies issues that raise substantial doubt about our ability to continue as a going concern. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty.

We have generated no revenues, have achieved losses since our inception, and rely upon the sale of our common stock and proceeds from shareholder loans to fund our operations. If we are unable to raise equity or secure alternative financing, we may not be able to continue our operations and our business plan may fail.

If our operations and cash flow improve, management believes that we can continue to operate. However, no assurance can be given that management's actions will result in profitable operations or an improvement in our liquidity situation. The threat of our ability to continue as a going concern will cease to exist only when our revenues have reached a level able to sustain our business operations.

#### Off-Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

#### Critical Accounting Policies

Our consolidated financial statements are impacted by the accounting policies used and the estimates and assumptions made by management during their preparation. We have identified below the accounting policies that are of particular importance in the presentation of our financial position, results of operations and cash flows, and which require the application of significant judgment by management.

## Use of Estimates

The preparation of financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses in the reporting period. Our company regularly evaluates estimates and assumptions related to the useful life and recoverability of intangible assets, valuation of long-term debt, stock-based compensation and deferred income tax asset valuation allowances. Our company bases our estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by our company may differ materially and adversely from our company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

## Intangible Assets

Intangible assets are stated at cost less accumulated amortization and are comprised of patent applications acquired and options to acquire land. The patent applications are amortized straight-line over 17 years or over the estimated useful life.

## Impairment of Long-lived Assets

Our company reviews long-lived assets such as property and equipment and intangible assets with finite useful lives for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. If the total of the expected undiscounted future cash flows is less than the carrying amount of the asset, a loss is recognized for the excess of the carrying amount over the fair value of the asset.

## Stock-based Compensation

Our company records stock-based compensation in accordance with ASC 718, "Compensation – Stock Compensation", using the fair value method. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. Our company uses the Black-Scholes option pricing model to calculate the fair value of stock-based awards. This model is affected by our company's stock price as well as assumptions regarding a number of subjective variables. These subjective variables include, but are not limited to our company's expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. The value of the portion of the award that is ultimately expected to vest is recognized as an expense in the consolidated statement of operations over the requisite service period.

## Recent Accounting Pronouncements

Our company has implemented all new accounting pronouncements that are in effect and that may impact its consolidated financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

## Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, we are not required to provide the information required by this Item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our president (our principal executive officer, principal financial officer and principal accounting officer) to allow for timely decisions regarding required disclosure.

As of the end of our quarter covered by this report, we carried out an evaluation, under the supervision and with the participation of our president (our principal executive officer, principal financial officer and principal accounting officer), of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our president (our principal executive officer, principal financial officer and principal accounting officer) concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this quarterly report.

#### Changes in Internal Control over Financial Reporting

During the period covered by this report, there were no changes in our internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings

Except for below, we know of no material, existing or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

On November 14, 2013, a shareholder holding one common share in our company (the “Plaintiff”) commenced an action against us, as a nominal defendant, and PGG for recovery of short-swing profits (the “Action”) under section 16(b) of the Securities Exchange Act of 1934, as amended (“Section 16(b)”). The Plaintiff alleges that PGG, a shareholder of our company of more than ten percent, profited from the purchase and sale of our stock within a period of less than six months.

PGG disposed of:

1. 37,778 shares of common stock at \$4.00 per share on July 22, 2013;
2. 62,600 shares of common stock at \$3.00 per share on August 9, 2013;
3. 16,000 shares of common stock at \$4.00 per share on September 17, 2013; and
4. 210,834 shares of common stock at \$3.00 per share on September 24, 2013.

On August 27, 2013, PGG acquired 2,237,929 shares at a deemed value of \$0.001, being our common share par value, pursuant to a share exchange with shareholders of EnviroTechnologies Inc. The Action states that, pursuant to Section 16(b), the alleged total short-swing profit is \$1,035,086.79 and must be disgorged to our company.

As our company declined to pursue a claim against PGG under Section 16(b), the Action was brought on behalf of our company by the Shareholder. This action was commenced in the United States District Court in the Southern District of New York.

### Item 1A. Risk Factors

As a “smaller reporting company” we are not required to provide the information required by this Item.

Item 2. Unregistered Sales of Equity Securities

Effective October 31, 2013, we entered into a private placement agreement. Pursuant to the agreement, we issued 18,750 common shares in our capital stock at a purchase price of \$4.00 per share, for total proceeds of \$75,000. We issued an aggregate of 18,750 common shares to two non-US persons (as that term is defined in Regulation S of the Securities Act of 1933), in an offshore transaction relying on Regulation S of the Securities Act of 1933, as amended.

On December 19, 2013, we issued an aggregate of 262,500 common shares to 9 non-US persons (as that term is defined in Regulation S of the Securities Act of 1933), in an offshore transaction relying on Regulation S of the Securities Act of 1933, as amended.

On December 27, 2013, we closed a share exchange and issued an aggregate of 13,000 common shares to 2 non-US persons (as that term is defined in Regulation S of the Securities Act of 1933), in an offshore transaction relying on Regulation S of the Securities Act of 1933, as amended.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On December 5, 2013, we appointed Mr. Chris Williams as business development director of our company.

Item 6. Exhibits

| Exhibit Number | Description   |
|----------------|---|
| (2)            | Plan of Acquisition, Reorganization, Arrangement Liquidation or Succession  |
| 2.1            | Assignment and Share Transfer Agreement dated June 14, 2012 between our company, Pacific Green Technologies Limited and Pacific Green Group Limited (incorporated by reference to our Registration Statement on Form 10, filed on July 3, 2012) |
| (3)            | Articles of Incorporation and Bylaws  |
| 3.1            | Articles of Incorporation filed on July 3, 2012 (incorporated by reference to our Registration Statement on Form 10, filed on July 3, 2012)   |
| 3.2            | Certificate of Amendment filed on August 15, 1995 (incorporated by reference to our Registration Statement on Form 10, filed on July 3, 2012)   |
| 3.3            | Certificate of Amendment filed on August 5, 1998 (incorporated by reference to our Registration Statement on Form 10, filed on July 3, 2012)  |
| 3.4            | Certificate of Amendment filed on October 15, 2002 (incorporated by reference to our Registration Statement on Form 10, filed on July 3, 2012)  |
| 3.5            | Certificate of Amendment filed on May 8, 2006 (incorporated by reference to our Registration Statement on Form 10, filed on July 3, 2012)   |
| 3.6            | Certificate of Amendment filed on May 29, 2012 (incorporated by reference to our Registration Statement on Form 10, filed on July 3, 2012)  |
| 3.7            | Bylaws filed on July 3, 2012 (incorporated by reference to our Registration Statement on Form 10, filed on July 3, 2012)  |
| 3.8            | Certificate of Amendment filed on November 30, 2012 (incorporated by reference to our Current Report on Form 8-K filed on December 11, 2012)  |
| (4)            | Instruments Defining the Rights of Security Holders, Including Indentures   |
| 4.1            | Share Certificate relating to shares held by our company in the Ordinary Share Capital of Peterborough Renewable Energy Limited (incorporated by reference to our Current Report on Form 8-K filed on December 12, 2013)                        |
| (10)           | Material Contracts  |
| 10.1           | Consulting Agreement dated May 1, 2010 between our company and Sichel Limited (incorporated by reference to our Registration Statement on Form 10, filed on July 3, 2012)   |
| 10.2           | Representation Agreement dated June 7, 2010 between Pacific Green Group Limited and EnviroTechnologies, Inc. (incorporated by reference to our Registration Statement on Form 10, filed on July 3, 2012)  |
| 10.3           | Peterborough Agreement dated October 5, 2011 between EnviroResolutions, Inc., Peterborough Renewable Energy Limited and Green Energy Parks Limited (incorporated by reference to our Registration Statement on Form 10, filed on July 3, 2012)  |
| 10.4           | Promissory Note dated June 2012 between our company and Pacific Green Group Limited (incorporated by reference to our Registration Statement on Form 10, filed on July 3, 2012)   |
| 10.5           | Assignment and Share Transfer Agreement dated June 14, 2012 between our company, Pacific Green Technologies Limited and Pacific Green Group Limited (incorporated by reference to our Registration Statement on Form 10, filed on July 3, 2012) |
| 10.6           | Non-Executive Director Agreement dated December 18, 2012 between our company and Neil Carmichael (incorporated by reference to our Current Report on Form 8-K filed on December 19, 2012)   |
| 10.7           | Supplemental Agreement dated March 5, 2013 between EnviroResolutions, Inc., Peterborough Renewable Energy Limited and Green Energy Parks Limited (incorporated by reference to our Annual Report on Form 10-K filed on July 1, 2013)            |
| 10.8           |   |

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Supplemental Agreement dated March 5, 2013 between our company, EnviroTechnologies Inc. and EnviroResolutions Inc. (incorporated by reference to our Current Report on Form 8-K filed on March 13, 2013)

- 10.9 Form of Share Exchange Agreement dated April 3, 2013 between our company and Shareholders of EnviroTechnologies Inc. (incorporated by reference to our Current Report on Form 8-K filed on April 8, 2013)
- 10.10 Form of Share Exchange Agreement dated April 25, 2013 between our company and Shareholders of EnviroTechnologies Inc. (incorporated by reference to our Current Report on Form 8-K filed on April 30, 2013)
- 10.11 Stock Purchase Agreement dated May 16, 2013 between our company and Shareholders of Pacific Green Energy Parks (incorporated by reference to our Current Report on Form 8-K/A filed on June 3, 2013)
- 10.12 Debt Settlement Agreement dated May 17, 2013 between our company, EnviroResolutions, Inc. and EnviroTechnologies, Inc. (incorporated by reference to our Current Report on Form 8-K/A filed on June 3, 2013)
- 10.13 Form of Share Exchange Agreement between our company and Shareholders of EnviroTechnologies, Inc. (incorporated by reference to our Current Report on Form 8-K filed on August 9, 2013)
- 10.14 Form of Share Exchange Agreement between our company and Shareholders of EnviroTechnologies, Inc. (incorporated by reference to our Current Report on Form 8-K filed on August 30, 2013)
- 10.15 Agreement dated September 26, 2013 between our company and Andrew Jolly (incorporated by reference to our Current Report on Form 8-K filed on October 3, 2013)

| Exhibit Number | Description   |
|----------------|---|
| 10.16          | Form of Share Exchange Agreement between our company and Shareholders of EnviroTechnologies, Inc. (incorporated by reference to our Current Report on Form 8-K filed on October 22, 2013)   |
| 10.17          | Agreement dated October 22, 2013 between our company and Chris Williams (incorporated by reference to our Current Report on Form 8-K filed on December 5, 2013)   |
| 10.18          | Form of Subscription Agreement between our company and the subscribers (incorporated by reference to our Current Report on Form 8-K filed on December 24, 2013)   |
| 10.19          | Form of Share Exchange Agreement between our company and certain shareholders of EnviroTechnologies, Inc. (incorporated by reference to our Current Report on Form 8-K filed on December 27, 2013)  |
| 10.20*         | Agreement dated January 27, 2014 between our company and Pöyry Management Consulting (UK) Limited   |
| (21)           | Subsidiaries of the Registrant  |
| 21.1           | -Pacific Green Technologies Limited, a United Kingdom corporation (wholly owned)<br>-Pacific Green Energy Parks Limited, a British Virgin Islands corporation (wholly owned)<br>-Energy Park Sutton Bridge, a United Kingdom corporation (wholly owned by Pacific Green Energy Parks Limited) |
| (31)           | Rule 13a-14 (d)/15d-14d) Certifications   |
| 31.1*          | Section 302 Certification by the Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer.   |
| (32)           | Section 1350 Certifications   |
| 32.1*          | Section 906 Certification by the Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer.   |
| (99)           | Additional Exhibits   |
| 99.1           | Peterborough Renewable Energy Limited Directors' Report and Financial Statements for the period ended December 31, 2012 (incorporated by reference to our Current Report on Form 8-K filed on December 12, 2013)  |
| 101**          | Interactive Data Files  |
| 101.INS        | XBRL Instance Document  |
| 101.SCH        | XBRL Taxonomy Extension Schema Document   |
| 101.CAL        | XBRL Taxonomy Extension Calculation Linkbase Document   |
| 101.DEF        | XBRL Taxonomy Extension Definition Linkbase Document  |
| 101.LAB        | XBRL Taxonomy Extension Label Linkbase Document   |
| 101.PRE        | XBRL Taxonomy Extension Presentation Linkbase Document  |

\* Filed herewith.

\*\* Furnished herewith. Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of any registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, and otherwise are not subject to liability under those sections.



SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PACIFIC GREEN TECHNOLOGIES INC.

Date: February 19, 2014

/s/ Neil Carmichael  
Neil Carmichael  
President, Treasurer, Secretary and Director  
(Principal Executive Officer, Principal Financial Officer  
and Principal Accounting Officer)