

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  
(State or other jurisdiction of incorporation or organization)

N/A

(IRS Employer Identification No.)

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

95129  
(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

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	<input type="radio"/>	Accelerated filer	<input type="radio"/>
Non-accelerated filer	<input type="radio"/>	Smaller reporting company	<input checked="" type="radio"/>

(Do not check if a 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.

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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, 2013 \$ (unaudited)	March 31, 2013 \$
<b>ASSETS</b>		
Cash	371,090	93,228
Accounts receivable	–	206,663
VAT receivable	19,368	–
Prepaid expenses	21,470	687
<b>Total Current Assets</b>	<b>411,928</b>	<b>300,578</b>
Intangible assets (Note 4)	44,643,120	–
<b>Total Assets</b>	<b>45,055,048</b>	<b>300,578</b>
<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
<b>Total Current Liabilities</b>	<b>8,569,209</b>	<b>2,494,225</b>
Note payable, net of unamortized discount of \$1,054,564 (Note 7)	2,017,527	2,605,743
<b>Total Liabilities</b>	<b>10,586,736</b>	<b>5,099,968</b>
Nature of Operations and Continuance of Business (Note 1)		
Commitments (Note 12)		
Subsequent Event (Note 13)		
<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)
<b>Total Stockholders' Equity (Deficit)</b>	<b>34,468,312</b>	<b>(4,799,390)</b>
<b>Total Liabilities and Stockholders' Equity (Deficit)</b>	<b>45,055,048</b>	<b>300,578</b>

(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 Months Ended December 31, 2013 \$	Three Months Ended December 31, 2012 \$	Nine Months Ended December 31, 2013 \$	Nine Months Ended December 31, 2012 \$	Accumulated from April 5, 2011 (Date of Inception) to December 31, 2013 \$
Revenue	–	–	–	–	–
<b>Expenses</b>					
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 )
<b>Other expense</b>					
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 )
<b>Other comprehensive income (loss)</b>					
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 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 Months Ended December 31, 2013 \$	Nine Months Ended December 31, 2012 \$	Accumulated from April 5, 2011 (Date of Inception) to December 31, 2013 \$
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		