



**CGE ENERGY, INC.**  
(McKenzie Bay International, Ltd.)

**ANNUAL REPORT**

**Consolidated  
Financial Statements  
for the Six Month Year Ended  
March 31, 2015**

## **FORWARD-LOOKING STATEMENTS**

*This report contains forward-looking statements including statements regarding our expectations, beliefs, intentions or future strategies that are signified by the words “expects,” “anticipates,” “intends,” “believes” or similar language. These forward-looking statements involve risks, uncertainties and other factors. All forward-looking statements included in this report are based on information available to us on the date hereof and speak only as of the date hereof. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise. The factors discussed above under “Risk Factors” and elsewhere in this report are among those factors that in some cases have affected our results and could cause the actual results to differ materially from those projected in the forward-looking statements.*

## Table of Contents

<u>Part A - General Company Information</u> .....	4
Item I: The exact name of the issuer and its predecessor (if any).....	4
Item II: The address of the issuer’s principal executive offices .....	4
Item III: The jurisdiction(s) and date of the issuer’s incorporation or organization.....	4
<u>Part B - Share Structure</u> .....	5
Item IV: The exact title and class of securities outstanding .....	5
Item V: Par or stated value and description of the security .....	5
<u>Part C - Business Information</u> .....	6
Item VI: The name and address of the transfer agent .....	6
Item VII: The nature of the issuer’s business .....	6
Item VIII: The nature of products or services offered.....	8
Item IX: The nature and extent of the issuer’s facilities .....	8
<u>Part D - Management Structure and Financial Information</u> .....	9
Item X: The name of the chief executive officer, members of the board of directors, as well as control persons. ....	9
Item XI: Financial information for the issuer’s most recent fiscal period .....	20
Item XII: CGE ENERGY INC. (McKENZIE BAY INTERNATIONAL, LTD.) and Its Subsidiary ADDITIONAL NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH FISCAL YEAR ENDED MARCH 31, 2015.....	30
Item XIII: Beneficial Owners .....	31
Item XIV: The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure .....	32
Item XV: Management’s Discussion and Analysis .....	32
Item XVI: Purchases of Equity Securities by the Issuer and Affiliated Purchasers.....	36
Item XVII: Certification.....	36

## **Part A - General Company Information**

### **Item I: The exact name of the Issuer and its predecessor (if any)**

McKenzie Bay International, Ltd. and its predecessor name was Decker Organic Systems, Inc.

Pending FINRA approval, Issuer will change its name to CGE Energy, Inc.

### **Item II: The address of the Issuer's principal executive offices**

7627 Park Place

Brighton MI 48116

Telephone: 248.446.1344

Email: [reception@cgeenergy.com](mailto:reception@cgeenergy.com)

Website: [www.cgeenergy.com](http://www.cgeenergy.com)

### **Item III: The jurisdiction(s) and date of the Issuer's incorporation or organization**

The Company was incorporated in Delaware on August 14, 1998 as Decker Organic Systems, Inc. and changed its name to McKenzie Bay International, Ltd. on January 31, 1999.

Pending FINRA approval, Issuer will change its name to CGE Energy, Inc.

CGE Energy, Inc. (McKenzie Bay International, Ltd.)

Annual Financial Statement for the Year Ended March 31, 2015

## Part B - Share Structure

### Item IV: The exact title and class of securities outstanding

The Company has one class of securities: Common Stock, ticker symbol MKBY (CUSIP 58153110). Pending FINRA approval, ticker symbol, name, stock reverse, and CUSIP # will change.

### Item V: Par or stated value and description of the security

#### A. Par or Stated Value

Common Stock \$0.00001

#### B. Common Stock

1. For Common Stock, describe any dividend, voting and preemption rights:

Each outstanding Common Share is entitled to one vote on each matter submitted to a vote.

2. For Preferred Stock, describe the dividend, voting, conversion and liquidation rights as well as redemption or sinking fund provisions:

None

3. Describe any other material rights of common or preferred stockholders:

None

4. Describe any provision in issuer's charter or by-laws that would delay, defer or prevent a change in control of the issuer:

None

### Item V: The number of shares or total amount of the securities outstanding for each class of securities authorized for the period ending March 31, 2015:

	<u>Pre-Merger</u>	<u>Consolidated March 31, 2015</u>
<u>Common Stock</u>		
Authorized	300,000,000	92,000,000
Outstanding	300,000,000	62,100,000
Free trading	182,429,100	7,129,764
Beneficial shareholders (10)	105,811,255	45,622,196
Direct Shareholders of record	256	277

CGE Energy, Inc. (McKenzie Bay International, Ltd.)

Annual Financial Statement for the Year Ended March 31, 2015

## Part C - Business Information

### Item VI: The name and address of the transfer agent

Signature Stock Transfer, Inc.  
2632 Coachlight Court  
Plano TX 75093

Telephone: 972.612.4120  
Fax: 972.612.4122  
E-mail: signaturestocktransfer@msn.com

### Item VII: The nature of the issuer's business

#### A. Business Development

1. The form of organization of the Issuer (e.g., corporation, partnership, limited liability company, etc.):  
Corporation
2. The year that the Issuer (or any predecessor) was organized:  
1998
3. The Issuer's fiscal year end date:  
March 31
4. Whether the Issuer (or any predecessor) has been in bankruptcy, receivership or any similar proceeding:  
No
5. Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets:  

On January 31, 2015, the Company's Merger Subsidiary has acquired a private Delaware limited liability company, Clean Green Energy LLC, by way of a reverse merger, in exchange for fifty million (50,000,000) shares of the Company's Common Stock conditional on the Company reversing its presently issued and outstanding Common Shares one for twenty-five and reducing authorized Common Shares to ninety-two million (92,000,000) Common Shares from three hundred million (300,000,000) Common Shares.
6. Any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments:  
None
7. Any change of control:  
The merger has resulted in a change of control

CGE Energy, Inc. (McKenzie Bay International, Ltd.)

Annual Financial Statement for the Year Ended March 31, 2015

8. Any increase of 10% or more of the same class of outstanding equity securities:

On January 31, 2015, the Company's Merger Subsidiary has acquired a private Delaware limited liability company, Clean Green Energy LLC, by way of a reverse merger, in exchange for fifty million (50,000,000) shares of the Company's Common Stock conditional on the Company reversing its presently issued and outstanding Common Shares one for twenty-five and reducing authorized Common Shares to ninety-two million (92,000,000) Common Shares from three hundred million (300,000,000) Common Shares.

9. Any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization

On January 31, 2015, the Company's Merger Subsidiary has acquired a private Delaware limited liability company, Clean Green Energy LLC, by way of a reverse merger, in exchange for fifty million (50,000,000) shares of the Company's Common Stock conditional on the Company reversing its presently issued and outstanding Common Shares one for twenty-five and reducing authorized Common Shares to ninety-two million (92,000,000) Common Shares from three hundred million (300,000,000) Common Shares.

10. Any delisting of the Issuer's securities by any securities exchange or deletion from the OTC Bulletin Board:

The Issuer filed a Form 15 and voluntarily delisted from Over-the-Counter Bulletin Board on July 10, 2007

11. Any current, past, pending or threatened legal proceedings or administrative actions either by or against the Issuer that could have a material effect on the Issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved:

Current Proceedings: None

Past proceedings: None

**B. Business of Issuer**

1. The Issuer's primary and secondary SIC Codes:

Primary: 4911 Electric Services                      Secondary: 4911

2. If the Issuer has never conducted operations, is in the development stage, or is currently conducting operations:

Currently conducting operations beginning February 1, 2015

3. Whether the Issuer is or has at any time been a "shell company":

The Company has never been a "shell" company.

4. The names of any parent, subsidiary, or affiliate of the Issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this annual report:

CGE Energy, Inc. (McKenzie Bay International, Ltd.)

Annual Financial Statement for the Year Ended March 31, 2015

Parent company: CGE Energy Inc. (McKenzie Bay International Ltd.), a Delaware corporation

Wholly Owned Subsidiary: Clean Green Energy, Inc., a Delaware corporation

Affiliates: None

5. The effect of existing or probable governmental regulations on the business:

None as of March 31, 2015

6. An estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities are borne directly by customers:

None in fiscal year ending September 30, 2013

None in fiscal year ending September 30, 2014

\$25,450 was spent in the fiscal year ended March, 31, 2015 by the Issuer's wholly owned subsidiary Clean Green Energy Inc. No monies were spent by customers in any fiscal year.

7. Costs and effects of compliance with environmental laws (federal, state and local):

Not applicable

8. The total number of contracted employees and number of contracted full-time employees:

Total contracted employees - 14

Full-time - 12

**Item VIII: The nature of products or services offered.**

CGE Energy, Inc. (McKenzie Bay International, Ltd.), and its wholly-owned subsidiary Clean Green Energy, Inc. operates as an energy services and renewable energy technology company. Our services include the sale and installation of energy technologies, R.A.M.P™ (Review, Analyze, Modify and Protect) Service contracts, and Power Purchase Agreement renewable energy generation contracts. These services are performed at our customer's commercial, municipal, nonprofit and international facilities. CGE Energy brings the right combination of the appropriate technologies to meet the customer's energy needs, including industry-leading energy technologies from strategic partners Cree® LED Lighting, SolarWorld® solar PV, as well as our own patented WIND•e20® wind turbine.

**Item IX: The nature of the Company's facilities.**

The Company leases an office for its operations at 7627 Park Place, Suite 301, Brighton, MI at the rate of \$400 per month.

Its subsidiary, Clean Green Energy Inc. has a month-to-month lease for its current office and operations facility at 7627 Park Place, Suite 401, at the rate of \$5,300 per month.

CGE Energy, Inc. (McKenzie Bay International, Ltd.)

Annual Financial Statement for the Year Ended March 31, 2015



## Part D - Management Structure and Financial Information

**Item X: The name of the chief executive officer, members of the board of directors, as well as control persons.**

### A. Officers and Directors

**Full Name:**

**Bryan Zaplitny**

**Member, Board of Directors, President and CEO**

**Employment:**

Mr. Zaplitny is the incorporator and creative force behind CGE Energy and has been involved in every aspect of the business since its inception. He has been involved in every aspect of the business since its inception.

Mr. Zaplitny's studies have included Industrial Management, Energy Management, Business Law, Accounting and Marketing. He stays on the leading edge of the latest innovations in the energy industry by attending education seminars and national conferences and also by his personal association with the top minds in the alternative energy field. He has testified before the State of Michigan Senate Sub Committee on Energy in regard to finding ways to make lighting upgrades and energy savings easier and more accessible for organizations and individuals to implement.

Mr. Zaplitny has overseen hundreds of energy and construction projects totaling more than \$65-million. Prior to CGE, Mr. Zaplitny owned and operated a property management company (Sterling Investments) that built and remodeled rental homes in the Detroit Metropolitan area.

**Compensation:**

Suspended effective April 1, 2012, the Directors have voted to abstain from compensation until further notice.

**Beneficial Ownership:**

Pre-Merger Effective Date

78,451,575 Common Shares issued and outstanding  
78,451,575 Total Common Shares Beneficially Owned  
(~26.15%)

Merger Effective Date

32,904,005 Common Shares issued and outstanding -  
32,904,005 Total Common Shares Beneficially Owned  
(~52.99%)

CGE Energy, Inc. (McKenzie Bay International, Ltd.)

Annual Financial Statement for the Year Ended March 31, 2015

**Full Name:****Gary Westerholm****Chairman of the Board, Vice President - Finance**

**Employment:** Mr. Westerholm co-founded McKenzie Bay International Ltd in 1996 serving as a Director and Chairman of the Board of Directors from 1999 until October 2005 and as President and Chief Executive Officer from February 1999 to October 2005.

A Michigan Certified Public Accountant, he established the certified public accounting firm of Gary Westerholm CPA, PC in 1981, which operated until Mr. Westerholm sold the firm in 1995 and retired from public practice. At the time of sale, the firm was serving more than 130 small business clients with audit, review and compilation accounting services as well as income tax preparation and advisory services for more than 600 clients.

He co-founded London Aggregate in 1985, a Michigan aggregate producer of crushed limestone, landfill clay, and highway construction sand. London Aggregate was sold in 1994 to the S.E. Johnson Co. from Maumee, Ohio.

Mr. Westerholm holds a Bachelor of Science degree with honors in Accounting from Davenport University.

**Memberships / Affiliations:**

Previously, member of the Michigan Association of Certified Public Accountants and the American Institute of Certified Public Accountants.

**Compensation:**

Suspended effective April 1, 2012, the Directors have voted to abstain from compensation until further notice.

**Beneficial Ownership:**Pre-Merger Effective Date

5,447,636 Common Shares issued and outstanding

5,447,636 Total Common Shares Beneficially Owned (~1.82%)

Merger Effective Date

3,271,706 Common Shares issued and outstanding

3,271,706 Total Common Shares Beneficially Owned (~5.27%)

CGE Energy, Inc. (McKenzie Bay International, Ltd.)

Annual Financial Statement for the Year Ended March 31, 2015

**Full Name:** **Mark A. Cecil**  
**Member, Board of Directors, Treasurer**

**Employment History:** Director, Washington National  
Mr. Cecil has over fifteen years of experience in financial services encompassing strategic planning, risk management, accounting, financial analysis, and audit.  
Mr. Cecil is the Director of Distribution Support for Washington National. Previously, Mr. Cecil served in finance and accounting roles for Stilwell Financial Inc., an asset management holding company. He served as Director of Internal Audit.  
As a CPA with PricewaterhouseCoopers LLP, Mr. Cecil provided auditing services, due diligence and internal accounting control reviews to companies in the manufacturing and financial services sectors.  
Mr. Cecil is a retired Commander of the United States Navy.

**Membership / Affiliations:** Secretary and Treasurer for the Association of Health Opportunity through Partnership in Education (HOPE), a non-profit organization

**Compensation:** Suspended effective April 1, 2012, the Directors have voted to abstain from compensation until further notice.

**Beneficial Ownership:** Pre-Merger Effective Date  
1,998,394 Common shares issued and outstanding  
1,998,394 Total Common Shares Beneficially Owned (~ 0.66%)  
Merger Effective Date  
79,936 Common Shares issued and outstanding  
79,936 Total Common Shares Beneficially Owned (~0.13%)

**Full Name:**

**Kevin B. Cook**  
**Member, Board of Directors**

**Employment History:**

Former President, McKenzie Bay International, Ltd.

Kevin Cook has more than 35 years of diverse energy experience, having worked in the utility, government, and private sectors. After graduating from Michigan State University (BS Agricultural Engineering – Building Construction Management), he began his energy career with Volt Energy Systems, was then an owner/partner of Quantum Energy Resources and is now the owner of G-ENERGY LLC. He was responsible for developing and managing energy efficiency programs while under contract with ten Midwestern utilities. In conjunction with these programs, Kevin designed several types of energy audits, analyses and procedures, conducted thousands of residential, commercial and industrial energy audits, and trained/supervised over twenty energy management professionals who completed more than 25,000 energy audits.

From 2000-2007, he was under contract with the Michigan Energy Office as an energy management consultant for Rebuild Michigan, a program funded by the U.S. Department of Energy. He worked with over 150 school districts, local governments and public housing authorities. In his last three years with the program, Rebuild Michigan assisted in developing and implementing energy projects totaling \$40-million that save \$7-million dollars annually. Since 2007, Kevin has maintained a relationship with the Michigan Energy Office as a Regional Technical Assistant for Rebuild Michigan and the School Energy Audit Services program.

From 2009-2015, Kevin served as President of McKenzie Bay International Ltd. (MKBY) and helped lead the company through a recovery process that included the merger with Clean Green Energy LLC and the formation of CGE Energy Inc.

Kevin has been involved in many energy projects as a private consultant, works with several nonprofit groups and community action agencies, and regularly serves as a speaker/presenter at energy seminars and conferences for utility companies, government agencies/organizations, municipalities and private businesses.

**Compensation:**

Suspended effective April 1, 2012, the Directors have voted to abstain from compensation until further notice.

**Beneficial Ownership:**Pre-Merger Effective Date

10,483,889 Common Shares Issued and owned

10,483,889 Total Common Shares Beneficially Owned (~ 3.4%)

Merger Effective Date

1,419,356 Common Shares Issued and owned

1,419,356 Total Common Shares Beneficially Owned (~2.29%)

**Full Name:** **Michael A. Pollakowski**  
**Member, Board of Directors**

**Employment History:** Founder/Board Member, Reliant Financial Services, Inc.  
Michael is founder of RFS Inc. a niche marketing company specializing in retirement plans for non-profit organizations with offices in Kansas City and St Louis MO. Reliant is currently the largest independent provider of plans and services in Missouri, serving over 5,000 individual clients with assets over \$250 million dollars.

Previously Michael was President of Tri-Star Benefit Systems Inc. of St Louis, having sold his ownership recently. Tri-Star provided comprehensive, innovative employee benefit administration solutions, servicing employers ranging from 50 to 30,000 employees.

**Memberships / Affiliations:** Board Member and Officer, Reliant Financial Services  
Former Board Member and Officer, Tri-Star Benefit Systems  
Officer, GWN Securities

**Compensation:** Suspended, effective April 1, 2012, the Directors have voted to abstain from compensation until further notice.

**Beneficial Ownership:** Pre-Merger Effective Date  
2,604,194 Common Shares issued and owned  
2,604,194 Total Common Shares Beneficially Owned (~ 0.86%)

Merger Effective Date  
1,354,169 Common Shares issued and owned  
1,354,169 Total Common Shares Beneficially Owned (~2.18%)

**Full Name:** **Craig Hancock**  
**Member, Board of Directors**

**Employment History:** Founder & President, Hancock & Associates  
Mr. Hancock is the founder of Hancock & Associates in Grand Rapids, MI. The firm specializes in helping design investment strategies for the high net-worth individual as well as the Pension/Profit sharing plans for small business or the management of foundations. Mr. Hancock has been in business since 1987 after graduating from Appalachian State University with a degree in Business Administration. He received an advanced degree in his field of Certified Financial Planner™ in 1994.

**Memberships / Affiliations:** Board Member – Grand Rapids Civic Theater, a non-profit organization, Grand Rapids, MI  
Board Member – Forest Hills Young Life, a non-profit organization, Grand Rapids, MI  
Church Elder – Oakhill Church, Grand Rapids, MI

**Compensation:** Suspended effective April 1, 2012, the Directors have voted to abstain from compensation until further notice.

**Beneficial Ownership:** Pre-Merger Effective Date  
2,935,887 Common Shares issued and outstanding  
2,935,887 Total Common Shares Beneficially Owned (~ 1.0%)  
Merger Effective Date  
1,537,436 Common Shares issued and outstanding  
1,537,436 Total Common Shares Beneficially Owned (~2.48%)

**Full Name:** **William Naubert**  
**Member, Board of Directors**

**Employment Service:** Mr. Naubert is a retired educator and administrator who served the Dearborn Heights school-community for 35 years. He was the recipient of two *Golden Apple Awards* awarded by the Wayne County Intermediate School District for excellence in the classroom. Distinguished career included service as a teacher, counselor, coach, and an administrator. Twice appointed to develop and direct programs that received national recognition in Career Education and Outdoor Education.

He holds a B.S. in Education with majors in math, science, and English. He completed two masters programs at Wayne State; e.g. Guidance and Counseling and Instructional Technology. He earned his Ed Specialist degree in Administration and Leadership from WSU. Happily married to his bride Camille for 33 years and is the proud father of triplets who recently completed their undergraduate studies in education and pre-med.

**Memberships / Affiliations:** President of the Association of Professional Teachers  
Recipient of Michigan High School Coaches Association  
20-year Service Award  
Dearborn Heights Volunteer Probation Officer for Drug and Substance Abuse  
*Big Brother* in community programs  
Past officer of Livonia YMCA Football-Soccer Programs

**Compensation:** Suspended effective April 1, 2012, the Directors have voted to abstain from compensation until further notice.

**Beneficial Ownership:** Pre-Merger Effective Date  
541,949 Common Shares issued and outstanding  
541,949 Total Common Shares Beneficially Owned (~0.18%)  
Merger Effective Date  
171,678 Common Shares issued and outstanding  
171,678 Total Common Shares Beneficially Owned (~0.28%)

CGE Energy, Inc. (McKenzie Bay International, Ltd.)

Annual Financial Statement for the Year Ended March 31, 2015

**Full Name:** **Paul Schneider**  
**Member, Board of Directors, Vice President of Marketing, Secretary**

**Employment History:** Owner, Rock Solid Creative Studios  
Mr. Schneider was the Owner and Creative Director of Rock Solid Creative Studios, a marketing agency out of Wausau, Wisconsin. Mr. Schneider studied marketing and design at Madison Media Institute and his expertise involving marketing, branding, video production, web design, and print design. Mr. Schneider has received multiple awards and national recognition for his work.

Upon moving to Michigan in 2010, Mr. Schneider has partnered with his clients on everything from strategy, concept and execution of traditional and interactive media to business and marketing strategy consultation. Consistently pushing for innovation, Mr. Schneider designs his marketing campaigns with the customer always in mind, and has the ability to see beyond the expected or average solution.

**Memberships / Affiliations:** President - “A Hope Without Walls”, a non-profit organization, Flint, MI

**Compensation:** Suspended effective April 1, 2012, the Directors have voted to abstain from compensation until further notice.

**Beneficial Ownership:**

Pre-Merger Effective Date  
-0- Common Shares issued and outstanding  
-0- Total Common Shares Beneficially Owned (~1.82%)

Merger Effective Date  
250,000 Common Shares issued and outstanding  
250,000 Total Common Shares Beneficially Owned (~0.40%)



**Full Name:** **Derek Spangler**  
**Member, Board of Directors, Vice President of Project Management and Development**

**Employment:** Mr. Spangler is currently a project manager for CGE Energy. He attended Eastern Michigan University where he studied Business Management and Administration.

Derek's 14-year career at CGE has involved all facets of company operations providing extensive experience in electrical systems, structural design, renewable energy, energy conservation and efficiencies. This experience has prompted Derek to dedicate his life to promoting environmental stewardship and making our world a cleaner place for future generations.

Currently, his focus is on growth and development in accordance with the Company's strategic planning for the production and installation of the WIND·e20 wind turbine.

**Compensation:** Suspended effective April 1, 2012, the Directors have voted to abstain from compensation until further notice.

**Beneficial Ownership:**

Pre-Merger Effective Date  
347,731 Common Shares issued and outstanding  
347,731 Total Common Shares Beneficially Owned (~0.12%)

Merger Effective Date  
13,910 Common Shares issued and outstanding  
13,910 Total Common Shares Beneficially Owned (~0.02%)

All securities issued to our officers and directors for services were issued in reliance upon an exemption from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended, or Rule 506 of Regulation D promulgated under the Securities Act. Each person took his securities for investment purposes without a view to distribution and had access to information concerning us and our business prospects, as required by the Securities Act. In addition, there was no general solicitation or advertising for the purchase of our shares. Our securities were sold only to accredited investors, as defined in the Securities Act with whom we had a direct personal preexisting relationship, and after a thorough discussion. Finally, our stock transfer agent has been instructed not to transfer any of such securities, unless such securities are registered for resale or there is an exemption with respect to their transfer. All securities bear the following legend:

“THE SHARES OF COMMON STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE SECURITIES LAWS AND NEITHER SUCH SHARES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.”

#### **B. Legal / Disciplinary History**

1. Conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses):

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person’s involvement in any type of business, securities, commodities, or banking activities:

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated:

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person’s involvement in any type of business or securities activities:

None

#### **C. Disclosure of Family Relationships**

Describe any family relationships among and between the Issuer’s directors, officers, persons nominated or chosen by the Issuer to become directors or officers, or beneficial owners of more than

CGE Energy, Inc. (McKenzie Bay International, Ltd.)

Annual Financial Statement for the Year Ended March 31, 2015

five percent (5%) of any class of the Issuer's equity securities.

None

**D. Disclosure of Related Party Transactions**

Describe any transaction during the Issuer's last two full fiscal years and the current fiscal year or any currently proposed transaction, involving the Issuer, in which (i) the amount involved exceeds the lesser of \$120,000 or one percent of the average of the Issuer's total assets at year-end for its last three fiscal years and (ii) any related person had or will have a direct or indirect material interest. Disclose the following information regarding the transaction:

None

Describe any conflicts of interest. Describe the circumstances, parties involved and mitigating factors for any executive officer or director with competing professional or personal interests.

None

**Item XI: Consolidated Financial Statement for the Six Month Fiscal Year Ended March 31, 2015**  
*(Begins on next page)*

# **CGE ENERGY, INC.**

CGE ENERGY, INC. (MCKENZIE BAY INTERNATIONAL, LTD.), AND  
CLEAN GREEN ENERGY INC.

## **COMBINED FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED  
MARCH 31, 2015**

Prepared by:  
**Harold Telnors, C.P.A. PC.**  
Certified Public Accountant  
25201 Michigan Avenue  
Dearborn, Michigan 48124  
(313) 271-9360

## TABLE OF CONTENTS

<u>FINANCIAL STATEMENTS</u>	<u>PAGE NO.</u>
Accountant's Report	1
Consolidated Balance Sheet	2
Consolidated Shareholders' Equity	3
Consolidated Statement of Revenue and Expenses	4
Consolidated Statement of Cash Flows	5
Consolidated Notes to Financial Statements	6-10
Supplementary Information	11-12

**Harold Telners, C.P.A., PC  
Certified Public Accountant  
25201 Michigan Avenue  
Dearborn, Michigan 48124  
(313) 271-9360**

To the Management  
McKenzie Bay International, Ltd. and Subsidiary

We have reviewed the accompanying consolidated balance sheet of CGE Energy, Inc. (McKenzie Bay International, Ltd). (a corporation) and it's subsidiary as of March 31, 2015, and the related consolidated statements of income and shareholders' equity and cash flows for the six months then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountant. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the consolidated financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



Harold Telners, C.P.A., PC

June 30, 2015

**CGE Energy, Inc. (McKenzie Bay International, Ltd.) and Its Subsidiary**  
**Consolidated Balance Sheet**  
**As of March 31, 2015**

ASSETS

Current Assets:	
Cash in Bank	\$ 355,441
Accounts Receivable	2,320,253
Inventory-Stock	<u>305,505</u>
Total Current Assets	<u>2,981,199</u>
Property and Equipment:	
Computer Equipment & Software	77,169
Furniture & Fixtures	101,566
Leasehold Improvements	46,876
Equipment	<u>2,659,481</u>
	2,885,092
Less Accumulated Depreciation	<u>(1,909,547)</u>
Total Fixed Assets	<u>975,545</u>
Other Assets	
Prepaid Expenses	27,919
Investments (Note B)	58,144,296
Research & Development (Note F)	1,302,395
Patents and Trademarks, Net (Note I)	83,290
Organization Costs, Net	<u>157,630</u>
Total Other Assets	<u>59,715,530</u>
Total Assets	<u><u>63,672,274</u></u>

LIABILITIES AND CAPITAL

Current Liabilities:	
Accounts Payable	<u>2,257,339</u>
Total Current Liabilities	<u>2,257,339</u>
Long Term Liabilities:	
Note Payable – Bryan Zaplitny (Note D)	2,973,036
Note Payable – Anderson (Note D)	50,000
Note Payable – Hiestand (Note D)	50,000
Deferred Revenue (Note G)	<u>674,164</u>
Total Long Term Liabilities	<u>3,747,200</u>
Capital	
Common Stock - \$0.00001 par value 92,000,000 shares authorized	
Common Stock - \$0.00001 par value 62,100,000 shares Issued	621
Paid-In-Capital	81,553,419
Accumulated Deficit	<u>(23,886,305)</u>
Total Capital	<u>57,667,735</u>
Total Liabilities and Capital	<u><u>63,672,274</u></u>

**CGE Energy, Inc. (McKenzie Bay International, Ltd.) and Its Subsidiary**  
**Consolidated Statement of Shareholder's Equity**  
**For the Six Months Ended March 31, 2015**

	<u>Common Stock</u>	<u>Additional Paid in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
<b>SHAREHOLDERS' EQUITY</b>				
<b>OCTOBER 1, 2014</b>	\$ 300,000	\$ 22,913,143	(23,744,540)	(531,397)
Increase/(Decrease)	1,250,000	57,090,897.00		58,340,897
Adjustments to Retained Earnings			(180,000)	(180,000)
Net Income/(Loss) 2015			38,235	38,235
<b>SHAREHOLDERS' EQUITY</b>				
<b>MARCH 31, 2015</b>	<u>\$ 1,550,000</u>	<u>\$ 80,004,040</u>	<u>\$ (23,886,305)</u>	<u>\$ 57,667,735</u>



**CGE Energy, Inc. (McKenzie Bay International, Ltd.) and It's Subsidiary**  
**Consolidated Statement of Revenue and Expenses**  
**For the Six Months Ended March 31, 2015**

Sales	1,776,817
Cost of Goods Sold	
Purchases	1,426,320
Auto Expenses	2,492
Commissions	13,246
Contract Labor	80,874
Engineering Consulting	6,124
Equipment Rental	2,290
Equipment Repairs and Maintenance	5,734
Freight Out	100
Insurance	3,788
Licenses and Permits	119
Other Job Expenses	2,036
Rent (F)	11,344
Travel, Lodging, Meals	6,552
Utilities	1,965
Total Cost of Goods Sold	1,562,984
Gross Profit	213,833
Total Operating Expenses (Schedule)	150,086
Net Income from Operations	63,747
Net Income before Interest Income & Other Expenses	63,747
Other Expenses	
Interest Expense	376
Merger Acquisitions Expenses	25,136
Total Other Expense	25,512
Net Income	38,235

**CGE Energy, Inc. (McKenzie Bay International, Ltd.) and Its Subsidiary**  
**Consolidated Statement of Cash Flows**  
**For the Six Months Ended March 31, 2015**

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Income	38,235
Adjustments to reconcile net income to net cash provided by Operating Activities	
Depreciation & Amortization	72,891
(Increase)/decrease in:	
Accounts Receivable	(2,320,253)
Prepaid Expenses	(27,919)
Inventory-Stock	(305,505)
Increase/(decrease) in:	
Accounts Payable	2,022,931
Accrued Payables	(864)
	<hr/>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES (520,484)

CASH FLOW FROM INVESTING ACTIVITIES  
Purchase of property and equipment 

---

1,044,877

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES 1,044,877

CASH FLOWS FROM FINANCING ACTIVITIES

Research & Development, Patents & Organizational Costs	1,521,874
Deferred Revenue	674,164
Investments	(59,674,182)
Adjustments to Retained Earnings	(180,000)
Loans and Notes Payable	(851,718)
Equity Contribution	58,340,897
	<hr/>

NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES (168,965)

NET INCREASE (DECREASE) IN CASH 355,428

CASH AT THE BEGINNING OF THE YEAR 

---

13

CASH AT THE END OF THE YEAR 

---

---

355,441

**CGE Energy, Inc. (McKenzie Bay International, Ltd) and It's Subsidiary**  
**Consolidated Notes to Financial Statements (continued)**  
**For the two months ended March 31, 2015**

**TRADEMARKS**

Clean Green Energy has filed for and received Trademarks from the US Patent and Trademark office for its WIND•e20® wind turbine, R.A.M.P® lighting maintenance program, and its Project EverGREEN Schools® initiative. Trademarks have been applied for EverGREEN Energy System and NET ZER·O REC.

Project EverGreen Schools®  
 US Serial Number 85492829

WIND-e20®  
 US Serial Number 85485827

R.A.M.P. ®  
 US Serial Number 85924054

**NOTE – J – OPERATING INCOME AND EXPENSE FOR TWO MONTHS ENDED MARCH 31, 2015**

CGE Energy, Inc. (McKenzie Bay International, Inc.) acquired a wholly owned it's subsidiary Clean Green Energy, Inc. on February 1, 2015. The operating income and expense for the two months ended March 31, 2015 has been details herein:

Sales	1,774,078	Operating Expenses:	
Cost of Goods Sold		Accounting	12,476
Purchases	1,426,320	Advertising	44,302
Auto Expesnes	2,492	Amortization Expense	3,559
Commissions	13,246	Automobile Expense	425
Contract Labor	80,874	Bank Charges	176
Engineering Consulting	6,124	Depreciation Expense	69,332
Equipment Rental	2,290	Dues and Subscriptions	4,337
Equipment Repairs and Maintenance	5,734	Insurance	801
Freight Out	100	Licenses & Fees	40
Insurance	3,788	Office Supplies and Expenses	6,928
Licenses and Permits	119	Postage & Printing	293
Other Job Expenses	2,036	Rent (Note E)	1,600
Rent (F)	11,344	Telephone	3,726
Travel, Lodging, Meals	6,552		
Utilities	1,965	Total Operating Expense	147,995
Total Cost of Goods Sold	1,562,984		
Gross Profit	211,094		
Total Operating Expenses (Schedule)	150,086		
Net Income from Operations	61,008		
Net Income before Interest Income & Other Expenses	61,008		
Other Expenses			
Interest Expense	376		
Merger Acuquisitions Expesnes	25,136		
Total Other Expense	25,512		
Net Income	35,872		

**SUPPLEMENTARY  
INFORMATION**

**CGE Energy, Inc. (McKenzie Bay International, Ltd.) and Its Subsidiary**  
**Consolidated Schedule of Operating Expenses**  
**For the Six Months Ended March 31, 2015**

Operating Expenses:	
Accounting	12,476
Advertising	44,302
Amortization Expense	3,559
Automobile Expense	425
Bank Charges	176
Depreciation Expense	69,332
Dues and Subscriptions	4,337
Insurance	801
Legal & Professional Fees	1,582
Licenses & Fees	40
Office Supplies and Expenses	7,437
Postage & Printing	293
Rent (Note E)	1,600
Telephone	<u>3,726</u>
Total Operating Expense	<u><u>150,086</u></u>

**Item XII: CGE ENERGY INC. (McKENZIE BAY INTERNATIONAL, LTD.) and Its Subsidiary  
 ADDITIONAL NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE SIX MONTH FISCAL YEAR ENDED MARCH 31, 2015**

**A. Common Stock**

**As of September 30, 2014, a total of 300,000,000 shares of Common Stock were issued and outstanding.**

On January 31, 2015, the Company's Merger Subsidiary has acquired a private Delaware limited liability company, Clean Green Energy LLC, by way of a reverse merger, in exchange for fifty million (50,000,000) shares of the Company's Common Stock conditional on the Company reversing its presently issued and outstanding shares of Common Stock one for twenty-five and reducing authorized shares of Common Stock to ninety-two million (92,000,000) shares of Common Stock from three hundred million (300,000,000) shares of Common Stock.

**As of January 31, 2015, a total of 62,000,000 shares of Common Stock were issued and outstanding.**

In March, 2015, Common Stock Options for 100,000 shares of Common Stock were exercised by the holder at \$0.60 per share of Common Stock for a total investment of \$60,000,000. A total of 100,000 shares of Common Stock were issued.

**As of March 31, 2015, a total of 62,100,000 shares of Common Stock were issued and outstanding.**

**The following table summarizes the activity related to Common Stock, Common Stock Warrants and Common Stock Options for the year ended March 31, 2015:**

**Issued and outstanding summary:**

	<b><u>Pre-Merger</u></b>	<b><u>Consolidated March 31, 2015</u></b>
Outstanding March 31, 2015	300,000,000	62,100,000
Issued	-0-	-0-
Cancelled	-0-	-0-
Outstanding March 31, 2015	300,000,000	62,100,000

**Options Outstanding Summary:**

As of March 31, 2015	-0-	3,196,650
----------------------	-----	-----------

**Warrants Outstanding Summary:**

As of March 31, 2015	-0-	-0-
----------------------	-----	-----

**Accrued Director's Stock Compensation Summary:**

Accrued Director's Stock Compensation – March 31, 2015	-0-	-0-
--	-----	-----

**Reserved for Officer Compensation**

Accrued Officer Compensation as of March 31, 2015	-0-	-0-
---	-----	-----

**Fully Diluted Common Stock Summary - March 31, 2015**

Shares Authorized	300,000,000	92,000,000
CGE Energy, Inc. (McKenzie Bay International, Ltd.)		

Annual Financial Statement for the Year Ended March 31, 2015

Issued and outstanding	300,000,000	62,100,000
Shares reserved for corporate responsibility	-0-	-0-
Warrants outstanding	-0-	-0-
Earn-In Options outstanding	-0-	3,196,650
Shares reserved for Director Stock Compensation	-0-	-0-
Shares reserved for Officer Compensation	-0-	-0-
<b>Common Stock Issued and Encumbered</b>	<b><u>300,000,000</u></b>	<b><u>65,296,650</u></b>
<b>Common Stock Un-Issued and Unencumbered</b>	<b><u>-0-</u></b>	<b><u>26,703,350</u></b>

**B. Basic and diluted gain (loss) per Common Share – March 31, 2015**

The following outstanding common stock equivalents were excluded from the computation of diluted net gain (loss) per share attributable to common stockholders as they had an anti-dilutive effect:

	<u>Pre-Merger</u>	<u>Consolidated March 31, 2015</u>
<b>Weighted Average Common Shares &amp; Equivalents</b>		
Shares Issued and Encumbered	<b>300,000,000</b>	<b>62,100,000</b>
<b>Basic and diluted gain (loss) per Common Share – March 31, 2015</b>		
Net Gain (Loss)	\$ 38,235	\$ 38,235
Weighted average number of Common Shares & Equivalents	300,000,000	62,100,000
Net Gain (Loss) per Common Share	\$ 0.0001	\$ 0.0006

**C. Income Taxes**

Net Operating Loss carryforwards are estimated to the best of our knowledge.

The Company and certain subsidiaries are estimated to have accumulated the following losses and credits for income tax purposes at March 31, 2015, which may be carried forward to reduce taxable income and taxes payable in future years.

U.S. net operating loss carryforwards	~ US\$ 10,000,000
---------------------------------------	-------------------

**D. Related Party Transactions**

None

**E. Off Balance Sheet Arrangements**

Issuer has no off-balance sheet arrangements at this time.

**Item XIII: Beneficial Owners**

	<u>Pre-Merger</u>	<u>Consolidated March 31, 2015</u>
Bryan Zaplitny, Director, President/CEO	78,451,575	32,904,005
Kevin Cook, Director	10,483,889	1,419,356
Mark Cecil, Director, Treasurer	1,998,394	79,936
Michael Pollakowski, Director	2,604,194	1,354,169
Craig Hancock, Director	2,935,887	1,537,436
Gary Westerholm, Director, VP Finance, Chairman CGE Energy, Inc. (McKenzie Bay International, Ltd.)	5,447,636	3,271,706

Annual Financial Statement for the Year Ended March 31, 2015

Paul Schneider, Director, VP Marketing, Secretary	-0-	250,000
William Naubert, Director	541,949	171,678
Derek Spangler, Director, VP Project Management & Development	347,731	13,910
Gary Zaplitny	<u>3,000,000</u>	<u>4,620,000</u>
<b>Total Beneficial Owners</b>	105,811,255	45,622,196

**Item XIV: The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure**

**A. Investment Banker**

None

**B. Promoters**

None

**C. Counsel**

Honigman Miller Schwartz and Cohn LLP  
2290 First National Building  
660 Woodward Avenue  
Detroit MI 48226-3506

Gregory J. DeMars	Jason R. Abel
313.465.7356	313.465.7302
gdemars@honigman.com	jabel@honigman.com

**D. Independent Accountant or Auditor**

Harold Telnors, CPA, PC  
25201 Michigan Avenue  
Dearborn, MI 48124

**E. Public Relations Consultant(s)**

None

**F. Investor Relations Consultant(s)**

None

**Item XV: Management’s discussion and analysis or plan of operation**

**A. Introduction**

The following Management’s Discussion and Analysis (“MD&A”) is intended to help the reader understand the results of operations and financial condition of McKenzie Bay Intl/CGE Energy. MD&A is provided as a supplement to, and should be read in conjunction with, the rest of this Consolidated Financial Statement and the accompanying Notes.

CGE Energy is very much a growth company, and the two-month results reflect that. Profits  
CGE Energy, Inc. (McKenzie Bay International, Ltd.)

Annual Financial Statement for the Year Ended March 31, 2015



have been reinvested to complement accelerated growth of the company and signing long-term contracts. We are continuing to build the foundations of our future growth through new investments, purchasing additional inventory, hiring new team members, furthering the R&D of the WIND•e20<sup>®</sup> wind turbine, and expanding our reach into new territories.

## **B. Future Growth**

As a company, we are focusing on two primary aspects of the company and re-investing our net profits and applying private placement investment dollars to these areas:

- **Acquiring new long-term contracts** – We are focused on building a rapidly growing, but stable company. This comes from long-term contracts— as an annuity based cash flow stream of monthly payments for 10-25 years. Whether through a PPA (Power Purchase Agreement) or R.A.M.P.<sup>™</sup> (Review, Analyze, Modify and Protect) Service Contract, customer Energy Projects create a growing portfolio of contracted assets and is largely proportional to the cash we collect and the revenue we recognize. The more long-term energy contracts within the portfolio, the higher the revenue and cash we reliably generate.
- **Bringing the WIND•e20<sup>®</sup> wind turbine to market** - CGE Energy is in the final stretch of bringing the WIND•e20<sup>®</sup> wind turbine into production and to market. As an exclusive technology to CGE Energy, this product sets us apart in the wind solutions market and renewable energy market as a whole. We are finalizing the turbine design for manufacturability with our strategic manufacturing and assembly partner, Burttek Enterprises Inc.

## **C. Industry Overview**

Being in the Energy Services Company (ESCO) industry since 1989, our team has seen steady growth of the industry since the 1990s, with double-digit growth annually. Our unique business models are somewhat less sensitive to the effects of the economic recession, because our long-term contracts allow customers to implement large energy savings projects with little or no up-front capital investment.

Analysts estimate that the ESCO industry could reach annual revenues of approximately \$7.5 billion. The international energy market potential is enormous, and untapped. In the past ten years, global electricity demand has grown by 40 percent. During this time, the use of renewable energy has expanded at ten times the rate of fossil fuels. Experts predict that the world's electricity demand could triple by 2020, a colossal increase that will be fuelled by the industrialization of developing countries. As a developer and integrator of energy projects, CGE Energy will position itself to capitalize on this explosive trend.

## **D. Products and Services**

Whether it's efficient LED lighting, solar panels, wind generation or more, CGE Energy brings the right blend of technologies to meet our customer's energy needs. CGE Energy has partnered with industry-leading companies and has engineered proprietary technologies to make this possible.

- **Cree<sup>®</sup> LED Lighting:** CGE Energy's lighting strategic partner is Cree<sup>®</sup> LED— the lighting company that shines brighter, lasts longer and is positioned better than any other  
CGE Energy, Inc. (McKenzie Bay International, Ltd.)

LED manufacturer. CGE Energy has the distinction of being a *Cree® Elite Distributor*. As such, we are able to offer more competitive pricing and faster turnarounds on installations and service to further set us apart.

- **SolarWorld® PV:** CGE Energy's strategic solar PV partner is SolarWorld, the premier manufacturer of solar panels in the U.S. with over 38 years of operations. CGE Energy and SolarWorld have collaborated on the development, design and construction of solar PV projects across the nation.
- **WIND•e20®:** WIND•e20® is a proprietary vertical-axis wind turbine exclusively available through CGE Energy. Unlike the horizontal turbines found on wind farms, the 105-foot modular design of the WIND•e20® makes it ideal for powering individual buildings in urban and suburban commercial areas.
- **R.A.M.P™ (Review, Analyze, Modify and Protect) Service Contracts:** CGE Energy's R.A.M.P™ program is a worry-free service contract to bring savings and maximizes a customer facility's energy and maintenance operating costs.
  - This takes the form of a standalone, full-service lighting maintenance program that saves the customer 20-40% on their lighting maintenance costs.
  - This service program may also include a Cree® LED lighting upgrade. CGE Energy will guarantee the performance, operation and maintenance of all products for a full 10 years. The program is 100% off balance sheet and is fully funded by CGE Energy requiring absolutely no capital expenditure or liability from the customer.
- **Power Purchase Agreements:** CGE Energy's Power Purchase Agreements offer energy projects with no upfront costs and the opportunity to purchase discounted power that is produced onsite. The only thing the customer pays for is the power they save or generate, which is typically at a rate that is lower than their current energy bill.
- **Direct Sale and Installation:** For customers that would like to own the energy technologies, CGE Energy is an authorized distributor and installation partner of Cree® LED and SolarWorld® solar PV. CGE Energy provides many funding options, from traditional financing and alternatives such as PACE property assessed financing.

With these products and services, CGE Energy has seven revenue streams. These provide multiple products and services to our customer base, which brings diversity and stability to the growth of CGE Energy.

- **Cree® LED Lighting Direct Sales** – Customer Financed and Owned.
- **Cree® LED Lighting Power Purchase Agreements (PPAs)** – CGE Owned and Operated. 10 year contracts.
- **SolarWorld® PV Direct Sales** – Customer Financed and Owned.
- **SolarWorld® PV PPAs** – CGE Owned and Operated. 20-25 year contracts.
- **WIND•e20® PPAs** – CGE Owned and Operated. 20-25 year contracts
- **R.A.M.P™ Maintenance Service Contracts** – CGE Service. 5-10 year contracts.
- **International Energy Projects** – Customer owned and financed by US's EX-IM Bank. LED Lighting and Renewable.

## **E. Customers**

Historically, many of our customers have been in the Midwest, primarily southeast Michigan. We are currently setting up offices in Grand Rapids, Michigan and Chicago, Illinois to expand this Midwest footprint. Most projects are six-figures or more so we facilitate high-probability

CGE Energy, Inc. (McKenzie Bay International, Ltd.)

Annual Financial Statement for the Year Ended March 31, 2015

projects nationwide. We have also begun continuous discussions with several nations in the Caribbean at various stages.

Customer market segments include:

- **Nonprofit and Educational facilities**  
The nonprofit sector has a remaining investment potential of \$39.2B. CGE Energy has a Master Agreement with the YMCA and JCC of Greater Toledo to bring sustainability through Energy Projects installed at YMCA campuses throughout Michigan and Ohio.
- **Housing (HUD low-income housing and property management)**  
The housing sector has a remaining investment potential of \$5.7B. The US government has challenged a 20% reduction in energy use and directed the installation of 100 megawatts of renewables on federally assisted housing by 2020. CGE Energy has a signed MOU to install energy projects at 65 properties owned by PK Housing & Management.
- **Municipal (state and federal)**  
The municipal sector has a remaining investment potential of \$29B. Mandated by the government, federal buildings must reduce energy use by 2.5 percent per year between 2015 and 2025. CGE Energy has a long history in municipal projects including retrofitting the State of Michigan capitol complex, all of the State of Michigan Police posts, and the city of Dearborn, Michigan.
- **Commercial and industrial businesses**  
The commercial sector has a remaining investment potential of \$33.5B. Energy consumption typically comprises a business' single largest operating expense, representing up to 30% of an average building's costs. Dealing with C-level decision makers, CGE Energy has completed hundreds of commercial projects.
- **Hospitals**  
The health sector has a remaining investment potential of \$25.6B. Operating 24-hours a day, hospitals collectively they spend more than \$9 billion on energy every year.
- **International**  
Beginning in December 2014, there are five international projects in the pipeline at various stages.

#### **F. Competitive Advantages**

CGE Energy has the following advantages compared to competitors:

- **Distributed Generation:** With our on-site, Distributed Generation business model, we enable non-profits, municipals and businesses to generate supplemental power on their property for their use. Every time we install a distributed generation project—WIND•e20<sup>®</sup>, solar or otherwise— it strengthens the utility grid. We design our systems to be behind the meter to support the utility, further allowing them to offer reliable power.
- **Integrated energy solutions:** Most of our competitors are trying to sell a single technology, such as solar or LED lighting. Whether it's efficient LED lighting, solar panels, wind generation or more, CGE Energy brings the right blend of technologies to meet the customer's energy needs. This complete approach makes up CGE Energy's "Integrated Energy Solution".
- **Streamlined project development:** Most performance contracts require a time-intensive and in-depth analysis of the property and costly engineering. This upfront expense limits

CGE Energy, Inc. (McKenzie Bay International, Ltd.)

Annual Financial Statement for the Year Ended March 31, 2015

the opportunities to the largest facilities. CGE Energy has streamlined the audit and design process to allow for mid-sized facilities to have access to energy saving they wouldn't have otherwise.

- **World-leading, US made technologies:** CGE Energy has strategic partnering relationships with industry-leading companies like Cree LED—the lighting company that shines brighter, lasts longer and is positioned better than any other in the market—and SolarWorld, whose 38 years of US manufacturing experience adds greatly to our complete integrated solution offering.
- **Proprietary WIND•e20 wind turbine technology:** Exclusively available from CGE Energy, we have develop a proprietary and patented vertical axis wind turbine technology named WIND•e20. Unlike the large horizontal wind turbines typically pictured in wind farms, WIND•e20 is a 105-foot tall wind turbine meant for urban environments, individually powering schools, non- profits, and municipal buildings. WIND•e20's revolutionary advancements were incorporated to maximize safety, and lower maintenance and installation costs.

#### **Item XVI: Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

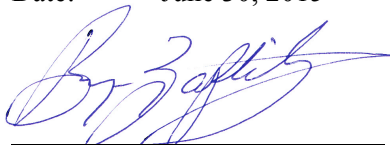
On January 31, 2015, Issuer acquired all of the Membership Units of a Clean Green Energy LLC, a private Delaware limited liability company in exchange for fifty million Common Shares of Issuer.

#### **Item XVII: Certifications**

I, Bryan Zaplitny, certify that:

1. I have reviewed the March 31, 2015 consolidated fiscal year end disclosure statement of McKenzie Bay International Ltd; and
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: June 30, 2015



Bryan Zaplitny  
President / CEO

CGE Energy, Inc. (McKenzie Bay International, Ltd.)

Annual Financial Statement for the Year Ended March 31, 2015