

## **PROJECT SUMMARY**



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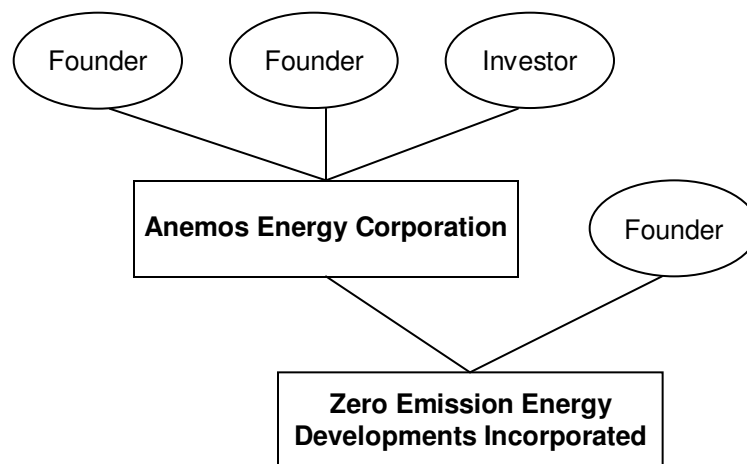
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**CONFIDENTIAL**

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## Corporate Organization

1. Anemos Energy was federally incorporated in July 2004. The company has three shareholders, consisting of the two founding partners and a third individual related private investor. It has one employee, who joined the company in June 2008. It is based in Hamilton, Ontario, Canada.
2. The company is a developer of renewable energy generation projects within Canada and the United States; currently focused on wind projects in the range of 10 to 50 megawatts (MW) of capacity, small “run of river” hydro projects in the range of 1 to 10 MW capacity, and solar photovoltaic projects in the range of 1 to 10 MW capacity.
3. In June 2010, the company purchased from the sole founding shareholder a controlling share of Zero Emission Energy Developments, Inc. (the "subsidiary"), a wind project developer established in late 2007 with exclusive rights to 66,000 hectares of Crown land at 22 sites in British Columbia, Canada. It is based in Vancouver, British Columbia, Canada.



## Mission

The company's goal is to achieve commercial operation by the end of 2013 of wind projects having an aggregate capacity of at least 50 MW, and solar photovoltaic projects having an aggregate capacity of at least 5 MW.

## Strategy

The company is focusing its prospecting and development efforts on jurisdictions which support renewable energy by mandating renewable portfolio standards (RPS) which require that a certain amount of renewable energy generation be in place by a specified time, and/or by mandating production incentives which pay a fixed or premium amount for electricity generated by renewable sources. Examples of the latter are the BC Hydro Standard Offer Program and the Ontario Power Authority Feed In Tariff for Renewable Energy Program. The expertise of internationally renowned partners including Hatch Energy, Golder and Associates, and Cornerstone Planning, is being employed to execute the company's project development plans.



The Ontario Power Authority (OPA) is an agency of the Government of Ontario responsible for the planning and management of the provincial electricity system.

The OPA's Feed In Tariff (FIT) Program is a guaranteed pricing structure for renewable electricity production. It offers stable prices under long-term contracts for energy generated from renewable sources, including wind. The key terms of the FIT Program are as follows:

- Contract Pricing of \$135/MWh (2010\$);
- Contract Term of 20 years;
- 20% of Contract Price escalated by Consumer Price Index (CPI) annually;
- Projects must be located within Ontario;
- No current cap on generation capacity of FIT contracts awarded.

Anemos Energy currently has four wind project sites, totaling at least 40 MW of generation capacity, in pre-development in preparation for application under the FIT Program in 2012.

### **Site 1 – Frederick House Lake, Ontario**

- **Location:** East shore of Frederick House Lake, north of the town of Barber's Bay, approximately 20 km south west of the town of Iroquois Falls, and 36 km north west of the city of Timmins, Ontario.
- **Capacity:** 10 MW, expandable up to approximately 30 MW.
- **Site:** 577 acres of crown and privately owned land; the latter is under option to licence for 21 years + 20 year renewal. Application will be submitted for development rights to approximately 660 acres of additional crown land located to the north of the site on the lake shore when opportunity arises. (Crown land applications are currently not being accepted.)
- **Topography:** Consists of rocky outcroppings, forest and open grassy meadow; one dwelling within site owned by participating landowner, several dwellings on non-participating neighbouring properties.
- **Interconnection:** 115 kV line 9.9 km from site.
- **Access:** Trans Canada/Ontario Highway 11 exit is 11.5 km from site. From highway travel 8.4 km on municipal asphalt road, then 3.1 km on a maintained gravel road.
- **Wind Resource:** One 60 m met tower installed, 5 months of data (Jun - Oct inclusive), 4.9 m/s average wind speed at 60 m.
- **Environmental:** Preliminary environmental screening conducted; loss of woodland wildlife habitat may be concern, otherwise no significant issues identified.
- **Consultation:** First Nation and Public Consultation to be completed following FIT award.

### **Site 2 – Jarvis River, Ontario**

- **Location:** Approximately 22 km south west of the City of Thunder Bay, Ontario.
- **Capacity:** 14 - 26 MW, expandable to approximately 70 MW or more.
- **Site:** 1360 acres of privately owned land; under option to licence for 21 years + 20 year renewal. An additional 800 acres of crown land and 1100 acres of privately owned land are available to develop at two separate sites located 5.2 km and 6.6 km, respectively, from the subject primary site.

- **Topography:** Consists of fairly flat plateau and hilltop, partially forested; one dwelling within site owned by participating landowner, several dwellings on non-participating neighbouring properties.
- **Interconnection:** 115 kV line 22 km from site.
- **Access:** Trans Canada/Ontario Highway 11/17 is 34 km from site. From highway travel 31 km on Ontario Highway 61, then 1.6 km on municipal gravel road, then 1.5 km on maintained gravel road.
- **Wind Resource:** One 60 m met tower installed, 11 months of data (Nov - Oct inclusive), 5.6 m/s average wind speed at 60 m.
- **Environmental:** Preliminary environmental screening conducted; loss of woodland wildlife habitat may be concern, otherwise no significant issues identified.
- **Consultation:** First Nation and Public Consultation to be completed following FIT award.

### **Site 3 – Maple Hill, Ontario**

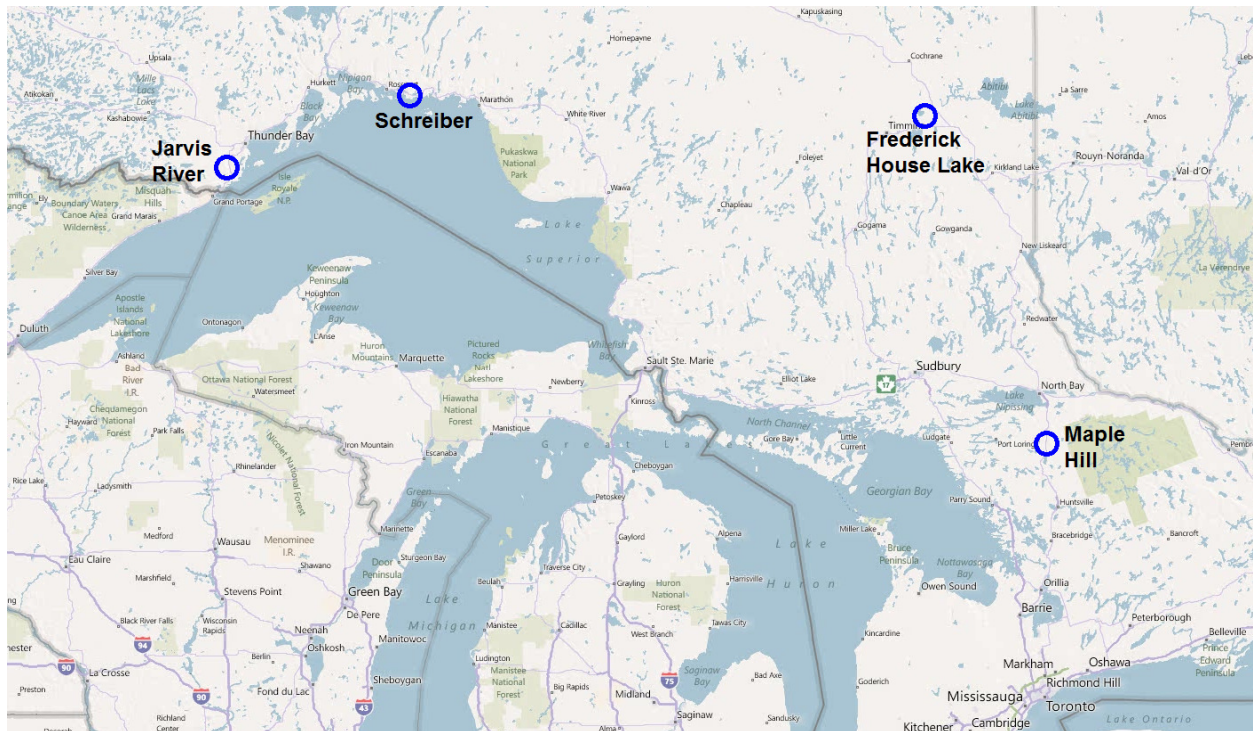
- **Location:** Approximately 5 km north of the town of Trout Creek and 33 km south of the city of North Bay, Ontario.
- **Capacity:** 10 - 14 MW.
- **Site:** 500 acres of privately owned land; under option to licence for 21 years + 20 year renewal. Currently negotiating option to licence 200 acres of additional private property adjacent to the site.
- **Topography:** Consists of fairly flat hilltop, forested; no dwellings within site but dwellings exist on non-participating neighbouring properties.
- **Interconnection:** 44 kV line adjacent to the site.
- **Access:** Ontario Highway 11 is 6.6 km from site. From highway travel 1.6 km on municipal asphalt road, then 5 km on a maintained gravel road. Municipal gravel roads surround the site and several trails traverse the site.
- **Wind Resource:** One 60 m met tower installed, 5 months of data (Jun - Oct inclusive), 5.0 m/s average wind speed at 60 m.
- **Environmental:** Preliminary environmental screening conducted; loss of woodland wildlife habitat may be concern, otherwise no significant issues identified.
- **Consultation:** First Nation and Public Consultation to be completed following FIT award.

### **Site 4 – Schreiber, Ontario**

- **Location:** On the north shore of Lake Superior, approximately 4 km south of the Town of Schreiber and 140 km north east of the City of Thunder Bay, Ontario.
- **Capacity:** 10 MW.
- **Site:** 473 acres of municipally and privately owned land; under option to licence for 21 years + 20 year renewal.
- **Topography:** Consists of rugged, rocky hills and forest; nearest dwellings > 2 km away.
- **Interconnection:** 115 kV line 1.7 km from the site.
- **Access:** Currently by all terrain vehicle or by a hiking trail. Trans Canada/Ontario Highway 17 is 4.1 km from site. Approximately 0.5 km of existing gravel road could be utilized and 5.5 km of new road would be constructed to provide site access.

- **Wind Resource:** One 50 m met tower installed, 11 months of data (Nov - Oct), 8.0 m/s average wind speed at 50 m.
- **Environmental:** Preliminary environmental screening conducted; loss of woodland wildlife habitat may be concern, otherwise no significant issues identified.
- **Consultation:** First Nation and Public Consultation to be completed following FIT award.

## Ontario Project Locations

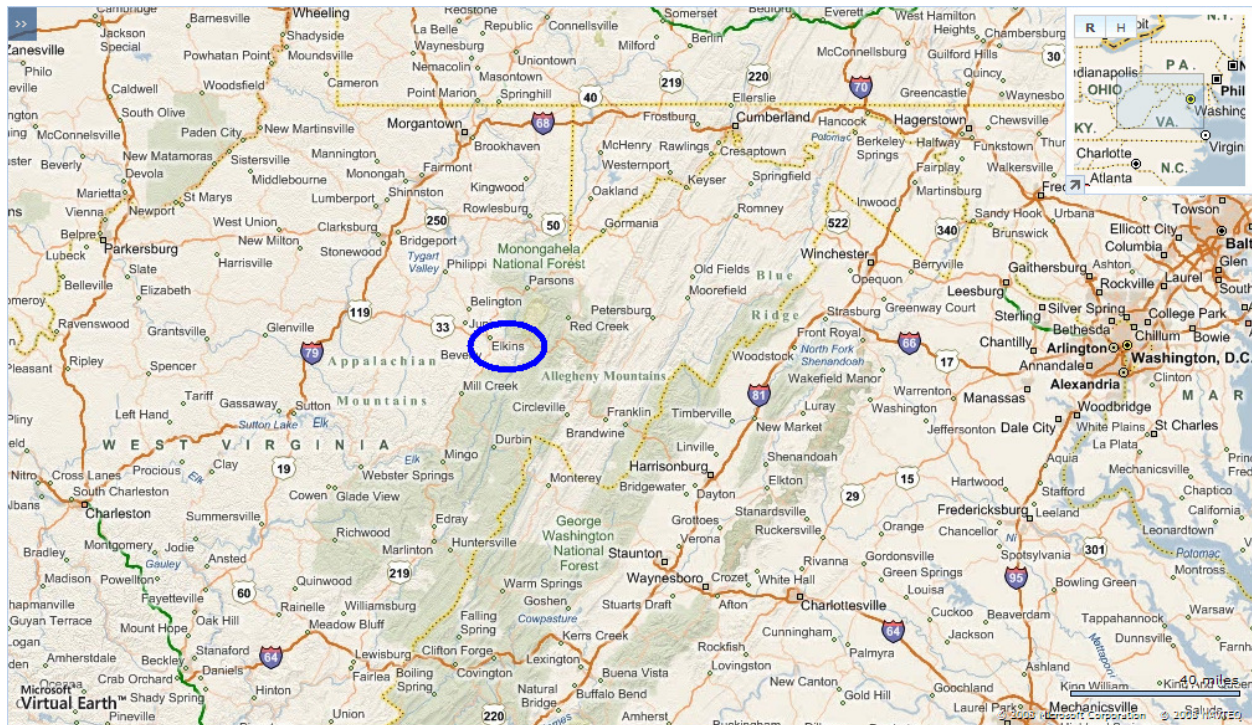




## Site 5 - Kelley Mountain, West Virginia

- **Location:** Within the Cheat Mountain section of the Allegheny Mountain range, 6.3 km south east of the Town of Elkins, West Virginia, USA.
- **Capacity:** Up to 9 MW.
- **Site:** 257 acres of privately owned land; under lease for 35 years + 20 year renewal.
- **Topography:** Consists of forest and open grassy meadow near mountain summit; one dwelling within site owned by participating landowner, several dwellings on non-participating neighbouring properties.
- **Interconnection:** 69 kV line 3.5 km from the site.
- **Access:** US Highway 33 is 3.1 km from site. From highway travel 2.4 km on county asphalt road, then 0.7 km on a maintained gravel road.
- **Wind Resource:** One 60 m met tower installed, 12 months of data (Nov - Nov inclusive), 5.1 m/s average wind speed at 60 m.
- **Environmental:** Preliminary environmental screening conducted; proximity of site to known bat hibernacula containing protected bat species may pose a risk to species of concern. May be mitigated by implementation of a management strategy which includes modification of the facility operations.

## West Virginia Project Location



B.C. Hydro is a crown corporation that generates and distributes electrical power in British Columbia. Power is sourced from its own facilities, independent power producers and the wholesale market.

The B.C. Hydro Standing Offer Program (SOP) guarantees the purchase of clean or renewable electricity from generation projects, including wind, with a maximum nameplate capacity of 15MW. The key terms of the SOP are as follows:

- Regional Pricing of \$94.86 - \$103.69/MWh (2010\$);
- Fixed Term of 20 years;
- 50% of Base Price escalated by Consumer Price Index (CPI) annually;
- Project must be located within BC;
- No current cap on SOP applications.

Zero Emissions currently has four wind project sites, totaling six 15MW projects, in pre-development in preparation for application under the SOP in 2012. ZED also has exclusive rights and control over 14 additional sites, totalling approximately 32,000 hectares, in three key regions of British Columbia.

### **Site 1, Project 1 – Shinish Creek North, British Columbia**

- Location: Approximately 30 km west of the town of Summerland, BC.
- Capacity: 15 MW expandable up to approximately 90 MW.
- Site: 4643 hectares of Crown land.
- Topography: Partially forested with vacant cut-blocks, hills and valleys.
- Interconnection: 136 kV line 36 km from site.
- Access: Highway 97N, exit onto existing logging roads.
- Wind Resource: One 60 m met tower installed October 2010, 11 months of data (Oct - Sep) 7.6 m/s average wind speed at 60 m.
- Environmental: Comprehensive environmental surveys pursuant to the BCEAO due to be completed in Q4, 2011, with no significant issues identified thus far.
- Consultation: First Nation and Public Consultation underway, due to be completed following PPA.

### **Site 1, Project 2 – Shinish Creek South, British Columbia**

- Location: Approximately 33 km west of the town of Summerland, BC.
- Capacity: 15 MW expandable up to approximately 90 MW.
- Site: 4344 hectares of Crown land.
- Topography: Partially forested with vacant cut-blocks, hills and valleys.
- Interconnection: 136 kV line 36 km from site.
- Access: Highway 97N, exit onto existing logging roads.
- Wind Resource: One 60 m met tower to installed October 2011. Results similar to Shinish Creek North expected (7.6 m/s average wind speed at 60 m).
- Environmental: Comprehensive environmental surveys pursuant to the BCEAO due to be completed in Q4 2011, with no significant issues identified thus far.
- Consultation: First Nation and Public Consultation underway, due to be completed following PPA.

### **Site 2, Project 1 – Pennask East, British Columbia**

- Location: Approximately 42 km west of the town of Kelowna, BC.

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- Capacity: 15 MW expandable up to approximately 45 MW.
  - Site: 3266 hectares of Crown land.
  - Topography: Partially forested with vacant cut-blocks, hills and valleys.
  - Interconnection: 136 kV line at site.
  - Access: Highway 97C, exit onto existing logging roads.
  - Wind Resource: One 60 m met tower installed June 2011, 3 months of data (Jun - Sep), 5.8 m/s average wind speed at 60 m.
  - Environmental: Comprehensive environmental surveys pursuant to the BCEAO due to be completed in Q4 2011, with no significant issues identified thus far.
  - Consultation: First Nation and Public Consultation underway, due to be completed following PPA.

### **Site 2, Project 2 – Pennask West, British Columbia**

- Location: Approximately 48 km west of the town of Kelowna, BC.
- Capacity: 15 MW expandable up to approximately 45 MW.
- Site: 3270 hectares of Crown land.
- Topography: Partially forested with vacant cut-blocks, hills and valleys.
- Interconnection: 136 kV line at site.
- Access: Highway 97C, exit onto existing logging roads.
- Wind Resource: One 60 m met tower installed at Pennask East June 2011, 3 months of data (Jun - Sep), 5.8 m/s average wind speed at 60 m.
- Environmental: Comprehensive environmental surveys pursuant to the BCEAO due to be completed in Q4 2011, with no significant issues identified thus far.
- Consultation: First Nation and Public Consultation underway, due to be completed following PPA.

### **Site 3 – Septimus Creek, British Columbia**

- Location: Approximately 25 km south west of the town of Taylor, BC.
- Capacity: 15 MW expandable up to approximately 45 MW.
- Site: 4388 hectares of Crown land.
- Topography: Partially forested with vacant cut-blocks, plains and valleys .
- Interconnection: 136 kV line 3 km from site.
- Access: Highway 97C, exit onto existing logging roads .
- Wind Resource: One 60 m met tower installed October 2010, 11 months of data (Oct - Sep), 6.3 m/s average wind speed at 60 m.
- Environmental: Comprehensive environmental surveys pursuant to the BCEAO due to be completed in Q4 2011, with no significant issues identified thus far.
- Consultation: First Nation and Public Consultation underway, due to be completed following PPA.

### **Site 4 – Port Hardy, British Columbia**

- Location: On Vancouver Island, 3 km north of the town of Port Hardy, BC.
- Capacity: 15 MW expandable up to approximately 30 MW.
- Site: 2639 hectares of Crown land.
- Topography: Forest, flat.
- Interconnection: 26 kV line 3 km from site.



- Access: Island Highway N, exit onto existing logging roads.
- Wind Resource: One 60 m met tower installed June 2011, 3 months of data (Jun - Sep), 3.8 m/s average wind speed at 60 m.
- Environmental: Comprehensive environmental surveys pursuant to the BCEAO due to be completed in Q4 2012.
- Consultation: First Nation and Public Consultation underway, due to be completed following PPA.

## British Columbia Project Locations

