Consolidated Interim Financial Statements of

MAXIM POWER CORP.

for the Third Quarter Ended September 30, 2015
(unaudited)

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, John R. Bobenic, President and Chief Executive Officer of Maxim Power Corp., certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Maxim Power Corp. (the "issuer") for the interim period ended September 30, 2015.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Internal Control - Integrated Framework (1992) published by the Committee of Sponsoring Organizations.

5.2 ***ICFR – material weakness relating to design***: The issuer has disclosed in its interim MD&A for each material weakness relating to design existing at the end of the interim period

(a) a description of the material weakness;

(b) the impact of the material weakness on the issuer's financial reporting and its ICFR; and

(c) the issuer's current plans, if any, or any actions already undertaken, for remediating the material weakness.

5.3 N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2015 and ended on September 30, 2015, that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: November 6, 2015

("signed")

John R. Bobenic
President and Chief Executive Officer

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, Michael R. Mayder, Senior Vice President, Finance and Chief Financial Officer of Maxim Power Corp., certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Maxim Power Corp. (the "issuer") for the interim period ended September 30, 2015.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

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5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

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(a) a description of the material weakness;

(b) the impact of the material weakness on the issuer's financial reporting and its ICFR; and

(c) the issuer's current plans, if any, or any actions already undertaken, for remediating the material weakness.

5.3 N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2015 and ended on September 30, 2015, that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: November 6, 2015

("signed")

Michael R. Mayder
Senior Vice President, Finance and Chief Financial Officer

Condensed Consolidated Interim Financial Statements of

MAXIM POWER CORP.

For the Third Quarter Ended September 30, 2015

(Unaudited)

MAXIM POWER CORP.

Unaudited Condensed Consolidated Statements of Financial Position

(in thousands of Canadian dollars)

	Note	**September 30, 2015**	December 31, 2014
ASSETS			
Cash and cash equivalents		**11,497**	17,142
Trade and other receivables		**9,546**	20,269
Income taxes recoverable		**2,973**	1,978
Prepaid expenses and deposits		**2,539**	1,104
Inventories		**19,113**	22,947
Total current assets		**45,668**	63,440
Property, plant and equipment, net		**280,491**	246,904
Restricted cash		**1,350**	1,221
Goodwill and other intangible assets, net		**30,822**	33,095
Deferred tax assets		**38,731**	31,406
Other assets	4	**9,548**	15,613
Total non-current assets		**360,942**	328,239
TOTAL ASSETS		**406,610**	391,679
LIABILITIES			
Trade and other payables		**21,882**	26,437
Deferred revenue		**-**	304
Loans and borrowings	5, 14	**7,553**	6,068
Derivative coal contracts	14	**-**	3,719
Total current liabilities		**29,435**	36,528
Loans and borrowings	5, 14	**61,425**	50,288
Provisions for decommissioning		**23,677**	22,506
Deferred tax liabilities		**15,442**	14,774
Total non-current liabilities		**100,544**	87,568
TOTAL LIABILITIES		**129,979**	124,096
EQUITY			
Share capital		**156,248**	156,248
Contributed surplus		**10,467**	9,908
Accumulated other comprehensive income		**29,032**	8,393
Retained earnings		**80,165**	92,428
Equity attributable to shareholders		**275,912**	266,977
Non-controlling interests		**719**	606
TOTAL EQUITY		**276,631**	267,583
Commitments and Contingencies	10, 11		
Subsequent event	15		
TOTAL LIABILITIES AND EQUITY		**406,610**	391,679

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

MAXIM POWER CORP.

Unaudited Condensed Consolidated Statements of Loss

For the three and nine months ended September 30
(in thousands of Canadian dollars)

	Note	Three months ended September 30		Nine months ended September 30	
		2015	2014	**2015**	2014
Revenue		**19,705**	24,208	**90,253**	112,478
Expenses					
Operating		**21,092**	19,448	**81,837**	93,508
General and administrative		**1,173**	1,776	**3,548**	4,941
Depreciation and amortization		**4,262**	3,711	**15,992**	15,270
(Reversal of) asset impairment charge		**-**	-	**(1,500)**	538
Loss (gain) on derivative coal contracts	14	**-**	306	**(3,719)**	422
Other (income) expense, net	7	**745**	(213)	**5,620**	(2,388)
Operating income (loss)		**(7,567)**	(820)	**(11,525)**	187
Finance expense, net	8	**4,303**	1,443	**8,142**	3,171
Loss before income taxes		**(11,870)**	(2,263)	**(19,667)**	(2,984)
Income tax expense (benefit)					
Current		**(287)**	(401)	**114**	(72)
Deferred		**(2,665)**	(440)	**(7,625)**	(770)
		(2,952)	(841)	**(7,511)**	(842)
Net loss		**(8,918)**	(1,422)	**(12,156)**	(2,142)
Attributable to:					
Non-controlling interest		**(1)**	(7)	**107**	111
Shareholders		**(8,917)**	(1,415)	**(12,263)**	(2,253)
Net loss attributable to shareholders per share:	9				
Basic earnings		**(0.16)**	(0.03)	**(0.23)**	(0.04)
Diluted earnings		**(0.16)**	(0.03)	**(0.23)**	(0.04)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

MAXIM POWER CORP.

Unaudited Condensed Consolidated Statements of Comprehensive Income

For the three and nine months ended September 30
(in thousands of Canadian dollars)

	Three months ended September 30		Nine months ended September 30	
	2015	2014	**2015**	2014
Net loss	**(8,918)**	(1,422)	**(12,156)**	(2,142)
Other comprehensive income, net of tax:				
Items that may be subsequently reclassified to net income				
Unrealized gains on translation of foreign operations	**12,759**	3,021	**20,708**	3,180
Total comprehensive income	**3,841**	1,599	**8,552**	1,038
Comprehensive income (loss) attributable to:				
Non-controlling interest	**53**	(6)	**176**	94
Shareholders	**3,788**	1,605	**8,376**	944

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

MAXIM POWER CORP.

Unaudited Condensed Consolidated Statements of Changes in Equity

For the nine months ended September 30
(in thousands of Canadian dollars, except common share data)

	Common shares (thousands)	Share Capital	Contributed surplus	Accumulated other comprehensive gain	Retained earnings	Equity attributable to shareholders	Non-controlling interest	Total
Equity at December 31, 2014	54,219	156,248	9,908	8,393	92,428	266,977	606	267,583
Net income (loss)	-	-	-	-	(12,263)	(12,263)	107	(12,156)
Share-based compensation	-	-	559	-	-	559	-	559
Translation of foreign operations	-	-	-	20,639	-	20,639	69	20,708
Distributions to non-controlling interest	-	-	-	-	-	-	(63)	(63)
Equity at September 30, 2015	**54,219**	**156,248**	**10,467**	**29,032**	**80,165**	**275,912**	**719**	**276,631**
Equity at December 31, 2013	54,199	156,168	10,022	1,952	101,541	269,683	569	270,252
Net income (loss)	-	-	-	-	(2,253)	(2,253)	111	(2,142)
Stock options exercised	20	80	(30)	-	-	50	-	50
Share-based compensation	-	-	(184)	-	-	(184)	-	(184)
Translation of foreign operations	-	-	-	3,197	-	3,197	(17)	3,180
Distributions to non-controlling interest	-	-	-	-	-	-	(58)	(58)
Equity at September 30, 2014	54,219	156,248	9,808	5,149	99,288	270,493	605	271,098

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

MAXIM POWER CORP.

Unaudited Condensed Consolidated Statements of Cash Flows

For the nine months ended September 30
(in thousands of Canadian dollars)

	Note	2015	2014
Cash flows from operating activities:			
Net loss		**(12,156)**	(2,142)
Adjustments for items not involving cash or operations:			
Depreciation and amortization		**15,992**	15,270
(Reversal of) asset impairment charges		**(1,500)**	538
Inventory write-down		**4,234**	-
Restructuring of Alberta operations - non-cash consideration	7	**3,676**	-
Share-based compensation	6	**559**	278
Unrealized loss (gain) on derivative coal contracts	14	**(3,719)**	422
Payment to cash settle stock options		**-**	(769)
Income tax benefit		**(7,511)**	(842)
Income taxes paid		**(895)**	(604)
Finance expense	8	**8,186**	3,213
Gain on sale of emission performance credits	7	**(47)**	-
Loss on disposal of generating facility	7	**-**	23
Loss on disposal of spare engines	7	**631**	-
Approved emission performance credits	7	**(1,631)**	(1,697)
Funds from operating activities before changes in working capital		**5,819**	13,690
Change in non-cash working capital	12	**1,328**	12,190
Net cash generated from operating activities		**7,147**	25,880
Cash flows from financing activities:			
Issuance of loans and borrowings		**15,164**	9,164
Repayment of loans and borrowings		**(7,933)**	(16,244)
Proceeds from exercise of stock options		**-**	50
Interest paid		**(2,753)**	(2,610)
Net cash (used in) from financing activities		**4,478**	(9,640)
Cash flows used in investing activities:			
Property, plant and equipment, net of disposals		**(24,567)**	(15,819)
Proceeds on sale of emission performance credits	7	**3,374**	-
Proceeds on sale of spare engines	7	**201**	-
Increase in non-current deposits		**(215)**	(93)
Proceeds on sale of generating facility		**-**	4,781
Change in non-cash working capital	12	**2,620**	142
Net cash used in investing activities		**(18,587)**	(10,989)
Unrealized foreign exchange gain on cash and cash equivalents		**1,317**	192
(Decrease) increase in cash and cash equivalents		**(5,645)**	5,443
Cash and cash equivalents, beginning of period		**17,142**	21,362
Cash and cash equivalents, end of period		**11,497**	26,805

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. Reporting entity

Maxim Power Corp. is incorporated in the province of Alberta, Canada. Maxim Power Corp. and its subsidiaries (together "MAXIM" or the "Corporation") is an independent power producer, which acquires or develops, owns and operates power and power related projects. The Corporation has power generation facilities in Alberta, the United States of America ("United States") and France. The Corporation's common shares trade on the Toronto Stock Exchange under the symbol "MXG". MAXIM's registered office is Suite 1210, 715 – 5 Avenue S.W., Calgary, Alberta, Canada, T2P 2X6.

2. Basis of preparation and statement of compliance

MAXIM prepares its annual consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as set out in Part 1 of the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook").

These condensed consolidated interim financial statements, are prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). The condensed consolidated interim financial statements do not include all the information required for annual financial statements. These condensed consolidated interim financial statements should be read in conjunction with the Corporation's December 31, 2014 annual audited consolidated financial statements, available at www.sedar.com.

MAXIM's Board of Directors approved these condensed consolidated interim financial statements on November 5, 2015.

3. Significant accounting policies, judgments and estimates

The significant accounting policies used in the preparation of these condensed consolidated financial statements have been applied consistently for all periods presented and are unchanged from the policies disclosed in the notes to the consolidated financial statements for the year ended December 31, 2014, with the exception of the following:

On January 1, 2015, the Corporation adopted the amendments to Employee Benefits ("IAS 19"). The adoption of this amendment has no impact on the amounts recorded in the Corporation's consolidated financial statements as of January 1, 2015 or on the comparative periods.

The use of judgments and estimates in the preparation of these condensed consolidated financial statements has been applied consistently for all periods presented and are unchanged from the judgments and estimates disclosed in the notes to the consolidated financial statements for the year ended December 31, 2014, with the exception of the following:

During the first quarter of 2015, the Corporation revised its business plan for the Milner generating facility ("Milner"). This facility is now expected to remain a coal-fired facility until 2019, at which point it will be converted to a natural gas-fired facility and have a 40 year life-extension. As a result, the expected useful life of coal-fired components of the equipment has decreased and the estimated residual value of other components, not specifically related to coal-fired generation, has increased. The effect of those changes on actual and expected depreciation expense is not significant. The effect of these changes on the Statement of Financial Position was disclosed in the Corporation's condensed consolidated interim financial statements for the first quarter ended March 31, 2015.

(Amounts in thousands of Canadian dollars except as otherwise noted)

4. Other assets

	September 30, 2015	December 31, 2014
Deposits and other	813	245
Long term prepaid expenses (a)	213	4,128
Milner decommissioning reimbursement	8,522	11,240
Total other assets	9,548	15,613

(a) During the second quarter of 2015, the Corporation terminated its terminal services agreement for port capacity relating to coal exports. As part of the consideration under the termination agreement, the Corporation has forgone a long-term prepaid expense (note 7).

5. Loans and borrowings

	September 30, 2015	December 31, 2014
French bank facilities	43,303	32,276
United States facility	24,981	22,800
Finance leases	1,963	2,443
	70,247	57,519
Less: deferred financing costs	1,269	1,163
Net loans and borrowings	68,978	56,356
Less: current portion	7,553	6,068
	61,425	50,288

(a) Canadian bank facilities

The Corporation has a $40,000 revolving credit facility that is divided into two tranches. Total borrowings under this facility are not to exceed the sum of 90% of the book value of the Corporation's Canadian accounts receivable balance and 50% of the book value of the Corporation's Canadian property, plant and equipment. The first tranche provides for borrowing up to $25,000. The second tranche provides for borrowing of up to an additional $15,000 subject to twelve month trailing EBITDA being equal to or greater than $15,000 and MAXIM being in compliance with all financial covenants for a minimum of two consecutive quarters. This facility matures on August 31, 2016. The borrowing limit at September 30, 2015 was $25,000. As at September 30, 2015, MAXIM had issued letters of credit of $11,374 (December 31, 2014 - $10,860) on the facility.

As at September 30, 2015, MAXIM breached the following financial covenants in relation to its Canadian bank facilities: debt service coverage ratio, interest coverage ratio and net funded debt to EBITDA ratio). The carrying amount of the loan at September 30, 2015 was $nil. Management obtained a waiver for this September 30, 2015 covenant breach from the bank on October 30, 2015. Accordingly, the issued letters of credit of $11,374 against Facility A are unaffected by this covenant breach as at September 30, 2015.

(Amounts in thousands of Canadian dollars except as otherwise noted)

5. Loans and borrowings (continued)

(b) Repayments

The Corporation's anticipated principal repayment obligations as at September 30, 2015 on the above loans and borrowings over the next five calendar years are as follows:

2015	1,948
2016	7,683
2017	7,586
2018	7,121
2019	6,715
Thereafter	39,194
	70,247

6. Share-based compensation

	Nine months ended September 30, 2015		Nine months ended September 30, 2014	
	Number of options	Weighted average exercise price ($)	Number of options	Weighted average exercise price ($)
Outstanding, beginning of period	1,794,420	3.14	2,929,526	2.95
Settled for cash	(1,500)	(2.05)	(2,281,133)	(2.87)
Exercised	-	-	(20,000)	(2.51)
Forfeited	(40,000)	(3.20)	(8,666)	(2.17)
Granted (a)	2,145,422	2.52	1,244,693	3.20
Expired	(1,086,661)	(3.13)	(60,000)	(5.83)
Outstanding, end of period	2,811,681	2.67	1,804,420	3.14
Exercisable	631,260	3.15	1,098,161	3.13

(a) During the third quarter of 2015, the Corporation granted options with a vesting period of one year to certain employees and directors. The fair value of each option granted is estimated at the date of grant using the Black-Scholes option pricing model with weighted average assumptions for the grant as follows:

	2015
Fair value of each option ($)	0.47
Share price at grant date ($)	2.47
Exercise price ($)	2.47
Risk-free interest rate (%)	0.46
Expected life (years)	2.00
Expected volatility (%) (i)	33.45

(i) The expected volatility was calculated by using daily volatility of the historical closing value of the Corporation's stock, using the date of the grant as the starting point of the retrospective data capture.

(Amounts in thousands of Canadian dollars except as otherwise noted)

7. Other income (expense), net

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Penalty income and insurance proceeds (a)	-	236	301	714
Restructuring of Alberta operations (b)	(114)	-	(6,968)	-
Loss on disposal of spare engines (c)	(631)	-	(631)	-
Gain on sale of emission performance credits (d)	-	-	47	-
Loss on sale of generating facility (e)	-	(23)	-	(23)
Approved emission performance credits (f)	-	-	1,631	1,697
Total other income (expense), net	(745)	213	(5,620)	2,388

(a) This consists of performance penalties and insurance proceeds related to France service providers and United States insurance proceeds. These payments compensate MAXIM for out-of-pocket costs and lost revenue.

(b) This consists of costs incurred to restructure the Corporation’s Alberta operations to reduce ongoing operating costs. These expenses relate to termination of the Corporation’s terminal services agreement, long-term coal supply agreement and coal handling agreement, as well as severance paid to employees.

(c) During the third quarter of 2015, the Corporation’s French subsidiary sold spare engines that were replaced as part of the renovation program for cash consideration of $201. As a result, the Corporation realized a pre-tax loss of $631.

(d) During the second quarter of 2015, the Corporation closed the sale of the Emission Performance Credits for cash consideration of $3,374. As a result, the Corporation realized a pre-tax gain of $47.

(e) During the third quarter of 2014, the Corporation closed the sale of Maxim Power (B.C.) Inc. ("MAXIM BC"), for total cash consideration $5,265 which includes cash held in MAXIM BC on the close date and transferred to the purchaser. As a result, the Corporation realized a pre-tax loss of $23.

(f) During the first quarter of 2015, the Alberta Environment and Sustainable Resource Development approved the 2013 Emission Performance Credits pertaining to Alberta’s Greenhouse Gas Reduction Program ("Emission Performance Credits") at 115,237 tonnes. During the first quarter of 2014, the Alberta Environment and Sustainable Resource Development approved the 2012 Emission Performance Credits at 119,911 tonnes.

(Amounts in thousands of Canadian dollars except as otherwise noted)

8. Finance expense, net

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Interest expense	951	824	2,713	2,419
Amortization of deferred financing costs	37	49	143	149
Accretion of provisions	79	70	210	189
Foreign exchange loss	3,255	513	5,120	456
Finance expense	4,322	1,456	8,186	3,213
Interest income	(19)	(13)	(44)	(42)
Total finance expense, net	4,303	1,443	8,142	3,171

9. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the three months ended September 30, 2015 was based on the net loss attributable to common shareholders of $8,917 (September 30, 2014 – net loss of $1,415) and weighted average number of common shares outstanding for the period of 54,218,758 (September 30, 2014 – 54,204,845). For the nine months ended September 30, 2015 basic earnings per share was based on the net loss attributable to common shareholders of $12,263 (September 30, 2013 – net loss of $2,253) and weighted average number of common shares outstanding for the period of 54,218,758 (September 30, 2014 – 54,200,809).

(b) Diluted earnings per share

For the three months ended September 30, 2015 diluted earnings per share calculation, nil (September 30, 2014 – nil) shares were added to the average number of common shares outstanding during the period for the dilutive effects of exercisable stock options. For the nine months ended September 30, 2015 diluted earnings per share calculation, nil (September 30, 2014 – nil) shares were added to the average number of common shares outstanding during the period for the dilutive effects of exercisable stock options. For the three and nine months ended September 30, 2015, no shares were added to the average number of common shares outstanding because they were antidilutive.

10. Commitments

(a) Canada

(i) Milner Power Limited Partnership ("MPLP") is responsible for the decommissioning and reclamation of the power station lands at Milner and the present value of these amounts have been recorded in provisions. The Balancing Pool has agreed to reimburse MPLP for the first $15,000 in decommissioning expense, the present value of which has been recorded in other assets. Should there be a material breach of environmental laws by MPLP during the period of ownership, then MPLP is required to contribute fully to the incremental costs caused by such material breach.

(ii) MPLP has entered into a short-term coal supply agreement with a supplier that expires at the end of 2015. Based on the price in the agreement the purchase commitment remaining to December 31, 2015 is $1,537.

(iii) The Corporation has entered into various operating and maintenance ("O&M") contracts to supply services for the operation of certain Canadian facilities. These contracts expire between 2015 and 2016 with commitments totaling $571.

(iv) The Corporation has entered into an amended natural gas transportation service agreement from January 1, 2018 to December 31, 2026 for the Deerland peaking station development project ("Deerland") whereby it is committed to reimburse out-of-pocket costs of the counterparty for the construction of the project. The maximum authorization of expenditure is $1,570 and $15 has been incurred by the counterparty as at September 30, 2015. The Corporation has an additional commitment of $798 regarding the service portion of the contract.

(b) United States

The Corporation, through its United States subsidiaries, has entered into various O&M contracts for fixed monthly fees which escalate by the amount of inflation on an annual basis. These contracts expire between 2015 and 2026 with commitments totaling US$8,481 thousand.

(c) France

The Corporation has operating and maintenance service contracts with four service providers for its facilities in France. These contracts expire between 2015 and 2024 with commitments totaling EUR 4,478 thousand.

11. Contingencies

(a) Contingent liabilities

The Corporation operates in a regulatory and commercial environment that exposes it to regulatory, contractual and litigation risks. As a result, the Corporation is involved in certain disputes and legal proceedings, including litigation, arbitration, and regulatory investigations. Such cases are subject to many uncertainties, and the outcomes are often difficult to predict, including the impact on operations or on the financial statements, particularly in the earlier stages of a case. In certain circumstances, to avoid the expense and distraction of legal proceedings, the Corporation may, based on a cost-benefit analysis, enter into a settlement even though denying any wrongdoing. The Corporation makes provisions for cases brought against it when, in the opinion of management after seeking legal advice, it is probable that a liability exists, and the amount can be reliably estimated.

The Federal Energy Regulatory Commission ("FERC") has continued its inquiry related to MAXIM's supply of electricity to the ISO New England ("ISO-NE") market. In the first quarter of 2014, FERC's Office of Enforcement ("OE") communicated to MAXIM its preliminary findings on this matter. OE is asserting that MAXIM received unjust gains of approximately US$23 million for which it should be required to repay amounts not already repaid (MAXIM repaid approximately US$3 million in 2010 through the ISO-NE mitigation program), and pay a civil penalty calculated based on the amount of unjust gains. In the fourth quarter of 2014, FERC issued a Notice of Alleged Violations ("Notice") concerning the OE inquiry. In the first quarter of 2015, FERC issued an Order to Show Cause ("Show Cause Order") concerning certain offers to supply electricity during July and August of 2010. The preliminary findings of the OE, the Notice and the Show Cause Order do not constitute findings of FERC. In the second quarter of 2015, FERC issued an Order Assessing Civil Penalties ("Penalties Order") concerning the Show Cause Order. The Penalties Order has assessed penalties of US$5 million against MAXIM and US$50 thousand against an employee. MAXIM has filed an election with FERC that requires FERC to initiate a judicial proceeding in which a federal district court will review the facts and the law *de novo.* On July 1, 2015, FERC filed a petition seeking a court order to affirm these civil penalties related to certain offers to supply electricity during July and August of 2010. On August 31, 2015, MAXIM and FERC filed a joint stipulation agreement that sets out a schedule for the court to hear MAXIM's motion to dismiss. On September 4, 2015, MAXIM filed its motion to dismiss. On September 25, 2015, FERC filed its opposition to MAXIM's motion to dismiss ("Opposition"). Subsequent to September 30, 2015, MAXIM filed its rebuttal to FERC's Opposition. MAXIM intends to vigorously defend itself and is confident it can demonstrate that the conduct set forth in the Show Cause Order did not violate FERC's anti-manipulation rule or any other rule. MAXIM and its external legal counsel strongly disagree with the preliminary findings of the OE on the other matters for which Show Cause Orders have not been issued.

In addition to the regulatory inquiry described in the preceding paragraph, the Corporation has received claims for additional costs from suppliers in France. Costs in relation to these claims and potential claims are only recognized when they become probable and based on the information presently known it is the view of the Corporation that these claims and potential claims are without merit. The actual outcome of these claims and potential claims, including the timing and amount of any cash outflow or the possibility of reimbursements, is not yet determinable.

(Amounts in thousands of Canadian dollars except as otherwise noted)

11. Contingencies (continued)

(b) Contingent asset

The Corporation anticipates that the Alberta Utilities Commission ("AUC") proceedings relating to the Alberta Electric System Operator ("AESO") Line Loss Rule will establish compensation to MAXIM. The timing and amount of any cash inflow is not yet determinable.

12. Changes in non-cash working capital

	September 30, 2015	September 30, 2014
Operations		
Trade receivables	11,708	20,805
Prepaid expenses and deposits	(1,387)	3,714
Inventories	639	1,666
Trade and other payables	(9,394)	(13,871)
Deferred revenue	(238)	(124)
	1,328	12,190

	September 30, 2015	September 30, 2014
Investing		
Trade and other payables	2,620	142
	2,620	142

13. Segmented information

MAXIM is an independent power producer engaged in the development, ownership and operation of power generation facilities and the sale of electricity and heat. The Corporation operates in three reportable segments with power generation facilities located in Canada, the United States and France. The Corporation has chosen to organize the entity around geographic areas. For each of the segments, results are reviewed regularly by the Corporation's CEO to make decisions about resources to be allocated to the segment and to assess its performance. Canada – Other ceased to be a strategic segment in the third quarter of 2014 as a result of the sale of MAXIM BC. The Corporation has modified the composition of the reportable segments and restated the comparative information for these changes.

(a) Three months ended

September 30, 2015	Canada	United States	France	Total	Other Corporate Amounts	Total Consolidated
Revenues from external customers	901	18,164	640	19,705	-	19,705
Operating income (loss)	(6,582)	2,324	(2,275)	(6,533)	(1,034)	(7,567)

September 30, 2014	Canada	United States	France	Total	Other Corporate Amounts	Total Consolidated
Revenues from external customers	13,104	10,443	661	24,208	-	24,208
Operating income (loss)	1,017	1,044	(1,412)	649	(1,469)	(820)

(Amounts in thousands of Canadian dollars except as otherwise noted)

13. Segmented information (continued)

(b) Nine months ended

September 30, 2015	Canada	United States	France	Total	Other Corporate Amounts	Total Consolidated
Revenues from external customers	17,396	48,347	24,510	90,253	-	90,253
Operating income (loss)	(14,705)	6,518	(423)	(8,610)	(2,915)	(11,525)

September 30, 2014	Canada	United States	France	Total	Other Corporate Amounts	Total Consolidated
Revenues from external customers	38,965	43,624	29,889	112,478	-	112,478
Operating income (loss)	(1,337)	3,828	1,344	3,835	(3,648)	187

MAXIM’s operations are impacted by seasonality due to its French operations. These are comprised of cogeneration facilities that annually operate only from November through March, in addition to peaking facilities that operate throughout the year. As such, revenues and operating income are higher in the France segment in the first and fourth quarters, as opposed to the second and third quarters.

14. Fair value of financial instruments

The fair value measurement of a financial instrument or derivative contract is included in one of three levels as follows:

- Level I: unadjusted quoted prices in active markets for identical assets or liabilities
- Level II: inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly or indirectly
- Level III: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The fair value of the Corporation’s risk management assets and (liabilities) and derivative coal contracts are as follows:

As at September 30, 2015

	Level I	Level II	Level III	Total
Coal purchase contract	-	-	-	-

As at December 31, 2014

	Level I	Level II	Level III	Total
Coal purchase contract	-	-	(3,719)	(3,719)

The Corporation’s financial assets and financial liabilities that are not derivatives or loans and borrowings are all classified as Level I under the fair value hierarchy as they are based on unadjusted quoted prices in active markets for identical instruments.

The fair value of the loans and borrowings are classified as Level II under the fair value hierarchy as the fair values are based on observable market data. MAXIM determined the fair value of the loans and borrowings using comparable debt instruments with similar maturities. The fair value of the fixed rate loans and borrowings at September 30, 2015 was $80,223 (December 31, 2014 – $66,110). The carrying value of the fixed rate loans and borrowings at September 30, 2015 was $66,571 (December 31, 2014 – $53,702). The carrying value of floating rate debt approximates fair value.

(Amounts in thousands of Canadian dollars except as otherwise noted)

14. Fair value of financial instruments (continued)

The following table summarizes the key factors impacting the Corporation's Level III fair value of derivative coal contracts during the period ended September 30, 2015:

	Level III
Derivative coal contracts at December 31, 2013	(3,640)
Changes attributable to:	
Market price changes on contract during 2014 - unrealized	(1,538)
Purchase volume commitments fulfilled - unrealized	1,459
Derivative coal contracts at December 31, 2014	(3,719)
Changes attributable to:	
Market price changes on contract during 2015 - unrealized	(154)
Purchase volume commitments fulfilled - unrealized	404
Contract termination - unrealized (a)	3,469
Derivative coal contracts at September 30, 2015	-

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Additional Level III information:				
Unrealized loss (gain) included in earnings before income taxes	-	306	(3,719)	422

(a) During the second quarter of 2015, the Corporation terminated its long-term coal supply agreement. The subsequent execution of a new short-term coal supply agreement expiring at the end of 2015 does not give rise to a new derivative coal contract.

The Corporation's policy is to recognize transfers out of Level III as of the date of the event that caused the transfer, in this case being a decrease to purchase commitment

15. Subsequent event

On October 30, 2015, the Corporation entered into an agreement to sell emissions credits used to offset the production of sulphur dioxide ("SO2 Credits") for $5,460. The agreement subsequently closed on November 3, 2015. The SO2 Credits had a carrying value of $nil and as such, the proceeds of $5,460 will be recognized as a gain in the fourth quarter of 2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") is dated November 5, 2015 and should be read in conjunction with the unaudited condensed consolidated interim financial statements of Maxim Power Corp. ("MAXIM" or the "Corporation") for the three and nine months ended September 30, 2015. The MD&A should also be read in conjunction with the audited consolidated financial statements and MD&A for the year ended December 31, 2014. The unaudited condensed consolidated interim financial statements do not include all the information required for the annual financial statements. MAXIM prepares its unaudited condensed consolidated interim financial statements in accordance with International Accounting Standards ("IAS") 34 Interim Financial Reporting, under International Financial Reporting Standards ("IFRS"), as set out in Part 1 of the Handbook of the Canadian Institute of Chartered Accountants ("GAAP"). In this MD&A, MAXIM also reports certain non-GAAP measures. See page 20 for an explanation of non-GAAP measures.

Capitalized and abbreviated terms that are used but not otherwise defined herein are defined in the Glossary of Terms. Throughout this MD&A, dollar amounts within tables are in thousands of Canadian dollars unless otherwise noted.

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FORWARD-LOOKING INFORMATION

Certain information in this MD&A is forward-looking information ("FLI") and is subject to important risks and uncertainties. The results or events predicted in this information may differ from actual results or events. Factors which could cause actual results or events to differ materially from current expectations include the ability of the Corporation to implement its strategic initiatives, the availability and price of energy commodities, government and regulatory decisions, plant availability, competitive factors in the power industry and prevailing economic conditions in the regions that the Corporation operates. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "project", "predict", "potential", "could", "might", "should" and other similar expressions. The Corporation believes the expectations reflected in forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct. These forward-looking statements speak only to the date of this MD&A. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required pursuant to applicable securities laws.

Readers are cautioned that management's expectations, estimates, projections and assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. With respect to forward-looking statements contained within this MD&A, MAXIM has made the following assumptions:

- MAXIM will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

  The Corporation has a $40.0 million revolving credit facility that is divided into two tranches. Total borrowings under this facility are not to exceed the sum of 90% of the book value of the Corporation's Canadian accounts receivable balance and 50% of the book value of the Corporation's Canadian property, plant and equipment ("PP&E"). The first tranche provides for borrowing up to $25.0 million. The second tranche provides for borrowing of up to an additional $15.0 million subject to twelve month trailing earnings before interest, taxes, depreciation and amortization ("EBITDA") being equal to or greater than $15.0 million and MAXIM being in compliance with all financial covenants for a minimum of two consecutive quarters. This facility matures on August 31, 2016. The borrowing limit at September 30, 2015 was $25.0 million. As of that date, $nil was drawn in borrowings and $11.4 million was drawn as letters of credit on the facility.

  As at September 30, 2015, MAXIM breached its net funded debt to EBITDA, interest coverage and debt service coverage ("DSCR") ratio financial covenants in relation to its Canadian bank facilities. Management obtained a waiver for the September 30, 2015 covenant breach from the bank on October 30, 2015.

  The Corporation anticipates it will be in compliance with all financial covenants for the next twelve months, commencing in the fourth quarter of 2015. The Corporation also anticipates it will receive access to the second tranche of its Bank of Montreal ("BMO") credit facility in the second quarter of 2016.

- MAXIM's approved capital budget is based on engineering estimates to maintain facility equipment, which are set by the equipment manufacturer. In France, MAXIM's capital expenditures are based on the capital required in order to obtain renewal of contracts with the French electrical utility company.

- Development projects, including Summit Coal ("SUMMIT"), Milner 2 ("M2"), Milner expansion project ("M3"), Forked River Expansion, Deerland, and Buffalo Atlee, are based upon current estimates of capital cost, projected returns on investment, the duration of the regulatory approval process, and the ability to obtain the necessary financing.

- MAXIM expects that the long-run average price forecast for metallurgical coal will allow for the economically viable development of SUMMIT.

- Management estimates that cash flows for scheduled maintenance programs will be funded by its cash flow from operations, existing cash on hand, revolving BMO credit facility and potentially asset sale proceeds. This estimate is based upon current budgets and forecasts. Interruptions to production, higher than anticipated operating costs, lower realized power prices, unfavourable moves in interest rates and foreign exchange rates, failure of counterparties to meet their obligations, and various other factors may inhibit the Corporation from meeting its obligations.
- MAXIM estimates total capital expenditures of $32.3 million to be incurred in 2015. These costs are based upon estimates and may differ from the actual costs to complete.
- The HR Milner generating facility ("M1") is currently offline due to a cooling tower outage. The net capital cost to the Corporation, after insurance proceeds, is expected to be $0.5 million and the unit is expected to return to service in the middle of November.
- In determining potential development sites, management estimates future electricity demand and power prices in these areas. The actual future demand and power prices in these areas may be different from expected.
- MAXIM anticipates all necessary provincial, state and federal regulations for environmental and climate change legislation will be met. Changes to environmental legislation and operational issues may affect the ability of MAXIM to comply with regulations.
- MAXIM anticipates that it will continue to maintain a working capital surplus over the next twelve months. This expectation is based on current Alberta and ISO New England ("ISO-NE") forecasted power prices, which have an impact on trade and other receivables. MAXIM also makes assumptions about cost of fuel and other operating costs, including plant maintenance costs based on equipment manufacturer's specifications. If actual equipment performance differs or maintenance requirements vary, there may be an impact to trade and other payables. A material decrease in Alberta and the ISO-NE forward power prices or unplanned plant maintenance could have an adverse effect on MAXIM's working capital surplus over the next twelve months.

OVERALL PERFORMANCE

Highlights and Notable Events

On October 30, 2015, the Corporation entered into an agreement to sell emissions credits used to offset the production of sulphur dioxide ("SO2 Credits") for $5.5 million. The agreement subsequently closed on November 3, 2015. The SO2 Credits had a carrying value of $nil and as such, the proceeds of $5.5 million will be recognized as a gain in the fourth quarter of 2015. Subsequent to this sale, under current legislation, the Corporation still owns sufficient SO2 Credits to operate M1 at its full capacity for the remainder of the decade while using coal as a primary fuel source.

The Corporation, as previously reported, has been responding to the Federal Energy Regulatory Commission ("FERC") inquiry since the latter part of 2013. On July 1, 2015, FERC filed a petition seeking a court order to affirm civil penalties of U.S. $5.0 million related to certain offers to supply electricity during July and August of 2010. FERC has not advanced matters in its preliminary findings relating to 2013. On September 4, 2015, MAXIM filed a motion to dismiss FERC's petition. The court's decision on this motion is anticipated in the first quarter of 2016. MAXIM intends to vigorously defend itself and is confident it can demonstrate that the conduct set forth in the Show Cause Order did not violate FERC's anti-manipulation rule or any other rule.

As previously reported, the Alberta Utility Commission ("AUC") rendered its decision on Module A of Phase 2 of the Corporation's complaint related to the Alberta Electric Systems Operator's ("AESO") Line Loss Rule for contravening the Transmission Regulations and being unjust, unreasonable, unduly preferential, arbitrarily or unjustly discriminatory and inconsistent with or in contravention of the 2003 Electric Utilities Act (AUC Decision 2014-110). The AUC's decision stated that the AESO has the requisite authority to grant such relief and that monetary relief will be granted to the Corporation for the period January 1, 2006 to the date a new rule takes effect. The AUC decision on Module B of Phase 2, which includes the methodology of the new rule, is expected in the fourth quarter of 2015. MAXIM anticipates that these proceedings will establish compensation to MAXIM as early as the first quarter of 2016. As at the date of this MD&A, an estimate of this amount cannot be made.

MAXIM's France operating segment has secured debt financing of $9.5 million (6.4 million Euro) and subsequently completed two 2015 renovation projects. The terms of the loans are favorable with leverage ranging from 80% to 83% of the project investment and fixed interest rates ranging from 2.8% to 3.5%. Total 2015 capital expenditures related to the two projects in the renovation program in France are anticipated to be $11.6 million (7.8 million Euro), MAXIM has deferred one additional renovation project, originally included in the scope of the 2015 renovation program, to the first half of 2016.

Key Performance Indicators

	Three months ended September 30		Nine months ended September 30	
($000's, unless otherwise noted)	2015	2014	2015	2014
Revenue	19,705	24,208	90,253	112,478
Adjusted EBITDA[(1)]	(2,339)	3,430	11,282	16,399
Adjusted net loss[(1)]	(8,917)	(1,186)	(15,052)	(1,937)
Net loss attributable to shareholders	(8,917)	(1,415)	(12,263)	(2,253)
Basic and diluted net loss per share attributable to shareholders ($ per share)	(0.16)	(0.03)	(0.23)	(0.04)
FFO[(2)]	(2,621)	2,611	5,819	13,690
Total assets	406,610	380,132	406,610	380,132
Loans and borrowings	68,978	52,367	68,978	52,367
Total generation (MWh)	173,812	192,272	535,497	750,136
Average Alberta market power price ($ per MWh)	26.09	64.34	37.43	55.80
Average Milner realized power price ($ per MWh)	40.01	92.49	83.52	72.52
Average Northeast U.S. realized power price (US$ per MWh)	43.86	66.14	70.81	165.34

(1) Select financial information was derived from the unaudited condensed consolidated interim financial statements and is prepared in accordance with GAAP, except adjusted EBITDA, and adjusted net loss. Adjusted EBITDA is provided to assist management and investors in determining the Corporation's approximate operating cash flows attributable to shareholders before interest, income taxes, depreciation and amortization and certain other income and expenses. Adjusted net loss is used to compare MAXIM's results among reporting periods without consideration of unrealized gains and losses and to evaluate MAXIM's performance attributable to shareholders. Adjusted EBITDA and adjusted net loss do not have any standardized meaning prescribed by GAAP and may not be comparable to similar measures presented by other companies. Refer to the Non-GAAP measures section of this MD&A for reconciliations between non-GAAP financial measures and comparable measures calculated in accordance with GAAP.

(2) Funds from operating activities before changes in working capital ("FFO") is an Additional GAAP measure provided to assist management and investors in determining the Corporation's cash flows generated from operations before the cash impact of working capital fluctuations. Refer to the Additional GAAP measures section of this MD&A for a discussion on how MAXIM uses FFO to assess the Corporation's operations.

Financial Results

Revenue, adjusted EBITDA and FFO have decreased and adjusted net loss as well as net loss attributable to shareholders have increased in the third quarter of 2015 when compared to 2014. The change in these financial measures is primarily due to lower Alberta power prices and lower realized prices in the Northeast U.S. This was partially offset by higher generation in the Northeast U.S. In addition, revenue was further decreased as a result of the M1 cooling tower outage in the third quarter of 2015, however this was offset in the other financial measures by lower fuel and variable operating costs.

Revenue, adjusted EBITDA and FFO have decreased and adjusted net loss as well as net loss attributable to shareholders have increased in the first nine months of 2015 when compared to 2014. The change in these financial measures is primarily due to lower Alberta power prices, lower realized Northeast U.S. power prices and lower revenue in France in the first quarter of 2015. In addition, revenue was further decreased as a result of the M1 cooling tower outage in the third quarter of 2015, however this was offset in the other financial measures by lower fuel and variable operating costs in the quarter. Adjusted net income and FFO also decreased as a result of costs incurred in the restructuring of Alberta operations.

RESULTS OF OPERATIONS

Summary of generation by segment:

	Three months ended September 30, 2015		Three months ended September 30, 2014	
Segment	MWh	% of Total	MWh	% of Total
Canada	22,316	13	142,627	74
United States	151,496	87	49,645	26
France	-	-	-	-
Total MWh generation	173,812	100	192,272	100

	Nine months ended September 30, 2015		Nine months ended September 30, 2014	
Segment	MWh	% of Total	MWh	% of Total
Canada	208,004	39	544,304	73
United States	245,558	46	121,355	16
France	81,935	15	84,477	11
Total MWh generation	535,497	100	750,136	100

The above table includes the operating results of Vancouver Landfill Project until it was sold by MAXIM with a closing date of July 17, 2014. Forked River and Basin Creek are excluded as these facilities provide capacity in exchange for monthly capacity payments.

Revenue

Summary of revenue by segment:

	Three months ended September 30		Nine months ended September 30	
Segment ($000's)	2015	2014	2015	2014
Canada	901	13,104	17,396	38,965
United States	18,164	10,443	48,347	43,624
France	640	661	24,510	29,889
Revenue	19,705	24,208	90,253	112,478

Third quarter revenue earned by MAXIM decreased from $24.2 million in 2014 to $19.7 million in 2015, which is a decrease of $4.5 million or 19%. The decrease was primarily due to lower Alberta power prices and a cooling tower outage at M1, partially offset by an increase in generation volumes in the Northeast U.S as a result of longer run times and a higher volume of dispatches during non-peak periods.

On a year to date basis, revenue earned by MAXIM decreased from $112.5 million in 2014 to $90.3 million in 2015, which is a decrease of $22.2 million or 20%. The decrease was primarily due to lower Alberta power prices throughout the entire year and a cooling tower outage at M1 in the third quarter. In addition to this, revenues decreased as there were fewer dispatches of some of France's generation facilities, which were operating in dispatch mode in the first quarter of 2015 and lower realized power prices in Northeast U.S. from lower weather-based demand in the first quarter. This was partially offset by an increase in generation volumes throughout the entire year in the Northeast U.S. as a result of longer run times and higher volume of dispatches during non-peak periods.

Canada:

Revenue in the third quarter of 2015 decreased $12.2 million or 93% to $0.9 million as compared to $13.1 million in 2014. This decrease was primarily due to lower Alberta power prices and a cooling tower outage at M1 which resulted in 84% lower generation volumes. In addition to this, during the third quarter of 2015, M1 realized an average price of $40.01 per megawatt-hour ("MWh") of generation in 2015, which represents a $52.48 per MWh or 57% decrease in comparison to $92.49 per MWh realized in the third quarter of 2014.

Revenue for the first nine months of 2015 decreased $21.6 million or 55% to $17.4 million as compared to $39.0 million in 2014. This decrease was largely due to lower weather-based demand, weak Alberta power prices and a cooling tower outage at M1 which resulted in lower generation hours. This was partially offset by higher realized prices during a five week period in the second quarter of 2015. On a year to date basis, M1 realized an average price of $83.52 per MWh of generation in 2015, which represents an $11.00 per MWh or 15% increase in comparison to $72.52 per MWh realized in 2014.

United States:

Third quarter revenue in the United States increased from $10.4 million in 2014 to $18.2 million in 2015, which is an increase of $7.8 million or 75%. This increase was primarily due to higher generation volumes as a result of longer run times and a higher volume of dispatches during non-peak periods, higher capacity revenues due to Pawtucket taking on additional capacity supply obligations at capacity prices through reconfiguration auctions and the appreciation of the U.S. dollar relative to the Canadian dollar during 2015 as compared to 2014. This was partially offset by lower realized prices as a result of reduced weather-based demand during the third quarter of 2015.

Revenue for the first nine months of 2015 increased from $43.6 million in 2014 to $48.3 million in 2015, which is an increase of $4.7 million or 11%. This increase was primarily due to higher generation volumes as a result of longer run times and a higher volume of dispatches during non-peak periods throughout the entire year. In addition, revenue increased further as a result of higher capacity revenues due to Pawtucket taking on additional capacity supply obligations at capacity prices through reconfiguration auctions commencing in June and the appreciation of the U.S. dollar relative to the Canadian dollar during 2015 as compared to 2014. This was partially offset by lower realized prices as a result of reduced weather-based demand during the first quarter of 2015.

France:

Revenue in the third quarter in France is comparable to the same period in 2014.

Revenue for the first nine months of 2015 decreased from $29.9 million in 2014 to $24.5 million in 2015, which was a decrease of $5.4 million or 18%. The decrease in operating results was due to lower generation as a result of fewer dispatches of some generation facilities, which were operating in dispatch mode in the first quarter of 2015 and the depreciation of the Euro relative to the Canadian dollar during the first three months of 2015 as compared to 2014, during which over 90% of the year to date revenues were earned.

Summary of revenue by fixed versus spot price:

	Three months ended September 30		Nine months ended September 30	
($000's)	2015	2014	2015	2014
Electricity and capacity sales at fixed prices	10,095	7,669	50,786	53,109
Electricity sales at spot prices	9,610	16,539	39,467	59,369
Revenue	19,705	24,208	90,253	112,478

Third quarter fixed price revenue increased from $7.7 million in 2014 to $10.1 million in 2015, which is an increase of $2.4 million or 31%. The increase is due to higher capacity revenues due to Pawtucket taking on additional capacity supply obligations at capacity prices through reconfiguration auctions and the appreciation of the U.S. dollar relative to the Canadian dollar during 2015 as compared to 2014.

In the first nine months of 2015 fixed price revenue decreased from $53.1 million in 2014 to $50.8 million in 2015, which is a decrease of $2.3 million or 4%. The decrease is primarily due to lower generation as a result of fewer dispatches of some of France's generation facilities, which were operating in dispatch mode in the first quarter of 2015, less revenues as a result of the sale of MAXIM Power (B.C.) Inc. ("MAXIM BC") in the third quarter of 2014 and the depreciation of the Euro relative to the Canadian dollar during the first three months of 2015 as compared to 2014, during which over 90% of the year to date revenues from France were earned. This unfavourable variance was partially offset by higher capacity revenues due to Pawtucket taking on additional capacity supply obligations at capacity prices through reconfiguration auctions commencing in June and the appreciation of the U.S. dollar relative to the Canadian dollar during 2015 as compared to 2014.

Third quarter electricity sales at spot prices decreased from $16.5 million in 2014 to $9.6 million in 2015, which is a decrease of $6.9 million or 42%. This decrease was primarily due to lower Alberta power prices and a cooling tower outage at M1, and lower realized power prices in Northeast U.S. from lower weather-based demand. This unfavourable variance was partially offset by increased generation in the Northeast U.S. and the appreciation of the U.S. dollar relative to the Canadian dollar during 2015 as compared to 2014.

In the first nine months of 2015 sales at spot prices decreased from $59.4 million in 2014 to $39.5 million in 2015, which is a decrease of $19.9 million or 34%. The decrease was primarily due to lower generation at M1 as a result of lower power prices in Alberta and a cooling tower outage, and lower realized power prices in Northeast U.S. from lower weather-based demand. This unfavourable variance was partially offset by increased generation in the Northeast U.S. and the appreciation of the U.S. dollar relative to the Canadian dollar during 2015 as compared to 2014.

Plant Operations

Summary of plant operations expense by type and segment:

Three months ended September 30	2015			2014		
($000's)	Fuel	O&M	Total	Fuel	O&M	Total
Canada	645	5,185	5,830	4,963	5,207	10,170
United States	5,121	8,364	13,485	2,485	5,215	7,700
France	(15)	1,792	1,777	(17)	1,595	1,578
Total	5,751	15,341	21,092	7,431	12,017	19,448
Percent	27%	73%	100%	38%	62%	100%

Nine months ended September 30	2015			2014		
($000's)	Fuel	O&M	Total	Fuel	O&M	Total
Canada	10,956	15,212	26,168	18,352	17,741	36,093
United States	15,139	21,708	36,847	17,556	17,649	35,205
France	9,147	9,675	18,822	13,248	8,962	22,210
Total	35,242	46,595	81,837	49,156	44,352	93,508
Percent	43%	57%	100%	53%	47%	100%

Third quarter total plant operating expenses during the year increased from $19.4 million in 2014 to $21.1 million in 2015, which is an increase of $1.7 million or 9%. The increase in plant operating expenses was primarily driven by higher fuel usage in the Northeast U.S. due to higher generation volumes and the appreciation of the U.S. dollar relative to the Canadian dollar during 2015 as compared to the same period in 2014. This increase was partially offset by lower variable costs associated with lower generation at M1 due to the cooling tower outage and lower per unit fuel costs in Northeast U.S.

For the first nine months of 2015, total plant operating expenses during the year decreased from $93.5 million in 2014 to $81.8 million in 2015, which is a decrease of $11.7 million or 13%. The decrease in plant operating expenses was primarily driven by lower fuel costs in all segments due to lower generation volumes in Canada and France, as well as lower per unit fuel costs in all segments. This decrease was partially offset by the appreciation of the U.S. dollar relative to the Canadian dollar during 2015 as compared to the same period in 2014 and a $4.2 million write-down of the coal inventory to its net realizable value in the Canada segment.

Canada:

Canada's third quarter operations and maintenance ("O&M") costs were $5.2 million in 2015, which is comparable to 2014. For the first nine months of 2015, O&M costs decreased $2.5 million or 14%, from $17.7 million in 2014 to $15.2 million in 2015, primarily due to lower variable O&M costs incurred which are directly linked to lower generation volumes from the cooling tower outage and lower personnel costs as a result of cost cutting initiatives. These decreases were partially offset by higher legal fees related to the line loss factor proceedings.

Third quarter fuel costs in Canada decreased $4.4 million or 88%, to $0.6 million in 2015 from $5.0 million in 2014. The decrease is primarily due to lower coal consumption as a result of 97% lower generation due to the cooling tower outage at M1. For the first nine months of 2015, fuel expenses decreased from $18.4 million in 2014 to $11.0 million in 2015, which is a decrease of $7.4 million or 40%. Excluding the non-cash inventory write-down of $4.2 million, fuel costs decreased $11.6 million or 63% due primarily to lower coal consumption as a result of a 60% decrease in generation from the cooling tower outage and lower natural gas prices in the first nine months of 2015.

M1's current coal supplier has announced its intention to temporarily suspend operations at the end of December 2015. There is no impact to M1 as a result of this announcement. The remaining fuel to be delivered under contract from the supplier is currently stockpiled on the supplier's site and will be delivered, as originally scheduled, throughout the remainder of the fourth quarter of 2015. Receipt of these deliveries coupled with coal on hand as at the date of this MD&A provides M1 with sufficient fuel to run at full capacity until the third quarter of 2016. In addition to this, M1 has the ability to use natural-gas blended with coal to extend its production beyond the third quarter of 2016. Finally, due to the depressed thermal coal markets, there is ample supply of thermal coal in Alberta from other suppliers to further lengthen M1's coal position.

United States:

Third quarter O&M expenses in 2015 increased $3.2 million or 62% to $8.4 million in 2015 from $5.2 million in 2014. The increase is primarily due to a change in the timing of non-routine maintenance program, higher non-recoverable legal costs associated with the FERC inquiry and the appreciation of the U.S. dollar relative to the Canadian dollar during 2015 as compared to the same period in 2014.

O&M expenses in the first nine months of 2015 increased $4.1 million or 23% to $21.7 million in 2015 from $17.6 million in 2014. The increase is primarily due increased contractor expenses, property taxes and the appreciation of the U.S. dollar relative to the Canadian dollar during 2015 as compared to the same period in 2014.

Third quarter fuel costs in the United States in 2015 increased $2.6 million or 104%, to $5.1 million in 2015 from $2.5 million in 2014. The increase is primarily due to higher volumes consumed as a result of higher generation and the appreciation of the U.S. dollar relative to the Canadian dollar during 2015 as compared to the same period in 2014.

Fuel costs in the first nine months of 2015 decreased $2.5 million or 14%, to $15.1 million in 2015 from $17.6 million in 2014. The decrease is primarily due to lower per unit fuel costs in 2015 as a result of consuming more diesel fuel than natural gas in 2014 and lower natural gas prices in the first nine months of 2015, partially offset by higher generation volumes and the appreciation of the U.S. dollar relative to the Canadian dollar during the first nine months of 2015 as compared to the same period in 2014.

France:

Third quarter O&M costs in France were $1.8 million in 2015, which is comparable to the same period in 2014. O&M expenses in the first nine months of 2015 increased $0.7 million or 8% to $9.7 million in 2015 from $9.0 million in 2014. This increase is primarily due to an engine failure at one cogeneration facility, engineering and site maintenance expenses, partially offset by the depreciation of the Euro relative to the Canadian dollar in 2015 as compared to same period of 2014. The repair costs associated with the engine failure are fully offset by insurance proceeds recognized in other income.

Third quarter fuel costs in France were $nil million in 2015, which is comparable to the same period in 2014. France fuel costs for the first nine months of 2015 were $9.1 million, which was a decrease of $4.1 million or

31%, from the $13.2 million incurred in 2014. The decrease in fuel costs was due to lower generation volumes, lower per unit costs and the depreciation of the Euro relative to the Canadian dollar in 2015 as compared to the same period in 2014.

General and Administrative Expense

	Three months ended September 30		Nine months ended September 30	
($000's)	2015	2014	2015	2014
Total general and administrative expense	1,173	1,776	3,548	4,941

General and administration expense incurred in the third quarter of 2015 were $1.2 million, which was a decrease of $0.6 million or 33%, from the $1.8 million in 2014. This decrease is primarily due to expenses incurred in 2014 related to MAXIM's review of strategic alternatives for U.S. and France operating segments and cost cutting initiatives at corporate offices.

General and administration expense in the first nine months decreased $1.4 million or 29%, from $4.9 million in 2014 to $3.5 million in 2015. This decrease is primarily due to the same factors impacting the third quarter.

Depreciation and Amortization Expense

	Three months ended September 30		Nine months ended September 30	
Total depreciation and amortization	4,262	3,711	15,992	15,270

Depreciation expense in the third quarter of 2015 increased from $3.7 million in 2014 to $4.3 million in 2015, which is an increase of $0.6 million or 16%. The increase is primarily due to a higher asset base in the U.S. resulting from capital expenditures in the trailing 12 months and the appreciation of the U.S. dollar relative to the Canadian dollar.

Depreciation expense in the first nine months of 2015 was $16.0 million, which was an increase of $0.7 million or 5% from $15.3 million in 2014. The increase in depreciation expense is primarily due to the same factors impacting the third quarter.

Asset Impairment Charges and Reversals

In the first quarter of 2015, due to a significant change in fixed capacity rates in future periods in the ISO-NE market, the Corporation reversed a previously recognized asset impairment charge of US$1.2 million with respect to a generating facility in the United States operating segment.

During the second quarter of 2014, the Corporation entered into an agreement to sell its wholly-owned subsidiary, MAXIM BC. An impairment charge of $0.5 million was recognized as the carrying amount of the assets net of liabilities was greater than the anticipated net proceeds under the terms of the purchase and sales agreement.

Loss (gain) on Derivative Coal Contract

	Three months ended September 30		Nine months ended September 30	
($000's)	2015	2014	2015	2014
Total unrealized loss (gain) on derivative coal contract	-	306	(3,719)	422

MAXIM had a third quarter $nil unrealized gain or loss on the derivative coal contract in 2015, as compared to a $0.3 million loss for the same period in 2014. These unrealized gains and losses relate to the long-term coal supply agreement for M1, which was terminated in the second quarter of 2015.

For the first nine months of 2015, MAXIM had a $3.7 million unrealized gain as compared to a $0.4 million unrealized loss for the same period in 2014. The unrealized gain recognized in the nine months ended September 30, 2015 is due primarily to the reversal of previously recognized unrealized losses on the coal supply agreement described above.

Other Income (Expense), Net

($000's)	Three months ended September 30 2015	2014	Nine months ended September 30 2015	2014
Other income (expense), net	(745)	213	(5,620)	2,388

Net other income in the third quarter of 2015 decreased from $0.2 million in 2014 to an expense of $0.7 million in 2015, which is a decrease of $0.9 million. The decrease is primarily due to a loss on disposal of spare engines in France.

Net other income in the first nine months of 2015 decreased from income of $2.4 million in 2014 to an expense of $5.6 million in 2015, which is a decrease of $8.0 million. The decrease is primarily due to costs incurred to terminate agreements in order to restructure the Corporation's Alberta operations and a loss on the disposal of spare engines in France.

Finance Expense, Net

($000's)	Three months ended September 30 2015	2014	Nine months ended September 30 2015	2014
Interest expense	951	824	2,713	2,419
Amortization of deferred financing costs	37	49	143	149
Accretion of provisions	79	70	210	189
Foreign exchange loss	3,255	513	5,120	456
Finance expense	4,322	1,456	8,186	3,213
Interest income	(19)	(13)	(44)	(42)
Total finance expense, net	4,303	1,443	8,142	3,171

Net finance expense incurred in the third quarter increased from $1.4 million in 2014 to $4.3 million in 2015. The increase is primarily due to a increase in foreign exchange losses from $0.5 million in 2014 to $3.3 million in 2015, which is caused primarily by the net impact of foreign exchange rate movement for US dollars and Euros on foreign intercompany liabilities held in Canada. These foreign exchange losses are offset by gains in other comprehensive income.

Net finance expense in the first nine months increased from $3.2 million in 2014 to $8.1 million in 2015. The increase is primarily due to the same factor impacting the third quarter.

Income Tax Expense (Benefit)

($000's)	Three months ended September 30 2015	2014	Nine months ended September 30 2015	2014
Current tax expense (benefit)	(287)	(401)	114	(72)
Deferred tax benefit	(2,665)	(440)	(7,625)	(770)
Total income tax benefit	(2,952)	(841)	(7,511)	(842)

Income tax benefit in the third quarter increased from $0.8 million in 2014 to $3.0 million in 2015. The increase is primarily a result of higher net losses before tax. In addition, there were changes in the source of taxable income and losses among the Corporation's legal entities located in difference tax jurisdictions.

MAXIM’s income tax benefit increased in the first nine months of 2015 from $0.8 million in 2014 to $7.5 million in 2015. The increase is primarily due to the same factors impacting the third quarter.

Financial Position

The following highlights changes in the unaudited condensed consolidated interim Statement of Financial Position from December 31, 2014 to September 30, 2015.

As at ($000's)	September 30, 2015	December 31, 2014	Increase (Decrease)	Primary factors explaining change
Assets				
Cash and cash equivalents	11,497	17,142	(5,645)	Investing cash outflows exceed operating and financing inflows
Trade and other receivables	9,546	20,269	(10,723)	Seasonality of MAXIM's operations
Inventories	19,113	22,947	(3,834)	Write-down of coal inventory
Property, plant and equipment, net	280,491	246,904	33,587	Foreign exchange translation of U.S. assets, capital expenditures (see page 13), reversal of impairment (see page 9), partially offset by depreciation
Net deferred tax assets	23,289	16,632	6,657	Net deferred income tax benefit in 2015 due to changes in enacted tax rates and taxable losses
Net other assets	47,232	52,707	(5,475)	Extension of Milner's useful life reduces present value of decommissioning reimbursement and forfeiture of a long-term deposit
Liabilities & Equity				
Trade and other payables	21,882	26,437	(4,555)	Seasonality of MAXIM's operations
Derivative coal contract	-	3,719	(3,719)	Termination of coal supply agreement
Loans and borrowings	68,978	56,356	12,622	Debt issuance in France and foreign exchange translation on U.S. debt, partially offset by scheduled debt and lease payments
Provisions for decommissioning	23,677	22,506	1,171	Increased due to changes in discount rates offset by decommissioning assumptions at Milner
Equity	276,631	267,583	9,048	Foreign exchange rates on self-sustaining operations, partially offset by a net loss for the period

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

MAXIM utilizes existing cash, cash flows from operations and revolving credit facilities to provide liquidity to the Corporation's operations in order to finance maintenance-of-business capital expenditures and to finance development initiatives. MAXIM plans for major maintenance initiatives and preserves cash and credit through its revolving credit facilities to finance these initiatives. In certain years, it is possible that capital requirements will exceed these sources of financing. In these situations, MAXIM will arrange for debt financing.

The Corporation has a $40.0 million revolving credit facility that is divided into two tranches. Total borrowings under this facility are not to exceed the sum of 90% of the book value of the Corporation's Canadian accounts receivable balance and 50% of the book value of the Corporation's Canadian property, plant and equipment. The first tranche provides for borrowing up to $25.0 million. The second tranche provides for borrowing of up to an additional $15.0 million subject to twelve month trailing EBITDA being equal to or greater than $15.0 million and MAXIM being in compliance with all financial covenants for a minimum of two consecutive quarters. This facility matures on August 31, 2016. The borrowing limit at September 30, 2015 was $25.0 million. As of that date, $nil was drawn in borrowings and $11.4 million was drawn as letters of credit on the facility.

As at September 30, 2015, MAXIM breached its net funded debt to EBITDA, interest coverage and DSCR ratio financial covenants in relation to its Canadian bank facilities. Management obtained a waiver for the September 30, 2015 covenant breach from the bank on October 30, 2015.

The Corporation anticipates it will be in compliance with all financial covenants for the next twelve months, commencing in the fourth quarter of 2015. The Corporation also anticipates it will receive access to the second tranche of its (BMO credit facility in the second quarter of 2016. This preceding statement represents FLI and users are cautioned that actuals may vary.

Cash flow summary:

Nine months ended September 30 ($000's)	2015	2014
Cash on hand, net of bank indebtedness, unrestricted, January 1	17,142	21,362
Cash flow from operations:		
• FFO	5,819	13,690
• Changes in working capital	1,328	12,190
Cash flow generated from (used in) financing	4,478	(9,640)
Available for investments	28,767	37,602
Cash flow used in investing	(18,587)	(10,989)
Effect of foreign exchange rates on cash	1,317	192
Cash on hand, unrestricted, September 30	11,497	26,805
Undrawn revolving credit facility	13,626	26,029
Net liquidity available, September 30	25,123	52,834

FFO decreased from $13.7 million in 2014 to $5.8 million in 2015, which is a decrease of $7.9 million or 58%. The decrease is primarily due to lower generation in Alberta and cash costs incurred in the restructuring of Alberta operations. Partially offsetting this was the appreciation of the U.S. dollar relative to the Canadian dollar during 2015 as compared to the same period in 2014.

Fluctuations in working capital in the first nine months of 2015 represented a cash inflow of $1.3 million in 2015 compared to a cash inflow of $12.2 million in 2014. See below for further discussion of working capital.

During the first nine months of 2015, MAXIM's debt issuances exceeded financing outflows, resulting in a net financing inflow of $4.5 million during the year. MAXIM's financing inflows included issuances of debt for $15.2 million, primarily for France renovation programs (see page 4). Partially offsetting this inflow were debt and capital repayments lease repayments of $7.3 million and $0.6 million respectively, and $2.8 million in interest payments.

During the first nine months of 2014, MAXIM's debt and capital lease repayments exceeded financing cash inflows, resulting in a net financing outflow of $9.6 million during the year. MAXIM's financing outflows included net payments on the revolving BMO credit facility of $6.1 million, debt and capital lease repayments of $3.9 million and $0.7.million respectively, and $2.6 million in interest payments. Partially offsetting these outflows were the issuances of long-term debt for $3.7 million.

MAXIM's investing activities in the first nine months of 2015 represented a cash outflow of $18.6 million, which primarily consisted of $24.6 million in PP&E purchases, $0.2 million increase in non-current deposits, partially offset by proceeds on sale of Emission Performance Credits for $3.4 million, proceeds from sale of spare engines $0.2 and a change in non-cash working capital of $2.6 million. The $24.6 million in PP&E expenditures is comprised of $12.4 million on facility renovations and other improvements in France, $4.0 million on improvements at Forked River, $3.9 million on improvements at M1, including a new cooling tower, $2.6 million on improvements at Pittsfield, $0.4 million on improvements at CDECCA and $1.3 million on development initiatives as well as improvements to other North American facilities.

MAXIM's investing activities in the first nine months of 2014 represented a cash outflow of $11.0 million, which primarily consisted of $15.8 million in PP&E purchases. These purchases were partially offset by net proceeds from the sale of MAXIM BC for $4.8 million. The $15.8 million in PP&E expenditures is comprised of $1.5 million on improvements to M1, $1.3 million on improvements at Pittsfield, $1.5 million on improvements at CDECCA, $1.3 million on improvements to Pawtucket, $3.0 million on facility renovations in France, $4.8 million on the development of Mine 14 ("M14"), $0.8 million on the development of Deerland, and $1.6 million on other development initiatives as well as improvements to North American facilities.

The following table represents the net capital of the Corporation:

As at ($000's)	September 30, 2015	December 31, 2014
Long-term debt	67,015	53,913
Capital lease obligation	1,963	2,443
Less: Unrestricted cash (net of bank indebtedness)	(11,497)	(17,142)
Net debt	57,481	39,214
Shareholders' equity	275,912	266,977
Capital	333,393	306,191
Net debt to capital	17.2%	12.8%

The Corporation uses the percent of net debt to capital to monitor leverage. The increase in net debt to capital from December 31, 2014 to September 30, 2015 is primarily due to new debt in the France segment and a decrease in cash as a result of unfunded capital spending in North America, as well as the timing of monetization of working capital balances in the first nine months of 2015. Partially offsetting these increases to net debt is an increase in shareholder's equity, which is due to an increase in accumulated other comprehensive income as a result of foreign exchange changes. The Corporation anticipates that net debt to capital will remain relatively constant through the remainder of 2015 as no further debt is to be issued in France. This preceding statement represents FLI and users are cautioned that actual results may vary.

Working Capital

The Corporation's working capital surplus of $16.3 million at September 30, 2015 represents a $10.6 million decrease from the working capital surplus of $26.9 million at December 31, 2014. The total decrease was due to a $17.7 million decrease in current assets and a $7.1 million decrease in current liabilities.

The decrease in current assets is due to a $5.6 million decrease in unrestricted cash, a $10.7 million decrease to accounts receivable due to seasonality of MAXIM's operations and a $3.8 million decrease in inventory primarily due to a coal inventory write-down. This was partially offset by a $1.0 million increase to prepaid expenses and deposits due to the timing of property tax payments and a $1.4 million increase in income taxes recoverable due to lower comparable earnings.

The decrease in current liabilities is due to a $4.6 million decrease in trade and other payables primarily due to seasonality of MAXIM's operations, a $3.7 million decrease to the derivative coal contract due to the termination of a coal supply contract and a $0.3 million decrease to deferred revenue. This was partially offset by a $1.5 million increase to the current portion of loans and borrowings.

MAXIM anticipates that it will continue to maintain a working capital surplus over the next twelve months. This preceding statement represents FLI and users are cautioned that actual results may vary.

Contractual Obligations

There have been no material changes to contractual obligations during the third quarter of 2015.

Contingencies

The Corporation operates in a regulatory and commercial environment that exposes it to regulatory, contractual and litigation risks. As a result, the Corporation is involved in certain disputes and legal proceedings, including litigation, arbitration, and regulatory investigations. Such cases are subject to many uncertainties, and the outcomes are often difficult to predict, including the impact on operations or on the financial statements, particularly in the earlier stages of a case. In certain circumstances, to avoid the expense and distraction of legal proceedings, the Corporation may, based on a cost-benefit analysis, enter into a settlement even though denying any wrongdoing. The Corporation makes provisions for cases brought against it when, in the opinion of management after seeking legal advice, it is probable that a liability exists, and the amount can be reliably estimated.

The FERC has continued its inquiry related to MAXIM’s supply of electricity to the ISO-NE market. In the first quarter of 2014, FERC’s Office of Enforcement ("OE") communicated to MAXIM its preliminary findings on this matter. OE is asserting that MAXIM received unjust gains of approximately U.S. $23 million for which it should be required to repay amounts not already repaid (MAXIM repaid approximately U.S. $3 million in 2010 through the ISO-NE mitigation program), and pay a civil penalty calculated based on the amount of unjust gains. In the fourth quarter of 2014, FERC issued a Notice of Alleged Violations ("Notice") concerning the OE inquiry. In the first quarter of 2015, FERC issued an Order to Show Cause ("Show Cause Order") concerning certain offers to supply electricity during July and August of 2010. The preliminary findings of the OE, the Notice and the Show Cause Order do not constitute findings of FERC. In the second quarter of 2015, FERC issued an Order Assessing Civil Penalties ("Penalties Order") concerning the Show Cause Order. The Penalties Order has assessed penalties of U.S. $5 million against MAXIM and U.S. $50 thousand against an employee. MAXIM has filed an election with FERC that requires FERC to initiate a judicial proceeding in which a federal district court will review the facts and the law de novo. On July 1, 2015, FERC filed a petition seeking a court order to affirm these civil penalties related to certain offers to supply electricity during July and August of 2010. On August 31, 2015, MAXIM and FERC filed a joint stipulation agreement that sets out a schedule for the court to hear MAXIM’s motion to dismiss. On September 4, 2015, MAXIM filed its motion to dismiss. On September 25, 2015, FERC filed its opposition to MAXIM’s motion to dismiss ("Opposition"). Subsequent to September 30, 2015, MAXIM filed its rebuttal to FERC’s Opposition. MAXIM intends to vigorously defend itself and is confident it can demonstrate that the conduct set forth in the Show Cause Order did not violate FERC’s anti-manipulation rule or any other rule. MAXIM and its external legal counsel strongly disagree with the preliminary findings of the OE on the other matters for which Show Cause Orders have not been issued.

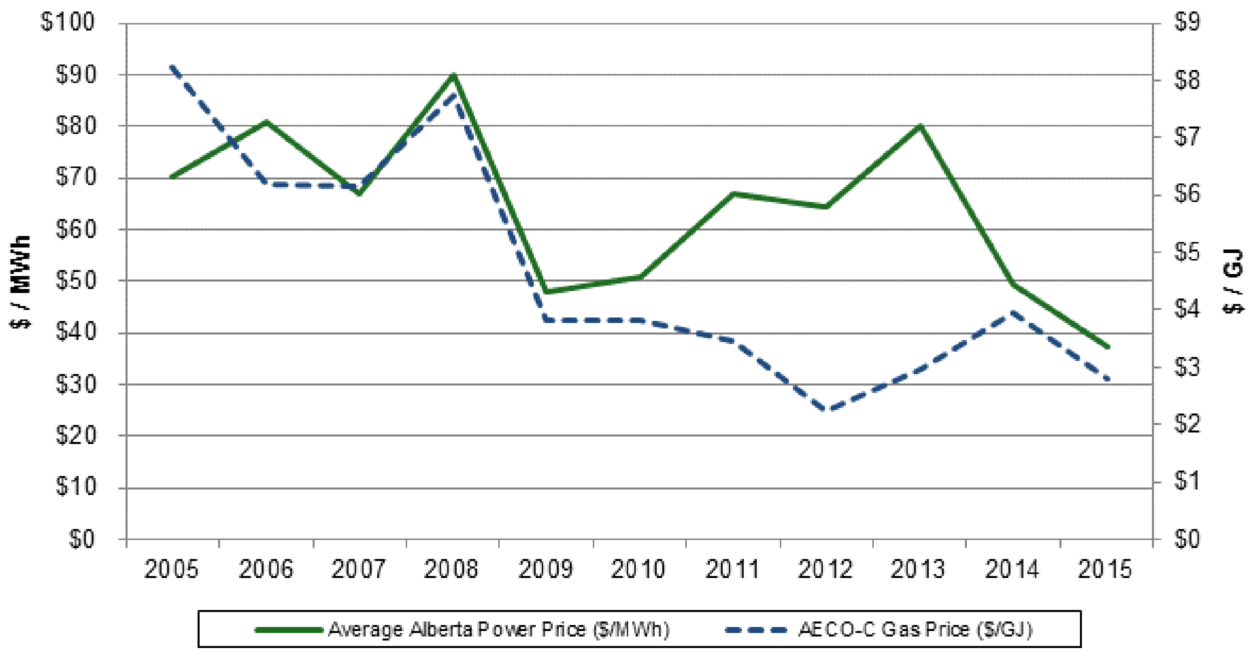
In addition to the regulatory inquiry described in the preceding paragraph, the Corporation has received claims for additional costs from suppliers in France. Costs in relation to these claims and potential claims are only recognized when they become probable and based on the information presently known it is the view of the Corporation that these claims and potential claims are without merit. The actual outcome of these claims and potential claims, including the timing and amount of any cash outflow or the possibility of reimbursements, is not yet determinable.

Capital Resources

The following represents FLI and users are cautioned that actual results may vary. The Corporation is currently estimating capital and development expenditures of approximately $32.3 million for 2015. These expenditures include $13.9 million on required facility renovations in order to obtain renewal of contracts with the French electrical utility company and $0.5 million on other sustaining capital in France, $6.8 million on plant improvements at M1, including the gross capital costs of the new cooling tower, $9.0 million on plant improvements at generating facilities in Northeast U.S., $0.4 million on the development of Deerland, $0.9 million for the development of an ash management site as well as the development of M2 and M3, $0.6 million for the Forked River Expansion and $0.2 million on other development projects in North America. Management has funded the France renovations with approximately 80% debt financing. Remaining expenditures will be financed through cash flows from operations and existing cash balances.

OUTLOOK

The Corporation's outlook is significantly impacted by Alberta electricity and fuel prices. Alberta electricity prices are a key revenue determinant for MAXIM's M1. Alberta power prices fluctuate based on the supply of and demand for electricity within Alberta, the cost of key inputs such as natural gas, and other market factors. The following chart compares the average annual Alberta power price to Alberta natural gas price since deregulation of the electric industry in Alberta. The break in correlation is the result of tighter generation capacity relative to demand since 2011, which led to higher power prices from 2011 to 2013. Commencing in 2014, it was noted that Alberta power prices became more closely correlated to gas prices as new supply came on the system. This trend is expected to continue for the foreseeable future.



In the Northeast U.S., growing demand for natural gas as a fuel source for electricity generation, as well as constraints on existing gas pipeline infrastructure, have increased natural gas price volatility during periods of peak gas consumption. This volatility is expected to have a positive impact on MAXIM's power plants as energy margins are positively correlated to natural gas prices, resulting in higher margins at higher gas prices. Natural gas price volatility is expected to persist until natural gas supply constraints in the region are addressed. It is also expected that capacity revenue will increase as the market becomes more constrained with capacity shortcomings due to the retirement of generating facilities that do not have natural gas as an option for their fuel source.

ACQUISITION AND DEVELOPMENT INITIATIVES

MAXIM is continuing its Independent Power Producer strategy through the advancement of its development initiatives as described herein. Supply and demand for electricity, reserve margins, tariff structures, and the regulatory environment will be key fundamental factors in determining the pace at which to pursue opportunities. Demand is highly correlated to economic growth.

Deerland

MAXIM has received regulatory approvals to construct and operate the Deerland peaking station, a 190 MW natural gas-fired peaking facility. In May 2015, MAXIM received further regulatory approval to construct and operate the Skaro substation for the Deerland peaking station. MAXIM has entered into agreements to secure firm natural gas transportation service for the Deerland peaking station. MAXIM expects that full-scale construction of the facility would commence pending improved prices in the Alberta power market and satisfactory commercial arrangements.

SUMMIT

SUMMIT is MAXIM's development initiative located north of Grande Cache, Alberta that owns metallurgical coal leases for M14 and Mine 16S ("M16S"). Current estimates for M14 are 18.9 million tonnes of low-mid volatile metallurgical coal reserves with a mine life of 17 years based on the NI 43-101 Technical Report filed on SEDAR on March 21, 2013. M16S is located 30 kilometers northwest of M14 and represents 1,792 hectares or 29% of SUMMIT's total area of coal leases. A NI 43-101 Technical Report has not been prepared for M16S.

M14 is permitted for a run-of-mine production rate of up to 1,300,000 tonnes per year. MAXIM has also received approval from the Alberta Energy Regulator to construct and operate a Coal Beneficiation Plant. This Coal Beneficiation Plant, to be located on MAXIM's existing M1 industrial complex, will bifurcate M14's run-of-mine coal into an estimated annual production of 950,000 tonnes of high-quality, low-mid volatile and metallurgical coal for shipment to export markets. These approvals provide SUMMIT with all of the requisite government and regulatory approvals to construct and operate M14.

In November 2014, MAXIM received delivery of five pieces of mine equipment including two continuous miners and three shuttle cars. The units are in storage awaiting development of M14.

The Corporation expects that the long-run average price forecast for metallurgical coal will allow for the economically viable development of this project.

M2

The AUC and Alberta Energy Regulator ("AER") have approved MAXIM's application to convert the fuel source for its proposed M2 project from coal to natural gas and to increase the generating capacity of the proposed expansion from 500 MW to 520 MW. The M2 facility is to be located adjacent to the existing 150 MW M1. The existing infrastructure at the M1 site allows MAXIM to leverage benefits including electrical connection fuel delivery, water licenses, and a skilled operations team.

M3

MAXIM is proposing to increase generating capacity at the M1 site by building M3, which will be comprised of two gas-fired turbines located next to M1. The development of M3 will also result in a reduction to total greenhouse gases and air emissions from current levels. Exhaust energy from M3's gas turbines will be converted to steam and utilized to generate electricity in the existing M1 steam turbine, displacing coal-sourced steam. Before giving effect to the development of M2, M3 will increase the nameplate capacity at the Milner site from 150 MW to 236 MW. Total emissions of carbon dioxide, nitrogen oxides, sulfur oxides and particulates at the M1 site will decrease compared to running the existing M1.

On February 12, 2015, MAXIM received approval from the AUC to construct and operate M3. MAXIM's construction and operation of M3 is now pending approval from the AER, which is expected to be received in the fourth quarter of 2015.

Forked River Expansion

MAXIM continues to advance expansion initiatives at its Forked River site in New Jersey. Studies confirm sufficient local infrastructure to support a potential increase of 100MW at the existing site. MAXIM is currently pursuing long-term commercial arrangements that will support an expansion at the site with capacity in excess of contracted volumes benefiting from PJM capacity payments. MAXIM also owns approximately 32 acres of land adjacent to the existing facility that can accommodate an additional greenfield expansion. This site is being evaluated for supporting natural gas, water and electrical interconnection infrastructure. The initial feasibility analysis of this greenfield expansion for up to 500 MW has commenced.

Financing

MAXIM requires capital (debt and equity) to finance development initiatives and for larger acquisitions. MAXIM maintains the flexibility to manage the timing of its acquisition and development initiatives. MAXIM accounts for its development projects as assets under construction included in property, plant, and equipment. Capitalization of costs associated with these projects commences once technical and economic feasibility is established. If a project no longer meets these criteria, any capitalized costs for the project are expensed in the period.

ENVIRONMENTAL AND CLIMATE CHANGE LEGISLATION

M1 was commissioned in 1972, and accordingly, is allowed to operate to its full capacity to December 31, 2019 under Canadian greenhouse gas ("GHG") regulations. After December 31, 2019, M1 is allowed to operate at an annual capacity factor of up to 9% (using coal as a fuel supply), which is approximately 113,500 MWh per annum, until December 31, 2029.

On June 25, 2015, the Government of Alberta announced that it is amending the Specified Gas Emitters Regulation ("SGER"). The price for emission fund credits increases from $15 per tonne of Carbon Dioxide ("CO_2") to $20 per tonne on January 1, 2016 and then to $30 per tonne on January 1, 2017. Over that same period, intensity reduction stringencies, which require lowering production of CO_2 relative to a baseline, will move from the current level of 12% below the baseline to 15% on January 1, 2016 and then 20% on January 1, 2017.

MAXIM is well positioned under the amended SGER regulation. M1 has the flexibility of burning natural gas and coal to manage adherence to its intensity baseline and create resalable Emission Performance Credits. The increased cost of emission fund credits is expected to drive an increase in the market price for Emission Performance Credits as either form of credit can be used to satisfy an emitter's obligations under the regulation. This change, coupled with the previously announced changes on June 10, 2015 to position M1 as a low cost producer of electricity in Alberta, is expected to mitigate any adverse impact associated with the stringency reduction. It is anticipated that increases in industry-wide SGER compliance costs will result in higher Alberta power prices that will ultimately be borne by Alberta power consumers.

In addition to the GHG regulations, Canadian federal and Alberta provincial environmental regulations are also being developed and/or revised for other air pollutants such as sulfur dioxide ("SO2"), nitrogen oxides ("NOx"), volatile organic carbons, and particulate matter. The Clean Air Strategic Alliance ("CASA") is an Alberta based, multi-stakeholder group of representatives from industry, government and nongovernment organizations. This group creates strategies to assess and improve air quality for Albertans and influences air emission regulations. CASA developed a framework to manage air emissions from the electricity sector in Alberta, and the provincial government is currently reviewing emissions, by each industry, in Alberta. A primary issue under review is the current misalignment of federal greenhouse gas coal regulations with the Alberta air emission regulations. The risk arising from this misalignment is the potential early retirement of coal generating plants to avoid significant uneconomic expenditures with only a few years left to operate.

Up to 2013, MAXIM generated NOx credits at M1. As of January 1, 2013, MAXIM commenced consumption of these credits to maintain compliance under CASA. Under current legislation and production profile, MAXIM does not anticipate requiring additional NOx credits and/or implementing other mitigation alternatives for the foreseeable future. M1's rate of consumption of these credits is heavily influenced by coal-fired generation and, as such, may fluctuate given changes in the levels of production and the fuel source used for production at M1.

MAXIM also has been able to generate SO2 credits at M1 up to December 31, 2012. Under current legislation, MAXIM anticipates that these credits would not be exhausted until M1 is no longer able to operate at its full capacity while using coal as a fuel supply. Similar to the NOx credits, the consumption of these credits is driven by coal-fired generation and as such may fluctuate given changes in the levels of production and the fuel source used for production.

MAXIM continues to advocate through various industry working groups and direct discussions with the provincial regulators for a reasonable and timely resolution to what it believes is a misalignment of the federal GHG and provincial air pollutant regulations.

The state of environmental regulation in the U.S. remains fluid. While the U.S. Congress has not enacted comprehensive climate change legislation, the United States Environmental Protection Agency ("U.S. EPA") has proposed and promulgated regulations under the Clean Air Act ("Act") that limit power plant GHG emissions. On August 3, 2015, the U.S. EPA announced rules limiting carbon dioxide emissions from new, reconstructed, and existing power plants. For new and reconstructed base load natural gas fired power plants, the rules impose emission limits consistent with the adoption of natural gas combined cycle technology.

The U.S. EPA also issued the first national GHG emissions guidelines for existing power plants, although those guidelines will be implemented by the states and the limitations for individual emissions sources are not yet determinable. States are scheduled to submit implementation plans regulating existing power plants' GHG emissions by September 6, 2016, a deadline that may be extended based on a state's request. The recently-issued EPA regulations and forthcoming state implementation plans are expected to face legal challenges over the years ahead.

MAXIM considers environment compliance matters of utmost importance. While compliance concerns do arise, this is normal in the course of industrial operations. At this time there are no items of concern that could materially impact future operations or costs. Such legislation includes the Climate Change and Emissions Act (Alberta) and the Regional Greenhouse Gas Initiative, which limit carbon dioxide emissions from facilities located in Alberta and the Northeast U.S., respectively. In the European Union, MAXIM's France operating segment meets all current emission guidelines.

SELECTED QUARTERLY FINANCIAL INFORMATION

Key performance indicators

Quarter ended: (unaudited) ($000's)	30-Sep 2015	30-Jun 2015	31-Mar 2015	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014	31-Dec 2013
Revenue	19,705	23,027	47,521	30,437	24,208	19,138	69,132	36,807
Adjusted EBITDA(1)	(2,339)	7,025	6,596	(1,401)	3,430	(3,604)	16,573	(3,633)
Adjusted net income (loss)(1)	(8,917)	18	(6,153)	(7,117)	(1,186)	(4,566)	3,815	(9,812)
Net income (loss) attributable to shareholders	(8,917)	2,581	(5,927)	(6,860)	(1,415)	(4,325)	3,487	(9,082)
Basic and diluted income (loss) per share attributable to shareholders	(0.16)	0.05	(0.11)	(0.13)	(0.03)	(0.08)	0.06	(0.17)
FFO(2)	(2,621)	3,455	4,985	(90)	2,611	(3,922)	15,001	(3,867)
Total assets	406,610	386,767	407,548	391,679	380,132	382,427	410,741	394,450
Average Alberta electricity price ($ per MWh)	26	57	29	30	64	42	61	49
Average Milner realized electricity price ($ per MWh)	40	143	42	36	92	52	79	50
Average Northeast U.S. realized electricity price ($USD per MWh)	44	50	158	82	66	57	282	151

(1) Adjusted EBITDA is provided to assist management and investors in determining the Corporation's approximate operating cash flows attributable to shareholders before interest, income taxes, depreciation and amortization and certain other income and expenses. Adjusted net income (loss) is used to compare MAXIM's results among reporting periods without consideration of unrealized gains and losses and to evaluate MAXIM's performance attributable to shareholders. Adjusted EBITDA and adjusted net income (loss) do not have any standardized meaning prescribed by GAAP and may not be comparable to similar measures presented by other companies. Refer to the Non-GAAP measures section of this MD&A for reconciliations between non-GAAP financial measures and comparable measures calculated in accordance with GAAP.

(2) FFO is an Additional GAAP measure provided to assist management and investors in determining the Corporation's cash flows generated from operations before the cash impact of working capital fluctuations. Refer to the Additional GAAP measures section of this MD&A for a discussion on how MAXIM uses FFO to assess the Corporation's operations.

Quarter over quarter revenue and adjusted EBITDA are affected by planned and unplanned outages, market demand, market prices, timing of acquisitions and divestitures, weather conditions and seasonal Alberta power prices. Alberta power prices tend to be higher during winter and summer peak load months and are further affected by supply constraints such as outages at other Alberta generation facilities. Similarly, results in the Northeast U.S. tend to trend with weather based demand with higher earnings during the winter and summer peak periods versus non-peak periods.

In addition to the factors noted above, net income (loss) attributable to shareholders is affected by certain non-cash and non-recurring transactions as follows.

The third quarter of 2015 had a $0.1 million expense for costs relating to the restructuring of Alberta operations. The second quarter of 2015 had a $6.9 million expense for costs relating to the restructuring of Alberta operations and a $3.4 million unrealized gain relating to the termination of a coal supply agreement. The first quarter of 2015 had a $4.2 million write-down of coal inventory, a reversal of asset impairment charge for $1.5 million relating to a US generating facility, $0.3 million unrealized gain on the derivative coal contract, and a $1.6 million gain on the approval of Emission Performance Credits.

The first quarter of 2014 had a $0.4 million unrealized loss on the derivative coal contract, and a $1.7 million gain on the approval of Emission Performance Credits. The second quarter of 2014 had a $0.3 million unrealized gain on the derivative coal contract and $0.5 million loss related to asset impairment charges related to the sale of MAXIM BC. The third quarter of 2014 had a $0.3 million unrealized loss on the derivative coal contract. The fourth quarter of 2014 included the recognition of impairments of $0.3 million at Gold Creek and $0.5 million for capital spares at the Northeast U.S. facilities and a $0.3 unrealized gain on the derivative coal contract.

The fourth quarter of 2013 had a $1.2 million unrealized gain on the derivative coal contract and a $0.2 million unrealized loss on a firm financial commodity swap.

NON-GAAP MEASURES

Management evaluates MAXIM's performance using a variety of measures. The non-GAAP measures discussed below should not be considered as an alternative to or to be more meaningful than revenue, net income attributable to shareholders of the Corporation or net cash generated from operating activities, as determined in accordance with GAAP, when assessing MAXIM's financial performance or liquidity.

These measures do not have any standardized meaning prescribed by GAAP and may not be comparable to similar measures presented by other companies.

Adjusted EBITDA

($000's)	Three months ended September 30 2015	Three months ended September 30 2014	Nine months ended September 30 2015	Nine months ended September 30 2014
GAAP Measures from Condensed Consolidated Statement of Income				
Net loss	(8,918)	(1,422)	(12,156)	(2,142)
Income tax benefit	(2,952)	(841)	(7,511)	(842)
Finance expense, net	4,303	1,443	8,142	3,171
Depreciation and amortization	4,262	3,711	15,992	15,270
EBITDA	(3,305)	2,891	4,467	15,457
Adjustments:				
Restructuring of Alberta operations	114	-	6,968	-
Inventory write-down	-	-	4,234	-
Share-based compensation	266	240	559	278
Unrealized (gain) loss on derivative coal contract	-	306	(3,719)	422
(Reversal of) asset impairment charges	-	-	(1,500)	538
EBITDA from non-controlling interests	(45)	(30)	(358)	(319)
Loss on sale of assets	631	23	631	23
Adjusted EBITDA	(2,339)	3,430	11,282	16,399

Adjusted EBITDA is calculated as described above, adjusted for specific items that are significant but not reflective of the Corporation's underlying operations. Adjustment of these specific items is subjective; however, management uses its judgment and informed decision-making when identifying items for adjustment.

Adjusted EBITDA is provided to assist management and investors in determining the Corporation's approximate operating cash flows attributable to shareholders before finance expense, income taxes, depreciation and amortization, and certain other income and expenses. Financing expense, income taxes, depreciation and amortization are excluded from the EBITDA calculation, as they do not represent cash expenditures that are directly affected by operations. Furthermore, EBITDA is used in MAXIM's bank covenant calculations, which requires these items to be omitted. Management believes that presentation of this non-GAAP measure provides useful information to investors and shareholders as it provides predictive value and assists in the evaluation of performance trends. Management uses adjusted EBITDA to compare financial results among reporting periods and to evaluate MAXIM's operating performance and ability to generate funds from operating activities.

In calculating adjusted EBITDA for the three and nine months ended September 30, 2015 management excluded certain non-cash and non-recurring transactions. In the third quarter of 2015, adjusted EBITDA excluded expenses relating to the restructuring of Alberta operations, a loss on sale of spare engines in France, non-cash expenses related to share-based compensation and EBITDA from non-controlling interests. In the third quarter of 2014, adjusted EBITDA excluded an unrealized loss on the derivative coal contract, a loss on sale of MAXIM BC, non-cash expenses related to share based compensation and EBITDA from non-controlling interest.

Adjusted EBITDA for the first nine months of 2015 excluded expenses relating to the restructuring of Alberta operations, a coal inventory write-down at M1, a gain for the unrealized expenses relating to the termination of a coal supply agreement, the reversal of impairment charge relating to a US generating facility, non-cash expenses related to share-based compensation, a loss on sale of spare engines in France and EBITDA from non-controlling interests. In 2014, adjusted EBITDA excluded an unrealized loss on the derivative coal contract, an asset impairment change from the sale of MAXIM BC, non-cash expenses related to share based compensation, a loss on sale of MAXIM BC and EBITDA from non-controlling interest.

Adjusted Net Loss

	Three months ended September 30		Nine months ended September 30	
($000's)	2015	2014	2015	2014
Net loss	(8,918)	(1,422)	(12,156)	(2,142)
Unrealized loss (gain), net of tax	-	229	(2,789)	316
Non-controlling interest loss (income)	1	7	(107)	(111)
Adjusted net loss	(8,917)	(1,186)	(15,052)	(1,937)

Adjusted net loss provides management and investors with information on net loss excluding unrealized non-cash items and non-controlling interests. Third quarter 2015 adjusted net loss was equal to the net loss for the period. In the third quarter 2014, adjusted net income excluded a $0.2 million unrealized loss, net of tax, on the derivative coal contract.

For the first nine months of 2015, adjusted net loss excluded a $2.8 million unrealized gain, net of tax, on the derivative coal contract and $0.1 million non-controlling interest income. For the first nine months of 2014, adjusted net income excluded a $0.3 million unrealized loss, net of tax, on the derivative coal contract and $0.1 million non-controlling interest income.

ADDITIONAL GAAP MEASURES

Income from operations

MAXIM's consolidated statement of income includes a subtotal, income from operations, which is not required under IAS 1 - *Presentation of financial statements*. This additional GAAP measure is included in the statement of income to increase the usefulness and understandability of the Corporation's financial results.

Income from operations reflects revenues less expenses related to the operations of the Corporation. This additional GAAP measure can be used to assess the operating efficiency of the Corporation, which excludes the impact of financing and taxes as these measures are not related to the efficiency of MAXIM's operations. Management reviews income from operations on a quarterly basis as part of their assessment of adjusted EBITDA in order to monitor MAXIM's performance.

Funds from operating activities before changes in working capital

MAXIM's consolidated statement of cash flows includes a subtotal, FFO, which is not required under IAS 1 - *Presentation of financial statements*. This additional GAAP measure is included in the statement of cash flows to increase the usefulness and understandability of the Corporation's financial results. This description has been updated from the prior year in order to provide a more meaningful name to stakeholders.

FFO reflects cash generated from operations before changes in non-cash working capital. This additional GAAP measure can be used to assist management and investors in determining cash generated from operations before the impact of working capital fluctuations, which vary based upon timing differences and are not considered representative of underlying operational performance. Management reviews funds from operating activities before changes in working capital on a quarterly basis.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The use of judgments and estimates used in the preparation of the condensed consolidated interim financial statements has been applied consistently for all periods presented and are unchanged from the judgments and estimates disclosed in the notes to the consolidated financial statements for the year ended December 31, 2014, with exception to the following:

Change in useful life

During the first quarter of 2015, the Corporation revised its business plan for M1. This facility is now expected to remain a coal-fired facility until 2019, at which point it will be converted to a natural gas-fired facility and have a 40 year life-extension. As a result, the expected useful life of coal-fired components of the equipment has decreased and the estimated residual value of other components, not specifically related to coal-fired generation, has increased. The effect of these changes on actual and expected depreciation expense is not significant. The effect of these changes on the Statement of Financial Position was disclosed in the Corporation's condensed consolidated interim financial statements for the first quarter ended March 31, 2015.

NEW ACCOUNTING PRONOUNCEMENTS

IFRS Standards Issued Not Yet Effective

The International Accounting Standards Board ("IASB") has issued the following new standards to November 5, 2015. These standards have not been applied in preparing MAXIM's third quarter 2015 condensed consolidated interim financial statements as the effective date falls in a subsequent period.

There are no other standards that have been issued, but are not yet effective, that the Corporation anticipates will have a material effect on the consolidated financial statements once adopted.

Financial Instruments

IFRS 9, Financial Instruments, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added to IFRS 9 in October 2010, which largely carries forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income.

In November 2013, an amendment to IFRS 9 was issued which represents a substantial overhaul of hedge accounting that will better reflect risk management activities in the financial statements. In addition the amendment will enable entities to change the accounting for liabilities that they have elected to measure at fair value, before applying any of the other requirements in IFRS 9. This change in accounting would mean that gains caused by a worsening in an entity's own credit risk on such liabilities are no longer recognized in profit or loss.

In July 2014, the IASB completed the final element of IFRS 9**.** The IASB has introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognized and to recognize full lifetime expected losses on a more timely basis.

The new standard is effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted whereby the standard must be applied retrospectively. Management is currently assessing the impact of the application of this standard, but does not anticipate that it will early adopt this new standard.

Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers, was issued in May 2014 and replaces IAS 18 and IAS 11 and related Interpretations. IFRS 15 establishes a model that will apply to revenue earned from a contract with a customer, except for those covered by standards on leases, insurance contracts and financial instruments. The core principle of the new Standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements.

The new standard is effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted whereby the standard must be applied retrospectively. Management is currently assessing the impact of application of this standard, but does not anticipate that it will early adopt this new standard.

IFRS amendments

The IASB has issued the following amendments to November 5, 2015. These amendments have not been applied in preparing MAXIM's third quarter 2015 condensed consolidated interim financial statements as the effective date falls in a subsequent period.

Standard amended	Issued Date	Effective Date [1]	Impact on MAXIM
IFRS 10 Consolidated Financial Statements	September 2014	January 1, 2016	No significant impact
IFRS 10 Consolidated Financial Statements	December 2014	January 1, 2016	Not applicable to MAXIM
IFRS 11 Joint Arrangements	May 2014	January 1, 2016	No significant impact
IFRS 12 Disclosure of Interests in Other Entities	December 2014	January 1, 2016	Not applicable to MAXIM
IAS 1 Presentation of Financial Statements	December 2014	January 1, 2016	No significant impact
IAS 16 Property, Plant and Equipment	May 2014	January 1, 2016	No significant impact
IAS 16 Property, Plant and Equipment	June 2014	January 1, 2016	Not applicable to MAXIM
IAS 27 Separate Financial Statements	August 2014	January 1, 2016	Not applicable to MAXIM
IAS 28 Investments in Associates and Joint Ventures	September 2014	January 1, 2016	No significant impact
IAS 28 Investments in Associates and Joint Ventures	December 2014	January 1, 2016	Not applicable to MAXIM
IAS 38 Intangible Assets	May 2014	January 1, 2016	No significant impact
IAS 41 Agriculture	June 2014	January 1, 2016	Not applicable to MAXIM

(1) Effective for annual periods beginning on or after effective date

The Corporation does not anticipate that it will early adopt these amendments.

TRANSACTIONS WITH RELATED PARTIES

The Corporation did not enter any related party transactions during the first nine months of 2015, with the exception of transactions with the Corporation's Directors and members of the Executive Committee in the normal course of business. These transactions in the normal course of business are detailed in note 26 of the 2014 audited annual financial statements.

CONTROLS AND PROCEDURES

The President and Chief Executive Officer ("CEO") and the Senior Vice President, Finance and Chief Financial Officer ("CFO"), together with management have designed and maintained disclosure controls and procedures to provide reasonable assurance that: (i) material information relating to the Corporation is made known to the CEO and the CFO by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation. Such officers have concluded that the Corporation's disclosure controls and procedures are not effective for the foregoing purposes due to the material weakness discussed below for internal control over financial reporting.

The CEO and the CFO are also responsible for designing and maintaining internal control over financial reporting, as defined under rules adopted by the Canadian Securities Administrators, within the Corporation that are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. During the fourth quarter of 2014, MAXIM adopted the 2013 Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations ("COSO Framework") for the design of its internal control over financial reporting.

The CEO and CFO have evaluated, or caused to be evaluated under their supervision, the design and effectiveness of the Corporation's internal control over financial reporting and have identified the following material weakness in the design of the Corporation's internal control over financial reporting. The Corporation, predominately in its France segment, does not have a sufficient number of finance personnel with the required technical knowledge to address all complex accounting and tax issues that may arise and this may result in inaccuracies in financial reporting. Management mitigates this weakness by periodically utilizing outside consultants for assistance as required to the fullest extent reasonable or by developing in-house expertise or recruiting personnel with the necessary expertise; however, such mitigating procedures do not constitute a compensating control for the purposes of National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings. The Corporation is required to disclose herein any change in the Corporation's internal control over financial reporting that occurred during the period beginning January 1, 2015 and ended on September 30, 2015 that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting. No material changes in the Corporation's internal control over financial reporting were identified during such period that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

As a result, the Corporation's internal control over financial reporting is not effective as of September 30, 2015. The Corporation has determined that it is not cost-effective to fully remediate this weakness and, accordingly, a weakness will continue in the foreseeable future.

Additional information relating to MAXIM including the Annual Information Form is posted on SEDAR at www.sedar.com under Maxim Power Corp. and at the Corporation's website www.maximpowercorp.com.

GLOSSARY OF TERMS

The following listing includes definitions of certain terms used throughout this MD&A:

Act	Clean Air Act
AER	Alberta Energy Regulator
AESO	Alberta Electric System Operator
Alberta market power prices	The hourly price established by the AESO for electricity bought and sold through the Alberta Power Pool
AUC	Alberta Utilities Commission
Basin Creek	Basin Creek generating station, a 55 MW generating facility located in Butte, Montana was acquired by Maxim in April, 2005
BMO	Bank of Montreal
Capacity	The rated continuous load-carrying ability, expressed in megawatts, of generation equipment (throughout the MD&A references to electric and thermal capacity are stated in nameplate capacity)
CASA	Clean Air Strategic Alliance
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CO2	Carbon Dioxide
Coal Beneficiation Plant	A coal beneficiation plant is a facility that handles coal by washing it of impurities and prepares it for transportation to the end user or market.
Cogeneration	The combined, simultaneous generation of heat (usually in the form of hot water or steam) and power (usually in the form of electricity)
COSO Framework	2013 Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations
CDECCA	CDECCA Power Plant, a 62.1 MW generating facility located in Hartford, CT was acquired by MAXIM on October 1, 2006
De novo	Starting from the beginning
Emission Performance Credits	Emission performance credits are generated by facilities that have reduced emission of greenhouse gases by 12% since July 1, 2007
Deerland	Deerland is a development project for a 190 MW natural gas-fired peaking station located near Bruderheim, Alberta
DSCR	Debt service coverage ratio
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
FERC	Federal Energy Regulatory Commission is the United States federal agency with jurisdiction over interstate electricity sales, wholesale electric rates, hydroelectric licensing, natural gas pricing and oil pipeline rates.
FFO	Funds from operation activities before changes in working capital is an Additional GAAP measure used in determining cash flows generated from operation before the impact of working capital fluctuations
FLI	Forward-looking information
Forked River	Forked River generating station, a 87 MW generating facility located in Forked River, New Jersey was acquired by MAXIM on April 17, 2008
GAAP	IFRS, as set out in Part 1 of the Handbook of the Canadian Institute of Chartered Accountants
GHG	Greenhouse gas
Gold Creek	Gold Creek generating facility, a 6.5 MW generating facility acquired by MAXIM in 2001, utilizes waste heat from a main line gas compressor to generate power
IAS	International Accounting Standards

IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
ISO-NE	ISO New England is an independent, non-profit Regional Transmission Organization managing several states in the Northeast United States.
M1	HR Milner**,** a 150 MW (nameplate capacity) coal-fired generating facility located near the town of Grande Cache, Alberta has been in continuous operation since 1972 and was acquired by MAXIM on March 31, 2005
M14	Mine 14 is a development project of Summit Coal and is located north of Grande Cache, Alberta
M16S	Mine 16S is a development project of Summit Coal containing 1,792 hectares of coal leases and is located 30 kilometers northwest Mine 14 in the Smokey River Coalfield
M2	Milner expansion initiative to develop a 520 MW natural gas-fired generating facility
M3	Milner expansion initiative to develop a 86 MW natural gas-fired cogeneration facility
MAXIM or the Corporation	Maxim Power Corp.
MAXIM BC	MAXIM Power (B.C.) Inc., whose principal asset was VLF (a 7.4 MW electrical and 9.1 MW thermal landfill gas cogeneration project in Delta, BC), was a wholly-owned subsidiary of MAXIM
MD&A	Management's Discussion and Analysis
Milner realized power price	The average price paid to Milner for sale of electricity in $/MWh
MW	Megawatt, a measure of electrical generating capacity that is equivalent to one million watts
MWh	Megawatt-hour, a measure of electricity consumption equivalent to the use of 1,000,000 watts of power over a period of one hour
NOx	Nitrogen oxide
Notice	Notice of Alleged Violations issued by FERC
O&M	Operations and maintenance
OE	FERC's Office of Enforcement
Opposition	FERC's Opposition to MAXIM's motion to dismiss the Penalties Order
Pawtucket	Pawtucket generating station, a 64 MW generating facility located in Pawtucket, Rhode Island began operations on November 10, 2005
Penalties Order	Order Assessing Civil Penalties issued by FERC
Pittsfield	Pittsfield generating station, a 181 MW electric power plant in Pittsfield, Massachusetts, was acquired by MAXIM on August 6, 2008
PP&E	Property, plant and equipment
SGER	Specified Gas Emitters Regulation
Show Cause Order	Order to Show Cause issued by FERC
SO2	Sulphur dioxide
SO2 Credits	Emission credits used to offset the production of SO2
SUMMIT	Summit Coal is a wholly-owned MAXIM subsidiary, which owns the Mine 14 and Mine 16S development projects
Unplanned outage	Shutdown of a generating unit due to an unanticipated breakdown
U.S. or **United States**	The United States of America
U.S. EPA	United States Environmental Protection Agency

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Words importing the singular number, where the context requires, include the plural, and vice versa, and words importing any gender include all genders.