

Investor Update - December 31, 2014

Solar Flow-Through 2012-I Limited Partnership

Overview

The investment objective of the Solar Flow-Through 2012-I Limited Partnership (**2012 LP**) is to develop and operate solar power generation projects in the Province of Ontario in a manner that provides for income tax deductions to investors during the start-up, development and construction phases, and steady income upon commencement of commercial operations of the projects. The 2012 LP has a targeted income distribution of 8% per annum. In December 2012, the 2012 LP raised \$2,857,000 (**2012 Proceeds**).

FIT 2.1 Project Progress – Construction Underway

The 2012 Proceeds were used to secure Ontario Power Authority (**OPA**) Feed-in-Tariff 2.1 (**FIT 2**) Contracts to develop solar projects (**FIT 2 Projects**). These projects, once operational, will produce electricity under the OPA FIT 2 Contract at a guaranteed rate of payment over 20 years. A large amount of the FIT 2 Projects are being engineered and constructed by Panasonic Eco Solutions Canada Inc. Since the last Investor Update in September 2014, construction has begun on the FIT 2 Projects. Completion of construction on the first project is expected within the next 30 days. By the end of Q2 2015, construction for substantially all the FIT 2 Projects is expected to be complete.



FIT 3 Projects – 2012 LP and 2013 LP with Partners to Receive Over 100 Contracts

In addition to the FIT 2 Projects, the 2012 LP, in partnership with the 2013 LP, applied to the OPA for FIT 3 Contracts in Q4 2013. In Q3 2014, the OPA awarded an initial round of 123 MW AC of FIT 3 Contracts. In December 19, 2014, the OPA announced an additional 100 MW AC of contracts (**FIT 3.5 Contracts**) would be awarded to projects that applied for FIT 3 Contracts in Q4 2013. Based on the OPA's December 19, 2014 announcement, the 2012 LP and the 2013 LP, together with their development partners, will receive FIT 3.5 Contracts for over 100 projects (**FIT 3.5 Projects**) totalling approximately 33.5 MW AC (or ~40 MW DC).

The economic interest in approximately 6.8 MW AC (or ~8.1 MW DC) of the FIT 3.5 Projects is controlled by third-party development partners of the 2012 LP and 2013 LP. The remaining economic interest of approximately 26.7 MW AC (or ~32.0 MW DC) is held by companies controlled by the 2012 LP and the 2013 LP.

Over 70% of all the projects that contracts were applied for under the FIT 3 program by the 2012 LP and the 2013 LP will be awarded a FIT Contract. This compares to an industry wide success rate of 51% being awarded FIT Contracts in this round.

Project Development Through 2015 and into 2016

Receipt of the FIT 3.5 Contracts with the OPA is expected to occur by the end of Q1 2015. The development of the FIT 3.5 Projects to the point of being ready to start construction will occur throughout 2015 and early 2016. Typically, four-to-twelve weeks are required to build out a project once it is "construction ready". All the FIT 3.5 Projects are expected to be completed and operational within 18 months of receipt of the FIT 3.5 Contract date and before the end of Q3 2016.

2014 LP – \$9,868,000 Raised

On December 19, 2014, the third Solar Flow-Through Fund, called the Solar Flow-Through 2014-I Limited Partnership (**2014 LP**), raised \$9,868,000 (**2014 Proceeds**). It is intended that some of the 2014 Proceeds will be used to fund development expenses of the FIT 3.5 Projects held by the 2012 LP and the 2013 LP. As a result of the 2014 LP's funding of the FIT 3.5 Projects, the 2014 LP will have an economic interest in the FIT 3.5 Projects along with the 2012 LP and 2013 LP. Management of the LPs will obtain third party assessments of these FIT 3.5 Contracts at the time the Contracts are awarded in order to arrive at a valuation of these FIT 3.5 Projects. This valuation, together with the 2014 LP's resulting funding of the FIT 3.5 Projects, will be used to determine each of the LPs' resulting economic interest in these Projects.

Performance – Dividends Continuing in 2015

As a project becomes operational, it will produce electricity and generate revenue over the 20 years of the FIT Contract. The 2012 LP began paying dividends in 2014 at the rate of 2% per quarter. As the FIT 2 Projects become operational in 2015, the distributable cash flows to the 2012 LP are expected to be sufficient to meet the targeted income distribution of 8% per annum. As a result, Management expects to continue paying 2% dividends on a quarterly basis.

One hundred percent of any distributable cash flows to the 2012 LP in excess of this target distribution of 8% per annum will be paid to the unitholders subsequent to each year end. Management does not expect any excess of the target in 2015. However, the distributions from the 2012 LP should increase when the FIT 3.5 Projects become operational and are generating revenues, which is expected to occur by the end of Q3 2016.

Liquidity Options for Investors

The unitholders or investors in the 2012 LP can anticipate a steady income stream over the next 20 years. However, for unitholders that are considering selling their units, the Management of 2012 LP is investigating possible liquidity options for its unitholders.

Management intends to provide a liquidity event for the unitholders in Q2 2015. Over the next 90 days, Management of 2012 LP intends to solicit the unitholders as to their interest in selling their units. Based on the unitholders' interest to sell their units, Management will use its best efforts to find interested parties or funds to purchase the units. If required, Management will use its best efforts to sell 2012 LP's interest in some of the FIT 2 projects resulting in free cash in the 2012 LP to purchase the units.

In the longer term, Management will pursue additional opportunities which may include listing of the 2012 LP on a Canadian stock exchange together with the 2013 LP and/or the 2014 LP or an outright sale of all the assets of the 2012 LP. Acceptance of either of these liquidity options requires the approval of at least two-thirds of the votes cast at a meeting of unitholders.

Solar Flow-Through 2012-I Limited Partnership

Suite 900, 570 Granville Street
Vancouver, BC V6C 3P1
T 604.682.3701

info@solarflowthrough.com

www.solarflowthrough.com

Toronto Office

390 Bay Street, Suite 1102
Toronto, ON M5H 2Y2
T 647.725.3822