Condensed Consolidated Interim Financial Statements of

MAXIM POWER CORP.

For the Second Quarter Ended June 30, 2017

(Unaudited)

MAXIM POWER CORP.

Unaudited Condensed Consolidated Statements of Financial Position

(in thousands of Canadian dollars)

	Note	**June 30, 2017**	December 31, 2016
ASSETS			
Cash and cash equivalents		**114,610**	15,303
Trade and other receivables		**241**	1,856
Prepaid expenses and deposits		**485**	272
Inventories	5	**-**	1,029
Risk management assets		**-**	1,480
Assets held for sale	4	**-**	120,236
Total current assets		**115,336**	140,176
Property, plant and equipment, net	8b	**55,381**	57,705
Intangible assets, net	8a	**336**	7,538
Restricted cash	6	**7,914**	-
Deferred tax assets		**3,934**	4,114
Other assets		**9,020**	8,650
Total non-current assets		**76,585**	78,007
TOTAL ASSETS		**191,921**	218,183
LIABILITIES			
Trade and other payables		**6,615**	9,428
Liabilities held for sale	4	**-**	32,364
Total current liabilities		**6,615**	41,792
Provisions for decommissioning		**12,739**	11,961
Other long-term liability		**3,461**	3,581
Deferred tax liabilities		**3,368**	3,368
Total non-current liabilities		**19,568**	18,910
TOTAL LIABILITIES		**26,183**	60,702
EQUITY			
Share capital		**156,719**	156,482
Contributed surplus		**11,442**	11,423
Accumulated other comprehensive income		**-**	28,172
Retained deficit		**(2,423)**	(38,790)
Equity attributable to shareholders		**165,738**	157,287
Non-controlling interest		**-**	194
TOTAL EQUITY		**165,738**	157,481
Commitments and Contingencies	6,12,13		
TOTAL LIABILITIES AND EQUITY		**191,921**	218,183

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

MAXIM POWER CORP.

Unaudited Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

For the three and six months ended June 30
(in thousands of Canadian dollars)

		Three months ended June 30		Six months ended June 30	
	Note	**2017**	2016	**2017**	2016
Revenue		**45**	180	**2,024**	2,063
Expenses					
Operating		**2,428**	5,664	**8,114**	17,787
General and administrative		**1,988**	773	**2,529**	1,653
Depreciation and amortization		**1,252**	415	**2,841**	1,710
Gain on commodity swaps	16	**-**	(231)	**(975)**	(231)
Asset impairment charges	8	**8,344**	-	**8,344**	-
Other (income) expense, net	9	**(3,315)**	709	**(3,369)**	369
Operating loss		**(10,652)**	(7,150)	**(15,460)**	(19,225)
Finance expense (income), net	10	**523**	(342)	**220**	(2,411)
Loss before income taxes		**(11,175)**	(6,808)	**(15,680)**	(16,814)
Income tax expense (benefit)					
Current		**146**	17	**152**	5
Deferred		**(842)**	-	**(842)**	-
		(696)	17	**(690)**	5
Net loss from continued operations		**(10,479)**	(6,825)	**(14,990)**	(16,819)
Discontinued operations					
Net income (loss) from discontinued operations (net of tax)	4	**50,431**	(1,517)	**51,361**	559
Net income (loss)		**39,952**	(8,342)	**36,371**	(16,260)
Other comprehensive income (loss), net of tax:					
Items that are or may be reclassified to net income:					
Reclassification to net income on disposal of discontinued foreign operation	4	**(26,729)**	-	**(26,729)**	-
Translation of discontinued foreign operations		**-**	(2,225)	**(1,443)**	(11,545)
Total comprehensive income (loss)		**13,223**	(10,567)	**8,199**	(27,805)
Net income (loss) attributable to:					
Non-controlling interest		**-**	6	**4**	97
Shareholders		**39,952**	(8,348)	**36,367**	(16,357)
Net income (loss) attributable to shareholders per share:					
Basic earnings	11	**0.73**	(0.15)	**0.67**	(0.30)
Diluted earnings		**0.73**	(0.15)	**0.67**	(0.30)
Net loss attributable to shareholders per share continued operations:					
Basic earnings	11	(0.19)	(0.12)	(0.28)	(0.31)
Diluted earnings		(0.19)	(0.12)	(0.28)	(0.31)
Comprehensive income (loss) attributable to:					
Non-controlling interest		**-**	(13)	**2**	57
Shareholders		**13,223**	(10,554)	**8,197**	(27,862)

MAXIM POWER CORP.

Unaudited Condensed Consolidated Statements of Changes in Equity

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

	Common shares (thousands)	Share capital	Contributed surplus	Accumulated other comprehensive gain (loss)	Retained earnings (deficit)	Equity attributable to shareholders	Non-controlling interest	Total
Equity at December 31, 2016	54,301	156,482	11,423	28,172	(38,790)	157,287	194	157,481
Net income	-	-	-	-	36,367	36,367	4	36,371
Stock options exercised	79	237	(184)	-	-	53	-	53
Share-based compensation	-	-	203	-	-	203	-	203
Translation of foreign operations	-	-	-	(1,443)	-	(1,443)	(2)	(1,445)
Distributions to non-controlling interest	-	-	-	-	-	-	(31)	(31)
Disposal of foreign operation	-	-	-	(26,729)	-	(26,729)	(165)	(26,894)
Equity at June 30, 2017	**54,380**	**156,719**	**11,442**	**-**	**(2,423)**	**165,738**	**-**	**165,738**
Equity at December 31, 2015	54,219	156,248	10,686	34,138	15,010	216,082	705	216,787
Net income (loss)	-	-	-	-	(16,357)	(16,357)	97	(16,260)
Stock options exercised	30	75	(16)	-	-	59	-	59
Share-based compensation	-	-	593	-	-	593	-	593
Translation of foreign operations	-	-	-	(11,505)	-	(11,505)	(40)	(11,545)
Distributions to non-controlling interest	-	-	-	-	-	-	(47)	(47)
Equity at June 30, 2016	54,249	156,323	11,263	22,633	(1,347)	188,872	715	189,587

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 six months ended June 30, 2017
(in thousands of Canadian dollars)

	Note	**2017**	2016
Cash flows from operating activities:			
Net loss from continued operations		**(14,990)**	(16,819)
Adjustments for items not involving cash or operations:			
Depreciation and amortization		**2,841**	1,710
Asset impairment charges	8	**8,344**	-
Inventories write-down		**-**	6,661
Share-based compensation		**203**	593
Unrealized gain on commodity swaps		**-**	(231)
Income tax expense (benefit)		**(690)**	5
Income taxes paid		**(61)**	-
Finance expense (income)	10	**514**	(2,409)
Commodity price call option expired out of the money	16	**378**	-
Cooling tower claims recoveries	9	**(4,275)**	-
Approved emission performance credits		**(36)**	(340)
Funds used in continued operating activities before changes in working capital		**(7,772)**	(10,830)
Change in non-cash working capital from continued operations	14	**(990)**	(917)
Net cash used in operating activities from continued operations		**(8,762)**	(11,747)
Cash flows from financing activities:			
Issuance of loans and borrowings		**-**	10,718
Net proceeds from exercise of stock options		**53**	59
Interest paid		**(343)**	(332)
Net cash generated from (used in) financing activities from continued operations		**(290)**	10,445
Cash flows from investing activities:			
Proceeds on sale of United States operating segment, net of closing costs	4	**112,624**	-
Property, plant and equipment additions		**(626)**	(350)
Proceeds from the cooling tower claims recoveries	9	**4,275**	
Change in non-cash working capital	14	**(7,914)**	(873)
Net cash generated from (used) in investing activities from continued operations		**108,359**	(1,223)
Increase (decrease) in cash and cash equivalents from continued operations		**99,307**	(2,525)
Cash and cash equivalents held at discontinued operations, beginning of period		**3,535**	-
Net increase (decrease) in cash and cash equivalents from discontinued operations	4	**(3,535)**	5,515
Cash and cash equivalents, beginning of period		**15,303**	5,884
Cash and cash equivalents, end of period		**114,610**	8,874

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 Corporation closed the sale of its United States operating segment on April 3, 2017 and has presented the result of these operations as discontinued operations (note 4). 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

These unaudited condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The unaudited condensed consolidated interim financial statements do not include all the information required for annual financial statements. These unaudited condensed consolidated interim financial statements should be read in conjunction with the Corporation's December 31, 2016 annual audited financial statements, available at www.sedar.com.

MAXIM's Board of Directors approved these unaudited condensed consolidated interim financial statements on August 10, 2017.

3. Significant accounting policies

Excepted as noted below, the significant accounting policies used in the preparation of these unaudited condensed consolidated interim 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, 2016.

The use of judgments and estimates in the preparation of these unaudited 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, 2016.

On January 1, 2017, the Corporation adopted the amendments to Statement of Cash Flows ("IAS 7"), Income Taxes ("IAS 12") and Disclosure of Interests in Other Entities ("IFRS 12"). The adoption of these amendments had no impact to the amounts recorded in the Corporation's consolidated financial statements as of January 1, 2017 or comparative periods.

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

4. Assets and liabilities held for sale and discontinued operations

On April 3, 2017, the Corporation closed its previously announced agreement with Hull Street Energy, LLC for the sale of the Corporation's United States operating segment for net proceeds of approximately US$84.0 million. Upon close, the Corporation was required, under its Canadian bank facilities, to fully cash collaterize all outstanding letters of credit. The amount available to draw against this facility at April 3, 2017 was reduced to $nil. In addition, the Corporation is subject to customary closing indemnities until April 3, 2018 to a maximum claim of US$8.8 million. 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 no liability currently exists.

The following table summarizes the gain on disposal of the United States operating segment for the six months ended June 30, 2017:

	June 30, 2017
Cash consideration, net of closing costs	112,624
Net assets disposed	(90,235)
Realized gain on translation on disposal of discontinued operations	11,380
Gain on disposal of United States	33,769

On December 2, 2016, the Corporation closed the sale of the France operating segment.

The following tables represent the discontinued net income for the United States (2017 and 2016) and France (2016) operating segments:

Total Discontinued Operations

	Three months ended June 30		Six months ended June 30	
	2017	2016	2017	2016
Revenue	-	11,433	14,246	47,768
Expenses (income) (i)	(35,080)	13,681	(22,221)	46,535
Operating income (loss)	35,080	(2,248)	36,467	1,233
Finance expense (income), net (ii)	(15,351)	865	(14,891)	1,813
Income (loss) before income taxes	50,431	(3,113)	51,358	(580)
Income tax expense (benefit)				
Current	-	(275)	25	653
Deferred	-	(1,321)	(28)	(1,792)
	-	(1,596)	(3)	(1,139)
Net income (loss) from discontinued operations	50,431	(1,517)	51,361	559
Attributable to:				
Non-controlling interest	-	6	4	97
Shareholders	50,431	(1,523)	51,357	462
Net income (loss) from discontinued operations attributable to shareholders per share:				
Basic earnings	0.92	(0.03)	0.95	0.01
Diluted earnings	0.92	(0.03)	0.95	0.01

(i) Includes a gain on disposal of the United States operating segment for $33,769.

(ii) Includes a realized gain on translation on disposal of discontinued operations for $15,349.

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

4. Assets and liabilities held for sale and discontinued operations (continued)

	Six months ended June 30	
	2017	2016
Cash flows from (used in) discontinued operations		
Net cash generated from operating activities	87	15,685
Net cash used in financing activities	(842)	(5,541)
Net cash used in investing activities	(313)	(4,012)
Cash component of net assets disposed	(2,443)	-
Unrealized foreign exchange loss on cash	(24)	(617)
Net cash flows for the period	(3,535)	5,515

United States Segment

	Three months ended June 30		Six months ended June 30	
	2017	2016	2017	2016
Revenue	-	10,700	14,246	23,869
Expenses	(35,080)	11,084	(22,221)	24,462
Operating income (loss)	35,080	(384)	36,467	(593)
Finance expense (income), net	(15,351)	471	(14,891)	982
Income (loss) before income taxes	50,431	(855)	51,358	(1,575)
Income tax expense (benefit)				
Current	-	-	25	184
Deferred	-	(872)	(28)	(1,819)
	-	(872)	(3)	(1,635)
Net income from discontinued operations	50,431	17	51,361	60
Attributable to:				
Non-controlling interest	-	18	4	40
Shareholders	50,431	(1)	51,357	20

France Segment

	Three months ended June 30		Six months ended June 30	
	2017	2016	2017	2016
Revenue	-	733	-	23,899
Expenses	-	2,597	-	22,073
Operating income (loss)	-	(1,864)	-	1,826
Finance expense, net	-	394	-	831
Income (loss) before income taxes	-	(2,258)	-	995
Income tax expense (benefit)				
Current	-	(275)	-	469
Deferred	-	(449)	-	27
	-	(724)	-	496
Net income (loss) from discontinued operations	-	(1,534)	-	499
Attributable to:				
Non-controlling interest	-	(12)	-	57
Shareholders	-	(1,522)	-	442

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

4. Assets and liabilities held for sale and discontinued operations (continued)

At December 31, 2016, the United States operating segment comprised the following assets and liabilities:

Assets classified as held for sale

	December 31, 2016
Cash and cash equivalents	3,535
Restricted cash	1,259
Trade and other receivables	3,465
Prepaid expenses and deposits	1,205
Inventories	7,295
Income taxes recoverable	154
Property, plant and equipment, net	102,118
Intangible assets, net	961
Future income tax asset	140
Other assets	104
Total held for sale	120,236

Liabilities classified as held for sale

	December 31, 2016
Trade and other payables	5,783
Loans and borrowings, net of deferred financing costs	22,349
Provisions for decommissioning	4,232
Total held for sale	32,364

5. Inventories

During the second quarter, the Corporation determined that spare parts previously classified as inventories are expected to be consumed over greater than twelve months as a result of the temporary suspension of operations at the Milner generating facility. On June 30, 2017, the Corporation reclassified $1,038 from inventories to property, plant and equipment ("PP&E").

6. Restricted cash

Effective May 1, 2017, the Corporation amended and restated its credit agreement with the Bank of Montreal ("the bank") to a demand facility that will fully cash collaterize up to $8,000 of letters of credit on a non-revolving basis. As at June 30, 2017, the Corporation has $7,914 of outstanding letters of credit and this amount was deposited into a restricted bank account maintained by the bank.

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

7. Share-based compensation

	Six months ended June 30, 2017			Six months ended June 30, 2016		
	Number of options		Weighted average exercise price	Number of options		Weighted average exercise price
Outstanding, beginning of period	1,898,952	$	2.56	2,811,681	$	2.67
Settled for cash	(499,943)		2.53	-		-
Exercised	(77,151)		2.52	(29,833)		2.00
Forfeited	(3,333)		2.62	-		-
Granted (i)	498,694		2.77	19,833		2.95
Outstanding, end of period	1,817,219	$	2.62	2,801,681	$	2.68
Exercisable	652,406	$	2.53	1,492,535	$	2.80

(i) During the second quarter of 2017, 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 the grant using the Black-Scholes option pricing model with weighted average assumptions for the grant as follows:

	2017
Fair value of each option ($)	0.58
Share price at grant date ($)	2.77
Exercise price ($)	2.77
Risk-free interest rate (%)	0.83
Expected life (years)	2.00
Expected volatility (%)	36.00
Forefiture rate (%)	-

8. Asset impairment charges

(a) Intangible assets, net

During the second quarter of 2017, due to adverse changes in the market conditions for environmental credits in Alberta, the Corporation recognized an asset impairment charge of $6,463 with respect to SO2 credits at Milner included in Canada operating segment. The recoverable amount was estimated to be $nil. The recoverable amount was determined using fair value less costs of disposal. The fair value measurement was categorized as Level III within the fair value hierarchy. The fair value measurement valuation technique used was based on management's experience and knowledge of long and short positions of SO2 credits of industry participants.

(b) PP&E, net

During the second quarter of 2017, due to significant adverse changes at the facility site, the Corporation recognized an asset impairment charge of $1,072 with respect to the Gold Creek generating facility included in the Canada operating segment. In the absence of contractual arrangements or favourable Alberta power prices that would make it economically feasible to connect the facility to a new compressor at the current site or another MAXIM site, the recoverable amount of this facility was estimated at its salvage value of $43.

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

8. Asset impairment charges (continued)

During the second quarter of 2017, due to updated information on market conditions, the Corporation obtained an appraisal for raw land it is holding in the United States. Based on a sales approach to same or similar land, the Corporation determined that the book value of the land was greater than the recoverable amount and recognized an $809 asset impairment charge. The recoverable amount was estimated based on the appraisal to be US$4,109.

9. Other income

	Three months ended June 30		Six months ended June 30	
	2017	2016	2017	2016
Cooling tower claims recoveries (i)	(4,275)	-	(4,275)	-
Restructuring of Alberta operations (ii)	1,326	709	1,326	709
Transition service income	(366)	-	(366)	-
Approved emission performance credits	-	-	(36)	(340)
Gain on sale of equipment	-	-	(18)	-
Total other expense (income), net	(3,315)	709	(3,369)	369

(i) Proceeds from the final resolution of the cooling tower claims.

(ii) This consists of costs incurred to restructure the Corporation's Alberta operations to reduce ongoing operating costs.

10. Finance income, net

	Three months ended June 30		Six months ended June 30	
	2017	2016	2017	2016
Interest expense	191	190	343	295
Accretion of provisions	19	18	39	39
Foreign exchange loss (gain)	607	(549)	132	(2,743)
Finance expense (income)	817	(341)	514	(2,409)
Interest income (i)	(294)	(1)	(294)	(2)
Total finance expense (income), net	523	(342)	220	(2,411)

(i) Includes interest income on cash and cash equivalents.

11. Earnings per share

(a) Basic earnings per share

The calculation of basic per share for the three months ended June 30, 2017 was based on the net income attributable to common shareholders and net loss attributable to common shareholders from continued operations of $39,952 and ($10,479), respectively (June 30, 2016 – losses of ($8,348) and ($6,825), respectively) and weighted average number of common shares outstanding for the period of 54,368,757 (June 30, 2016 – 54,245,730). For the six months ended June 30, 2017 was based on the net income attributable to common shareholders and net loss attributable to common shareholders from continued operations of $36,367 and ($14,990), respectively (June 30, 2016 – losses of ($16,357) and ($16,819), respectively) and weighted average number of common shares outstanding for the period of 54,344,053 (June 30, 2016 – 54,224,723).

11. Earnings per share (continued)

(b) Dilutive earnings per share

For the three months ended June 30, 2017 diluted earnings per share calculation, 101,713 (June 30, 2016 – 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 six months ended June 30, 2017 diluted earnings per share calculation, 103,376 (June 30, 2016 – 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 six months ended June 30, 2016, no shares were added to the average number of common shares outstanding because they were antidilutive.

12. Commitments

(a) Milner Power Limited Partnership ("MPLP") is responsible for the decommissioning and reclamation of the power station lands at the Milner generating facility 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.

(b) The Corporation has entered into a natural gas transportation service agreement from January 1, 2018 to December 31, 2026 for the Deerland peaking station development project 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 June 30, 2017. The Corporation has an additional commitment of $798 regarding the service portion of the contract.

13. 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 Corporation has closed the sale of the France operating segment. Under the agreement, the Corporation continues to be subject to the claims received for €1,700 thousand in 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.

13. Contingencies (continued)

Further under the agreement, the Corporation is subject to performance criteria of certain generating units in the France operating segment until October 31, 2017. The Corporation is responsible to reimburse the buyer of the France operating segment for penalties incurred until that time up to a maximum of €1,500 thousand. In addition, the Corporation is subject to customary closing indemnities until December 2, 2019 to a maximum claim of €3,500 thousand.

In addition, the Corporation has closed the sale of the United States operating segment. Under the sales agreement, the Corporation is subject to customary closing indemnities until April 3, 2018 to a maximum claim of US$8,841 thousand.

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 no liability currently exists.

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.

(b) Contingent assets

Through its Decision 790-D04-2016 ("Decision"), released September 28, 2016, the Alberta Utilities Commission ("AUC") asserted its position on several preliminary matters related to remedy under Module C of Milner Power Inc.'s complaint relating to the Alberta Electric System Operator ("AESO") Line Loss Rule. The Decision confirms the Corporation's view that the AUC's proceedings, the final phase of which is currently underway, will establish compensation to Milner Power Inc. that will include an accounting for the time value of money. The Corporation estimates that overpayments of approximately $42,000 were made by Milner Power Inc. to the AESO for the period January 1, 2006 to June 30, 2017, based on calculations established by information currently available on the public record before accounting for the time value of money. As at June 30, 2017, the implementation date of the new rule under Module B and the amount and timing of compensation under Module C cannot be determined.

Under the agreement for the sale of the France operating segment, the Corporation is eligible for compensation up to €6,000, contingent upon a change in law in France which benefits the Corporation's cogeneration units. The change in law must occur no later than June 1, 2018. As at June 30, 2017, the timing and amount of compensation cannot be determined.

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

14. Change in non-cash working capital

	June 30, 2017	June 30, 2016
Operations		
Trade receivables	1,615	1,161
Prepaid expenses and deposits	(213)	(134)
Inventories	(9)	1,025
Trade payables and other	(2,383)	(2,969)
	(990)	(917)

	June 30, 2017	June 30, 2016
Investing		
Trade and other payables	-	(873)
Restricted cash	(7,914)	-
	(7,914)	(873)

15. 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 operated in one reportable segment with power generation facilities located in Canada. Results are reviewed regularly by the Corporation's interim CEO to make decisions about resources to be allocated to the segments and to assess their performance. The United States and France operating segment ceased to be strategic segment in the second quarter of 2017 and fourth quarter of 2016, respectfully, as a result of the closed sales of these business segments. The Corporation has modified the composition of the reportable segments.

(a) Three months ended

June 30, 2017	Canada	Corporate amounts	Subtotal	Discontinued operations from United States	Total consolidated
Revenues from external customers	45	-	45	-	45
Operating income (loss)	(7,320)	(3,332)	(10,652)	35,080	24,428

June 30, 2016	Canada	Corporate amounts	Subtotal	Discontinued operations from United States	Discontinued operations from France	Total consolidated
Revenues from external customers	180	-	180	10,700	733	11,613
Operating income (loss)	(5,845)	(1,305)	(7,150)	(384)	(1,864)	(9,398)

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

15. Segmented information (continued)

(b) Six months ended

June 30, 2017	Canada	Corporate amounts	Subtotal	Discontinued operations from United States	Total consolidated
Revenues from external customers	2,024	-	2,024	14,246	16,270
Operating income (loss)	(11,692)	(3,768)	(15,460)	36,467	21,007

June 30, 2016	Canada	Corporate amounts	Subtotal	Discontinued operations from United States	Discontinued operations from France	Total consolidated
Revenues from external customers	2,063	-	2,063	23,869	23,899	49,831
Operating income (loss)	(17,085)	(2,140)	(19,225)	(593)	1,826	(17,992)

16. Fair value and 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 Corporation’s financial assets and financial liabilities that are not risk management contracts 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.

(a) Cash and cash equivalents and restricted cash

The fair value of cash and cash equivalents and restricted cash are classified as Level I under the fair value hierarchy as they are based on active markets for identical assets. All cash balances are invested with one counterparty, which is rated A- by Standard and Poor's rating agency.

(b) Commodity risk management swaps and options

The fair value of the commodity swaps 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 swaps by applying the market approach using market settled forward prices as reported by the Natural Gas Exchange for forward contracts of comparable term at the reporting date. For the six months ended June 30, 2017, the unrealized gain on commodity price swaps was $58 (June 30, 2016 - nil). For the six months ended June 30, 2017, the realized gain on commodity risk management swaps and option was $917 (June 30, 2016 - nil). At June 30, 2017, the Corporation had no commodity swaps or options outstanding.

(c) Foreign exchange risk management swap and options

The Corporation, in the discontinued United States operating segment, was exposed to foreign currency exchange risk from the divestment of the operating segment where proceeds are denominated in currencies other than the functional currency of the Corporation. The Corporation managed this exposure by entering into a foreign currency swap or purchasing put options, for a portion of the proceeds. The fair value of the foreign currency swap and put options are classified as

16. Fair value and financial instruments (continued)

Level II under the fair value hierarchy as the fair values are based on observable market data.

For the three and six months ended June 30, 2017, the Corporation, realized a $421 thousand loss (June 30, 2016 - $nil), recognized in discontinued operations, on the US$78,000 thousand swap to lock-in a portion of the sales proceeds of the United States operating segment.

For the six months ended June 30, 2017, the Corporation realized a net loss of $1,092 (June 30, 2016 - $nil) upon the expiry of two put options expiring March 24, 2017, consisting of the amortization of premiums paid of $1,378, partially offset by proceeds on exercise of $286. These amounts have been recognized in discontinued operations.

At June 30, 2017, the Corporation had no outstanding foreign exchange risk management swaps and options.