Offering Memorandum

CoPower Green Bonds

Date:	January 31, 2020
Name of Issuer:	CoPower Finance, Inc. (the "**Corporation**")
Issuer Head Office:	642 Courcelle St #PH5, Montreal, Quebec H4C 3C5
Issuer Phone #:	1.833.267.6937
Issuer Fax #:	1.416.868.5167
Issuer Email:	investors@copower.me
Currently listed or quoted?	No. **These securities do not trade on any exchange or market.**
Reporting Issuer?	No.
SEDAR filer?	Yes.

The Offering	
Securities Offered	5-Year 4.0% Unsecured Green Bonds (the "**Series M Green Bonds**") 5-Year 4.0% Unsecured Compounding Green Bonds (the "**Series N Green Bonds**") (collectively, the "**Bonds**"). *See Item 5.1 - Terms of Securities.*
Price Per Security	$1,000 per Bond
Minimum Offering	$250,000 (250 Bonds) **Funds available under the Offering may not be sufficient to accomplish our proposed objectives.**
Maximum Offering	$20,000,000 (20,000 Bonds)
Minimum Subscription Amount Per Investor	$10,000 (10 Bonds) for an initial subscription. The Corporation may in its sole discretion reduce the minimum subscription amount per Investor.
Payment Terms	Payment in full by pre-authorized debit of the subscription price is to be made with the delivery of a duly executed and completed Subscription Agreement and Pre-Authorized Debit Agreement. Subject to certain restrictions, payment may also be made by wire transfer, certified cheque, electronic funds transfer or bank draft. *See Item 5.2 - Subscription Procedure.*
Proposed Closing Date(s)	The Offering may be closed in one or more closings which may take place periodically at the Corporation's discretion on one or more dates, with the closing of the Minimum Offering to occur on or before 15 March, 2020.
Income Tax Consequences	There are important tax consequences to these securities. All investors will be responsible for the preparation and filing of their own tax returns in respect of this investment. *See Item 6 - Income Tax Consequences and Deferred Plan Eligibility.*
Selling Agents	Where allowed by applicable securities legislation, the Corporation intends to pay compensation of up to one percent (1%) of the gross proceeds realized on the sale of Bonds under this Offering to any of, or a combination of, the following parties: unrelated investment dealers, unrelated exempt market dealers and/or their dealing representatives. *See Item 7 - Compensation Paid to Sellers and Finders.* The Corporation has retained the Manager as lead selling agent in respect of the distribution and sale of the Bonds. No compensation will be paid for sales of the Bonds effected by the Manager. *See Item 7 - Compensation Paid to Sellers and Finders.*
Resale Restrictions	You will be restricted from selling your securities for an indefinite period. There will be no market for the Bonds. *See Item 10 - Resale Restrictions.*
Purchasers' Rights	You have 2 business days to cancel your Subscription Agreement to purchase the Bonds. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the Subscription Agreement. See *Item 11 - Purchasers' Rights.* **No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment.** *See Item 8 - Risk Factors.*

Related and Connected Issuer	CoPower Inc. is the manager, the lead selling agent and a shareholder of the Corporation. The directors of the Corporation are also directors of the Manager. As a consequence, the Manager and the Corporation are considered to be related and connected in accordance with securities laws as the relationship between the Corporation and the Manager may lead a reasonable prospective purchaser of the Bonds being offered under this Offering to question the independence of such parties for purposes of the distribution of Bonds to purchasers. Pursuant to the Management Agreement, the Manager is paid a Management Fee by the Corporation. *See Item 2.7 – Material Agreements – Management Services Agreement with CoPower Inc.* Canadian provincial and territorial securities laws requires securities registered firms such as the Manager and its dealing representatives, when they trade in or advise with respect to securities of certain issuers to which they, or certain parties related to them, are related or connected, such as in this case the Corporation, to do so only in accordance with particular disclosure. Further, these rules require dealers such as the Manager, prior to trading for or on behalf of their clients, to inform such clients of the relevant relationships and connections with the issuer of the securities, which in the case of this Offering is the Corporation. Purchasers should refer to the applicable provisions of the relevant securities laws for the particulars of these rules or consult with a legal advisor. **Investors should note that if they purchase Bonds through the Manager, they will not be purchasing securities from an Exempt Market Dealer that is independent of the Corporation.** *See Item 7 - Compensation Paid to Sellers and Finders.*
OM Marketing Materials and Documents Incorporated by Reference	Any documents of the type referred to in NI 45-106 to be incorporated by reference in an Offering Memorandum, including any OM Marketing Materials related to the Offering that are effective on or after the date of this Offering Memorandum and before the termination of the Offering, are deemed to be incorporated by reference in this Offering Memorandum. *See – Documents Incorporated by Reference*
This Offering Memorandum	Investors are advised to read this Offering Memorandum in detail prior to purchasing any Bonds. This Offering Memorandum contains material information relating to the Corporation, the Bonds and this Offering. For example, it contains important information about: • the Bond terms (*See Item 5.1 – Terms of Securities*); • the Portfolio (*See Item 2.2 – Our Business and Item 2.7 – Material Agreements*); • the risks of investing in the Bonds (*See Item 8 – Risk Factors*); and • conflicts of interest (*See Item 2.2. – Our Business – Clean Energy Projects - Jointly Funded Loans and Acquisition of Pre-Existing Loans; Item 2.1 – Structure – Management of the Corporation – the Manager; Item 2.7 – Material Agreements – Assignment of the Credit Agreements; Item 7 – Compensation Paid to Sellers and Finders – Related and Connected Issuer Matters; and Item 8 – Risk Factors – Potential for Conflicts of Interest*).

Refer to “Glossary of Terms” for the meanings of capitalized words and phrases that are used but not defined in this summary.

DISCLAIMER

This Offering is being made to persons resident in all provinces and territories of Canada and pursuant to certain exemptions contained in NI 45-106.

This Offering Memorandum constitutes an offering of securities only in those jurisdictions and to those persons to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities in any other jurisdiction.

No person has been authorized to give any information or to make any representation not contained in this Offering Memorandum. Any such information or representation which is given or received must not be relied upon.

Certain information regarding the Corporation set forth in this Offering Memorandum, including the Corporation's future plans and business, contains forward-looking statements that involve substantial known and unknown risks and uncertainties. The use of any of the words "anticipate", "believe", "continue", "estimate", "expect", "intend", "plan", "potential", "predict", "project", "seek", "potential", "targeting", or other similar words, or statements that certain events or conditions "may", "might", "could", "should" or "will" occur are intended to identify forward-looking statements. Such statements represent the Corporation's internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, business opportunities, future expenditures, plans for and results of business prospects and opportunities. These statements are only predictions and actual events or results may differ materially. Although the expectations reflected in the forward-looking statements are reasonable, future results, levels of activity, performance or achievement cannot be guaranteed since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Corporation's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Corporation.

This Offering Memorandum includes certain statements that may be deemed "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking statements included in this Offering Memorandum include, but are not limited to, statements with respect to: use of proceeds of the Offering; the business to be conducted by the Corporation; the ability to make and the timing and payment of interest and/or repayment of the principal of the Bonds; payment of fees including the Management Fee; the Corporation's business objectives; projections relating to CO_2 emission reduction; treatment under governmental regulatory regimes and tax laws; financial and business prospects and financial outlook; results of operations, the timing thereof and the methods of funding; the Corporation's and the Manager's ability to identify Clean Energy Projects; intentions or expectations about the Corporation funding Loans to Borrowers; Loan conditions and structure, including the expected size of Loans, interest rates charged on Loans, Loan term, security to be granted under Loans and Loan purpose; and the Corporation potentially entering into co-lending arrangements with other lenders or acquiring pre-existing loans from other lenders.

Forward-looking statements are subject to known and unknown risks, uncertainties, and other factors that may cause the actual results, level of activity, performance, or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to the development and operation of the Corporation's projects, risks associated with general economic conditions, adverse industry events, marketing costs, loss of markets, future legislative and regulatory developments, inability to access sufficient capital from internal and external sources and/or inability to access sufficient capital on favourable terms, the jurisdictions where the Corporation operates generally, income tax and regulatory matters, competition, currency and interest rate fluctuations, regulatory approvals including approvals from governmental authorities, and those factors discussed in the sections relating to risk factors under "Item 8 – Risk Factors". Although the Corporation has attempted to identify important factors that could cause results to differ materially from those contained in forward-looking statements, there may be other factors that cause results to be materially different from those anticipated, described, estimated, assessed, or intended. There can be no assurance that any forward-looking statements will prove accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

The forward-looking statements contained in this Offering Memorandum are based on a number of assumptions, including those relating to: the Corporation's business strategy and operations; the ability of the Corporation to achieve or continue to achieve its business objectives; the Corporation's expected financial performance, condition and ability to pay interest and/or repay the principal of the Bonds; factors and outcomes associated with Clean Energy Projects in Canada, the energy efficiency and renewable energy sector and the lending sector, generally, including competition and competitive conditions; taxation of the Corporation; the impact on the Corporation of future changes in applicable legislation; application of legislation and regulations applicable to the Corporation; and availability of and dependence upon certain key employees of the Corporation and the Manager.

Although the forward-looking statements contained in this Offering Memorandum are based upon assumptions believed to be reasonable, the Corporation cannot assure Investors that actual results will be consistent with these forward-looking statements.

The Corporation has included the above summary of risks related to forward-looking information provided in this Offering Memorandum in order to provide Investors with a more complete perspective on the Corporation's current and future operations and such information may not be appropriate for other purposes. The Corporation's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Corporation will derive therefrom. These forward-looking statements are made as of the date of this Offering Memorandum and the Corporation disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as otherwise required by applicable law.

DOCUMENTS INCORPORATED BY REFERENCE

All OM Marketing Materials related to the Offering that are effective on or after the date of this Offering Memorandum and before the termination of the Offering, are deemed to be incorporated by reference in this Offering Memorandum. Copies of such documents incorporated herein by reference may be obtained on request without charge from the Corporation at investors@copower.me or 662 King Street W, Suite 301, Toronto, ON, M5V 1M7**.**

Any statement contained in this Offering Memorandum or in a document incorporated or deemed to be incorporated by reference herein is deemed to be modified or superseded for the purposes of this Offering Memorandum to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded is not deemed, except as so modified or superseded, to constitute a part of this Offering Memorandum.

Information contained or otherwise accessed through the Corporation's website or any website does not form part of this Offering Memorandum or the Offering.

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GLOSSARY OF TERMS

In this Offering Memorandum, unless the context otherwise requires, the following words and terms shall have the indicated meanings and grammatical variations of such words and terms shall have corresponding meanings:

"Accredited Investor Exemption" has the meaning attributed to it in Item 11 – Purchasers' Rights.

"Acquired Interests" has the meaning attributed to it in Item 2.2 – Our Business - Clean Energy Projects - *Jointly Funded Loans and Acquisition of Pre-Existing Loans.*

"Alberta Act" has the meaning attributed to it in Item 11 – Purchasers' Rights.

"Annual Fee" means the annual fee payable by the Corporation in cash to Target in an amount equal to: (i) $2,500; plus (ii) one-half of one percent (being 0.5%) of the total Deferred Plan Capital that is in excess of $500,000 and is outstanding on the last date of the month that is the anniversary of the date of Target Agreement; plus (iii) applicable taxes.

"Assignment Agreement" has the meaning attributed to it in Item 2.7 – Material Agreements – Assignment of the Credit Agreements.

"Assignment of Loan" means the assignment of a Borrower's Loan from CoPower Warehouse to the Corporation.

"Available Funds" has the meaning attributed to it in Item 1.1 - Funds.

"BC Act" has the meaning attributed to it in Item 11 – Purchasers' Rights.

"Bondholder" means a holder of Bonds of the Corporation.

"Bonds" means collectively the Series M Green Bonds, Series N Green Bonds issued by the Corporation pursuant to this Offering Memorandum.

"Borrower" means a party in respect of which the Corporation provides a Loan using funds raised under this Offering Memorandum or the OM – January 2017 or the OM – May 2018 as applicable.

"Cancellation Right" has the meaning attributed to it in Item 11 – Purchasers' Rights.

"Capital Raising Fee" means the fee payable by the Corporation to Target in cash in an amount equal to one-half of one percent (being 0.5%), plus applicable taxes, of the total Deferred Plan Capital raised by the Corporation in excess of $500,000.

"Class A Shares" means the Class A Preferred shares of the Corporation.

"Class A Shareholder" means a holder of one or more Class A Shares.

"Class B Shares" means the Class B Common shares of the Corporation.

"Class B Shareholder" means a holder of one or more Class B Shares.

"Clean Energy Projects" means one or more projects that or that are reasonably expected to generate or receive income from: (i) the generation of clean energy; (ii) providing energy efficiency services and/or water conservation services; or (iii) related enabling technologies.

"**Clean Energy Transition**" means the proliferation of renewable energy and other low carbon or carbon reducing technologies, or the improvement of technologies that strengthen a community's climate change resiliency.

"CoPower Group" means the Manager (CoPower Inc.) and all of its past and present affiliates and subsidiaries, including the Corporation, VCIB and Vancity Credit Union.

"CoPower Holdings" means CoPower Holdings Inc., a corporation related to the Corporation and the Manager that is incorporated under the *Business Corporations Act* (Quebec).

"CoPower Warehouse" means CoPower Warehouse, a limited partnership related to the Corporation and the Manager that previously existed under the laws of the Province of Québec and was dissolved on November 20, 2019.

"CRA" means Canada Revenue Agency.

"**Credit Agreement – May 2017**" means the credit agreement dated as of May 4, 2017 among a Borrower, CoPower Holdings, as Agent, and CoPower Warehouse, as Lender, as amended by a first amending agreement dated as of June 19, 2017 and a second amending agreement dated as of January 18, 2019.

"**Credit Agreement – December 2017**" means the credit agreement dated as of December 20, 2017 among a Borrower, CoPower Holdings, as Agent, and CoPower Warehouse, as Lender.

"**Credit Agreement – February 2018**" means the credit agreement dated as of February 1, 2018 among a Borrower, CoPower Holdings, as Agent, and CoPower Warehouse, as Lender.

"Credit Agreement – June 2018 (1)" means the credit agreement dated as of June 20, 2018 among a Borrower, CoPower Holdings, as Agent, and CoPower Warehouse, as Lender.

"Credit Agreement – June 2018 (2)" means the credit agreement dated as of June 29, 2018 among a Borrower, a Guarantor, CoPower Holdings, as Agent, CoPower Warehouse, and the Corporation, as Lender.

"Credit Agreement – October 2018" means the credit agreement dated as of October 22, 2018 among a Borrower, CoPower Holdings, as Agent, and CoPower Warehouse, as Lender.

"**Credit Agreement – December 2019**" means the credit agreement dated as of December 23, 2019 among a Borrower, CoPower Holdings, as Agent, and the Corporation, as Lender.

"**Credit Agreements**" means, collectively, the Credit Agreement – May 2017, the Credit Agreement – December 2017, the Credit Agreement – February 2018, the Credit Agreement – June 2018 (1), the Credit Agreement June 2018 (2); the Credit Agreement – October 2018; and the Credit Agreement – December 2019.

"**Credit Approval**" means, with respect to a proposed Loan to be provided to a Borrower, the initial approval given by the Investment Committee that such proposed Loan meets the lending requirements and risk parameters that are acceptable to the Investment Committee and the Corporation, pursuant to the terms of this Offering Memorandum.

"Deferred Plan" means a RRSP, RRIF, RESP, RDSP or a TFSA.

"Deferred Plan Capital" means capital of any kind raised by the Corporation from a Deferred Plan pursuant to this Offering.

"Executive Director" has the meaning attributed to it in Item 11 – Purchasers' Rights.

"Exempt Experts" means Exempt Experts Inc., a consulting company retained by the Corporation to review this Offering Memorandum pursuant to the Target Agreement.

"**Exempt Market Dealer**" means a person or company registered in the category of exempt market dealer pursuant to Canadian Securities Administrators National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* as it may be amended from time to time.

"**Final Approval**" means, with respect to a proposed Loan to be provided to a Borrower, the final approval given by the Investment Committee that all final lending agreements and other lending documents and all due diligence findings (including any changes in the affairs of the Borrower or the terms of the Loan since the Credit Approval) with respect to such Loan are acceptable to the Investment Committee and that the Corporation may enter into the Loan and all applicable lending agreements and documents with the respective Borrower.

"Investment Committee" means the Investment Committee of the Manager as further described in Item 2.2 – Our Business. Members of the Investment Committee are set forth in Item 3.2 – Management Experience.

"Investor" or "**you**" means a person who subscribes for Bonds pursuant to this Offering.

"Loan" means a loan made by the Corporation for the purpose of financing a Clean Energy Project.

"Management Agreement" means the management services agreement dated as of December 1, 2016 between the Corporation and the Manager as more particularly described in Item 2.7 – Material Agreements - Management Services Agreement with CoPower Inc.

"Management Fee" means the fee payable by the Corporation to the Manager pursuant to the Management Agreement as described in Item 2.7 – Material Agreements - Management Services Agreement with CoPower Inc.

"Manager" means CoPower Inc., a company related to the Corporation by common directors, incorporated under the *Canada Business Corporations Act*.

"Material Breach" has the meaning attributed to it in Item 2.7 – Material Agreements – Agreement with Target Capital Inc.

"Maturity Date" has the meaning attributed to it in Item 5.1 - Terms of Securities.

"Maximum Offering" means 20,000 Bonds ($20,000,000).

"Minimum Offering" means 250 Bonds ($250,000).

"Misrepresentation" has the meaning attributed to it in Item 11 – Purchasers' Rights.

"New Brunswick Act" has the meaning attributed to it in Item 11 – Purchasers' Rights.

"**Net Asset Value of the Corporation**" means, in respect of a particular date, the Corporation's total assets less its total liabilities less its minority interest, all as at such date as set forth in the Corporation's consolidated financial statements prepared as at such date.

"Nova Scotia Act" has the meaning attributed to it in Item 11 – Purchasers' Rights.

"NI 45-106" means National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators as it may be amended from time to time.

"NL Act" has the meaning attributed to it in Item 11 – Purchasers' Rights.

"Offering" means the offering of Bonds pursuant to this Offering Memorandum.

"Offering Memorandum" means this offering memorandum, as amended or supplemented from time to time.

"Offering Memorandum Exemption" has the meaning attributed to it in Item 5.2 – Subscription Procedure.

"Offering Jurisdictions" means British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut and Yukon.

"OM – January 2017" means the Offering Memorandum of the Corporation issued on January 20, 2017 pursuant to which the Corporation offered 5-Year 5.0% Unsecured Series A and Series E Green Bonds; 5-Year 4.5% Unsecured Series B and Series F Green Bonds; 3-Year 3.5% Unsecured Series C and Series G Green Bonds; and 3-Year 3.0% Unsecured Series D and Series H Green Bonds.

"OM – May 2018" means the Offering Memorandum of the Corporation issued on May 11, 2018 pursuant to which the Corporation offered 6-Year 5.0% Unsecured Series I and Series K Green Bonds; and 4-Year 4% Unsecured Series J and Series L Green Bonds.

"OM Marketing Materials" means a written communication, other than an OM standard term sheet (as that term is defined in NI 45-106), intended for prospective Investors regarding the distribution of Bonds under this Offering Memorandum that contains material facts relating to the Corporation, the Bonds or this Offering.

"Operating Borrower" has the meaning attributed to it in Item 2.2 – Our Business – Clean Energy Projects – Borrowers.

"Portfolio" means the aggregate of: (i) all of the Clean Energy Projects in respect of which the Corporation has advanced and maintains, directly or indirectly, Loans in accordance with this Offering Memorandum; and (ii) all of the renewable energy projects in respect of which the Corporation has advanced and maintains, directly or indirectly, Loans in accordance with the OM – January 2017.

"**Principal Holder**" has the meaning attributed to it in Item 3.1 – Compensation and Securities Held.

"QBCA" means the *Business Corporations Act* (Québec), chapter S-31.1.

"**Quarterly Net Asset Value of the Corporation**" means, in respect of a fiscal quarter of the Corporation, the Net Asset Value of the Corporation as at end of such fiscal quarter.

"Regulations" means the regulations under the Tax Act.

"RDSP" means Registered Disability Savings Plan as defined under the Tax Act.

"RESP" means Registered Education Savings Plan as defined under the Tax Act.

"RRIF" means Registered Retirement Income Fund as defined under the Tax Act.

"RRSP" means Registered Retirement Savings Plan as defined under the Tax Act.

"Saskatchewan Act" has the meaning attributed to it in Item 11 – Purchasers' Rights.

"Series M Green Bonds" means the 4.0% unsecured 5-year bonds of the Corporation having the terms and conditions described in Item 5.1 – Terms of Securities.

"Series N Green Bonds" means the 4.0% unsecured 5-year bonds of the Corporation having the terms and conditions described in Item 5.1 – Terms of Securities.

"Sponsor" has the meaning attributed to it in Item 2.2 – Our Business.

"Subscription Agreement" means the Subscription Agreement entered into between an Investor and the Corporation with respect to the purchase of Bonds by an Investor under this Offering.

"Target" means Target Capital Inc. d.b.a. CBi^2 Capital, a publicly traded company listed on both the TSX Venture Exchange and the Canadian Securities Exchange trading under the symbol "TCI". As at the date of this Offering Memorandum, Target holds 60% of the issued and outstanding Class A Shares.

"Target Agreement" means the agreement between the Corporation and Target dated November 22, 2016, the terms of which are referred to in Item 2.2 – Our Business and Item 2.7 – Material Agreements – Agreement with Target Capital Inc.

"Target Release" means the release to be executed by each Investor under this Offering in favour of Target as more particularly described in Item 2.2 – Our Business.

"Tax Act" means the *Income Tax Act* (Canada).

"TFSA" means Tax-Free Savings Account as defined under the Tax Act.

"**Vancity Credit Union**" means Vancouver City Savings Credit Union.

"**VCIB**" means Vancity Community Investment Bank.

In this Offering Memorandum, references to "dollars" and $ are to the currency of Canada, unless otherwise indicated.

ITEM 1 – USE OF AVAILABLE FUNDS

1.1 Funds

The following table discloses the available funds (the "**Available Funds**") of this Offering:

		Assuming Minimum Offering	Assuming Maximum Offering
A	Amount to be raised by this Offering	$250,000	$20,000,000
B	Selling Commissions and Fees [(1)]	$250	$20,000
C	Estimated Offering Costs [(2)]	$75,000	$75,000
D	Annual Fee and Capital Raising Fee [(3)]	$2,625	$15,750
E	Available Funds: E = A – (B + C + D)	$172,125	$19,889,250
F	Additional sources of funding required [(4)]	Nil	Nil
G	Working Capital Deficiency	Nil	Nil
H	Total: H = (E + F) – G	$172,125	$19,889,250

(1) Where allowed by applicable securities legislation, the Corporation intends to pay compensation of up to one percent (1%) of the gross proceeds realized on the sale of Bonds under this Offering to any of, or a combination of, the following parties: unrelated investment dealers, unrelated exempt market dealers and/or their dealing representatives. Line A assumes that ten percent (10%) of funds raised are from selling agents other than the Manager and such selling agents are each paid a commission of one percent (1%) of the gross proceeds *See Item 7 - Compensation Paid to Sellers and Finders.*

(2) The Offering Costs, which include fees paid to Exempt Experts to review this Offering Memorandum and fees paid to the Corporation's legal and tax advisors and auditors, have been paid from the Corporation's working capital.

(3) Pursuant to the terms of the Target Agreement, the Corporation is obligated to pay Target the Annual Fee and the Capital Raising Fee. Line D assumes that 15% of the funds raised under this Offering is Deferred Plan Capital. *See Item 2.7 – Material Agreements - Agreement with Target Capital Inc.*

(4) The Corporation does not anticipate requiring additional funds to pursue its business objectives. *See Item 2.2 - Our Business.*

1.2 Use of Available Funds

The following table provides the breakdown of how the Corporation will use the Available Funds of this Offering in the ensuing 12 months from the date of this Offering Memorandum:

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering
Advance Loans to Borrowers for the purpose of financing Clean Energy Projects and/or acquiring Acquired Interests.[(1)] *See Item 2.2 - Our Business.*	$172,125	$19,889,250
Total:	$172,125	$19,889,250

(1) Until used to advance Loans to Borrowers, where practicable, the Corporation may temporarily invest the proceeds of this Offering in cash on deposit, deposit receipts, deposit notes, certificates of deposit, bankers acceptances, guaranteed investment certificates, commercial paper and other similar instruments issued or endorsed by an Eligible Financial Institution. An Eligible Financial Institution means any federally or provincially regulated Canadian financial institution having one of a short-term issuer credit rating of at least R-1(low) from DBRS Limited, A-2 from S&P Global Ratings, Prime-2 from Moody's Investors Service, Inc. or F2 from Fitch Ratings, Inc. In addition, in making such investments, the Corporation may invest in such instruments offered by VCIB (which does not have a credit rating) and Vancity Credit Union, which are parties related and connected to both the Manager and the Corporation in accordance with applicable securities laws. *See Item 8 – Risk Factors - Potential for Conflicts of Interest.*

1.3 Reallocation

The Corporation intends to spend the available funds as stated. The Corporation will reallocate funds only for sound business reasons.

1.4 Working Capital Deficiency

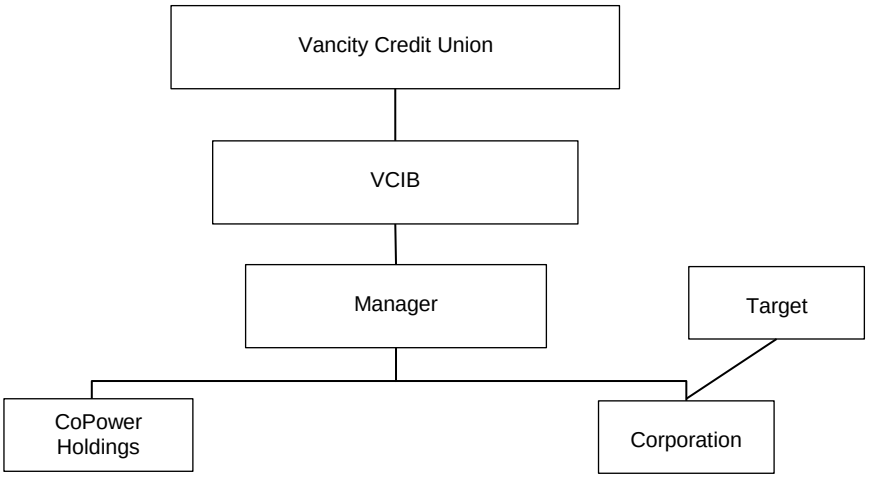
As of January 31, 2020, the Corporation did not have a working capital deficiency.

ITEM 2 – BUSINESS OF THE CORPORATION

2.1 Structure

i. Organizational Structure of the Corporation

The following diagram illustrates the organizational structure of the Corporation.



ii. The Corporation

The Corporation was incorporated on November 21, 2016 under the QBCA. The Corporation's head office and registered office is located at 642 Courcelle St #PH5, Montreal, Quebec, H4C 3C5. The Corporation's business address is located at 662 King Street W, Suite 301, Toronto, Ontario, M5V 1M7. The Corporation is controlled by Target. Please see www.sedar.com for further information with respect to Target.

iii. Management of the Corporation – the Manager

The Manager was incorporated pursuant to the *Canada Business Corporations Act* on October 16, 2013. The Manager is related to the Corporation by common directors and is owned and controlled by VCIB, a wholly owned subsidiary of Vancity Credit Union. For more information about VCIB and Vancity Credit Union, s*ee Item 2.3 – Development of Business.*

The Manager holds 4,000 Class A Preferred Shares and 40,000 Class B Common Shares in the capital of the Corporation.

The Corporation has appointed the Manager to manage the day-to-day business of the Corporation pursuant to the Management Agreement in return for payment by the Corporation of the Management Fee. See *Item 2.7 - Material Agreements – Management Services Agreement with CoPower Inc*.

In addition, the Manager is registered as an Exempt Market Dealer in Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, Québec, Saskatchewan and the Yukon. The Corporation has retained the Manager as lead selling agent in respect of the distribution and sale of the Bonds. No compensation will be paid for sale of the Bonds effected by the Manager. *See Item 3.1 - Compensation and Securities Held.*

In consideration for the services provided by the Manager to the Corporation pursuant to the Management Agreement, the Corporation shall pay to the Manager, in respect of each fiscal quarter, the Management Fee equal to 90% of the Quarterly Net Asset Value of the Corporation for such fiscal quarter, less the Management Compensation for such fiscal quarter**.**

iv. Voting Control of the Corporation - Target Capital Inc.

Target holds the majority of the Class A Shares and therefore, holds voting control of the Corporation. Voting control means Target has the exclusive right to elect a majority of the Board of Directors of the Corporation. Target is required to have voting control of the Corporation to ensure that the Bonds issued pursuant to this Offering are qualified investments, as that term is defined in the Tax Act and the Regulations, for the Deferred Plans. Target's control and interest in the Corporation is to earn Annual Fees and Capital Raising Fees, pursuant to the Target Agreement, and not to participate in the profits of the Corporation. *See Item 2.7 - Material Agreements - Agreement with Target Capital Inc.*

Specifically:

(a) Target's shares in the Corporation are non-participating as they are not entitled to dividends;

(b) the Target Agreement states that Target cannot acquire any additional shares in the Corporation without the approval of the majority of the minority shareholders of the Corporation;

(c) Target cannot increase the Annual Fee or the Capital Raising Fee pursuant to the Target Agreement without the approval of the majority of the minority shareholders of the Corporation;

(d) Target will not sell its shares of the Corporation while the Target Agreement is in force and will, at the termination of the Target Agreement, return all of its shares to the treasury of the Corporation in return for sixty dollars; and

(e) Target will not benefit from its position as shareholder except as described in the Target Agreement, and should it receive any benefit in addition to the Annual Fee and the Capital Raising Fee, the benefit will be returned to the Corporation for the sum of ten dollars.

Target's assets and management are not in any way committed to the activities of the Corporation. Target has not performed any due diligence on the Corporation, its assets or its management and does not encourage or discourage an investment in the Corporation.

The Subscription Agreement to be signed by Investors contains a specific acknowledgement by Investors acknowledging that Target owes no fiduciary duty of care or any other duty to Investors in connection with the Bonds issued under this Offering. Further, in signing the Subscription Agreement, Investors are agreeing therein that Target shall not be liable to Investors for any liabilities, losses or damages suffered or incurred by Investors in connection with their investment, including any default by the Corporation in the payment of interest and/or repayment of the principal of the Bonds issued pursuant to this Offering.

v. Release of Target Capital Inc.

As a term of this Offering, Investors are required to grant Target a specific release in the form attached as Schedule D to the Subscription Agreement (the "**Target Release**"). Pursuant to the terms of the Target Release, the Investor will acknowledge that:

(a) Target's assets and management are not in any way committed to the activities of the Corporation other than voting its shares at shareholder meetings of the Corporation. Further, the Investor acknowledges that Target has not performed any due diligence on the Corporation, its assets or its management and does not encourage or discourage an investment in the Corporation;

(b) Target owes no fiduciary duty of care or any other duty to Investors in connection with the Bonds issued under this Offering;

(c) Target shall not be liable to Investors for any costs, expenses, liabilities, losses or damages suffered or incurred by Investors in connection with their investment in the Corporation, including any default by the Corporation in the payment of interest and/or repayment of the principal of the Bonds issued by the Corporation pursuant to this Offering.

(d) the Investor will release and forever discharge Target, together with its officers, directors, servants, employees, agents and other representatives from any and all actions, causes of action, claims, demands, or other liability of any nature or kind howsoever arising, including, without limitation, any and all claims, past or present, and which may arise in the future, in any way related to the Investor's investment in the Bonds of the Corporation or the acquisition of the Bonds from the Corporation; and

(e) the Investor was encouraged to seek independent legal advice before executing and delivering the Target Release.

All Investors are encouraged to seek independent legal advice before executing and delivering the Target Release.

2.2 Our Business

i. The Corporation

The Corporation is raising capital from investors to facilitate Loans to Clean Energy Projects.

The Corporation's goal is to accelerate the transition to a low-carbon economy. The Corporation has engaged the Manager to identify Clean Energy Projects suitable for financing by the Corporation, negotiating loan agreements and related documentation with Borrowers and monitoring the Portfolio.

The Manager will originate Loans to Clean Energy Projects from existing professional networks, from firms with expertise in engineering and Clean Energy Project development and from directing incoming inquiries through the Manager's

website (https://copower.me/en/). The officers and senior project finance professionals of the Manager and VCIB providing services related to clean energy projects to the Corporation are experienced in risk, lending, and clean energy finance. *See Item 3.2 – Management Experience*.

The Corporation is in its fourth year of development and has limited development history. *See Item 8 - Risk Factors*.

ii. The CoPower Group's Mission

The Manager was founded in 2013 with a single mission: to unlock capital for climate solutions by empowering individuals to participate in – and profit from – the transition to a low carbon economy. To date, the Corporation and the Manager have collectively raised approximately $30 million for renewable energy projects. Together, these projects are projected to reduce CO_2 emissions by more than 8,100 tonnes per year.

Proven technologies can help our buildings and communities operate more efficiently and generate their own clean power, but the CoPower Group believes that a lack of available financing is limiting the deployment of these solutions. Despite the $512.9 billion invested in energy efficiency and renewable energy infrastructure in 2018[1], the CoPower Group believes that small and mid-market projects are underserved by mainstream finance.

The CoPower Group is focused on solving this problem by raising private capital to lend to Clean Energy Projects. The CoPower Group's flagship product, the CoPower Green Bond, which include the Bonds offered hereunder, make it easy for all qualified Canadians to invest for profit and planet. The Manager's online platform and accessible minimum investment amounts make it even easier for investors to access these curated impact investment products.

iii. Clean Energy Projects

The Corporation is raising capital under this Offering to fund secured Loans to Borrowers. Loan proceeds will be used by Borrowers to finance Clean Energy Projects. Under this Offering Memorandum, the Corporation will fund Loans to Clean Energy Projects located primarily in Canada, however, the Corporation may fund Loans to Canada-domiciled Borrowers to indirectly finance Clean Energy Projects located elsewhere.

The technologies used in Clean Energy Projects include, but are not limited to, solar photovoltaic technologies, wind energy, small hydro-electric, energy efficiency, geo-thermal and geo-exchange projects, energy storage projects, distributed combined heat and power projects (contributing to a reduction in green house gas emissions) and bio-energy projects. Clean Energy Projects may also employ technologies or provide infrastructure that directly support the Clean Energy Transition. It is the Corporation's view that Borrowers with Clean Energy Projects seeking financing of less than $20,000,000 generally face challenges in accessing traditional financing.

Size of Loans

Loan amounts will be determined based on the requirements of the Clean Energy Project under consideration, the size of the Portfolio, as well as by considering the ratio of (i) debt to (ii) debt plus equity for Loans and the debt service coverage ratio. The ratio of (i) debt to (ii) debt plus equity for Loans will not generally exceed 80%, subject to the discretion and expertise of the Manager and subject further to the availability of capital from the Corporation.

Target Interest Rate

The target interest rate for the Loans will be between five percent (5%) to ten percent (10%) per annum. A portion of the Loans may have a floating-rate component, but generally Loans will have fixed interest rates. The interest rates charged will be approved by the Investment Committee and will be based on market standards, relevant risk profile of the Clean Energy Project, length of the Clean Energy Project, Clean Energy Project economics, investment criteria of the Corporation, cost of capital for the Corporation and macroeconomic factors.

Loan Conditions

The Corporation intends to provide Loans in amounts ranging from $500,000 to $20,000,000. However, the Corporation may make larger or smaller loans.

The term of the Loans will generally be between two (2) to fifteen (15) years. However, the Manager may make Loans with terms that are above or below this range. Amortization may extend beyond the term, requiring a bullet repayment at maturity.

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[1] *See*, Frankfurt School-UNEP Centre/BNEF (2019), "Global Trends in Renewable Energy Investment 2019", Frankfurt School of Finance & Management gGmbH, Frankfurt <https://wedocs.unep.org/bitstream/handle/20.500.11822/29752/GTR2019.pdf?sequence=1&isAllowed=y>, and IEA (2019), "World Energy Investment 2019", IEA, Paris <https://www.iea.org/reports/world-energy-investment-2019/energy-end-use-and-efficiency>. Total USD $512.9 billion invested in 2018 assumes no overlap of reported investment amounts in renewable energy (USD$ 272.9 billion) and energy efficiency projects (USD$ 240 billion) and excludes investment in large-scale hydro-electric projects and biofuels.

The purpose of the Loans is to finance any or all of the installation, construction, operation and ownership of Clean Energy Projects. The Loans may be made when expenditures are first made, or to replace other financing previously advanced by other lenders (i.e. refinancing).

Loans may be advanced to the Borrower in one lump sum or in tranches, for example, through a revolving credit facility. Loans may be repaid periodically, typically monthly, quarterly, or semi-annually, and repayment may be interest only or consist of blended interest plus principal.

Borrowers

Borrowers are typically special purpose entities that are subsidiaries or affiliates of companies ("**Sponsors**"). The Sponsors have expertise in building and managing Clean Energy Projects often resulting from a history of successfully developing Clean Energy Projects and other renewable energy projects. Sponsors control and typically own, in whole or in part, the Borrowers. Sponsors may also have arm's-length, clearly-defined arrangements for providing services to Borrowers and their Clean Energy Projects. These services can include managing construction, installation, operations and maintenance and administrative work.

Borrowers will typically, but not always, have agreements in place with a party, known as an off-taker or counterparty (an "**Off-taker**"), that will purchase the energy produced or the energy efficiency services provided by a Clean Energy Project. Typical Off-takers include crown corporations and government agencies, such as the Independent Electricity System Operator of Ontario, municipalities, utilities, corporations, diversified portfolio of homeowners, condominium corporations and tenants, corporate building owners or other Off-takers.

The Corporation generally employs market-standard project financing structures described above to provide Loans to Borrowers. However, it may not always be practicable for the Corporation to employ such a structure for business, legal, tax or other reasons. In some circumstances, Loans to Borrowers may have an alternate structure, albeit with extensive project finance-like features and protections.

The Corporation may also provide loans to Borrowers to finance Clean Energy Projects where Borrowers may not be special purpose entities, but instead are operating entities that may include crown corporations and government agencies, municipalities, utilities, corporations, diversified portfolio of homeowners, condominium corporations and tenants, corporate building owners or others ("**Operating Borrowers**"). In such cases, the loan is secured by the Clean Energy Project and repayment depends on the credit quality of the Operating Borrower. The Operating Borrower not being a special purpose entity for the Clean Energy Project means that financial resources available to repay loans is not limited to the performance of the Clean Energy Project.

In all cases, the Manager will rely on its expertise and the expertise of its advisors to structure the Loan in a manner that best meets the business objectives of the Corporation.

Security

Borrowers that are special purpose entities will typically own only the assets and any material contracts for the operation of a Clean Energy Project and generally do not have any employees or any overhead costs unrelated to the operation of a Clean Energy Project.

Such loans will be secured by a first security position over the following as applicable: (i) assets of the Borrower which can include any equipment or physical assets; (ii) revenue derived from the generation and sale of clean energy or energy efficiency services provided by the Borrowers; and/or (iii) any material contracts related to the ongoing operation of a Clean Energy Project. Sponsors will generally not be party to Loan agreements but may provide a limited recourse guarantee supported by the pledge of the Sponsor's securities in the Borrower. As such the Corporation will not have recourse to the assets of a Sponsor in the event of default by a Borrower under a Loan.

In some circumstances, a special purpose entity Borrower will not directly own the assets but will be the beneficiary of guarantees, indemnities or other contractual arrangements related to a Clean Energy Project. In these circumstances the security package will require additional components to ensure the economic effect of a senior creditor position is nevertheless preserved. It is expected that these circumstances will include the Borrower being a holding company for one or more special purpose entities undertaking Clean Energy Projects, where those special purpose entities are restricted from incurring indebtedness that is senior to or *parri passu* with a Loan.

Where the Corporation makes a loan to an Operating Borrower, the Corporation will have exclusive security interests in the Clean Energy Project it has financed and such security interests will not be subordinated to or shared with security interests over other assets of the Operating Borrower held by its other creditors (if any).

Fees and Expenses

The Manager or parties related to the Manager may be paid an underwriting fee or arrangement fee by each Borrower of typically up to three percent (3%) of the principal amount of each Loan funded by the Corporation. The amount of such underwriting or arrangement fees are negotiated with Borrowers. In certain cases it may be impractical for the Manager or a party related to the Manager to earn an underwriting or arrangement fee and in such cases no underwriting fee or arrangement fee will be paid. The Borrower will pay for any legal expenses, independent consultant fees and any other expenses incurred by the Manager. The expenses are negotiated prior to finalizing the definitive agreements underlying a Loan.

Clean Energy Project Due Diligence and Loan Closing

Each Borrower applying for financing will be subject to a standard due diligence process. The Manager reviews each proposed Loan and makes a recommendation to the Investment Committee which ultimately decides if a Loan will be advanced to a Borrower. A preliminary screening process is applied to Clean Energy Projects that in the Manager's view are likely to obtain approval from the Investment Committee. A non-binding term sheet may be offered. Once signed by the Sponsor and/or Borrower, the Manager undertakes a more detailed due diligence review and presents its findings to the Investment Committee for review, discussion and Credit Approval. The Credit Approval may incorporate conditions required to be met before Final Approval to execute Loan agreements is given.

With respect to the Sponsor, the Sponsor's corporate history, background, development expertise, management team, financial performance, liabilities, conflicts of interest and share capitalization are reviewed by the Manager and the Investment Committee. The Manager also performs due diligence on the Clean Energy Project including a review and analysis of the financial projections and assumptions, project development schedule, suppliers of technology and feedstock, operations, maintenance, regulatory considerations, environmental problems or claims and insurance. Once the due diligence review is completed, the Manager will negotiate the definitive agreements underlying the Loan, obtain Final Approval from the Investment Committee and then execute the Loan agreements.

Jointly Funded Loans and Acquisition of Pre-Existing Loans

The Corporation may co-fund Loans with other lenders and acquire, in whole or in part, pre-existing loans from other lenders, which otherwise meet all relevant criteria as if the Corporation was the original lender ("**Acquired Interests**"). Such other lenders may include VCIB and Vancity Credit Union or other lenders related or connected to the Corporation.

iv. Representative Loans

The Corporation advances Loans to Borrowers or acquires pre-existing loans from other lenders from time to time in the regular course of undertaking its business (including from lenders that may be related or connected to the Corporation). This section provides a summary of representative Loans advanced by the Corporation as at the date of this Offering Memorandum.

The table below indicates the outstanding principal amount under each of the Credit Agreements, each as of the date of this Offering Memorandum.

Credit Agreements	Outstanding Principal Amount	End of Term
Credit Agreement – May 2017	$496,839	May 3, 2022
Credit Agreement – December 2017	$1,279,164	December 20, 2022
Credit Agreement – February 2018	$803,001	January 31, 2023
Credit Agreement – June 2018 (1)	$2,586,358	June 30, 2021
Credit Agreement – June 2018 (2)	$6,236,122	June 30, 2028
Credit Agreement – October 2018	$831,316	September 27, 2025
Credit Agreement – December 2019	$1,000,000	December 23, 2024

Prior to the date of this Offering Memorandum, 100% of the interests in any Loans granted pursuant to the Credit Agreements set forth in the table above have been assigned to the Corporation by either CoPower Warehouse or such other party related or connected to the Corporation that may have been a lender under such Credit Agreements.

The Corporation may advance additional funds under the Credit Agreement – December 2019.

Blind Pool

This Offering is a "blind pool" offering. As at the date of this Offering Memorandum, the Manager has not definitively identified any future Borrowers in respect of which the Corporation will provide financing. In other words, investors are not furnished with information about specific Clean Energy Projects that the Corporation is prepared to finance because the Manager has not definitively identified any future Borrowers. Rather, investors are asked to rely on the investment criteria and track record of the Corporation and the Manager to identify compelling opportunities to invest in Clean Energy Projects.

The objective of the Corporation is to use the proceeds of this Offering to fund Clean Energy Projects in order to develop a portfolio of Loans over the term of the Bonds and generate income from the operation of the Corporation's business.

The Corporation will, in its sole discretion, without notice to or approval from any Bondholder, select Clean Energy Projects that the Investment Committee will review and that the Corporation will provide financing to from time to time without notice to or consent from any Bondholder. *See Item 8 – Risk Factors.*

v. Business of Borrowers under the Credit Agreements

For purposes of confidentiality and the protection of competitive advantage, the identity of the Borrowers under the Credit Agreements have not been disclosed in the Offering Memorandum.

The Borrower under the Credit Agreement – May 2017 is an affiliate of a Quebec-based geothermal energy company that offers installation and maintenance of residential geothermal heating and cooling systems. The management team and employees of this Sponsor have extensive experience in geothermal and/or geo-exchange heating and cooling technology, project management and finance.

The Borrowers under the Credit Agreement – December 2017 are related parties. Each of these Borrowers are affiliates of the same Sponsor that is an Ontario-based company that provides energy efficient lighting installations for clients. The management team of this Sponsor has extensive experience in operations, finance and energy.

The Borrower under the Credit Agreement – February 2018 is an affiliate of an Ontario-based solar energy development and engineering firm. The management team of this Sponsor has extensive experience in solar energy project development, engineering, procurement, construction, operations and maintenance.

The Borrower under the Credit Agreement – June 2018 (1) is an affiliate of an Ontario-based solar energy cooperative. The management team of this Sponsor has extensive government program, consulting and project management experience, and financial expertise.

The Borrower under the Credit Agreement – June 2018 (2) is a British Columbia-based geothermal energy company. The management team of this Sponsor has extensive experience in the development and management of geothermal heating and cooling systems.

The Borrower under the Credit Agreement – October 2018 is an Ontario-based condominium corporation.

The Borrower under the Credit Agreement – December 2019 is an affiliate of an Ontario-based alternative asset investor. The management team of this Sponsor has experience in infrastructure investing and expertise in project financing and asset management.

vi. Management Fee and Priority of Payments

In consideration for the services provided by the Manager to the Corporation pursuant to the Management Agreement, the Corporation shall pay to the Manager, in respect of each fiscal quarter, the Management Fee equal to 90% of the Quarterly Net Asset Value of the Corporation for such fiscal quarter, less the Management Compensation for such fiscal quarter.

Investors should note that notwithstanding the Corporation has historically elected to pay interest and/or repay the principal represented by bonds it has previously issued in priority to the Management Fee or other fees owing by the Corporation, and anticipates doing the same for the Bonds to be issued pursuant to this Offering Memorandum, payment of interest and/or repayment of the principal in respect of bonds previously issued by the Corporation and in respect of the Bonds to be issued pursuant to this Offering Memorandum in priority to the Management Fee or other fees owing by the Corporation has been and remains at the sole election of the Corporation. Investors are cautioned that although the Corporation has historically done so, the Corporation is under no obligation (statutory, contractual or otherwise) to make payments in such priority.

There can be no assurance that the Corporation will be in a position to meet its obligations in accordance with the terms of the Bonds, as its ability to pay interest and principal thereunder is wholly dependent on receiving payments of principal and interest from Borrowers pursuant to Loans advanced by the Corporation. *See Item 8 – Risk Factors.*

vii. Offering Structure

The Corporation is raising capital under this Offering to fund secured, first-priority, non-recourse Loans to Borrowers developing Clean Energy Projects. Returns from these Loans will fund payments to be made to the Bondholders.

The Corporation is of the view that funds from Deferred Plans may be used to purchase Bonds pursuant to this Offering based on the comments of Lawson Lundell LLP. *See Item 6 - Income Tax Consequences and Deferred Plan Eligibility.*

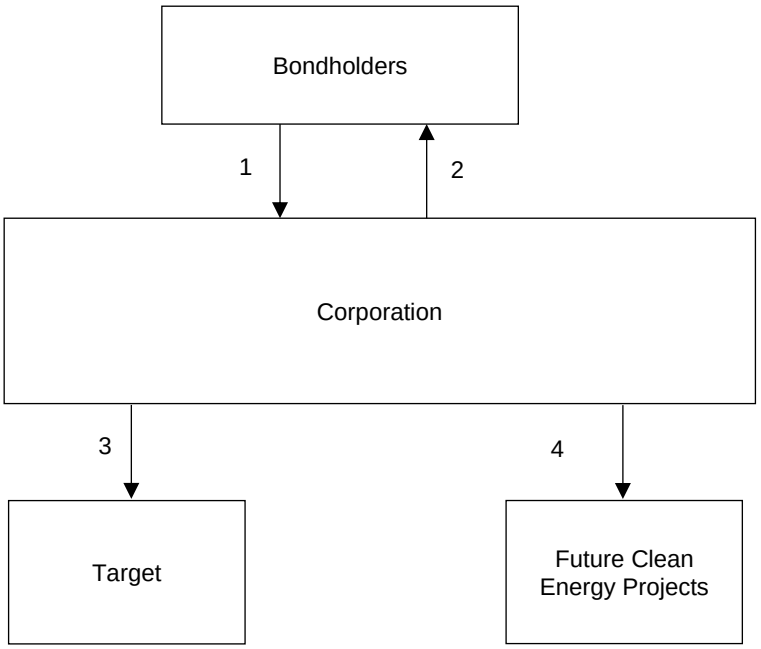
No advance income tax ruling has been applied for or received with respect to the income tax consequences described in this Offering Memorandum. *See Item 8 - Risk Factors.*

No assurance can be given that changes in the Tax Act or future court decisions or the implementation of new taxes will not adversely affect the Corporation or fundamentally alter the income tax consequences to holders of the Bonds with respect to acquiring, holding or disposing of the Bonds.

Investors are strongly encouraged to consult their tax advisors as to the tax consequences of acquiring, holding and disposing of the Bonds purchased pursuant to this Offering, including any decision to acquire the Bonds through a Deferred Plan.

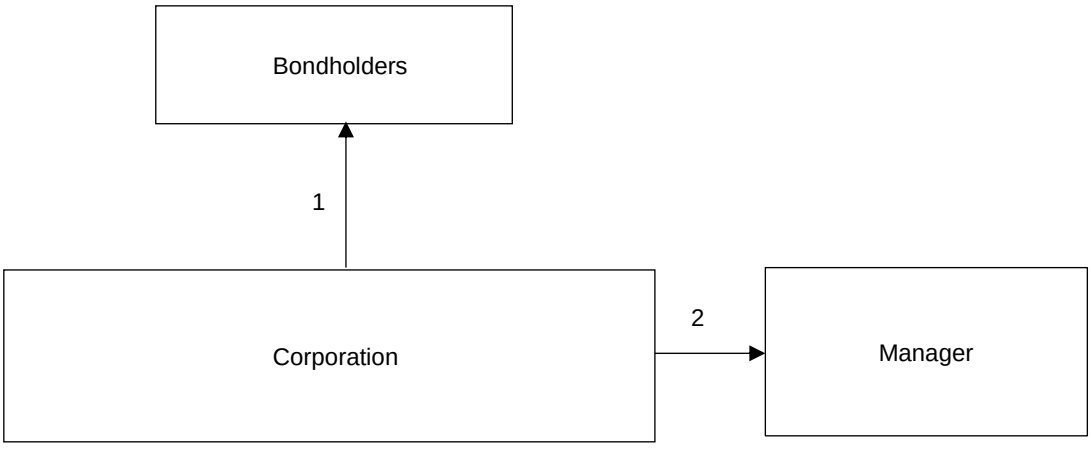
viii. Investment Flow Charts

The following chart represents the proposed use of the available funds of this Offering associated with this Offering. *See Item 1.1 - Funds.*



(1) Investors purchase Bonds.
(2) The Corporation issues Bonds to Investors.
(3) The Corporation will use funds from this Offering to pay the Annual Fee and Capital Raising Fee to Target accruing in the first 12 months from the date of this Offering Memorandum. *See Item 1.1 - Funds and Item 2.7 - Material Agreements – Agreement with Target Capital Inc.*
(4) The Corporation will use the funds from this Offering to finance future Clean Energy Projects. *See Item 2.2 - Our Business.*

The following chart represents the proposed distribution of funds to Bondholders by the Corporation from funds derived from the Corporation's business.



(1) The Corporation pays interest to its Bondholders. The principal amount of a Bondholders Bonds will be paid in lump sum on the applicable Maturity Date after first paying all of its outstanding liabilities.

(2) The Corporation pays the Management Fee to the manager. *See Item 2.7 – Material Agreements - Management Services Agreement with CoPower Inc.*

2.3 Development of Business

The Corporation has limited business and financial history. Since inception, the Corporation has entered into the Target Agreement and the Management Agreement. The Corporation has also entered into, or otherwise negotiated the acquisition of Acquired Interests in, each of the Credit Agreements and launched its offering of CoPower Green Bonds pursuant to the OM – January 2017 and OM - May 2018. These developments have enabled the Corporation to begin to establish a market presence among both investors and project developers. The Corporation is becoming recognized as a provider of impact investment opportunities to qualified individual and institutional investors and as a source of financing for developers of Clean Energy Projects and other participants in the clean energy industry.

On November 8, 2019, the Manager, which holds 4,000 Class A Preferred Shares and 40,000 Class B Common Shares in the capital of the Corporation and, among other things, manages the day-to-day business of the Corporation, was acquired by VCIB, a wholly owned subsidiary of Vancity Credit Union.

VCIB is an Ontario-based schedule 1 national chartered bank. As Canada's first values-driven bank, VCIB is committed to partnering exclusively with organizations that are focused on driving positive social, environmental and economic change. VCIB's first focus is on lending for social purpose real estate (affordable housing, co-op housing, co-working spaces, green and heritage buildings), as well as meeting the deposit needs of not-for-profit organizations, foundations and endowments. As the organization grows and leans into digital technologies, it intends to provide broader banking services to organizations that are doing good for the world.

Vancity Credit Union is a values-based financial co-operative serving the needs of its more than 534,000 member-owners and their communities, with offices and 59 branches located in Metro Vancouver, the Fraser Valley, Victoria, Squamish and Alert Bay, within the unceded territories of the Coast Salish and Kwakwaka'wakw people. With $27.4 billion in assets plus assets under administration, Vancity Credit Union is Canada's largest community credit union. Vancity Credit Union uses its assets to help improve the financial well-being of its members while at the same time helping to develop healthy communities that are socially, economically and environmentally sustainable.

There have been no material events that have adversely affected the Corporation's business since its inception.

2.4 Long Term Objectives

The Corporation's long-term goal is to raise capital in order to finance Clean Energy Projects that ensure that the Corporation can meet its liabilities. The Corporation's broader objective is to unlock capital for climate solutions by empowering individuals to participate in – and profit from – the transition to a low carbon economy. *See Item 2.2 - Our Business.*

No particular costs are attributable to the achievement of the foregoing objectives. The Corporation's failure to achieve its objectives described above could result in a material adverse effect on the Corporation and an Investor's investment in the Bonds. *See Item 8 – Risk Factors.*

2.5 Short Term Objectives and How the Corporation Intends to Achieve Them

The Corporation's goal for the next 12 months is to raise up to $20,000,000, and to acquire Acquired Interests in and provide Loans to Borrowers in connection with Clean Energy Projects. The following outlines the Corporation's short-term objectives and the method and cost associated with the achievement thereof.

What we must do and how we will do it	Target number of months to complete	Our estimated cost to complete
1. Raise up to $20,000,000 pursuant to this Offering.	12 months	$110,750 (1)
2. Acquire Acquired Interests and provide Loans to Borrowers.	12 months	$19,889,250

(1) Includes offering costs, commissions payable on the Maximum Offering amount at one percent (1%) of the gross proceeds thereof, assuming 10% of the sale of Bonds are made by selling agents other than CoPower Inc., together with the Annual Fee and Capital Raising Fee payable to Target, assuming that 15% of the funds raised under this Offering are Deferred Plan Capital. *See Item 1.1 - Funds and Item 2.7 – Material Agreements - Agreement with Target Capital Inc.*

2.6 Insufficient Funds

The available funds raised from this Offering will be used for the purposes set out in the Corporation's investment objectives. The Corporation does not intend to hold any significant cash reserves, other than those amounts necessary to pay for the expenses incurred by the Corporation in the conduct of its business. The proceeds of this Offering may not be sufficient to accomplish all of the Corporation's proposed objectives and there is no assurance that alternative financing will be available. *See Item 8 – Risk Factors*.

2.7 Material Agreements

The following are the key terms of all material agreements which the Corporation has entered into and which can reasonably be regarded as presently being material to the Corporation or a prospective purchaser of Bonds being offered pursuant to this Offering. The material agreements set out below are as follows:

1. Agreement with Target Capital Inc.
2. Management Services Agreement with CoPower Inc.
3. Credit Agreement – May 2017
4. Credit Agreement – December 2017
5. Credit Agreement – February 2018
6. Credit Agreement – June 2018 (1)
7. Credit Agreement – June 2018 (2)
8. Credit Agreement – October 2018
9. Credit Agreement – December 2019
10. Assignment Agreements related to the Credit Agreements

i. Agreement with Target Capital Inc.

For the purposes of this Item, the capitalized terms below shall have the following meanings:

"Material Breach" means one or more of the following events:

(a) the Corporation failing to pay the Annual Fee, the Capital Raising Fee or any amounts payable under the indemnity set out in the Target Agreement within sixty (60) days of such amounts being owing to Target;
(b) the Corporation failing to deliver signed copies of the Target Release for each investor of the Corporation's securities;
(c) the Corporation failing to include in this Offering Memorandum or any future Offering Documents disclosure on such terms as required by the Target Agreement (the "**Required Disclosure**");
(d) the Corporation failing to deliver a signed copy of the "Consent to Release Information" form as required by the Target Agreement concurrent with the execution and delivery of the Target Agreement (the "**Consent to Release Information**");
(e) the Corporation failing to provide Target access to its books and records within thirty (30) days of receiving a written request from Target to review such documentation; and
(f) the Corporation failing to raise any Deferred Plan Capital within 12 months from the date of the Target Agreement.

"Offering Documents" means any offering memorandum, prospectus or term sheet, and applicable subscription agreement prepared by the Corporation in connection with a distribution of its securities.

"Target Shares" means the 6,000 Class A Preferred Shares of the Corporation held by Target as of the date of this Offering Memorandum.

The Corporation entered into the Target Agreement on November 22, 2016. The terms of this Agreement are as follows:

(a) **Fees**. The Corporation shall pay to Target: (i) the Annual Fee on the date of the Target Agreement and on each anniversary date of the Target Agreement; plus (ii) a Capital Raising Fee whenever the Corporation raises Deferred Plan Capital.

(b) **Target Release/Required Disclosure.** The Corporation shall attach the Target Release to all Offering Documents used by the Corporation in the distribution of its securities and shall include the Required Disclosure in all such Offering Documents. The Corporation shall not sell any of its securities to any party unless such investor has executed and delivered an original copy of the Target Release to the Corporation. The Corporation shall promptly provide Target with the original copies of all such signed Target Releases.

(c) **Indemnity**. The Corporation has agreed to indemnify and save harmless Target and its directors, officers and employees from and against all claims, demands, losses, actions, causes of action, costs, charges, expenses, damages and liabilities whatsoever arising out of or in connection with the Target Agreement or Target's shareholdings in the Corporation. The indemnity shall survive the expiry or termination of the Target Agreement.

(d) **Term**. The Target Agreement shall be in effect until the date on which Target ceases to be the majority shareholder of the Corporation. Notwithstanding the above, if the Target Agreement shall be terminated prior to the date that is two (2) years from the date of the Target Agreement, the Corporation covenants and agrees to pay Target any Annual Fees and Capital Raising Fees that would have otherwise been payable had Target remained the majority shareholder of the Corporation for two (2) years.

(e) **Termination by the Corporation**. Subject to the two-year minimum payment obligations set out in sub-paragraph (d) above and the survival of the indemnity set out in sub-paragraph (c) above, the Corporation may terminate the Target Agreement by providing Target with 90 days written notice.

(f) **Termination by Target**. In the event of a Material Breach of the Target Agreement by the Corporation, such as failure to pay any Annual Fees or Capital Raising Fees within 60 days of invoicing, Target shall be entitled to immediately terminate the Target Agreement by providing written notice of such termination to the Corporation. Upon termination of the Target Agreement by Target, the Target Shares shall be deemed transferred to the Corporation in exchange for $1.00.

See Item 2.1 Structure – Voting Control of the Corporation – Target Capital Inc. for additional terms of the Target Agreement.

ii. **Management Services Agreement with CoPower Inc.**

The Management Agreement was entered into as of December 1, 2016 between the Corporation and the Manager as manager.

For the purposes of this Item, the capitalized terms below shall have the following meanings:

"**Management**" means persons who are employees, officers or directors of the Corporation and are also employed by, or officers or directors of, the Manager or an affiliate thereof;

"**Management Compensation**" means the total salary and remuneration paid directly by the Corporation to certain members of Management;

The following is an edited summary only of the material terms of the Management Agreement and is subject in all respects to the complete terms and conditions of the Management Agreement.

Management and Administrative Services

During the term of the Management Agreement, the Manager shall, among other things:

(a) administer the day-to-day business and affairs of the Corporation;

(b) provide or cause to be provided all internal accounting, audit and legal services in respect of the Corporation and other usual and ordinary office facilities, supplies and services necessary or desirable for carrying on the management and administration of the Corporation;

(c) nominate at least one individual to serve as a director, president and chief executive officer of the Corporation, together with nominees for such other executive positions as may be required by the Corporation (the "**Nominees**"). Such officers will be employees of the Corporation and shall be remunerated by the Corporation directly, subject to offset against the Management Fee. The Corporation agrees to propose to its shareholders for election a slate of directors which includes at least one Nominee;

(d) provide or cause to be provided services in respect of the Corporation's daily operations;

(e) distribute or cause to be distributed all securities which the Corporation may decide to issue during the term of the Management Agreement and take or cause to be taken all such actions as the Manager reasonably considers necessary or desirable in the sale of securities of the Corporation whether by prospectus or private placement offering;

(f) authorize payment on behalf of the Corporation of expenses incurred on behalf of the Corporation and the negotiation of contracts with third party providers of services;

(g) keep and maintain the books and records of the Corporation, and supervise compliance by the Corporation with record-keeping requirements under applicable regulatory regimes;

(h) deal with banks, insurance companies and custodians;

(i) monitor relationships with organizations or professionals serving the Corporation;

(j) make reports to the Corporation and/or its shareholders, of the Manager's performance of the services provided to the Corporation pursuant to the Management Agreement;

(k) prepare or cause to be prepared accounting, management and other reports;

(l) provide or cause to be provided all other administrative services and facilities required by the Corporation in relation to its shareholders;

(m) provide for the overall management and the financial and business operations of the Corporation including: (i) structuring loans; (ii) overseeing the issuance of loans; (iii) overseeing and supervising management of any loans; (iv) establishing appropriate legal and accounting systems for the Corporation; (v) reporting to the shareholders or bondholders of the Corporation on an ongoing basis; (vi) arranging for any debt financing; (vii) structuring and overseeing securities offerings; (viii) providing ongoing supervisory management services to the Corporation and arranging for any office, administrative and staff support required by the Corporation; (ix) periodically, to review, evaluate and make recommendations concerning the Corporation's policies and procedures, administration, accounting, legal and other professional representation, financings, and securities offerings; (x) maintaining the good standing of the Corporation under applicable securities legislation; (xi) at the request of the Corporation, guaranteeing and causing its principals to guarantee the payment of any mortgage or other financial encumbrance charging all or any of a loan; (xii) at the request of the Corporation, implementing decisions of the Corporation's directors or officers related to any part or all of the Corporation and its business; and

(n) provide such other managerial and administrative services and carry out such other duties as may be reasonably required for the ongoing business and administration of the Corporation.

The Corporation grants and delegates to the Manager the power and authority to act in the name of and on behalf, as agent and mandatary, of the Corporation for the purpose of providing and performing the management and administrative services.

Management Fee

In consideration for the services provided by the Manager to the Corporation pursuant to the Management Agreement, the Corporation shall pay to the Manager, in respect of each fiscal quarter, a management services fee equal to 90% of the Quarterly Net Asset Value of the Corporation for such fiscal quarter, less the accrued and unpaid Management Compensation for such fiscal quarter (the "**Management Fee**"). The Management Fee shall be paid in cash within five (5) Business Days following the completion of the Corporation's financial statements for such fiscal quarter.

If the Management Fee is payable in respect of a period that is less than a full fiscal quarter, the Management Fee payable to the Manager shall be pro-rated for that fiscal quarter. The Management Fee payable to the Manager shall be subject to applicable sales taxes.

Compensation for Additional Services

If and to the extent that the Manager shall render services to the Corporation other than those required to be rendered pursuant to the provisions of the Management Agreement, such additional services and activities will be compensated for separately and shall be on such terms that are generally no more favourable to the Manager than those available from arm's length parties for comparable services.

Expenses of the Corporation

The Corporation shall pay all fees and expenses incurred in connection with the operation and administration of the Corporation's business.

In addition, the Corporation shall reimburse the Manager for all reasonable expenses incurred by the Manager in connection with its duties to the extent such expenses were incurred for and on behalf of the Corporation and do not represent administrative costs of the Manager necessary for it to carry out its functions hereunder.

Other Activities of the Manager

The Corporation acknowledges that the Manager has management and administrative responsibilities and contracts with other entities, and therefore agrees that the Manager may provide management services to such other persons and entities even though such other persons or entities may be the same or similar to the Corporation, or engage in other activities.

Term

The Management Agreement shall continue in full force and effect until it is terminated as described in the section titled "Termination" below.

Termination

The Corporation may terminate the Management Agreement at any time if:

(a) the Manager has committed an act that constitutes bad faith, gross negligence, wilful misconduct, wilful neglect or default or a material failure to comply with applicable laws, regulations or restrictions, or the provisions set forth in the Management Agreement; or

(b) if the Net Asset Value of the Corporation is nil or negative.

Notwithstanding the foregoing, the Management Agreement shall terminate immediately where a winding-up, liquidation, dissolution, bankruptcy, sale of substantially all assets, sale of business or insolvency proceeding have been commenced or are being contemplated by the Manager, and upon the completion of any such proceeding by the Corporation.

Any change of the Manager (other than to its successor or Affiliate) requires the Corporation's approval.

Upon termination or assignment of the Management Agreement, the Manager shall forthwith deliver to the Corporation, in the case of termination, or to the assignee, in the case of an assignment:

(a) all records, documents and books of account; and

(b) all materials and supplies of the Corporation,

which are in the possession or control of the Manager and relate directly or indirectly to the performance by the Manager of its obligations under the Management Agreement, provided, however, that the Manager may retain notarial or other copies of such records, documents and books of account and the Corporation or the assignee shall produce at its head office the originals of such records, documents and books of account whenever reasonably required to do so by the Manager for the purpose of legal proceedings or dealings with any governmental authorities. Upon termination or assignment of the Management Agreement, the Manager shall pay over to the Corporation, in the case of a termination, or to an assignee, in the case of an assignment, all monies held for the account of the Corporation pursuant to the Management Agreement, after deducting any accrued compensation and reimbursement for expenses to which it is then entitled.

Change of Name

The Corporation acknowledges and agrees that the Manager reserves all right, title and interest in or to the name or designation of the Corporation as "CoPower" or reference to "CoPower" in the name or designation of any of the Corporation's affiliates. At any time and upon termination of the Management Agreement, the Corporation shall forthwith upon written request of the Manager:

(a) call a meeting of its shareholders to approve an amendment to its articles of incorporation or take such other action as required to change the name of the Corporation or any of its affiliates, as applicable, to one which does not include the word "CoPower" or any words similar thereto; and

(b) upon the filing of articles of amendment or such other action changing the name of the Corporation or any of its affiliates, as applicable, to remove the word "CoPower", cause to be executed and delivered all instruments necessary to evidence such change of name in each public registry where the name of the Corporation or any of its affiliates, as applicable, shall have been registered and to disclaim any right, title or interest in or to the designation "CoPower".

iii. **Credit Agreement – May 2017**

The Credit Agreement – May 2017 dated as of May 4, 2017 was entered into among a Borrower, CoPower Holdings, as Agent, and CoPower Warehouse, as lender. Pursuant to an Assignment Agreements dated as of July 1, 2017, July 15, 2017, August 1, 2017 and February 28, 2018, each between CoPower Warehouse, as assignor, and the Corporation, as assignee, CoPower Warehouse assigned all of its interests in the loan made to the Borrower under the Credit Agreement – May 2017 to the Corporation (the "**May 2017 Loan Assignment**").

The Sponsor is a Quebec-based geothermal energy company that offers installation and maintenance of residential geothermal heating and cooling systems.

For the purposes of this Item, the capitalized terms below shall have the following meanings:

"**Accounts Receivable**" means those accounts receivable assigned and transferred by the Parent Guarantor to the Borrower.

"**Advance**" means an advance by the Lender to the Borrower in accordance with the Credit Agreement – May 2017.

"**Agent**" means CoPower Holdings.

"**Blocked Accounts Agreement**" means the blocked accounts agreement dated the closing date between Toronto-Dominion Bank (or such other financial institution mutually acceptable to the Agent and the Borrower), the Borrower, the General Partner, the Parent Guarantor and the Agent.

"**Borrower**" means the Borrower under the Credit Agreement – May 2017.

"**Collateral**" means collectively, (a) in the case of the Borrower, the universality of the present and after acquired assets and undertaking of the Borrower, (b) in the case of the General Partner, the universality of the present and after-acquired assets and undertaking of the General Partner, (c) in the case of the Parent Guarantor, the units of the Borrower, all existing Material Project Agreements and the Blocked Accounts Agreement**,** in each case held by the Parent Guarantor, and (d) in the case of the Principal, the shares of the General Partner held by the Principal, and in all cases, the proceeds arising from the use or disposition of any such Collateral, upon which an encumbrance is created in relation to the Credit Agreement – May 2017 and certain other transaction documents.

"**General Partner**" means a private corporation incorporated under the laws of the Province of Quebec.

"**Parent Guarantor**" means a private corporation incorporated under the laws of the Province of Quebec.

"**Principal**" means the principal of the General Partner.

"**Lender**" means, (a) prior to the May 2017 Loan Assignment, CoPower Warehouse and (b) following the May 2017 Loan Assignment, the Corporation and such other Person or Persons who may from time to time become parties to the Credit Agreement – May 2017 as a Lender in accordance with the terms of the Credit Agreement – May 2017.

The following is an edited summary only of the Credit Agreement – May 2017 and is subject to the complete terms and conditions of the Credit Agreement – May 2017. All capitalized terms below that are not defined above shall have the same meaning as provided for in the Credit Agreement – May 2017.

The Loan

The Lender advanced $604,400 under the Credit Agreement – May 2017 in two Advances, the last of which occurred on February 28, 2018.

Conditions for Advances

At or before each Advance, the following conditions shall be satisfied by the Borrower, all in form and substance satisfactory to the Agent:

(a) the Debt Service Coverage Ratio on the date of the Advance shall not be less than the Minimum Debt Service Coverage Ratio and the projected Debt Service Coverage Ratio;

(b) the Agent received an Advance Amendment and Acknowledgment executed by the Borrower and all matters attested to by the Borrower in the applicable Advance Amendment and Acknowledgment shall be true and accurate;

(c) each Advance requested by the Borrower shall be in an amount between than a specified minimum and maximum amount;

(d) the Lender shall not be required to make any Advance after the first anniversary of the first advance;

(e) no Advance can be made which could have a Material Adverse Effect and no Material Adverse Effect has occurred and is continuing;

(f) no Advance can be made which could cause an Event of Default and no Event of Default has occurred and is continuing; and

(g) no default of event which with the passing of time or giving of notice or both would constitute a default on the part of the Borrower exists under any of the Material Project Agreements.

Payments

Subject to the terms and conditions of the Credit Agreement – May 2017, the Borrower is obliged to make payments (consisting of principal and interest) in respect of the Loan on each Payment Date such that the loan is fully repaid at the end of the Term.

Interest

Subject to the terms and conditions of the Credit Agreement – May 2017, the Borrower is obliged to pay interest on the outstanding principal amount of the Loan from time to time at a rate per annum equal to the Interest Rate or, after the occurrence of an Event of Default which is continuing, at the Default Rate. Such interest is calculated monthly with interest on overdue interest at the same rate, calculated in the same manner, until paid. In the event that the Borrower makes a payment of principal on the Loan other than on a payment date, interest shall be calculated by reference to the number of calendar days elapsed during such period prior and subsequent to such repayment or prepayment. The loan does not revolve and any amount repaid or prepaid under the Credit Agreement – May 2017 cannot be re-borrowed thereafter.

Prepayment of Principal

On any Payment Date, the Borrower has the right to prepay all or part of the outstanding principal of the Loan together with all accrued and unpaid interest thereon. If the Borrower elects to do so, there is a prepayment penalty that the Borrower pays in addition to the principal and accrued interest. Each such prepayment of principal shall be no less than twenty-five thousand dollars ($25,000) in the aggregate.

Security

The obligations of the Borrower under the Credit Agreement – May 2017 are secured by (a) the Assignment Agreement, (b) the Deed of Assignment, (c) the Limited Recourse Guarantee, (d) the Parent Guarantor Hypothec, (e) the Borrower Pledge Agreement, (f) the GP Pledge Agreement, (g) the GP Hypothec, (h) the Borrower Hypothec, (i) the GP Guarantee, (j) the Blocked Accounts Agreement, and (i) other documents, instruments and agreements that are customary for project financings of this nature that allow the Lenders to secure the Loan. The Borrower is obliged to, from time to time, execute and deliver all such further deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge required in connection with any change in applicable laws or in connection with all collateral acquired by it after the date of the Credit Agreement – May 2017 and intended to be subject to the encumbrances created by the Credit Agreement – May 2017.

Events of Default

The Credit Agreement – May 2017 includes customary events of default and cure periods for project financings of this nature that include but are not limited to:

(a) failure to make a payment of principal, interest or any fees when due;

(b) providing any representations or warranties in the Credit Agreement – May 2017 or under any related documents that is incorrect or misleading;

(c) failure to observe or perform certain covenants under the Credit Agreement – May 2017 or under any related documents; and

(d) the occurrence of an Insolvency Event in relation to the Borrower or the Guarantor.

Upon the occurrence of a event of a default which is continuing, the Agent may take certain actions including accelerating all amounts outstanding under the Credit Agreement – May 2017, demanding payment and exercising any other available recourse.

Costs, Expenses and Fees

The Borrower was required to pay on the Closing Date an Arrangement Fee to CoPower Warehouse, which was deducted from the Loan as well as the legal and other costs incurred in negotiating and closing the transaction.

The Borrower has also agreed to pay within thirty (30) calendar days of demand by the Agent all reasonable fees and out-of-pocket costs and expenses of the Agent and the Lenders in connection with the Agent's and the Lenders' preparation or review of waivers, consents and amendments and questions of interpretation of the Credit Agreement – May 2017 and the establishment and monitoring of the validity and enforceability of the Credit Agreement – May 2017 and the preservation or enforcement of rights of the Agent and the Lenders under the Credit Agreement – May 2017.

Assignment

The Borrower may not Transfer all or any part of its rights or obligations under the Credit Agreement – May 2017 without the prior written consent of the Agent and the Lender.

Other Terms and Conditions:

Term: Starting on May 4, 2017 and expiring on May 3, 2022.

Maximum Commitment: $1,000,000.

Arrangement Fee: The arrangement fee under the Credit Agreement – May 2017 has not been disclosed for competitive reasons relating to the business of the Agent and the Lenders. The fee falls within the range disclosed in the OM – January 2017 and in Item 2.2 – Our Business – Clean Energy Projects – Fees and Expenses.

Administration Fee: The annual administration fee under the Credit Agreement – May 2017 has not been disclosed for competitive reasons relating to the business of the Agent and the Lenders.

Reserve Account Requirement: A reserve account is required to be established and funded by the Borrower for the benefit of the Lender, and is subject to terms and conditions customary for project financings of this nature.

Interest Rate: The interest rate under the Credit Agreement – May 2017 has not been disclosed for competitive reasons relating to the business of the Agent and the Lenders. The interest rate falls within the range disclosed in the OM – January 2017 and in Item 2.2 – Our Business – Clean Energy Projects – Fees and Expenses.

iv. **Credit Agreement – December 2017**

The Credit Agreement – December 2017 dated as of December 20, 2017 was entered into among a Borrower, CoPower Holdings, as Agent, and CoPower Warehouse, as lender. Pursuant to an Assignment Agreement dated as of June 15, 2018, each between CoPower Warehouse, as assignor, and the Corporation, as assignee, CoPower Warehouse assigned 100% of its interests in the loan made to the Borrower under the Credit Agreement – December 2017 to the Corporation (the "**December 2017 Loan Assignment**").

The Sponsor has completed lighting projects for clients across Canada.

For the purposes of this Item, the capitalized terms below shall have the following meanings:

"**Accounts Receivable**" means those accounts receivable assigned and transferred from time to time by the Guarantor to the Borrower pursuant to the Purchase Agreement.

"**Advance**" means an advance by the Lender to the Borrower in accordance with the Credit Agreement – December 2017.

"**Agent''** means CoPower Holdings.

"**Borrower**" means the Borrower under the Credit Agreement – December 2017.

"**Collateral**" means collectively, (a) in the case of the Borrower, all of the present and after acquired assets, property and undertaking of the Borrower, and (b) in the case of the Guarantor, the shares of the Borrower, and, in each case, the proceeds arising from the use or disposition of any such Collateral, upon which an encumbrance is created in relation to the Credit Agreement – December 2017 and certain other transaction documents.

"**Guarantor**" means a private Ontario corporation related to the Borrower.

"**Lender**" means (a) prior to the December 2017 Loan Assignment, CoPower Warehouse and (b) following the December 2017 Loan Assignment, the Corporation and such other Person or Persons who may from time to time become parties to the Credit Agreement – December 2017 as a Lender in accordance with the terms of the Credit Agreement – December 2017.

"**Qualifying Account**" means Accounts Receivable owed by an Obligor generated in respect of a Qualifying Project.

"**Test Date**" means the 15th day of every second month during the Term, starting on February 15, 2018.

"**Top-Up Period**" means the period commencing on the Closing Date and ending on the later of (a) the second (2nd) anniversary of the Closing Date and (b) the date set out in the Extension Notice.

The following is an edited summary only of the Credit Agreement – December 2017 and is subject to the complete terms and conditions of the Credit Agreement – December 2017. All capitalized terms below that are not defined above shall have the same meaning as provided for in the Credit Agreement – December 2017.

The Loan

The Lender agreed to provide a revolving credit facility up to a Maximum Commitment of the lesser of: (a) a specified ratio of the aggregate value of the Qualifying Accounts; and (b) $4,000,000 with Advances to be provided on specified Test Dates during the Top-Up Period.

Conditions for Advances

At or before each Advance, other than Advances that occur on the Closing Date, the following conditions are required to be satisfied by the Borrower, all in form and substance satisfactory to the Agent:

(a) the Agent shall have received an Advance Certificate executed by the Borrower and the Guarantor and all matters attested to by the Borrower and the Guarantor in the applicable Advance Certificate shall be true and accurate;

(b) the Borrower shall have delivered to the Agent a Notice of Purchase with respect to the Accounts Receivable to be assigned by the Guarantor to the Borrower on the date of such Advance;

(c) the Guarantor shall have delivered a "no-interest" letter from a secured lender with respect to the Accounts Receivable being financed on the date of such Advance;

(d) no Advance can be made which could have a Material Adverse Effect and no Material Adverse Effect has occurred and is continuing;

(e) no Event of Default has occurred and is continuing; and

(f) no default or event which with the passing of time or giving of notice or both would constitute a default on the part of the Borrower exists under any of the Material Project Agreements.

Payments

Subject to the terms and conditions of the Credit Agreement – December 2017, during the Top-Up Period, within 48 hours of each Test Date, the Agent will perform and report to the Borrower: (i) interest and fees payable for the two-month period immediately preceding the applicable Test Date, and (ii) the amount that may be further drawn or that must be repaid by the Borrower. In addition, the following payments shall be made by the Borrower or the Lender, as applicable: (i) interest and fees payable by the Borrower, (ii) payments by the Borrower to satisfy the Debt Service Reserve Fund Requirement, (iii) any Advance supported by new Qualifying Accounts, and (iv) any Distributions permitted. Following the Top-Up Period, the Borrower shall make payments consisting of principal and interest on each Payment Date in accordance with the Amortization Schedule.

Interest

During the Top-Up Period, the Borrower is obliged pay interest on the outstanding principal amount of the Loan at a rate per annum equal to the Interest Rate or, after the occurrence of an Event of Default which is continuing, at the Default Rate and on the Standby Amount at a rate per annum equal to the Standby Rate, subject to certain conditions set forth in the Credit Agreement – December 2017. Subject to the Credit Agreement – December 2017, following the Top-Up Period, the Borrower shall pay interest on the outstanding principal amount of the Loan from time to time at a rate per annum equal to the Interest Rate or, after the occurrence of an Event of Default which is continuing, at the Default Rate. Following the Top-Up Period, the Loan shall not revolve and any amount repaid or prepaid under the Credit Agreement – December 2017 cannot be re-borrowed thereafter.

Prepayment of Principal

During the Top-Up Period, if the Standby Amount exceeds a specified threshold, the Lender may reduce the Maximum Commitment by an amount determined by the Lender in its sole discretion. Following the Top-Up Period, on any Payment Date, the Borrower has the right to prepay all or part of the outstanding principal. If the Borrower elects to do so, there is a prepayment penalty that the Borrower pays in addition to the principal and accrued interest. Each such prepayment of principal shall be no less than twenty-five thousand dollars ($25,000) in the aggregate.

Security

The obligations of the Borrower under the Credit Agreement – December 2017 are secured by (a) a general security agreement, (b) a collateral assignment agreement, (c) a limited recourse guarantee, (d) a pledge agreement, (e) certain controls over the Borrower's bank account, (f) the acknowledgement and consent agreement, (g) the payment redirection and (h) other documents, instruments and agreements that are customary for project financings of this nature that allow the Lenders to secure the loan. The Borrower is obliged to, from time to time, execute and deliver all such further deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge required in connection with any change in applicable laws or in connection with all collateral acquired by it after the date of the Credit Agreement – December 2017 and intended to be subject to the encumbrances associated with the Credit Agreement – December 2017. The security in respect of the Credit Agreement – December 2017 has been granted by the Borrower and the Guarantor to the Agent for the benefit of the Lenders.

Events of Default

The Credit Agreement – December 2017 includes customary events of default and cure periods for project financings of this nature that include but are not limited to:

(a) failure to make a payment of principal, interest or any fees when due;

(b) providing any representations or warranties in the Credit Agreement – December 2017 or under any related documents that is incorrect or misleading;

(c) failure to observe or perform certain covenants under the Credit Agreement – December 2017 or under any related documents; and

(d) the occurrence of an Insolvency Event in relation to the Borrower or the Guarantor.

Upon the occurrence of an event of a default which is continuing, the Agent may take certain actions include accelerating all amounts outstanding under the Credit Agreement – December 2017, demanding payment and exercising any other available recourse.

Costs, Expenses and Fees

The Borrower was required to pay on the closing date an arrangement fee to the Manager as well as the legal and other costs incurred in negotiating and closing the transaction.

The Borrower has also agreed to pay within thirty (30) calendar days of demand by the Agent all reasonable fees and out-of-pocket costs and expenses of the Agent and the Lenders in connection with the Agent's and the Lenders' preparation or review of waivers, consents and amendments and questions of interpretation of the Credit Agreement – December 2017 and the establishment and monitoring of the validity and enforceability of the Credit Agreement – December 2017 and the preservation or enforcement of rights of the Agent and the Lenders under the Credit Agreement – December 2017.

Assignment

A Lender must not Transfer all or a part of its Commitment (including the Lenders' interest in the Credit Agreement – December 2017 and the other related transaction documents) without the consent of the Borrower, which shall not be unreasonably delayed or withheld, provided that each Lender may from time to time, at its option without any consent from the Borrower, Transfer all or a part of its Commitment (including the Lender's interest in the Credit Agreement – December 2017 and other related transaction documents) to an Affiliate.

Other Terms and Conditions:

Term: Starting on December 20, 2017 and ending on the earlier of (a) December 20, 2022 and (b) the date that the Credit Agreement – December 2017 is terminated in accordance with its terms.

Maximum Commitment: as specified above.

Arrangement Fee: The arrangement fee under the Credit Agreement – December 2017 has not been disclosed for competitive reasons relating to the business of the Agent and the Lenders. The fee falls within the range disclosed in the OM – January 2017 and in Item 2.2 – Our Business of this Offering Memorandum.

Administration Fee: The annual administration fee under the Credit Agreement – December 2017 has not been disclosed for competitive reasons relating to the business of the Agent and the Lenders.

Debt Service Reserve Fund Requirement: A debt service reserve account was funded by the Borrower for the benefit of the Lenders, and is subject to terms and conditions customary for project financings of this nature.

Interest Rate: The interest rate under the Credit Agreement – December 2017 has not been disclosed for competitive reasons relating to the business of the Agent and the Lenders. The interest rate falls within the range disclosed in the OM – January 2017 and in Item 2.2 – Our Business of this Offering Memorandum.

v. **Credit Agreement – February 2018**

The Credit Agreement – February 2018 dated as of February 1, 2018 was entered into among a Borrower, CoPower Holdings, as Agent, and CoPower Warehouse, as lender. Pursuant to an Assignment Agreement dated as of February 1, 2018 between CoPower Warehouse, as assignor, and the Corporation, as assignee, CoPower Warehouse assigned all of its interests in the loan made to the Borrower under the Credit Agreement – February 2018 to the Corporation (the **"February 2018 Loan Assignment**").

The Sponsor is an Ontario-based solar energy development and engineering firm.

For the purposes of this Item, the capitalized terms below shall have the following meanings:

"**Agent**" means CoPower Holdings.

"**Borrower**" means the Borrower under the Credit Agreement – February 2018.

"**Collateral**" means collectively, (a) in the case of the Borrower, all of the present and after acquired assets, property and undertaking of the Borrower, and (b) in the case of the Guarantors, the units of the Borrower, and in each case, the proceeds arising from the use or disposition of any such Collateral, upon which an Encumbrance is created in relation to the Credit Agreement – February 2018 and certain other transaction documents.

"**Guarantors**" means a private corporation and two limited partnerships formed under the laws of the Province of Ontario.

"**Lender**" means (a) prior to the February 2018 Loan Assignment, CoPower Warehouse and (b) following the February 2018 Loan Assignment, the Corporation and such other Person or Persons who may from time to time become parties to the Credit Agreement – February 2018 in accordance with the terms of the Credit Agreement – February 2018.

The following is an edited summary only of the Credit Agreement – February 2018 and is subject to the complete terms and conditions of the Credit Agreement – February 2018. All capitalized terms below that are not defined above shall have the same meaning as provided for in the Credit Agreement – February 2018.

The Loan

The Lenders provided a loan in a single advance on February 1, 2018 of a total of $890,169.27.

Conditions for Closing

As the Loan was provided in a single advance on closing no conditions for advances were provided for. Rather, the Agent and the Lender had the benefit of several conditions for closing, including but not limited to the following:

(a) the Borrower Entity delivered to the Agent copies of its Constating Documents and authorizing resolutions and other documentation customary for the closing of similar transactions;

(b) the Credit Agreement – February 2018 and related transaction documentation was executed and delivered to the Agent by each party thereto;

(c) the interest of the Borrower in the Key Contracts were assigned as security to the Agent;

(d) the Agent received evidence that each Lease has been assigned to the Borrower; and

(e) the Agent received evidence that each Lease and fixture notice has been registered on the title of the Lands.

Payments

Subject to the terms and conditions of the Credit Agreement – February 2018, the Borrower is obliged to make payments (consisting of principal and interest) in respect of the Loan on each monthly payment date such that the loan is fully repaid at the end of the term.

Interest

Subject to the terms and conditions of the Credit Agreement – February 2018, the Borrower is obliged pay interest on the outstanding principal amount of the Loan at a rate per annum equal to the Interest Rate or, after the occurrence of an Event of Default which is continuing, at the Default Rate. Such interest is calculated monthly with interest on overdue interest at the same rate, calculated in the same manner, until paid. In the event that the Borrower makes a payment of principal on the Loan other than on a payment date, interest shall be calculated by reference to the number of calendar days elapsed during such period prior and subsequent to such repayment. The loan does not revolve and any amount repaid or prepaid under the Credit Agreement – February 2018 cannot be re-borrowed thereafter.

Prepayment of Principal

On any Payment Date following the second anniversary of the Closing Date, the Borrower has the right to prepay all, but not less than all, of the outstanding principal amount of the Loan. If the Borrower elects to do so, there is a prepayment penalty that the Borrower pays in addition to the principal and accrued interest.

Security

The obligations of the Borrower under the Credit Agreement – February 2018 are secured by (a) a general security agreement, (b) a collateral assignment agreement, (c) the limited recourse guarantee, (d) pledge agreements, (e) an acknowledgment and consent agreement, (f) an assignment of proceeds of insurance from the Borrower to the Agent for the benefit of the Agent and the Lender, and (h) other documents, instruments and agreements that are customary for project financings of this nature that allow the Lenders to secure the loan. The Borrower is obliged to, from time to time, execute and deliver all such further deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge required in connection with any change in applicable laws or in connection with all collateral acquired by it after the date of the Credit Agreement – February 2018 and intended to be subject to the encumbrances associated with the Credit Agreement – February 2018.

Events of Default

The Credit Agreement – February 2018 includes customary events of default and cure periods for project financings of this nature that include but are not limited to:

(a) failure to make a payment of principal, interest or any fees when due;

(b) providing any representations or warranties in the Credit Agreement – February 2018 or under any related documents that is incorrect or misleading;

(c) failure to observe or perform certain covenants under the Credit Agreement – February 2018 or under any related documents; and

(d) the occurrence of an Insolvency Event in relation to the Borrower or the Guarantor.

Upon the occurrence of a continuing event of a default, the Agent may take certain actions including accelerating all amounts outstanding under the Credit Agreement – February 2018, demanding payment and exercising any other available recourse.

Costs, Expenses and Fees

The Borrower paid on the closing date, by deduction from the Loan, an arrangement fee to the Lender as well as the legal and other costs incurred in negotiating and closing the transaction.

The Borrower has also agreed to pay within thirty (30) calendar days of demand by the Agent all reasonable fees and out-of-pocket costs and expenses of the Agent and the Lenders in connection with the Agent's and the Lenders' preparation or review of waivers, consents and amendments and questions of interpretation of the Credit Agreement – February 2018 and the establishment and monitoring of the validity and enforceability of the Credit Agreement – February 2018 and the preservation or enforcement of rights of the Agent and the Lenders under the Credit Agreement – February 2018.

Assignment

The Borrower may not assign its rights or obligations in respect of the Loan or any Finance Document without the prior written consent of the Agent. Each of the Lender and the Agent may from time to time, at its option without the consent of, but with the prior written notice to, the Borrower, sell, assign, transfer, negotiate or otherwise dispose of all or a part of its portion of the Loan (including the Agent or Lender's interest in the Credit Agreement – February 2018 and the related transaction documents).

Other Terms and Conditions:

Term: Starting on February 1, 2018 and expiring on January 31, 2023.

Arrangement Fee: The arrangement fee under the Credit Agreement – February 2018 has not been disclosed for competitive reasons relating to the business of the Agent and the Lenders. The fee falls within the range disclosed in Item 2.2 Our Business – Clean Energy Projects – Fees and Expenses.

Administration Fee: The annual administration fee under the Credit Agreement – February 2018 has not been disclosed for competitive reasons relating to the business of the Agent and the Lenders.

Debt Service Reserve Fund Requirement: A debt service reserve account was funded by the Borrower for the benefit of the Lenders, and is subject to terms and conditions customary for project financings of this nature.

Interest Rate: The interest rate under the Credit Agreement – February 2018 has not been disclosed for competitive reasons relating to the business of the Agent and the Lenders. The interest rate falls within the range disclosed in Item 2.2 Our Business – Clean Energy Projects – Target Interest Rate.

vi. **Credit Agreement – June 2018 (1)**

The Credit Agreement – June 2018 (1) dated as of June 20, 2018 was entered into among a Borrower, CoPower Holdings, as Agent, and CoPower Warehouse, as lender. Pursuant to an Assignment Agreement dated as of June 22, 2018 between CoPower Warehouse, as assignor, and the Corporation, as assignee, CoPower Warehouse assigned all of its interests in the loan made to the Borrower under the Credit Agreement – June 2018 (1) to the Corporation (the "**June 2018 (1) Loan Assignment**").

The Sponsors are an Ontario-based renewable energy coop and an engineering consulting firm.

For the purposes of this Item, the capitalized terms below shall have the following meanings:

"**Agent**" means CoPower Holdings.

"**Borrower**" means the Borrower under the Credit Agreement – June 2018 (1).

"**Collateral**" means collectively, (a) in the case of the Borrower, all of the present and after acquired assets, property and undertaking of the Borrower, and (b) in the case of the Guarantors, the units of the Borrower, and in each case, the proceeds arising from the use or disposition of any such Collateral, upon which an Encumbrance is created in relation to the Credit Agreement – June 2018 (1) and certain other transaction documents.

"**Guarantors**" means a private corporation with head office in Ontario and an Ontario-based clean energy cooperative.

"**Lender**" means (a) prior to the June 2018 (1) Loan Assignment, CoPower Warehouse and (b) following the June 2018 (1) Loan Assignment, the Corporation and such other Person or Persons who may from time to time become parties to the Credit Agreement – June 2018 (2) in accordance with the terms of the Credit Agreement – June 2018 (1).

The following is an edited summary only of the Credit Agreement – June 2018 (1) and is subject to the complete terms and conditions of the Credit Agreement – June 2018 (1). All capitalized terms below that are not defined above shall have the same meaning as provided for in the Credit Agreement – June 2018 (1).

The Loan

The Lender provided a loan in a single advance on June 20, 2018 of a total of $2,586,358.

Conditions for Closing

As the Loan was provided in a single advance on closing no conditions for advances were provided for. Rather, the Agent and the Lender had the benefit of several conditions for closing, including but not limited to the following:

(a) the Borrower delivered to the Agent copies of its Constating Documents and authorizing resolutions and other documentation customary for the closing of similar transactions;

(b) the Credit Agreement – June 2018 (1) and related transaction documentation was executed and delivered to the Agent by each party thereto;

(c) the interest of the Borrower in the Material Project Agreements were assigned as security to the Agent; and

(d) the Agent received evidence that each Lease has been registered on the title of the Lands.

Payments

Subject to the terms and conditions of the Credit Agreement – June 2018 (1), the Borrower is obliged to make payments (consisting of principal and interest) in respect of the Loan on each monthly payment date such that the loan is fully repaid at the end of the term.

Interest

Subject to the terms and conditions of the Credit Agreement – June 2018 (1), the Borrower is obliged pay interest on the outstanding principal amount of the Loan at a rate per annum equal to the Interest Rate or, after the occurrence of an Event of Default which is continuing, at the Default Rate. Such interest is calculated monthly with interest on overdue interest at the same rate, calculated in the same manner, until paid. In the event that the Borrower makes a payment of principal on the Loan other than on a payment date, interest shall be calculated by reference to the number of calendar days elapsed during such period prior and subsequent to such repayment. The loan does not revolve and any amount repaid or prepaid under the Credit Agreement – June 2018 (1) cannot be re-borrowed thereafter.

Prepayment of Principal

On any Payment Date following the second anniversary of the Closing Date, the Borrower has the right to prepay all, but not less than all, of the outstanding principal amount of the Loan. If the Borrower elects to do so, there is a prepayment penalty that the Borrower pays in addition to the principal and accrued interest.

Security

The obligations of the Borrower under the Credit Agreement – June 2018 (1) are secured by (a) a general security agreement, (b) a collateral assignment agreement, (c) the limited recourse guarantees, (d) pledge agreements, (e) an acknowledgment and consent agreement, (f) an assignment of proceeds of insurance from the Borrower to the Agent for the benefit of the Agent and the Lender,(g) the accounts agreement and (h) other documents, instruments and agreements that are customary for project financings of this nature that allow the Lenders to secure the loan. The Borrower is obliged to, from time to time, execute and deliver all such further deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge required in connection with any change in applicable laws or in connection with all collateral

acquired by it after the date of the Credit Agreement – June 2018 (1) and intended to be subject to the encumbrances associated with the Credit Agreement – June 2018 (1).

Events of Default

The Credit Agreement – June 2018 (1) includes customary events of default and cure periods for project financings of this nature that include but are not limited to:

(a) failure to make a payment of principal, interest or any fees when due;

(b) providing any representations or warranties in the Credit Agreement – June 2018 (1) or under any related documents that is incorrect or misleading;

(c) failure to observe or perform certain covenants under the Credit Agreement – June 2018 (1) or under any related documents; and

(d) the occurrence of an Insolvency Event in relation to the Borrower or the Guarantor.

Upon the occurrence of a continuing event of a default, the Agent may take certain actions including accelerating all amounts outstanding under the Credit Agreement – June 2018 (1), demanding payment and exercising any other available recourse.

Costs, Expenses and Fees

The Borrower paid on the closing date, by deduction from the Loan, an arrangement fee to the Lender as well as the legal and other costs incurred in negotiating and closing the transaction.

The Borrower has also agreed to pay within thirty (30) calendar days of demand by the Agent all reasonable fees and out-of-pocket costs and expenses of the Agent and the Lenders in connection with the Agent's and the Lenders' preparation or review of waivers, consents and amendments and questions of interpretation of the Credit Agreement – June 2018 (1) and the establishment and monitoring of the validity and enforceability of the Credit Agreement – June 2018 (1) and the preservation or enforcement of rights of the Agent and the Lenders under the Credit Agreement – June 2018 (1).

Assignment

The Borrower may not assign its rights or obligations in respect of the Loan or any Finance Document without the prior written consent of the Agent. Each of the Lender and the Agent may from time to time, at its option without the consent of, but with the prior written notice to, the Borrower, sell, assign, transfer, negotiate or otherwise dispose of all or a part of its portion of the Loan (including the Agent or Lender's interest in the Credit Agreement – June 2018 (1) and the related transaction documents).

Other Terms and Conditions:

Term: Starting on June 20, 2018 and expiring on June 30, 2021.

Arrangement Fee: The arrangement fee under the Credit Agreement – June 2018 (1) has not been disclosed for competitive reasons relating to the business of the Agent and the Lenders. The fee falls within the range disclosed in Item 2.2 Our Business – Clean Energy Projects – Fees and Expenses.

Administration Fee: The annual administration fee under the Credit Agreement – June 2018 (1) has not been disclosed for competitive reasons relating to the business of the Agent and the Lenders.

Debt Service Reserve Fund Requirement: A debt service reserve account was funded by the Borrower for the benefit of the Lender, and is subject to terms and conditions customary for project financings of this nature.

Interest Rate: The interest rate under the Credit Agreement – June 2018 (1) has not been disclosed for competitive reasons relating to the business of the Agent and the Lenders. The interest rate falls within the range disclosed in Item 2.2 Our Business – Clean Energy Projects – Target Interest Rate.

vii. **Credit Agreement – June 2018 (2)**

The Credit Agreement – June 2018 (2) dated as of June 29, 2018 was entered into among a Borrower, the Guarantor, CoPower Holdings, as Agent, and CoPower Warehouse and the Corporation, as lender. Pursuant to an Assignment Agreement dated as of September 1, 2018 between CoPower Warehouse, as assignor, and the Corporation, as assignee, CoPower Warehouse assigned all of its interests in the loan made to the Borrower under the Credit Agreement – June 2018 (2) to the Corporation (the "**June 2018 (2) Loan Assignment**").

The Sponsor is a British Columbia-based geothermal heating and cooling company.

For the purposes of this Item, the capitalized terms below shall have the following meanings:

"**Agent**" means CoPower Holdings.

"**Borrower**" means the Borrower under the Credit Agreement – June 2018 (2).

"**Collateral**" means collectively, (a) in the case of the Borrower, the units of the Guarantor and the shares of the General Partner, and (b) in the case of the Guarantor, all present and after-acquired assets, property and undertaking of the Guarantor, and in each case, the proceeds arising from the use or disposition of any such Collateral, upon which an Encumbrance is created in relation to the Credit Agreement – June 2018 (2) and certain other transaction documents.

"**General Partner**" means the corporation formed under the laws of the Province of British Columbia.

"**Guarantor**" means the corporation formed under the laws of the Province of British Columbia.

"**Lender**" means: (a) prior to the June 2018 (2) Loan Assignment, CoPower Warehouse and the Corporation; and (b) following the June 2018 (2) Loan Assignment, the Corporation and such other Person or Persons who may from time to time become parties to the Credit Agreement – June 2018 (2) in accordance with the terms of the Credit Agreement – June 2018 (1).

The following is an edited summary only of the Credit Agreement – June 2018 (2) and is subject to the complete terms and conditions of the Credit Agreement – June 2018 (2). All capitalized terms below that are not defined above shall have the same meaning as provided for in the Credit Agreement – June 2018 (2).

The Loan

The Lender provided a loan in a single advance on June 29, 2018 of a total of $6,397,485.82.

Conditions for Closing

As the Loan was provided in a single advance within five Business Days of closing no conditions for advances were provided for. Rather, the Agent and the Lender had the benefit of several conditions for closing, including but not limited to the following:

(a) the Borrower delivered to the Agent copies of its Constating Documents and authorizing resolutions and other documentation customary for the closing of similar transactions;

(b) the Credit Agreement – June 2018 (2) and related transaction documentation was executed and delivered to the Agent by each party thereto; and

(c) the interest of the Guarantor in the Material Project Agreements were assigned as security to the Agent.

Payments

Subject to the terms and conditions of the Credit Agreement – June 2018 (2), the Borrower is obliged to make payments (consisting of principal and interest) in respect of the Loan on each quarterly payment date such that the loan is fully repaid at the end of the term.

Interest

Subject to the terms and conditions of the Credit Agreement – June 2018 (2), the Borrower is obliged pay interest on the outstanding principal amount of the Loan at a rate per annum equal to the Interest Rate or, after the occurrence of an Event of Default which is continuing, at the Default Rate. Such interest is calculated monthly with interest on overdue interest at the same rate, calculated in the same manner, until paid. In the event that the Borrower makes a payment of principal on the Loan other than on a payment date, interest shall be calculated by reference to the number of calendar days elapsed during such period prior and subsequent to such repayment. The loan does not revolve and any amount repaid or prepaid under the Credit Agreement – June 2018 (2) cannot be re-borrowed thereafter.

Prepayment of Principal

On any Payment Date following the date that is thirty months following the Closing Date, the Borrower has the right to prepay all, but not less than all or any portion of the outstanding principal amount of the Loan, subject to minimum prepayment requirements. If the Borrower elects to do so, there is a prepayment penalty that the Borrower pays in addition to the principal and accrued interest.

Security

The obligations of the Borrower under the Credit Agreement – June 2018 (2) are secured by (a) a general security agreement, (b) a collateral assignment agreement, (c) the guarantee, (d) the pledge agreement, (e) the accounts agreement and (f) other documents, instruments and agreements that are customary for project financings of this nature that allow the Lenders to secure the loan. The Borrower and the Guarantor are obliged to, from time to time, execute and deliver all such further deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge required in connection with any change in applicable laws or in connection with all collateral acquired by it after the date of the Credit Agreement – June 2018 (2) and intended to be subject to the encumbrances associated with the Credit Agreement – June 2018 (2).

Events of Default

The Credit Agreement – June 2018 (2) includes customary events of default and cure periods for project financings of this nature that include but are not limited to:

(a) failure to make a payment of principal, interest or any fees when due;

(b) providing any representations or warranties in the Credit Agreement – June 2018 (2) or under any related documents that is incorrect or misleading;

(c) failure to observe or perform certain covenants under the Credit Agreement – June 2018 (2) or under any related documents; and

(d) the occurrence of an Insolvency Event in relation to the Borrower or the Guarantor.

Upon the occurrence of a continuing event of a default, the Agent may take certain actions including accelerating all amounts outstanding under the Credit Agreement – June 2018 (2), demanding payment and exercising any other available recourse.

Costs, Expenses and Fees

The Borrower paid on the closing date, by deduction from the Loan, an arrangement fee to the Lender as well as the legal and other costs incurred in negotiating and closing the transaction.

The Borrower has also agreed to pay within thirty (30) calendar days of demand by the Agent all reasonable fees and out-of-pocket costs and expenses of the Agent and the Lenders in connection with the Agent's and the Lenders' preparation or review of waivers, consents and amendments and questions of interpretation of the Credit Agreement – June 2018 (2) and the establishment and monitoring of the validity and enforceability of the Credit Agreement – June 2018 (2) and the preservation or enforcement of rights of the Agent and the Lenders under the Credit Agreement – June 2018 (2).

Assignment

Neither the Borrower nor the Guarantor may assign its rights or obligations in respect of the Loan or any Finance Document without the prior written consent of the Agent. Each of the Lender and the Agent may from time to time, at its option without the consent of, but with the prior written notice to, the Borrower and the Guarantor, sell, assign, transfer, negotiate or otherwise dispose of all or a part of its portion of the Loan (including the Agent or Lender's interest in the Credit Agreement – June 2018 (2) and the related transaction documents).

Other Terms and Conditions:

Term: Starting on June 29, 2018 and expiring on June 30, 2028.

Arrangement Fee: The arrangement fee under the Credit Agreement – June 2018 (2) has not been disclosed for competitive reasons relating to the business of the Agent and the Lender. The fee falls within the range disclosed in disclosed in Item 2.2 Our Business – Clean Energy Projects – Fees and Expenses.

Administration Fee: The annual administration fee under the Credit Agreement – June 2018 (2) has not been disclosed for competitive reasons relating to the business of the Agent and the Lender.

Debt Service Reserve Fund Requirement: A debt service reserve account was funded by the Borrower for the benefit of the Lender, and is subject to terms and conditions customary for project financings of this nature.

Interest Rate: The interest rate under the Credit Agreement – June 2018 (2) has not been disclosed for competitive reasons relating to the business of the Agent and the Lender. The interest rate generally falls within the range disclosed in Item 2.2 Our Business – Clean Energy Projects – Target Interest Rate, being a fixed interest rate for the first five years of the term and a variable interest rate for the remaining five years.

viii. **Credit Agreement – October 2018**

The Credit Agreement – October 2018 dated as of October 22, 2018 was entered into among a Borrower, CoPower Holdings, as Agent, and CoPower Warehouse, as lender. Pursuant to an Assignment Agreement dated as of October 22, 2018 between CoPower Warehouse, as assignor, and the Corporation, as assignee, CoPower Warehouse assigned all of its interests in the loan made to the Borrower under the Credit Agreement – October 2018 to the Corporation (the "**October 2018 Loan Assignment**").

For the purposes of this Item, the capitalized terms below shall have the following meanings:

"**Agent**" means CoPower Holdings.

"**Borrower**" means the Borrower under the Credit Agreement – October 2018.

"**Collateral**" means all of the present and after-acquired assets, property and undertaking of the Borrower, and the proceeds arising from the use or disposition of such Collateral, upon which an Encumbrance is created in relation to the Credit Agreement – October 2018 and certain other transaction documents.

"**Lender**" means (a) prior to the October 2018 Loan Assignment, CoPower Warehouse and (b) following the October 2018 Loan Assignment, the Corporation and such other Person or Persons who may from time to time become parties to the Credit Agreement – February 2018 in accordance with the terms of the Credit Agreement – October 2018.

The following is an edited summary only of the Credit Agreement – October 2018 and is subject to the complete terms and conditions of the Credit Agreement – October 2018. All capitalized terms below that are not defined above shall have the same meaning as provided for in the Credit Agreement – October 2018.

The Loan

The Lender provided a loan in a single advance on October 22, 2018 of a total of $847,900.

Conditions for Closing

As the Loan was provided in a single advance on October 22, 2018 no conditions for advances were provided for. Rather, the Agent and the Lender had the benefit of several conditions for closing, including but not limited to the following:

(a) the Borrower delivered to the Agent copies of its Constating Documents and authorizing resolutions and other documentation customary for the closing of similar transactions; and

(b) the Credit Agreement – October 2018 and related transaction documentation was executed and delivered to the Agent by each party thereto.

Payments

Subject to the terms and conditions of the Credit Agreement – October 2018, the Borrower is obliged to make payments (consisting of principal and interest) in respect of the Loan on the initial payment date and then on each quarterly payment date thereafter such that the loan is fully repaid at the end of the term.

Interest

Subject to the terms and conditions of the Credit Agreement – October 2018, the Borrower is obliged pay interest on the outstanding principal amount of the Loan at a rate per annum equal to the Interest Rate or, after the occurrence of an Event of Default which is continuing, at the Default Rate. Such interest is calculated monthly with interest on overdue interest at the same rate, calculated in the same manner, until paid. In the event that the Borrower makes a payment of principal on the Loan other than on a payment date, interest shall be calculated by reference to the number of calendar days elapsed during such period prior and subsequent to such repayment. The loan does not revolve and any amount repaid or prepaid under the Credit Agreement – October 2018 cannot be re-borrowed thereafter.

Prepayment of Principal

On any Payment Date following the second anniversary of the Closing Date, the Borrower has the right to prepay all, but not less than all, of the outstanding principal amount of the Loan. If the Borrower elects to do so, the Borrower must pay the entire outstanding principal amount of the Loan and all interest accrued thereon, provided that such prepayment amount is equal to the Net Present Value of all remaining Quarterly Payments as of the date of such prepayment discounted, at the Discount Interest Rate.

Security

The obligations of the Borrower under the Credit Agreement – October 2018 are secured by (a) a general security agreement, (b) the geothermal unit mortgage, (c) the assignment of lien rights, and (d) other documents, instruments and agreements that are customary for project financings of this nature that allow the Lenders to secure the loan. The Borrower is obliged to, from time to time, execute and deliver all such further deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge required in connection with any change in applicable laws or in connection with all collateral acquired by it after the date of the Credit Agreement – October 2018 and intended to be subject to the encumbrances associated with the Credit Agreement – October 2018.

Events of Default

The Credit Agreement – October 2018 includes customary events of default and cure periods for project financings of this nature that include but are not limited to:

(a) failure to make a payment of principal, interest or any fees when due;

(b) providing any representations or warranties in the Credit Agreement – October 2018 or under any related documents that is incorrect or misleading;

(c) failure to observe or perform certain covenants under the Credit Agreement – October 2018 or under any related documents; and

(d) the occurrence of an Insolvency Event in relation to the Borrower.

Upon the occurrence of a continuing event of a default, the Agent may take certain actions including accelerating all amounts outstanding under the Credit Agreement – October 2018, demanding payment and exercising any other available recourse.

Costs, Expenses and Fees

The Borrower has agreed to pay within thirty (30) calendar days of demand by the Agent all reasonable fees and out-of-pocket costs and expenses of the Agent and the Lenders in connection with the Agent's and the Lenders' preparation or review of waivers, consents and amendments and questions of interpretation of the Credit Agreement – October 2018 and the establishment and monitoring of the validity and enforceability of the Credit Agreement – October 2018 and the preservation or enforcement of rights of the Agent and the Lenders under the Credit Agreement – October 2018.

Assignment

The Borrower may not assign its rights or obligations in respect of the Loan or any Finance Document without the prior written consent of the Agent. Each of the Lender and the Agent may from time to time, at its option without the consent of, but with the prior written notice to, the Borrower, transfer all or a part of its portion of the Loan (including the Agent or Lender's interest in the Credit Agreement – October 2018 and the related transaction documents).

Other Terms and Conditions:

Term: Starting on October 22, 2018 and expiring on September 27, 2025.

Fee: The Fee under the Credit Agreement – October 2018 has not been disclosed for competitive reasons relating to the business of the Agent and the Lenders. The fee falls within the range disclosed in Item 2.2 Our Business – Clean Energy Projects – Fees and Expenses.

Interest Rate: The interest rate under the Credit Agreement – October 2018 has not been disclosed for competitive reasons relating to the business of the Agent and the Lenders. The interest rate falls within the range disclosed in Item 2.2 Our Business – Clean Energy Projects – Target Interest Rate.

ix. **Credit Agreement – December 2019**

The Credit Agreement – December 2019 dated as of December 23, 2019 was entered into among a Borrower, CoPower Holdings, as Agent, and the Corporation, as lender.

The Sponsor is an Ontario-based alternative asset investor.

For the purposes of this Item, the capitalized terms below shall have the following meanings:

"**Advance**" means an advance by the Lender to the Borrower in accordance with the Credit Agreement – December 2019.

"Advance Period" means the period commencing on Closing Date and ending on the second (2nd) anniversary of the Closing Date.

"**Agent**" means CoPower Holdings.

"**Borrower**" means the Borrower under the Credit Agreement – December 2019.

"**Collateral**" means collectively, (a) in the case of the Borrower, all present and after-acquired assets, property and undertaking of the Borrower, and (b) in the case of the Guarantor, all outstanding units of the Borrower and all outstanding shares of the General Partner, and in each case, the proceeds arising from the use or disposition of any such Collateral, upon which an Encumbrance is created in relation to the Credit Agreement – December 2019 and certain other transaction documents.

"**General Partner**" means a private corporation incorporated under the laws of the Province of Ontario.

"**Guarantor**" means a private corporation incorporated under the laws of the Province of Ontario.

"Initial Maximum Commitment" means $3,224,000

"**Lender**" means the Corporation and such other Person or Persons who may from time to time become parties to the Credit Agreement – December 2019 in accordance with the terms of the Credit Agreement – December 2019.

The following is an edited summary only of the Credit Agreement – December 2019 and is subject to the complete terms and conditions of the Credit Agreement – December 2019. All capitalized terms below that are not defined above shall have the same meaning as provided for in the Credit Agreement – December 2019.

The Loan

The Lender advanced $1,000,000 under the Credit Agreement – December 2019 in one Advance, which occurred on January 16, 2020. The Lender may advance additional funds under the Credit Agreement – December 2019 and expects to advance the Initial Maximum Commitment during the Advance Period.

Conditions for Advances

At or before each Advance, the following conditions shall be satisfied by the Borrower, all in form and substance satisfactory to the Agent:

(a) the Agent shall have received and shall, in its sole discretion, be satisfied with an Advance Certificate executed by the Borrower and the Guarantor and all matters attested to by the Borrower and the Guarantor in the applicable Advance Certificate shall be true and accurate;

(b) no more than one Advance Certificate may be pending at any one time;

(c) no Advance can be made which could have a Material Adverse Effect and no Material Adverse Effect has occurred and is continuing;

(d) no Event of Default has occurred and is continuing;

(e) no default or event which with the passing of time or giving of notice or both would result in a Portfolio Breach exists under any of the Material Project Agreements; and

(f) the Agent shall be satisfied with the Financial Model, confirming minimum Rolling Debt Service Coverage Ratios.

Payments

Subject to the terms and conditions of the Credit Agreement – December 2019, the Borrower is obliged to make payments (consisting of principal and interest) in respect of the Loan on each bi-annual payment date such that the loan is fully repaid at the end of the term.

Interest

Subject to the terms and conditions of the Credit Agreement – December 2019, the Borrower is obliged pay interest on the outstanding principal amount of the Loan at a rate per annum equal to the Interest Rate or, after the occurrence of an Event of Default which is continuing, at the Default Rate. Such interest is calculated monthly with interest on overdue interest at the same rate, calculated in the same manner, until paid. In the event that the Borrower makes a payment of principal on the Loan other than on a payment date, interest shall be calculated by reference to the number of calendar

days elapsed during such period prior and subsequent to such repayment. The loan does not revolve and any amount repaid or prepaid under the Credit Agreement – December 2019 cannot be re-borrowed thereafter.

Prepayment of Principal

On any Payment Date, the Borrower has the right to prepay all or any portion (subject to the minimum prepayment requirement) of the outstanding principal amount of the Loan. If the Borrower elects to do so, the Borrower must pay the outstanding principal amount to be paid of the Loan and all interest accrued thereon.

Security

The obligations of the Borrower under the Credit Agreement – December 2019 are secured by (a) a general security agreement, (b) the collateral assignment agreement, (c) the limited recourse guarantee, (d) the pledge agreement, (e) an assignment of proceeds of insurance from the Borrower to the Agent for the benefit of the Agent and the Lender, (f) the account agreements, and (g) other documents, instruments and agreements that are customary for project financings of this nature that allow the Lenders to secure the loan. The Borrower is obliged to, from time to time, execute and deliver all such further deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge required in connection with any change in applicable laws or in connection with all collateral acquired by it after the date of the Credit Agreement – December 2019 and intended to be subject to the encumbrances associated with the Credit Agreement – December 2019.

Events of Default

The Credit Agreement – December 2019 includes customary events of default and cure periods for project financings of this nature that include but are not limited to:

(a) failure to make a payment of principal, interest or any fees when due;

(b) providing any representations or warranties in the Credit Agreement – December 2019 or under any related documents that is incorrect or misleading;

(c) failure to observe or perform certain covenants under the Credit Agreement – December 2019 or under any related documents; and

(d) the occurrence of an Insolvency Event in relation to any Borrower Entity.

Upon the occurrence of a continuing event of a default, the Agent may take certain actions including accelerating all amounts outstanding under the Credit Agreement – December 2019, demanding payment and exercising any other available recourse.

Costs, Expenses and Fees

The Borrower was required to pay on the Closing Date a fixed fee (legal), which was deducted from the Loan as well as the legal and other costs incurred in negotiating and closing the transaction.

The Borrower has agreed to pay within thirty (30) calendar days of demand by the Agent all reasonable fees and out-of-pocket costs and expenses of the Agent and the Lenders in connection with the Agent's and the Lenders' preparation or review of waivers, consents and amendments and questions of interpretation of the Credit Agreement – December 2019 and the establishment and monitoring of the validity and enforceability of the Credit Agreement – December 2019 and the preservation or enforcement of rights of the Agent and the Lenders under the Credit Agreement – December 2019.

Assignment

The Borrower may not assign its rights or obligations in respect of the Loan or any Finance Document without the prior written consent of the Agent. Each of the Lender and the Agent may from time to time, at its option without the consent of, but with the prior written notice to, the Borrower, transfer all or a part of its portion of the Loan (including the Agent or Lender's interest in the Credit Agreement – December 2019 and the related transaction documents).

Other Terms and Conditions:

Term: Starting on December 23, 2019 and expiring on December 23, 2024.

Interest Rate: The interest rate under the Credit Agreement – December 2019 has not been disclosed for competitive reasons relating to the business of the Agent and the Lenders. The interest rate falls within the range disclosed in Item 2.2 Our Business – Clean Energy Projects – Target Interest Rate.

x. **Assignment of the Credit Agreements**

Prior to its dissolution on November 20, 2019, CoPower Warehouse (which was related to the Corporation and the Manager), used its operating capital to finance Loans for Clean Energy Projects with the express intention of having the Corporation acquire interests in such Loans as the Corporation raised funds under prior Offerings. CoPower Warehouse financed Loans in the event that the Corporation did not have sufficient capital available to enter into a term sheet with a Borrower. In this manner, CoPower Warehouse temporarily funded Loans until such time as sufficient capital became available to the Corporation to allow the Corporation to acquire an Assigned Warehouse Interest (as defined below in this Item 2.7(x)) in such Loan pursuant to the terms of an assignment agreement entered into between the Corporation and CoPower Warehouse (an "**Assignment Agreement**").

Each of the Assignment Agreements entered into between CoPower Warehouse, on the one hand, and the Corporation, on the other hand, are substantially similar to each other, except for the provisions set forth in Schedule "A" of each Assignment Agreement. Schedule "A" sets out the particulars of the Credit Agreement to which the Assignment Agreement relates and a grid which allows the parties to the Assignment Agreement to record the incremental an Assigned Warehouse Interest, the value of such Assigned Warehouse Interest and the date that the Assigned Warehouse Interest was assigned. The general material terms of the Assignment Agreements that the Corporation previously entered into with CoPower Warehouse are summarized below.

"**Assignor**" means CoPower Warehouse.

"**Assignee**" means the Corporation.

"**Assigned Agreements**" means the Finance Documents and the Agency Agreement (an agency agreement between CoPower Warehouse and the Manager in relation to the Credit Assigned Agreements).

"**Assignment Date**" means the date of an assignment of an Assigned Warehouse Interest in accordance with the terms of the applicable Assignment Agreement, as described in Schedule "A" (Additional Terms and Conditions) of such Assignment Agreement.

"**Assigned Warehouse Interest**" means the portion of the Loans to be assigned by the Assignor to the Assignee with effect as of the corresponding Assignment Date, as described in Schedule "A" (Additional Terms and Conditions), together with the same pro rata portion of:

(a) all of the Assignor's right, title and interest in and to the Assigned Agreements;

(b) all of the Assignor's right, title and interest in and to all documents or instruments delivered pursuant to the Assigned Agreements; and

(c) all rights, privileges and other benefits now or hereafter accruing to the Assignor under the Assigned Agreements, together with all obligations of the Assignor thereunder.

"**Credit Agreement**" means the particular Credit Agreement referred to in Schedule "A" of the applicable Assignment Agreement.

"**Finance Documents**" means the Credit Agreement, the Security and all other documents delivered or to be delivered to the Lender(s) pursuant thereto and, when used in relation to any Person, the term "Finance Documents" shall mean and refer to the Finance Documents executed and delivered by such Person.

Transfer and Assignment

Subject to the terms and conditions of the Assignment Agreement and with effect as of each Assignment Date, the Assigned Warehouse Interest provides that the Assignor sells, transfers and assigns to the Assignee, all of the Assignor's rights, obligations and benefits (both present and future) in and to:

(a) the Assigned Warehouse Interest;

(b) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other rights of the Assignor against any Person, whether known or unknown, arising under or in connection with the Assigned Warehouse Interest, the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold, transferred and assigned pursuant to the Assignment Agreement;

(c) all debts, claims, demands, moneys and choses in action (including all book debts) now due or accruing due or hereafter to become due, (collectively, the "**Debts**") under or in respect of the Assigned Warehouse Interest, and also books of account and documents in any way evidencing or relating to, or which may be received as security for or on account of the Debts, and also all judgments and all mortgages, security

interests or other securities or other securities for payment of the same or any of them, and also all other rights and benefits which are now or may hereafter become vested in the Assignor in respect of the Debts,

and it further provides that the Assignee accepts such sale, transfer and assignment and assumes all the Assignor's obligations and benefits with respect to the Assigned Warehouse Interest, whether arising prior to, on or after the relevant Assignment Date.

To the extent that any transfer or assignment of the Assigned Warehouse Interest would result in the breach or termination of terms governing any Assigned Agreement (each, a "**Restricted Benefit**"), unless and until consent or waiver with respect to such Restricted Benefit is obtained as required, the transfer or assignment with respect to each Restricted Benefit shall constitute a trust created in favour of the Assignee pursuant to which the Assignor holds as trustee all right, title and interest to the relevant documents and all benefits derived therefrom, in trust for the Assignee.

Assigned Warehouse Interest

In connection with each assignment of an Assigned Warehouse Interest under the Assignment Agreement, the Assignor shall calculate and record on the grid set out in Schedule "A" (Additional Terms and Conditions) to each Assignment Agreement, the Assignment Date, the Assigned Warehouse Interest, the Purchase Price and the aggregate total Assigned Warehouse Interest as of such Assignment Date. Each assignment of an Assigned Warehouse Interest so recorded shall be effective as of the corresponding Assignment Date.

Misdirected Payments

In the event that, following the Effective Date, the Assignor receives any payment due from the Borrower under any Assigned Agreement which constitutes a payment pursuant to or in connection with the Assigned Warehouse Interest (each a "**Misdirected Payment**"), the Assignor shall immediately deliver Notice to the Assignee in writing that the Misdirected Payment was received and, as soon as practicable, the Assignor shall deliver such Misdirected Payment to the Assignee, without setoff or deduction, by certified cheque, bank draft or wire transfer of immediately available funds.

Calculation of Assigned Warehouse Interest

Assigned Warehouse Interest to be calculated on each Assignment Date as a percentage equal to (a) the principal and accrued interest to be assigned to the Assignee on the Assignment Date, divided by (b) the total outstanding principal advanced by the Assignor under the Credit Agreement, plus all accrued and unpaid interest thereon.

Calculation of Purchase Price

The Purchase Price on each Assignment Date shall be equal to the principal and accrued interest to be assigned to the Assignee on the Assignment Date.

ITEM 3 – DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table provides specified information about each director, officer and promoter of the Corporation and each person who directly or indirectly beneficially owns or controls ten percent (10%) or more of any class of voting securities of the Corporation (a "**Principal Holder**"). Where the Principal Holder is not an individual, the following table provides the name of any person that directly or indirectly, beneficially owns or controls more than 50% of the voting rights of the Principal Holder.

Name and municipality of principal residence	Position held and date of obtaining that position	Compensation paid by the issuer or related party in the most recently completed financial year (a) and the compensation anticipated to be paid in current financial year (b)	Number, type and percentage of securities of the Corporation held after the completion of the Minimum Offering	Number, type and percentage of securities of the Corporation held after the completion of the Maximum Offering
Target Capital Inc. Calgary, Alberta	Principal Holder since November 22, 2016	(a) $22,670 (b) $30,000[(1)]	6,000 Class A Preferred Shares (60%)	6,000 Class A Preferred Shares (60%)

Name and municipality of principal residence	Position held and date of obtaining that position	Compensation paid by the issuer or related party in the most recently completed financial year (a) and the compensation anticipated to be paid in current financial year (b)	Number, type and percentage of securities of the Corporation held after the completion of the Minimum Offering	Number, type and percentage of securities of the Corporation held after the completion of the Maximum Offering
CoPower Inc. Montreal, Québec	Principal Holder and Promoter since November 21, 2016	(a) $41,965 (b) $270,000[2]	4,000 Class A Preferred Shares (40%) 40,000 Class B Common Shares (100%)	4,000 Class A Preferred Shares (40%) 40,000 Class B Common Shares (100%)
Jay-Ann Gilfoy Surrey, British Columbia	Director since November 8, 2019	(a) $1,500[3] (b) $10,000[3]	Nil	Nil
Jacquelyn Stacey Aurora, Ontario	Director since November 8, 2019	(a) $1,500[4] (b) $10,000[4]	Nil	Nil
Kevin Mathias Surrey, British Columbia	Director since November 8, 2019	(a) $1,500[5] (b) $10,000[5]	Nil	Nil
Terry Wong Vancouver, British Columbia	Director since November 8, 2019	(a) $1,500[6] (b) $10,000[6]	Nil	Nil

(1) Assuming the maximum fee payable pursuant to the Target Agreement in the ensuing 12 months from the date of this Offering Memorandum and assuming further that 15% of the funds raised under this Offering are Deferred Plan Capital. *See Item 2.7 – Material Agreements - Agreement with Target Capital Inc.*

(2) The Manager will be paid the Management Fee on a quarterly basis after all the accrued interest due and owing under the Bonds has been paid. The amount disclosed is the total Management Fee paid by the Corporation to the Manager since inception and the compensation anticipated to be paid in the current financial year. *See Item 2.7 – Material Agreements - Management Services Agreement with CoPower Inc.*

(3) Ms. Gilfoy, a director of the Corporation, is also an officer of VCIB and receives compensation from VCIB for her role as an officer with VCIB.

(4) Ms. Stacey, a director of the Corporation, is also an officer of VCIB and receives compensation from VCIB for her role as an officer with VCIB.

(5) Mr. Mathias, a director of the Corporation, is also an officer of VCIB and receives compensation from VCIB for his role as an officer with VCIB.

(6) Mr. Wong, a director of the Corporation, is also an officer of VCIB and receives compensation from VCIB for his role as an officer with VCIB.

3.2 Management Experience

The names and principal occupations over the past five (5) years of the directors and officers of the Corporation are as follows:

Name and position	Principal Occupation and Related Experience
Jay-Ann Gilfoy Director	Jay-Ann Gilfoy serves as a member of the Board of Directors of the Corporation. See below for additional details
Jacquelyn Stacey Director	Jacquelyn Stacey serves as a member of the Board of Directors of the Corporation. See below for additional details

Kevin Mathias Director	Kevin Mathias serves as a member of the Board of Directors of the Corporation. See below for additional details
Terry Wong Director	Terry Wong serves as a member of the Board of Directors of the Corporation. See below for additional details

The names and principal occupations over the past five (5) years of each of the directors and officers of the Manager and members of the Investment Committee are as follows:

Name and position	Principal Occupation and Related Experience
Victoria Nixon Chief Executive Officer	Victoria (Trish) serves as Chief Executive Officer of CoPower Inc. She also serves as Director, Capital & Investments at VCIB. Trish has spent her career working to accelerate impact investing in Canada. As an early member of CoPower's executive team, Trish was instrumental in the development of the firm's clean energy investment products, in building a client base of over 800 mission-aligned investors, and in facilitating the acquisition by VCIB. In prior roles at MaRS Discovery District, she provided advisory services to impact investors and intermediaries and founded an impact accelerator and venture fund. Trish is the 2016 Recipient of the Edward Newton Award for Social Innovation and co-recipient of the 2017 Clean50 Award for Environmental Entrepreneurship. She holds a Master of International Relations from the University of St. Andrews.
Jay-Ann Gilfoy Director	Jay-Ann serves as a member of the Board of Directors of CoPower Inc. She also serves as Chief Executive Officer of VCIB, a position she has held since joining in early 2017, after nearly four years in a senior leadership role at Vancity Credit Union, most recently as senior vice-president of digital solutions and business technology. VCIB is a subsidiary of Vancity Credit Union. Its mandate is to bring to the rest of Canada its unique business model that works to ensure money is being put to good use for organizations doing good for their communities. Jay-Ann leads the start-up of this initiative in the Greater Toronto region in Ontario. While at Vancity Credit Union, Jay-Ann led the development and implementation of a new core banking system, the first milestone of the credit union's technology road map and a foundational element in the organization's commitment to better serve its members. She also provided strategic oversight to digital literacy, core technology infrastructure, technology solutions, digital products and fin-tech partnerships working on the strategy to connect financial services and impact onto a digital platform. Originally from Toronto, Jay-Ann brings more than 20 years experience as a senior executive. She draws on a wealth of transformation and change management expertise from previous roles in Crown, private and municipal organizations, including the B.C. Lottery Corporation and Coast Capital Savings.
Jacquelyn Stacey Director Investment Committee Member	Jacquelyn (Jake) is Vice President of VCIB. She also serves as member of the Board of Directors of CoPower Inc. and as a member of its Investment Committee. In her capacity as Vice President, Jake oversees VCIB's operations and leads strategic relationship building to extend the strengths of Vancity Credit Union's business model nationally under a federally regulated bank headquartered in Toronto. Jake has a wealth of operational and functional leadership, as well as commercial banking experience from the financial services industry. Most recently, she served as National Director of TireLink Canada and previously founded the LEAP Learning Lab, a Community of Practice for self-motivated women offering personal and professional development programs. She also has extensive experience from working in commercial banking with various Canadian financial institutions, including BMO, CIBC and Scotiabank. Jake holds an MBA from Royal Roads University and a Bachelor from Western University.

Name and position	Principal Occupation and Related Experience
Kevin Mathias Director Investment Committee Member	Kevin is Chief Risk Officer of VCIB and is a member of the Senior Leadership Team of the bank. He also serves as a member of the Board of Directors of CoPower Inc. and as a member of its Investment Committee. Kevin has over 25 years in risk management and commercial banking experience with the HSBC Group and Coast capital Savings Credit Union. He has worked in Canada, the United States, Hong Kong, London, and India in various roles in commercial banking strategy, commercial lending, risk oversight and portfolio management Kevin holds an MBA from Simon Fraser University and is an Associate of the Institute of Canadian Bankers.
Terry Wong Director Investment Committee Member	Terry serves as a member of the Board of Directors of CoPower Inc. and as a member of its Investment Committee. Terry serves as Vice President of Treasury at Vancity Credit Union. Terry is also the Chief Financial Officer at Vancity Credit Union's subsidiary bank, VCIB. In his dual responsibilities, Terry is a senior leader in the areas of finance and treasury management. He currently leads a team of professionals who manage the finances and monitors the financial risks for Vancity Credit Union and its subsidiaries. As a Vice President, he leads financial reporting and financial risk management strategies that enable growth and the achievement of Vancity Credit Union's goals. In this role, he leads a team in managing market and liquidity risks at Vancity Credit Union, which included helping it manage through the credit crisis of 2008. Terry currently chairs the Asset Liability Committee for Vancity Credit Union, which is responsible for management of interest rate risk, systemic credit risk, liquidity risk, and the leverage/capital cushion. Terry holds a Chartered Financial Analyst designation and a business degree from Simon Fraser University, and serves as a board member for two non-profit organizations – SUCCESS and the Dalai Lama Centre for Peace and Education.

The names and principal occupations over the past five (5) years of each of the following senior clean energy and project finance professionals at VCIB that provide services related to the Corporation's deal origination and structuring, risk management, due diligence and portfolio management, are as follows:

Name and position	Principal Occupation and Related Experience
Christopher Gifford Chief Credit Officer, VCIB	Christopher (Chris) is the Chief Credit Officer of VCIB. In this capacity he oversees transaction structuring, risk mitigation, credit risk assessment and portfolio monitoring for CoPower Finance Inc. He recently served as the Chief Risk Officer at China Construction Bank's Toronto branch and before that was responsible for internal risk rating models at SunLife. At DBRS, a leading global credit ratings agency, Chris was the lead credit analyst for many renewable energy projects. He also has extensive project finance lending experience in various banks in Canada and the U.K. Chris holds an MBA from INSEAD, a MEng from Oxford University and is a Chartered Electrical Engineer.
Jonathan Frank Director, Clean Energy Business Development, VCIB	Jonathan (Jon) serves as Director, Clean Energy Business Development at VCIB and in that capacity leads business development, deal origination and relationship management for clean energy projects related to CoPower Finance Inc. At CoPower, Jon previously served as a Managing Director and has been involved in a wide range of clean energy technologies across Canada that reduce greenhouse gas emissions and generate strong financial returns including solar energy, energy efficiency retrofits, geothermal heating and cooling, renewable natural gas, combined heat and power and energy storage. Jon brings a wealth of clean energy industry experience to VCIB and CoPower. Over his career working at companies like SunEdison and RESCo, he has played a lead role in securing clean energy contracts valued at over $300 million. Jon is one of the founding executives of Emerging Leaders for Solar Energy and has served as Co-Chair

	of the National Board of Directors leading initiatives including a charity solar project in Nepal and Canada's first national mentorship program for renewable energy professionals. He is also the 2015 recipient of the Canadian Solar Industries Association's "GameChanger" Award for Emerging Solar Leader.
David Berliner Director, Structuring Clean Energy Finance, CoPower Inc. and VCIB	David serves as Director, Structuring Clean Energy Finance at CoPower Inc. and VCIB and in that capacity leads project finance and deal structuring matters related to CoPower. David co-founded CoPower Inc. in 2013 and most recently served as a Managing Director at CoPower. He previously worked at Inerjys, a clean energy investment firm. He has consulted for the New York City Mayor's Office on renewable energy, was Sustainability Coordinator for the University of Toronto and worked at the Carbon Disclosure Project. David has been named "Emerging Solar Leader" by the Canadian Solar Industries Association and "Top 30 Under 30" by Corporate Knights. He holds an MPA from Columbia University and a BSc from the University of Toronto.

3.3 Penalties, Sanctions and Bankruptcy

No penalties or sanctions cease trade orders have been in effect during the last 10 years against (i) an officer, director or control person of the Corporation, or (ii) an issuer in which a person or company referred to in (i) was an officer, director or control person at the time.

No declarations of or voluntary assignments in bankruptcy, proposals under any bankruptcy or insolvency legislation, proceedings, arrangements or compromises with creditors or appointments of a receiver, receiver manager or trustee to hold assets, have been in effect during the last 10 years against (i) an officer, director or control person of the Corporation, or (ii) an issuer in which a person or company referred to in (i) was an officer, director or control person at the time.

3.4 Loans

There is currently no outstanding indebtedness between the Corporation or individual officers or directors of the Corporation or the Manager.

ITEM 4 – CAPITAL STRUCTURE

4.1 Share Capital

Description of Security	Number authorized to be issued	Price per security	Number outstanding as at January 31, 2020	Number outstanding assuming completion of Minimum Offering	Number outstanding assuming completion of Maximum Offering
Class A Preferred Shares	Unlimited	$0.01	10,000	10,000	10,000
Class B Common Shares	Unlimited	$1.00	40,000	40,000	40,000

Class A Preferred Shares

The Corporation is authorized to issue an unlimited number of Class A Shares having attached thereto, as a class, the following rights, privileges, restrictions and conditions:

Voting Rights - The Class A Shareholders shall be entitled to receive notice of, to attend and to vote at all meetings of the shareholders of the Corporation. Each Class A Share shall confer on the holder thereof the right to one vote in person or by proxy at all meetings of shareholders of the Corporation.

Dividend Entitlement - The Class A Shareholders are not entitled to participate in the profits of the Corporation and are not entitled to receive any dividends.

Entitlement on Dissolution or Winding-Up - In the event of a reduction of capital or the liquidation, dissolution or winding-up of the Corporation or other distribution of property or assets of the Corporation among its shareholders for the purpose of winding-up its affairs (a "**Winding Up Event**"):

(i) Prior to the Class A Shareholders receiving any consideration in the occurrence of a Winding-Up Event, any Bondholders of the Corporation at the time of such Event shall be entitled to receive from the Corporation an amount equal to the face value of their Bond together with any accrued interest thereon up to the date of payment (the "**Redemption Amount**") in priority to any distribution of any of the Corporation's assets or property to its Class A Shareholders. If the Corporation does not have sufficient property or assets to pay

the aggregate of the Redemption Amount then each Bondholder will be entitled to their pro rata share of the Corporation's property or assets in priority to the Class A Shareholders; and

(ii) The Class A Shareholders shall be entitled to receive an amount equal to the aggregate amount of paid up capital on the Class A Shares held by them respectively after repayment of the aggregate Redemption Amount and in the event that there is not sufficient property or assets to return the entire amount of paid up capital thereon to all shareholders, the amount available for distribution shall be distributed to the shareholders on a pro rata basis according to the number of Class A Shares owned by each shareholder.

Class B Common Shares

The Corporation is authorized to issue an unlimited number of Class B Shares having attached thereto, as a class, the following rights, privileges, restrictions and conditions:

Voting Rights - The holders of the Class B Shares shall not be entitled to receive notice of, to attend or vote at any meetings of the shareholders of the Corporation.

Dividend Entitlement - The right, subject to any preferential rights attaching to any other class or series of shares of the Corporation, to receive dividends as, when and if declared on the Class B Shares by the Corporation. No dividend may be declared or paid on the Class B Shares if payment of the dividend would cause the realizable value of the Corporation's assets to be less than the aggregate of its liabilities and the amount required to redeem any bonds issued by the Corporation then outstanding having attached thereto a right of redemption or retraction.

Entitlement on Dissolution or Winding-Up - The right, subject to any preferential rights attaching to any bonds issued by the Corporation, to share in the remaining property of the Corporation upon dissolution after all the Class A Shareholders have received payment of the aggregate amount of paid up capital held by each Class A Shareholder.

4.2 Long Term Debt

In the event the Corporation is successful in raising funds pursuant to this Offering, it will have the following unsecured debt obligations to Investors through the issue of Bonds offered by the Corporation pursuant to this Offering:

Description of Long Term Debt	Interest Rate	Repayment Terms [(1)]	Amount outstanding as at January 1, 2020	Amount Outstanding Assuming Minimum Offering [(3)]	Amount Outstanding Assuming Maximum Offering [(3)]
Series A and Series E Unsecured CoPower Green Bonds issued pursuant to the OM – January 2017	5.0%	The Corporation issued Green Bonds on the first day of each month from February 1, 2017 to March 1, 2018. The principal amount is due five years from the date of issue. Interest is: (i) paid on a quarterly basis; or (ii) compounded and paid when the principal amount is due.	$8,252,907[(2)]	$8,252,907	$8,252,907
Series B and Series F Unsecured CoPower Green Bonds issued pursuant to the OM – January 2017	4.5%	The Corporation issued Green Bonds on the first day of each month from February 1, 2017 to March 1, 2018. The principal amount is due five years from the date of issue. Interest is: (i) paid on a quarterly basis; or (ii) compounded and paid when the principal amount is due.	$1,221,642 [(2)]	$1,221,642	$1,221,642

Description of Long Term Debt	Interest Rate	Repayment Terms [1]	Amount outstanding as at January 1, 2020	Amount Outstanding Assuming Minimum Offering [3]	Amount Outstanding Assuming Maximum Offering [3]
Series C and Series G Unsecured CoPower Green Bonds issued pursuant to the OM – January 2017	3.5%	The Corporation issued Green Bonds on the first day of each month from February 1, 2017 to March 1, 2018. The principal amount is due three years from the date of issue. Interest is: (i) paid on a quarterly basis; or (ii) compounded and paid when the principal amount is due.	$590,544	$590,544	$590,544
Series D and Series H Unsecured CoPower Green Bonds issued pursuant to the OM – January 2017	3.0%	The Corporation issued Green Bonds on the first day of each month from February 1, 2017 to March 1, 2018. The principal amount is due three years from the date of issue. Interest is: (i) paid on a quarterly basis; or (ii) compounded and paid when the principal amount is due.	$30,000	$30,000	$30,000
Series I and Series K Unsecured CoPower Green Bonds issued pursuant to the OM – May 2018	5.0%	The Corporation issued Green Bonds on the first day of each month from June 1, 2018 to March 1, 2019. The principal amount is due six years from the date of issue. Interest is: (i) paid on a quarterly basis; or (ii) compounded and paid when the principal amount is due.	$7,804,110 [2]	$7,804,110	$7,804,110
Series J and Series L Unsecured CoPower Green Bonds issued pursuant to the OM – May 2018	4.0%	The Corporation issued Green Bonds on the first day of each month from June 1, 2018 to March 1, 2019. The principal amount is due four years from the date of issue. Interest is: (i) paid on a quarterly basis; or (ii) compounded and paid when the principal amount is due.	$2,648,281 [2]	$2,648,281	$2,648,281
Series M and Series N Unsecured CoPower Green Bonds issued pursuant to this OM	4.0%	*See Item 5.1 - Terms of Securities*	Nil	$250,000	$20,000,000
Total	-	-	$20,547,484	$20,797,484	$40,547,484

(1) The repayment terms presented herein are a brief summary which is subject to the terms of the OM – January 2017, the OM – May 2018, and this Offering Memorandum, as applicable.
(2) No portion of the Long Term Debt is due within 12 months of the date of this Offering Memorandum.
(3) It is assumed that an equal proportion of Series M Green Bonds and Series N Green Bonds, will be sold pursuant to this Offering.

4.3 Prior Sales

As at the date of this Offering Memorandum, the Corporation has not issued any securities of the class being offered under this Offering Memorandum. However, the Corporation has issued CoPower Green Bonds of other classes. *See Item 4.2 - Long Term Debt*.

ITEM 5 – SECURITIES OFFERED

5.1 Terms of Securities

Securities: The securities being offered pursuant to this Offering are unsecured fixed rate Bonds. The price of each Bond is $1,000. Subject to the Corporation's right of early redemption as provided for below, the Bonds shall mature on the date specified in the table below (the "**Maturity Date**") and pay interest at the rate on the terms noted in the table below:

Series	Interest Rate	Interest Payable	Maturity Date
M	4.0%	March 31, June 30, September 30 and December 31 of each year during the term of the Bond	Fifth anniversary date of the issuance of the Bond
N	4.0%	Compounded on March 31, June 30, September 30 and December 31 of each year during the term of the Bond and payable on the Maturity Date	Fifth anniversary date of the issuance of the Bond

Minimum Subscription Amount Per Investor: The minimum number of Bonds that may be purchased by an Investor is ten (10) Bonds for a minimum investment of $10,000. However, the minimum number of Bonds that may be purchased by an existing investor that holds CoPower Green Bonds issued under this Offering Memorandum, the OM – January 2017 or the OM – May 2018 is one (1) Bond for a minimum investment of $1,000. Minimum investment amounts may be decreased or increased at the sole discretion of the Corporation.

Date of Bonds: Bonds are issued on the first day of each month in accordance with the terms set forth in this Offering Memorandum. A duly completed and executed Subscription Agreement together with a duly completed and executed Pre-Authorized Debit Agreement must be received by the Corporation by the 20th day of a given month in order for the Bonds that are issued pursuant to that Subscription Agreement to be issued on the first day of the following month. If a duly completed Subscription Agreement together with a duly completed and executed Pre-Authorized Debit Agreement is received between the 21st day of a given month and the last day of that month, the Bonds that are issued pursuant to that Subscription Agreement will be issued on the first day of the month that is the second month following the month in which the Subscription was received.

Payment may be made by wire transfer or certified cheque by Investors who are investing via an investment advisor or a Deferred Plan. In such cases, if a duly completed and executed Subscription Agreement is received by the 20th day of a given month and payment is received within two business days of the 20th day of that month, the Bonds that are issued pursuant to such Subscription Agreement will be issued on the first day of the following month.

No Voting Rights: Bondholders will not have the right to vote on matters relating to the Corporation. *See Item 8 - Risk Factors.*

Early Redemption: The Corporation may redeem up to 100% of the principal amount of a Bondholder's Bonds at any time during the term of the Bonds at its sole discretion. If the Corporation redeems 20% or less of a Bondholder's Bonds prior to maturity, the Corporation must provide no less than 21 days prior written notice to the Bondholder. If the Corporation redeems more than 20% of a Bondholder's Bonds, the Corporation must provide no less than 60 days prior written notice to the Bondholder.

In either case, the Corporation will pay the principal amount of the Bonds together with all interest accrued to the date of redemption but unpaid. The Corporation may, at its sole discretion, redeem Bonds held by one or more Bondholders prior to maturity without offering early redemption to other Bondholders.

Principal: The principal amount of a Bondholder's Bonds will be paid in lump sum on the applicable Maturity Date. Bondholders may also choose to reinvest the principal in bonds, subject to applicable law and the availability of such bonds.

Date of Payments of Interest and Principal: Payments of interest and principal in connection with the Bonds will be made by electronic funds transfer or by cheque and sent by pre-paid mail to the Bondholder at the address of the Bondholder contained in the records of the Corporation. If the date for payment of any amount of the principal or interest is not a business day, then payment will be made on the next business day and the Bondholder will not be entitled to any further interest or other payment in respect of the delay.

Events of Default: Any one of the following events constitutes an event of default under a Bond:

- the Corporation fails to pay principal or interest to a Bondholder when the same becomes due and such default continues for 10 days;
- the Corporation fails to observe any covenants in respect of a Bond;
- an order is made or a resolution is passed for the winding up or liquidation of the Corporation;
- the Corporation makes a general assignment for the benefit of its creditors or a proposal under the *Bankruptcy and Insolvency Act* (Canada),it is declared bankrupt, or if a receiver and manager of the Corporation or of a substantial part of the property of the Corporation is appointed;
- if a creditor or encumbrancer of the Corporation takes possession of the property of the Corporation or any part of the property that is a substantial part of such property; or
- if a default occurs under any obligation of the Corporation to repay borrowed money and such default shall continue for a period sufficient to permit the acceleration of the maturity of such obligation.

Enforcement: Upon the occurrence of any event of default which is continuing, a Bondholder may enforce its rights by any action, suit, remedy or proceedings authorized or permitted by law or by equity, and may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceeding relative to the Corporation. Such rights of the Bondholder shall be in addition to any other rights, powers and remedies which otherwise may be available to it at law or in equity.

Processing Fees: Each subscription for Bonds that is paid by wire transfer, cheque or bank draft is subject to a processing fee of $25 that may be waived at the Corporation's sole discretion. In the event that a subscription for Bonds made by pre-authorized debit is refused for non-sufficient funds, the Investor will be subject to a processing fee of $35 that may be waived at the Corporation's sole discretion.

Obligations Unsecured: The Corporation's debt obligations represented by the Bonds are unsecured obligations and will rank *pari passu* amongst themselves and with all other unsecured and unsubordinated obligations of the Corporation, including those debt obligations which may be issued by the Corporation following the date hereof, except for such preferences as provided under applicable law.

Funding of Repayments at Maturity: Management of the Corporation shall have sole discretion on how the Corporation will fund or finance the repayment of principal and interest, if applicable, of the Bonds at maturity. Management may decide to use its existing cash on hand, if any, sell assets, or raise additional capital or equity in the Corporation or use a combination of these methods to repay the principal and interest, if applicable, of the Bonds at maturity. There is no assurance that any of the above methods of funding the repayment of the Bonds at maturity will be successful or that enough funds will be raised to repay all of the Bonds at maturity. It is possible that the Corporation may not have the financial ability to repay all or any Bonds upon maturity. In that event the provisions contained under the title "Entitlement on Dissolution or Winding-Up" may apply. *See Item 4.1 - Share Capital.*

Limited Recourse: Recourse under the Bonds will be limited to the principal amount of the Bonds and all interest due and owing thereunder. There is no additional recourse by Bondholders for any deficiency in value of the Bonds in the event of non-payment or default by the Corporation of redemption of the Bonds.

Death, Bankruptcy, Liquidation or Dissolution of Bondholder: Subject to applicable law, upon the death, bankruptcy, liquidation or dissolution of a Bondholder, the rights and obligations of such Bondholder enure to the benefit of, and are binding upon, the heir, successor, estate or legal representative of the Bondholder.

Target's assets and management are not in any way committed to the activities of the Corporation other than voting its shares at shareholder meetings of the Corporation. Target does not encourage or discourage an investment in the Corporation.

5.2 Subscription Procedure

Subscription Documents

Investors will be required to enter into a Subscription Agreement with the Corporation which will contain, among other things, representations, warranties and covenants by the Investor that it is duly authorized to purchase the Bonds, that it is purchasing the Bonds as principal and for investment and not with a view to resale and as to its corporate or other status to purchase the Bonds and acknowledging that the Corporation is relying on an exemption from the requirements to provide the Investor with a prospectus and as a consequence of acquiring the securities pursuant to this exemption, certain protections, rights and remedies, provided by applicable securities laws will not be available to the Investor.

In order to subscribe for Bonds, Investors must complete, execute and deliver documentation required by the Corporation, including the Subscription Agreement and provide payment in one of the accepted forms of payment required by the Corporation. The terms of the Subscription Agreement require that all Investors execute and deliver the Target Release

attached as a Schedule to the Subscription Agreement and that certain other schedules to the Subscription Agreement be completed by the Investor as applicable.

Subject to applicable securities laws, and the purchaser's two-day cancellation right, a subscription for Bonds, evidenced by a duly completed Subscription Agreement delivered to the Corporation shall be irrevocable by the Investor. *See Item 11 - Purchasers' Rights.*

Subscriptions for Bonds will be received, subject to rejection and allotment, in whole or in part, and subject to the right of the Corporation to close the subscription books at any time, without notice. If a subscription for Bonds is not accepted, all subscription proceeds will be promptly returned to the Investor without interest.

The closing of the Minimum Offering amount is scheduled to occur on or before March 15, 2020. It is expected that certificates representing the Bonds will be available for delivery within a reasonable period of time after the relevant closing date(s). If the Minimum Offering amount is not met prior to March 15, 2020, collected funds will be returned to the respective parties by April 30, 2020 without interest, subject to the discretion of the Corporation.

The subscription funds will be held in trust until midnight of the second business day subsequent to the date that each Subscription Agreement is signed by an Investor.

Distribution

The Offering is being conducted in all of the provinces and territories of Canada pursuant to certain exemptions from the prospectus requirements, including the exemption afforded by Section 2.9 of NI 45-106 (the "**Offering Memorandum Exemption**").

The Offering Memorandum Exemption is available for distributions to Investors resident in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut and Yukon purchasing as principals, who receive this Offering Memorandum prior to signing the Subscription Agreement and who sign a Risk Acknowledgment Form attached as a Schedule to the Subscription Agreement (provided that, with respect to Québec, the Offering Memorandum is available in both the French and English languages).

The foregoing exemptions relieve the Corporation from the provisions of the applicable securities laws of each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut and Yukon which otherwise would require the Corporation to file and obtain a receipt for a prospectus. Accordingly, prospective Investors for Bonds will not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by securities regulatory authorities.

ITEM 6 – INCOME TAX CONSEQUENCES AND DEFERRED PLAN ELIGIBILITY

6.1 Deferred Plan Eligibility of the Bonds

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

The Tax Act and the Regulations thereunder provide generally that a bond or similar obligation of a Canadian corporation (as defined in the Tax Act) which is controlled directly or indirectly by one or more corporations whose shares are listed on a designated stock exchange in Canada will constitute a "qualified investment" for a Deferred Plan.

The Corporation is a Canadian corporation. As a result, the Corporation is of the view that the Bonds will constitute a qualified investment for Deferred Plans provided the shares of Target are listed on a stock exchange designated by the Minister of Finance, which they currently are, and as long as Target controls the Corporation. Generally, the term "control" as it is used in the Tax Act and the Regulations denotes *de jure* control unless a provision contains specific language that indicates otherwise. *De jure* refers to the ability to elect a majority of the board of directors of a corporation. Target holds the majority of the Class A Shares, the only class of shares with the right to vote, and there is no agreement which restricts the ability of Target to vote its Class A Shares or appoint a majority of the Board of Directors of the Corporation. As such, Target should be considered to control the Corporation for the purposes of determining whether the Bonds qualify as a qualified investment for the Deferred Plans.
There are additional requirements for a Deferred Plan in order for the Bonds not to be a "prohibited investment" which would be subject to a special tax. The Bonds will be a "prohibited investment" if the account holder does not deal at "arm's length" with the Corporation or the account holder is a "specified shareholder" of the Corporation as defined in the Tax Act, generally a person who has a 10% or greater interest in the Corporation together with non-arm's length persons. Assuming the account holder meets the above requirements, the Bonds will not be a "prohibited investment".

There can also be additional special taxes for a Deferred Plan on certain tax "advantages" that unduly exploit the attributes of a Deferred Plan, including "advantages" on "prohibited investments" and on "non-qualified investments". The rules in the Tax Act that constitute an "advantage" are quite broad, therefore, Investors should seek independent professional advice as to the applicability of these rules to their particular circumstances.

The income tax information contained in this Item 6 was provided by Lawson Lundell LLP, and it is based on the current provisions of the Income Tax Act, the Regulations thereunder and published administrative practices of the CRA. The comments offered do not address the possibility of any challenge to the structure by the CRA under the specific and/or general anti-avoidance rules.

This summary is general in nature and is not intended to be legal, tax or business advice to any particular prospective purchaser of Bonds. Consequently, Investors should seek independent professional advice regarding the income tax consequences of investing in the Bonds, based upon their own particular circumstances.

ITEM 7 – COMPENSATION PAID TO SELLERS AND FINDERS

Selling Commissions

Where allowed by applicable securities legislation, the Corporation intends to pay compensation of up to one percent (1%) of the gross proceeds realized on the sale of Bonds under this Offering to any of, or a combination of, the following parties: unrelated investment dealers, unrelated exempt market dealers and/or their dealing representatives.

The Corporation has retained the Manager as lead selling agent in respect of the distribution and sale of the Bonds. No compensation will be paid in connection with the sale of the Bonds that are effected by the Manager.

Related and Connected Issuer Matters

The Manager is the manager, the lead securities selling agent and a shareholder of the Corporation. The directors of the Corporation are also directors of the Manager. As a consequence, the Manager and the Corporation are considered to be related and connected in accordance with securities laws as the relationship between the Corporation and the Manager may lead a reasonable prospective purchaser of the Bonds being offered under this Offering to question the independence of such parties for purposes of the distribution of Bonds to purchasers.

Pursuant to the Management Agreement, the Manager is paid the Management Fee by the Corporation. *See Item 2.7 – Material Agreements - Management Services Agreement with CoPower Inc.*

Canadian provincial and territorial securities laws requires securities registered firms such as the Manager and its dealing representatives, when they trade in or advise with respect to securities of certain issuers to which they, or certain parties related to them, are related or connected, such as in this case the Corporation, to do so only in accordance with particular disclosure.

Further, these rules require dealers such as the Manager, prior to trading for or on behalf of their clients, to inform such clients of the relevant relationships and connections with the issuer of the securities, which in the case of this Offering is the Corporation.

Purchasers should refer to the applicable provisions of the relevant securities laws for the particulars of these rules or consult with a legal advisor.

Investors should note that if they purchase Bonds of the Corporation through the Manager, they will not be purchasing securities from an Exempt Market Dealer that is independent of the Corporation.

ITEM 8 – RISK FACTORS

The purchase of Bonds pursuant to this Offering should only be made after consulting with independent and qualified sources of investment and tax advice. An investment in the Bonds at this time is highly speculative. The Corporation's business involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Purchasers of Bonds must rely on the ability, expertise, judgement, discretion, integrity and good faith of the management of the Corporation. This Offering is suitable for investors who are willing to rely solely upon the management of the Corporation and who could afford a total loss of their investment.

In addition to factors set forth elsewhere in this Offering Memorandum, Investors should carefully consider the following factors, many of which are inherent to the ownership of the Bonds. The following is a summary only of some of the risk factors involved in an investment in the Bonds. Investors should review these risks with their legal and financial advisors.

No Regulatory Review

Investors under this Offering will not have the benefit of a review of this Offering Memorandum by any regulatory authorities.

Blind Pool

This Offering is a "blind pool" offering. As at the date of this Offering Memorandum, the Manager has not definitively identified any future Borrowers in respect of which the Corporation will provide financing. In other words, investors are not furnished with information about specific Clean Energy Projects that the Corporation is prepared to finance because the Manager has not definitively identified any future Borrowers. Rather, Investors are asked to rely on the investment criteria and track record of the Corporation and the Manager to identify compelling opportunities to invest in Clean Energy Projects. While the Corporation anticipates that it and the Manager will be able to identify appropriate opportunities to invest in Clean Energy Projects, there is no assurance that they will be able to do so.

Unsecured Obligations

The Bonds offered pursuant to this Offering Memorandum are unsecured and are not insured against loss through the Canada Deposit Insurance Corporation or any other insurance company or program. As unsecured obligations of the Corporation, the Bonds will rank subordinate to secured and other types of debt, including subsequently incurred obligations, which may rank in preference at law or otherwise, to the Bonds.

No Assurance of Payment

There can be no assurance that the Corporation will be in a position to meet its obligations in accordance with the terms of the Bonds, as its ability to pay interest and principal thereunder is wholly dependent on receiving payments of principal and interest from Borrowers pursuant to Loans advanced by the Corporation.

Cash Flow and Liquidity

The Corporation's cash flow must be carefully managed to ensure sufficient liquidity for payment of interest and/or repayment of the principal of the Bonds and to discharge other liabilities of the Corporation as they become due. This may result in the inefficient or incomplete deployment of the Corporation's capital with respect to the funding of Loans, as funds may need to be kept in reserve or left idle to satisfy such payments instead of being deployed to earn revenue through Loans. There is also the risk that Borrowers may default in repaying or servicing their Loans, resulting in the Corporation having insufficient cash flows and capital resources to make payments of principal and interest owing to Bondholders pursuant to the Bonds and to discharge other liabilities as they become due. As a result of misiming of cash flows, the Corporation may be forced to reduce or delay scheduled payments under the Bonds and absent the ability to secure financing through alternative means, the Corporation could become insolvent, which would have a negative impact on the Corporation's business, operations, financial condition and prospects.

Current and Future Indebtedness

The Corporation's ability to make payments of principal and interest to Bondholders pursuant to the Bonds will depend on its future operating performance, the Corporation's ability to enter into additional debt and equity financings, and the ability of Borrowers to repay or service their Loans, which to a certain extent, are subject to economic, financial, competitive and other factors beyond the Corporation or the Manager's control. If, in the future, the Corporation is unable to generate sufficient cash flow to service its debt, including making payments of principal and interest owing to Bondholders pursuant to the Bonds, the Corporation may be subject to accelerated payments or other penalties which could negatively affect its liquidity and solvency, and the Corporation may be required to refinance all or a portion of its existing debt or obtain additional financing, potentially on terms that are punitive or otherwise unfavourable to the Corporation. There can be no assurance that any such refinancing would be possible or that any additional financing could be obtained on acceptable terms.

Available Capital

If the proceeds of the Offering are significantly less than the Maximum Offering, the expenses of the Offering and the ongoing fees, administrative expenses and other expenses payable by the Corporation, including the Capital Raising Fee and the Management Fee, may result in a substantial reduction of the proceeds which would otherwise be available to the Corporation for investment in Clean Energy Projects. The ability of the Manager, its agents and its advisers to negotiate favourable Loan agreements with Borrowers on behalf of the Corporation is, in part, influenced by the total amount of capital available for investment by the Corporation. Accordingly, if the proceeds of the Offering are significantly less than the Maximum Offering, the ability of the Manager, its agents or its advisers to negotiate and enter into favourable Loan agreements with Borrowers on behalf of the Corporation may be impaired and therefore the intended investment strategy of the Corporation may not be realized.

No Trust Indenture

The Bonds are not being issued pursuant to a trust indenture and Bondholders will not have the benefit of a trustee to coordinate enforcement and realization in the event of a default in payment under the Bonds by the Corporation.

No Market for Securities

An investment in the Bonds of the Corporation is an illiquid investment. There is currently no market through which the Bonds of the Corporation may be sold. Due to the characteristics of the Bonds and their restrictions on transfer, no such market is likely to develop. The price of the Bonds has been set by the Board of Directors of the Corporation. The Corporation is not a "reporting issuer" in any jurisdiction, and no prospectus or registration statement has been, nor will one be, filed in order to qualify the Offering. Accordingly, the Bonds will be subject to "hold periods" under applicable securities legislation and the "hold periods" may never expire. Investors will be unable to sell or transfer the Bonds, subject to certain prospectus exemptions under applicable securities laws. *See Item 10 - Resale Restrictions.*

Change in Tax Laws

The tax consequences associated with an investment in the Bonds may be subject to changes in federal and provincial tax laws. There can be no assurance that the tax laws or administrative practices of tax officials in the various jurisdictions of Canada will not be changed in a manner that will fundamentally alter the income tax consequences to Investors holding or disposing of the Bonds.

Tax Challenges under GAAR

The structuring of this Offering in general and the ownership of a majority of the Class A Shares by Target in particular, as a means to make the Bonds eligible investments for Deferred Plans, may be challenged by the CRA under the general anti-avoidance rule ("**GAAR**"). No advance income tax ruling or other comfort has been obtained from any professional firm as to whether or not GAAR would apply in this case. The comments of Lawson Lundell LLP referred to under Item 6 - Income Tax Consequences and Deferred Plan Eligibility do not address GAAR.

Re-investment Risk

Loans to Clean Energy Projects are often structured such that blended repayments of principal and interest are made. To continue servicing Bondholder interest, the Manager will re-invest principal. Market conditions may change and there is no guarantee that the Corporation will be able to continue to invest in new Loans. Failure to do so could result in early repayment of principal in whole or in part to Bondholders.

Interest Rate Risk

The interest rate return for the Bonds are fixed for the term of the Bonds and are not subject to change in the event of a general rise or fall in domestic interest rates for other investments.

Target Agreement

Pursuant to the Target Agreement, Target will be the controlling shareholder of the Corporation until the date Target ceases to be the majority shareholder of the Corporation (holding more than 60% of the voting shares). Should there occur a Material Breach of the Target Agreement, Target, in its sole discretion, may terminate the Target Agreement and transfer all its shares to the Corporation. In the event that Target ceases to control the Corporation or ceases to be listed on a stock exchange designated by the Minister of Finance or is deemed not to control the Corporation for the purposes of the Tax Act, there may be adverse tax consequences to an Investor for Bonds. Upon the occurrence of such an event, the Bonds will cease to constitute qualified investments for Deferred Plan purposes unless the Corporation can arrange to contemporaneously transfer the Class A Preferred Shares of the Corporation to another corporation resident in Canada whose shares are listed on a designated Canadian stock exchange, or make other suitable investment arrangements to maintain Deferred Plan eligibility for the Bonds. If the Bonds cease to be eligible Deferred Plan investments, an annuitant under a Deferred Plan which acquires or holds Bonds may be required to include in his or her income the fair market value of the Bonds acquired by the Deferred Plan, may incur penalties, and may have the registration of the Deferred Plan revoked. There is also a risk that CRA may reassess the returns of Investors relating to their investment in the Bonds.

Control by Target

The Class A Shares are held by Target and the Manager. Pursuant to the QBCA and the constating documents of the Corporation, the holders of the Class A Shares have the exclusive right to elect, change and remove the directors of the Corporation. Target has majority voting control of the Corporation and there is no agreement that restricts Target's ability to vote its Class A Shares. Consequently, Target can change the directors of the Corporation and the directors of the Corporation do not have a mechanism to ensure that they will remain the directors of the Corporation. Accordingly, there is no assurance that the directors of the Corporation will remain the same as disclosed in this Offering Memorandum.

No Voting Rights

Bondholders do not have a right to vote on matters relating to the Corporation. Exclusive authority and responsibility for managing the Corporation rests with management of the Corporation and those persons, consultants and advisors retained by management on behalf of the Corporation. Accordingly, Investors should appreciate that they will be relying

on the good faith, experience, expertise and ability of the directors of the Corporation and other parties for the success of the business of the Corporation.

Potential for Conflicts of Interest

Investors should be aware that there may be instances where the Manager and its affiliates or clients, including VCIB and Vancity Credit Union, will experience actual or potential conflicts of interest in connection with the activities of the Corporation, which may result in decisions that do not fully reflect the best interests of all Bondholders. An Investor acquiring Bonds will have little or no voice or vote in the management and other operational decisions of the Corporation, including, without limitation, decisions to fund certain Loans or entering into certain related (or affiliate) transactions with the Manager or its affiliates.

Furthermore, as a result of: (a) the Management Fee being based on the Quarterly Net Asset Value of the Corporation; (b) the fact that the Manager may be entitled to receive an underwriting fee or arrangement fee from each Borrower of typically up to three percent (3%) of the principal amount of each Loan funded by the Corporation; and (c) the fact that the Corporation may temporarily invest proceeds of the Offering in instruments offered by VCIB (the sole shareholder of the Manager, and a party related and connected to both the Manager and the Corporation) from which VCIB may receive certain benefits, there may be an incentive for the Manager to cause the Corporation to make riskier or more speculative Loans than the Manager may have otherwise made in the absence of such a compensation structure. While the compensation payable to the Manager, or its affiliates, for services performed for the Corporation may be reasonable based on established commercial practices, it will not be the result of arm's length negotiations. There may also be conflicts in allocating business opportunities among the Corporation and other CoPower Group parties. In a bankruptcy proceeding, it is possible that the Corporation's interests may be subordinated or otherwise adversely affected by virtue of the involvement or actions of such other participants.

In addition, certain directors of the Corporation are also directors and/or officers of the Manager and/or VCIB and receive remuneration from the Manager or VCIB as compensation for their employment or services they provide to the Manager and/or VCIB, as the case may be. As a consequence, a conflict of interest may arise where the interests of the Manager and/or VCIB and the interests of the Corporation diverge.

Dependence on Key Personnel

The success of the Corporation is dependent upon, among other things, the services of key personnel. The loss of any of these individuals, for any reason, could have a material adverse effect on the prospects of the Corporation. Failure to retain or to attract additional key employees with necessary skills could have a material adverse impact upon the Corporation's growth and profitability. The Corporation does not maintain key man insurance for any of its directors or employees. The contributions of these individuals to the immediate future operations of the Corporation is likely to be of central importance and the loss of any one of these individuals could have a material adverse effect on the business of the Corporation.

Other Activities of the Directors

The directors of the Corporation will not be devoting all of their time to the affairs of the Corporation, but will be devoting such time as required to effectively manage the Corporation. The directors of the Corporation are engaged and will continue to be engaged in the search for business prospects on behalf of the Corporation and affiliates of the Corporation or the Manager. There are potential conflicts of interest to which the directors of the Corporation may be subject in connection with the operations of the Corporation.

Limited Operating History

The Manager and the Corporation have limited operational histories and limited histories of earnings. Accordingly, there is limited information available to an Investor upon which to base an evaluation of the Corporation or the Manager or their businesses and prospects. The Manager is in the early stages of its business and therefore is subject to the risks associated with early stage companies, including start-up losses, uncertainty of revenues, markets and profitability, the need to raise additional funding, the evolving and unpredictable nature of the Manager's business and the ability to identify, attract and retain qualified personnel. There can be no assurance that the Corporation or the Manager will be successful in doing what they are required to do to overcome these risks. No assurance can be given that the Corporation or the Manager's business activities will be successful.

Past Performance Not a Predictor of Future Results

The credentials of management and senior clean energy and project finance professionals do not imply or predict, directly or indirectly, any level of future performance of the Manager or the Corporation. For more information on management and senior clean energy and project finance professionals, see *Item 3.2 – Management Experience*. The Manager's performance and the performance of the Corporation is dependent on future events and is, therefore, inherently uncertain. Past performance cannot be relied upon to predict future events for a variety of factors, including, without limitation, varying business strategies, different local and national economic circumstances, different characteristics relevant to Clean Energy Projects, varying degrees of competition and varying circumstances pertaining to the capital markets.

Limited Working Capital

The Corporation will have a limited amount of working capital, as the proceeds from this Offering will be used to fund future Clean Energy Projects and pay the Management Fee.

Legal Proceedings

The Corporation may, from time to time, become involved in regulatory or legal proceedings in the course of their business. The costs of compliance or litigation and settlement can be substantial and there is no assurance that such costs will be recovered in whole or at all. The unfavourable resolution of any legal proceedings could have an adverse effect on the Corporation and its financial position and results of operations that could be material.

Securities Regulatory Risks

In the ordinary course of business, the Corporation may be subject to ongoing reviews by the securities regulators, who have broad powers to pass, interpret, amend and change the interpretation of securities laws from time to time and broad powers to protect the public interest and to impose terms, conditions, restrictions or requirements regarding registration under securities laws. Further, the securities regulators have the authority to retroactively deny the benefit of an exemption from prospectus or registration requirements otherwise provided for in the securities laws where the regulator considers it necessary to do so to protect investors or the public interest. It is possible that securities matters may be reviewed and challenged by the securities authorities. If such challenge were to succeed, it could have a material adverse effect on the Corporation. There is no assurance that applicable securities laws or the securities regulators interpretation thereof or the practices of the securities regulators will not be changed or re-interpreted in a manner that adversely affects the Corporation.

Debt Securities

The Bonds offered by the Corporation are not a direct investment in the Loans advanced or acquired by the Corporation but an investment in debt securities of the Corporation. Accordingly, the Bonds are subject to the creditworthiness of both the underlying Borrowers and the Corporation.

Independent Counsel

No independent counsel was retained on behalf of the Investors with respect to this Offering. There has been no review by independent counsel on behalf of the Investors of the Offering Memorandum, or any other documentation in relation to the Offering. No due diligence has been conducted on behalf of Investors by counsel. Therefore, to the extent that Investors could benefit by an independent review, such benefit will not be available unless individual Investors retain their own legal counsel.

Ongoing Deployment of Funds

Despite a business plan developed by the Manager to grow its business, there is no guarantee that the Corporation will have the capacity to continuously deploy all of the funds raised under this Offering. Failure to deploy all funds raised in a timely manner may result in the Corporation being unable to meet its payment obligations to Bondholders under the Bonds.

Information Technology Governance and Security, Including Cyber Security

In the ordinary course of the Corporation's business, the Corporation collects, stores, processes and/or transmits sensitive data belonging to, among others, Investors, vendors and employees, as well as, proprietary business information and intellectual property of the Corporation. The secure processing, maintenance and transmission of this information is critical to the business of the Corporation. The Corporation has implemented a secure operating framework which includes policies and governance, prevention and detection technologies, backup and recovery processes and other procedures and technology in the protection of their data, software and infrastructure assets from loss, theft, unauthorized access, vandalism, cyber-attacks, or events such as power outages or surges, floods, fires or other natural disasters. The Corporation has also implemented a major incidence process whereby breaches or unauthorized access to their systems are assessed and reported based on established communication protocols. Despite such security measures, data, systems and infrastructure may be vulnerable to cyber-attacks or breached due to employee error, malfeasance or other disruptions. These security breaches could materially compromise information, disrupt business operations or cause the Corporation to breach obligations, thereby exposing the Corporation to liability, reputational harm and/or significant remediation costs. A theft, loss, corruption, exposure, fraudulent use or misuse of information whether by third parties or as a result of employee malfeasance could result in significant remediation and other costs, fines, litigation or regulatory actions against the Corporation, as well as, cause reputational harm, negatively impact the Corporation's competitive position and affect financial results. The Corporation is increasingly relying on third party data storage providers, including cloud storage solution providers, resulting in less direct control over data and system processing. Such third parties may also be vulnerable to security breaches for which the Corporation may not be indemnified and which could cause materially adverse harm to the Corporation's reputation and competitive position or affect the Corporation's financial results.

Loan Concentration Risk

The Corporation concentrates its Loans in one industry and in one geographic area and may substantially concentrate its Loans in one Borrower or one group of related Borrowers. The Corporation does not have concentration limits and maintains no investment restrictions in this regard. As of the date of this Offering Memorandum, one of the six Loans in the Portfolio, accounts for approximately 50**%** of the total assets in the Portfolio. While this Loan is backed by a diversified portfolio of Clean Energy Projects, it is possible that any financial difficulties experienced by this Sponsor may have an adverse impact on the Portfolio.

Nature of the Borrower

The Corporation may advance Loans to Borrowers that are single purpose entities, typically subsidiaries or affiliates of companies that may be privately owned small and medium-sized companies. Compared to larger, publicly owned firms, these companies generally have more limited access to capital and higher funding costs, may be in a weaker financial position and may need more capital to expand or compete. Accordingly, Loans made to these types of Borrowers entail higher risks than advances made to companies who are larger and more established in their industry sectors.

Disclosure and Due Diligence Risks

The Corporation may not have all of the material information relating to potential Sponsors or Borrowers at the time that it makes its credit decisions. There is generally no publicly available information about the privately-owned Sponsor or Borrower companies in respect of which the Corporation will make Loans. Therefore, the Corporation must rely on the reasonable due diligence efforts of the Manager, its agents and its advisers to obtain the information that it considers when making its lending decisions. To some extent, the Manager, its agents and its advisers may depend and rely upon the management of Borrowers to provide full and accurate disclosure of material information concerning their business, financial condition and prospects. If the Corporation does not have access to all of the material information about a particular Borrower or Sponsor's business, financial condition and prospects, or if a Borrower's accounting records are poorly maintained or organized, the Corporation's decision to advance a Loan may not be fully informed, and may lead, ultimately, to a failure or inability to recover the all or part of the funds advanced under a Loan together with interest in the event of default by a Borrower.

Clean Energy Projects Have Not Been Identified and Appropriate Clean Energy Projects May Not Be Available

There can be no assurance that the Manager will identify Clean Energy Projects that meet its investment criteria, or that the Corporation will be successful in advancing Loans to those appropriate Borrowers that may be identified. There is no firm information available with respect to the future investments of the Corporation that an Investor can evaluate when determining the merits of the Corporation or the Manager. Moreover, because the Manager has not yet identified the Clean Energy Projects to which the Corporation may advance Loans, the Manager will have broad authority to invest the net proceeds of the Offering in those Clean Energy Projects the Manager deems appropriate. No absolute assurances can be made that the Manager's decisions in this regard will result in repayment of the Loans by the Borrowers, a profit for the Corporation, and resulting to meet its obligations in accordance with the terms of the Bonds, as its ability to pay interest and principal thereunder.

Sector Specific Risks

The business activities of the Borrowers are speculative and may be adversely affected by factors outside the control of those Borrowers. The profitability of the Borrowers and their ability to generate or receive income from Clean Energy Projects may be affected by adverse fluctuations in commodity prices, demand for commodities, general economic conditions and cycles, land claims, liability for environmental damage, competition, imposition of tariffs, duties or other tax and governments regulation, as applicable. In addition, Borrowers may be adversely affected by natural events or the unanticipated depletion of resources, such as drought or variations in wind, solar or other resources upon which Clean Energy Projects rely.

Default Risk in Borrowers' Security

In the event that a Borrower defaults in its obligations under a Loan, the Corporation will have to enforce its security against the Borrower. There may be intervening encumbrances or other interests of other third parties that may stand in priority to the Corporation's security. The existence of any intervening encumbrances may prevent the Corporation from realizing on or enforcing some or all of its security against the assets of a Borrower secured by the Corporation. There may be principles of law or equity that may prevent the Corporation from enforcing some or all of its security against a Borrower and/or its assets. The assets of a Borrower may not have a sufficient value to satisfy any outstanding debt obligations to the Corporation. As such, there is a risk that if a Borrower defaults on its Loan, the assets of the Borrower may be insufficient to satisfy the Corporation's interest and principal obligations to the Bondholders. If the cash flows and capital resources of the Corporation are insufficient to fund service obligations with respect to the Bonds, the Corporation may be forced to reduce or delay scheduled payments under the Bonds. Therefore, prospective Investors who are not financially able to bear the risk that the Corporation may fail to make timely interest and principal payments on the Bonds should not purchase Bonds.

Fraud

The Corporation is not protected from default under a Loan caused by fraud perpetrated by a Borrower.

Credit Risk – Bankruptcy of a Borrower

While the Corporation, through the Manager, will manage exposure to any Borrower and complete reasonable due diligence efforts and secure additional security as a precaution to improve security for funds advanced under a Loan issued, there is no absolute guarantee of repayment of a Loan in the event of bankruptcy of a Borrower.

Disclosure of Personal Information

Investors are advised that their names and other specified information, including the number and aggregate value of the Bonds owned: (i) will be disclosed to the relevant securities regulatory authorities and may become available to the public in accordance with the requirements of applicable securities and freedom of information laws and the investor consents to the disclosure of such information; (ii) is being collected indirectly by the applicable securities regulatory authority under the authority granted to it in securities legislation; and (iii) is being collected for the purposes of the administration and enforcement of the applicable securities legislation.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Bonds. Prospective investors should read this entire Offering Memorandum and consult their own counsel and financial advisors before deciding to invest in the Bonds.

ITEM 9 – REPORTING OBLIGATIONS

9.1 Reporting to Security Holders

The Corporation is not a "reporting issuer" or equivalent under the securities legislation of any jurisdiction. Accordingly, the Corporation is not subject to the "continuous disclosure" requirements of any securities legislation other than as provided for under NI 45-106 and there is therefore no requirement that the Corporation make ongoing disclosure of its affairs including, without limitation, the disclosure of financial information on a quarterly basis or the disclosure of material changes in the business or affairs of the Corporation, other than as provided for under NI 45-106. The Corporation will file reports of certain material changes, make Notice of Use of Proceeds filings and provide Bondholders with audited financial statements on an annual basis, in each case as and when required and in accordance with NI 45-106.

Financial or other information relating to the Corporation and provided to you in the future may not by itself be sufficient for you to assess the performance of your investment.

The Corporation will deliver to prospective investors certain documents, including this Offering Memorandum, a subscription agreement and any updates or amendments to this Offering Memorandum required by law, from time to time by way of facsimile or e-mail. In accordance with the terms of the subscription agreement provided to prospective investors, delivery of such documents by email or facsimile shall constitute valid and effective delivery of such documents unless the Corporation receives actual notice that such electronic delivery failed. Unless the Corporation receives actual notice that the electronic delivery failed, the Corporation is entitled to assume that the facsimile or e-mail and the attached documents were actually received by the prospective investor and the Corporation will have no obligation to verify actual receipt of such electronic delivery by the prospective investor.

We are not required to send you any documents on an annual or ongoing basis.

ITEM 10 – RESALE RESTRICTIONS

These securities are subject to a number of resale restrictions under securities legislation including a restriction on trading. For information about these resale restrictions, you should consult your lawyer.

10.1 General Statement

For trades in British Columbia, Alberta, Saskatchewan, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut and Yukon:

The Bonds will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Bonds unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

10.2 Restricted Period

For trades in British Columbia, Alberta, Saskatchewan, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut and Yukon:

Unless permitted under securities legislation, you cannot trade the Bonds without an exemption before the date that is four months and a day after the date the Corporation becomes a reporting issuer in any province or territory of Canada. Since the Corporation is not a reporting issuer in any province or territory and the Corporation does not intend on becoming a reporting issuer, the applicable hold period may never expire, and if no further exemption may be relied upon and if no discretionary order is obtained, this could result in an Investor having to hold the Bonds acquired under the Offering for an indefinite period of time.

10.3 Manitoba Resale Restrictions

For trades in Manitoba:

Unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless: (a) the Corporation has filed a prospectus with the regulator in Manitoba with respect to the Bonds and the regulator in Manitoba has issued a receipt for that prospectus, or (b) you have held the securities for at least 12 months. The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

ITEM 11 – PURCHASERS' RIGHTS

If you purchase the Bonds you will have certain rights, some of which are described below. For complete information about your rights, you should consult a lawyer.

Two Day Cancellation Right for an Investor

You can cancel your agreement to purchase the Bonds. To do so, you must send a notice to the Corporation before midnight on the second business day after you sign the Subscription Agreement in respect of the Bonds.

Statutory Rights of Action in the Event of a Misrepresentation

Securities legislation in certain of the provinces of Canada provides purchasers with a statutory right of action for damages or rescission in cases where an offering memorandum or any amendment thereto contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or is necessary to make any statement contained therein not misleading in light of the circumstances in which it was made. These rights, or notice with respect thereto, must be exercised or delivered, as the case may be, by purchasers within the time limits prescribed and are subject to the defences and limitations contained under the applicable securities legislation. Purchasers of the Bonds resident in provinces of Canada that do not provide for such statutory rights will be granted a contractual right similar to the statutory right of action and rescission described below for purchasers resident in Ontario and such right will form part of the subscription agreement to be entered into between each such purchaser and the Corporation in connection with the Offering.

The following summaries are subject to the express provisions of the securities legislation applicable in each of the provinces of Canada and the regulations, rules and policy statements thereunder. Purchasers should refer to the securities legislation applicable in their province along with the regulations, rules and policy statements thereunder for the complete text of these provisions or should consult with their legal advisor. The contractual and statutory rights of action described in this Offering Memorandum are in addition to and without derogation from any other right or remedy that purchasers may have at law. **Purchasers should refer to the applicable legislative provisions for the complete text of these rights and/or consult with a legal advisor.**

Rights of Action for Investors in the Province of British Columbia When Not Relying on the Offering Memorandum Exemption

Investors in British Columbia are granted the same rights of action for damages or rescission as residents of Ontario who purchase the Bonds.

Rights of Action for Investors in the Province of British Columbia When Relying on the Offering Memorandum Exemption

According to NI 45-106, you can cancel your agreement to purchase the Bonds (the "**Cancellation Right**"). To do so, you must send a notice to the Corporation by midnight on the second business day after you sign the agreement to buy the Bonds.

In addition to the Cancellation Right and to any other rights or remedies available at law, the *Securities Act* (British Columbia) (the "**BC Act**") provides Investors with the rights, in certain circumstances, to seek damages or to cancel their agreement to purchase the Bonds. These rights are available if this Offering Memorandum contains a misrepresentation or if the Manager fails to deliver the Offering Memorandum within the prescribed time. Pursuant to the BC Act, a "misrepresentation" means an untrue statement about a material fact or an omission to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made.

Certain of the rights granted to Investors under the BC Act are summarized below. For more complete information about such rights, Investors should seek legal advice.

More specifically, the BC Act provides that if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(a) the Corporation to cancel your agreement to buy the Bonds; or

(b) for damages against the Corporation and for damages against the Manager, every person who was a director of the Manager at the date of this Offering Memorandum and any other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not they relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the Bonds as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the Bonds were offered. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Bonds.

Moreover, under the BC Act, the defendant will not be liable for a misrepresentation in forward-looking information if the Corporation proves that:

(a) this Offering Memorandum contains reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(b) the Corporation has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

Finally, if you intend to rely on the rights described above in paragraphs (a) or (b), you do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the Subscription Agreement. You must commence your action for damages within the earlier of: (i) 180 days after learning of the misrepresentation, or (ii) three years after you signed the Subscription Agreement.

The rights summarized above are in addition to and without derogation from any other rights or remedy which Investors may have at law.

Rights of Action for Investors in the Province of Alberta

Securities legislation in Alberta provides that every purchaser of the Bonds pursuant to this Offering Memorandum or any amendment thereto may have, in addition to any other rights they may have at law, a right of action for damages or rescission if this Offering Memorandum or any amendment thereto contains a "misrepresentation" (as defined in the *Securities Act* (Alberta) (the "**Alberta Act**")). However, such rights must be exercised within prescribed time limits. Investors should refer to the applicable provisions of the Alberta Act and other applicable securities laws for particulars of those rights and consult with a lawyer. In particular, Section 204 of the Alberta Act provides that if this Offering Memorandum contains a misrepresentation, a purchaser who purchases the Bonds may have a right of action for damages against the Corporation, every director of the Corporation as at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum or, alternatively, for rescission against the Corporation, provided that if the Investor exercises its right of rescission against the Corporation, such Investor will not have a right of action for damages against the Corporation or against any aforementioned person or company.

No action can be commenced to enforce the rights of action described above more than:

(a) in the case of an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action, or

(b) in the case of any action, other than an action for rescission, the earlier of:

  (i) 180 days from the date that the Investor first had knowledge of the facts giving rise to the cause of action, or

  (ii) three years from the date of the transaction that gave rise to the cause of action.

No person or company referred to above is liable if the person or company proves that the Investor had knowledge of the misrepresentation. In addition, no person or company will be liable in an action pursuant to section 204 of the Alberta Act if the person or company proves that:

(a) this Offering Memorandum or any amendment thereto was sent to the Investor without the person's or company's knowledge or consent and that, on becoming aware of it being sent, the person or company promptly gave reasonable notice to the Executive Director of the Alberta Securities Commission (the "**Executive Director**") and to the Corporation that it was sent without the knowledge and consent of the person or company;

(b) on becoming aware of the misrepresentation in this Offering Memorandum, the person or company withdrew its consent to this Offering Memorandum and gave reasonable notice to the Executive Director and to the Corporation of the withdrawal and the reason for it; or

(c) if, with respect to any part of this Offering Memorandum or any amendment thereto purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or the relevant part of this Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

In addition, no person or company is liable with respect to any part of this Offering Memorandum or any amendment thereto not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, after conducting a reasonable investigation, the person or company had no reasonable grounds to believe, and did not believe, that there was a misrepresentation.

In an action for damages, the defendant will not be liable for all or any part of the damages that it proves do not represent the depreciation in value of the Bonds as a result of the misrepresentation relied upon. The amount recoverable under this right of action will not exceed the price at which the Bonds were offered under this Offering Memorandum. The rights of action for rescission or damages are in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Alberta Act and the regulations and rules made under it, as well as other applicable securities laws, and prospective investors should refer to the complete text of those provisions and consult with a lawyer.

Rights of Action for Investors in the Province of Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "**Saskatchewan Act**") provides that if this Offering Memorandum together with any amendment thereto, sent or delivered to an Investor contains a misrepresentation (as defined in the Saskatchewan Act), an Investor who purchases a Bond of the Corporation covered by this Offering Memorandum or any amendment thereto has, without regard to whether the Investor relied on the misrepresentation, a right of action for rescission against the Corporation or has a right of action for damages against:

(a) the Corporation;

(b) every promoter and director of the Corporation at the time this Offering Memorandum or any amendment thereto was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed this Offering Memorandum or any amendment thereto; and

(e) every person who or company that sells Bonds of the Corporation on behalf of the Corporation under this Offering Memorandum or amendment thereto.

Each person or company referenced above in (a) to (e) above are jointly and severally liable, and every person who or company that becomes liable to make any payment may recover a contribution from any person who or company that, if sued separately, would have been liable to make the same payment.

No person is liable for damages or rescission if the person proves that the Investors purchased the Bonds with knowledge of the misrepresentation.

No person or company, other than the Corporation, is liable for damages or rescission if the person or company proves:

(a) this Offering Memorandum or any amendment thereto was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of its being sent or delivered, the person or company immediately gave reasonable general notice that it was so sent or delivered;

(b) with respect to any part of this Offering Memorandum or of any amendment thereto purporting to be made on the authority of an expert or purporting to be a copy of or an extract from a report, opinion or statement of an expert, the person or company had no reasonable grounds to believe and did not believe that:

  (i) there had been a misrepresentation;

  (ii) the part of the Offering Memorandum or of any amendment thereto did not fairly represent the report, opinion or statement of the expert; or

  (iii) the part of the Offering Memorandum or of any amendment thereto was not a fair copy of or extract from the report, opinion or statement of the expert;

(c) with respect to any part of the Offering Memorandum or of any amendment thereto purporting to be made on the person's or company's own authority as an expert or purporting to be a copy of or an extract from the person's

or company's own report, opinion or statement as an expert that contains a misrepresentation attributable to failure to represent fairly his, her or its report, opinion or statement as an expert:

(i) the person or company had, after reasonable investigation, reasonable grounds to believe, and did believe, that the part of the Offering Memorandum or of any amendment thereto fairly represented the person's or company's report, opinion or statement; or

(ii) on becoming aware that the part of the Offering Memorandum or of any amendment thereto did not fairly represent the person's or company's report, opinion or statement as an expert, the person or company immediately advised the Commission (as defined in the Saskatchewan Act) and gave reasonable general notice that such use had been made of it and that the person or company would not be responsible for that part of the Offering Memorandum or of the amendment thereto; or

(iii) with respect to a false statement purporting to be a statement made by an official person or contained in what purports to be a copy of or extract from a public official document, the statement was a correct and fair representation of the statement or copy of or extract from the document and the person or company had reasonable grounds to believe, and did believe, that the statement was true.

No person or company, other than the Company, is liable for damages or rescission for any part of the Offering Memorandum or any amendment thereto purporting to be made on the person's or company's own authority as an expert or purporting to be a copy of or an extract from the person's or company's own report, opinion or statement as an expert, unless the person or company:

(a) failed to conduct a reasonable investigation sufficient to provide reasonable, grounds for a belief that there had been no misrepresentation; or

(b) believed there had been a misrepresentation.

No person or company that sells the Bonds on behalf of the Corporation if that person or company can establish that he, she or it cannot reasonably be expected to have had knowledge of any misrepresentation in the Offering Memorandum or any amendment thereto.

In an action for damages, the defendant is not liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Bonds resulting from the misrepresentation relied on.

In no case shall the amount recoverable for damages exceed the price of the Bonds.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of the Bonds.

Section 138.2 of the Saskatchewan Act also provides that where an individual makes a verbal statement to an Investor that contains a misrepresentation relating to the Bonds and the verbal statement is made either before or contemporaneously with the purchase of the Bonds, the Investor has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides an Investor with the right to void his, her or its Subscription Agreement and to recover all money and other consideration paid by such Investor for the Bonds if the Bonds are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to an Investor to whom this Offering Memorandum or any amendment to it was not sent or delivered prior to or at the same time as the Investor enters into the Subscription Agreement, as required by Section 80.1 of the Saskatchewan Act.

The rights of rescission and damages under the Saskatchewan Act do not derogate from any other right the purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission or cancellation, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission or cancellation, the earlier of:

(i) one year after the Investor first had knowledge of the facts giving rise to the cause of action; or

(ii) six years after the date of the transaction that gave rise to the cause of action.

Section 80.1 of the Saskatchewan Act also provides an Investor who has received an amended Offering Memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act, a right to withdraw from the Subscription Agreement by delivering a notice to the person who or company that is selling the Bonds, indicating the purchaser's

intention not to be bound by the Subscription Agreement, provided such notice is delivered by the Investor within two business days of receiving the amended Offering Memorandum.

Rights of Action for Investors in the Province of Manitoba

If the Investor is resident in Manitoba and if this Offering Memorandum, together with any amendment thereto, or any advertising or sales literature relating to the Bonds contains a misrepresentation, each Investor in Manitoba, or otherwise subject to the applicable securities laws of Manitoba, to whom the Offering Memorandum has been sent or delivered and who purchases the Bonds, will be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase, and the Investor has a right of action for damages against the Corporation, and, subject to certain additional defenses, against the directors of the Corporation who were directors at the date of the Offering Memorandum, and against any person or company who signed the Offering Memorandum and any amendment thereto, or alternatively, while still an owner of the Bonds, may elect instead to exercise a right of rescission against the Corporation, in which case the Investor will have no right of action for damages against the Corporation or the directors of the Corporation or any other person or company who signed this Offering Memorandum, provided that, among other limitations:

(a) in an action for rescission or damages, no person or company will be liable if it proves that the Investor purchased the Bonds with knowledge of the misrepresentation;

(b) in an action for damages, no person or company will be held liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Bonds as a result of the misrepresentation relied upon; and

(c) in no case will the amount recoverable under the right of action described above exceed the price at which the Bonds were offered under the Offering Memorandum.

All persons or companies referred to above that are found to be liable or that accept liability are jointly and severally liable. A person or company that is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person that is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

In addition, no person or company, other than the Corporation, is liable if the person or company proves that:

(a) this Offering Memorandum or any amendment thereto was sent or delivered to the Investor without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was sent or delivered without the person's or company's knowledge or consent;

(b) after delivery of this Offering Memorandum or any amendment thereto and before the purchase of the Bonds by the Investor, on becoming aware of any misrepresentation in this Offering Memorandum, or any amendment thereto, the person or company withdrew the person's or company's consent to the Offering Memorandum, or any amendment thereto, and gave reasonable general notice of the withdrawal and the reason for it; or

(c) with respect to any part of this Offering Memorandum or any amendment thereto purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation, or (ii) the relevant part of this Offering Memorandum or any amendment thereto (A) did not fairly represent the report, opinion or statement of the expert, or (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

In addition, no person or company, other than the Corporation, is liable with respect to any part of this Offering Memorandum or any amendment thereto not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company: (i) failed to conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or (ii) believed that there had been a misrepresentation.

In addition, no action shall be commenced to enforce these rights more than:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any action, other than an action for rescission, the earlier of: (i) 180 days after the date on which the purchaser first had knowledge of the facts giving rise to the cause of action or (ii) 2 years after the date of the transaction that gave rise to the cause of action.

In addition, if a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into the Offering Memorandum or any amendment thereof, the misrepresentation is deemed to be contained in the Offering Memorandum or any amendment thereto.

The rights discussed above are in addition to and without derogation from any other right or remedy which Investors may have at law and are intended to correspond to the provisions of *The Securities Act* (Manitoba) and are subject to the defences contained therein.

Rights of Action for Investors in the Province of Ontario

An Investor who is resident in Ontario and to whom this Offering Memorandum was delivered may, if the amount of the purchase does not exceed the sum of $50,000, rescind the contract to purchase such Bonds by sending written notice to the Corporation within 48 hours from the time the Investor received the confirmation for the purchase of the Bonds. The amount the Investor is entitled to recover on exercise of the right to rescind may not exceed the net asset value of the Bonds purchased at the time the right to rescind is exercised, but will be entitled to reimbursement from every registered dealer through whom such Bonds were purchased (if any) for the amount of sales charges and fees relevant to the investment of the purchaser in the Corporation in respect of the Bonds for which the notice of rescission was given.

In the event that this Offering Memorandum or any amendment thereto contains a misrepresentation, an Investor resident in Ontario who purchases Bonds offered by this Offering Memorandum during the period of distribution has, without regard to whether the Investor relied upon the misrepresentation, a right of action for damages against the Corporation or, alternatively, while still the owner of the Bonds, for rescission against the Corporation provided that:

(a) if the Investor exercises its right of rescission, it shall cease to have a right of action for damages as against the Corporation;

(b) the Corporation will not be liable if it proves that the purchaser purchased the Bonds with knowledge of the misrepresentation;

(c) in the case of an action for damages, the Corporation will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the Bonds as a result of the misrepresentation relied upon; and

(d) in no case shall the amount recoverable exceed the price at which the Bonds were offered.

No action shall be commenced to enforce these rights more than: (a) in the case of an action for rescission, 180 days after the date the purchaser purchased the Bonds; or (b) in the case of an action for damages, the earlier of: (i)180 days after the date that the Investor first had knowledge of the facts giving rise to the cause of action; or (ii) three years after the date the Investor purchased the Bonds.

The rights of action for rescission or damages conferred by section 130.1 of the *Securities Act* (Ontario) is in addition to and without derogation from any other right the Investor may have at law.

Not all defences upon which the Corporation or others may rely are described herein. Please refer to the full text of the *Securities Act* (Ontario) for a complete listing.

The rights referred to above do not apply if this Offering Memorandum is delivered to a prospective Investor in Ontario in connection with a distribution made in Ontario in reliance on the exemption from the prospectus requirements contained under section 2.3 of NI 45-106 (the "**accredited investor exemption**") if the prospective Investor is: (a) a Canadian financial institution or a Schedule III bank (each as defined in OSC Rule 45-501 *Ontario Prospectus and Registration Exemptions*); (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or (c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

Rights of Action for Investors in the Province of New Brunswick

The *Securities Act* (New Brunswick) (the "**New Brunswick Act**") provides that, subject to certain limitations, where this Offering Memorandum or any amendment thereto, which is provided to an Investor contains an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made (a "**Misrepresentation**"), an Investor who purchases those Bonds shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and the purchaser has, subject to certain defenses, a right of action for damages against the Corporation, the selling security holder on whose behalf the distribution is made, every person who was a director of the issuer at the date of the offering memorandum and every person who signed the offering memorandum, or may elect to exercise a right of rescission against the seller, in which case he shall have no right of action for damages, provided that:

(a) in an action for rescission or damages, the defendant will not be liable if it proves that the Investor purchased the Bonds with knowledge of the misrepresentation;

(b) in an action for damages, the defendant is not liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Bonds as a result of the misrepresentation relied upon; and

(c) in no case shall the amount recoverable under the right of action described herein exceed the price at which the Bonds were offered.

In addition, a person, other than the Corporation, will not be liable in an action for rescission or damages:

(a) if the person proves that this Offering Memorandum was delivered to Investors without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the Corporation that it was delivered without the person's knowledge or consent;

(b) if the person proves that, on becoming aware of any misrepresentation in the Offering Memorandum, the person withdrew the person's consent to the Offering Memorandum and gave written notice to the Corporation of the withdrawal and the reason for the withdrawal;

(c) if the person proves that, with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person had no reasonable grounds to believe and did not believe that there had been a misrepresentation or that the part of the offering memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or extract from, the report, opinion or statement of the expert; or

(d) with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless the person: (i) failed to conduct such reasonable investigation as to provide reasonable grounds for a belief that there had been no misrepresentation or (i) believed that there had been a misrepresentation.

The right of action for rescission or damages described herein is conferred by section 150 of the New Brunswick Act and is in addition to and without derogation from any right the Investors may have at law.

Pursuant to section 161 of the New Brunswick Act, no action shall be commenced to enforce a right of rescission unless such action is commenced not later than 180 days after the date of the transaction that gave rise to the cause of action and in the case of any action, other than an action for rescission, such action shall be commenced before the earlier of: (i) one year after the Investor first had knowledge of the facts giving rise to the cause of action, and (ii) six years after the date of the transaction that gave rise to the cause of action.

Rights of Action for Investors in the Province of Nova Scotia

The *Securities Act* (Nova Scotia) (the "**Nova Scotia Act**") provides that, subject to certain limitations, where this Offering Memorandum, together with any amendment thereto, or any advertising or sales literature (as such terms are defined in the Nova Scotia Act) disseminated in connection with the Offering, contains a Misrepresentation, that was a Misrepresentation at the time of purchase, an Investor who purchases Bonds has a right of action for damages against the Corporation and, subject to certain additional defenses, every seller (other than the Corporation) of Bonds, directors of the seller and persons who have signed this Offering Memorandum.

Alternatively, the Investor may elect to exercise a right of rescission against the seller in which case the Investor shall have no right of action for damages against the seller, directors of the seller or persons who have signed the Offering Memorandum.

The foregoing rights are subject to, among other limitations, the following:

(a) no action shall be commenced to enforce any of the foregoing rights more than 120 days after the date on which the initial payment was made for the Bonds;

(b) no person will be liable if it proves that the Investor purchased the Bonds with knowledge of the Misrepresentation;

(c) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Bonds as a result of the Misrepresentation relied upon; and

(d) in no case will the amount recoverable in any action exceed the price at which the Bonds were offered under this Offering Memorandum or amendment thereto.

In addition, no person or company other than the Corporation is liable if the person or company proves that:

(a) this Offering Memorandum or any amendment thereto was sent or delivered to the Investor without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(b) after delivery of this Offering Memorandum or any amendment thereto and before the purchase of the Bonds by the purchaser, on becoming aware of any Misrepresentation in this Offering Memorandum, or amendment

thereto, the person or company withdrew the person's or company's consent to this Offering Memorandum, or amendment thereto, and gave reasonable general notice of the withdrawal and the reason for it; or

(c) with respect to any part this Offering Memorandum or any amendment thereto purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or that the part of this Offering Memorandum or amendment thereto (i) did not fairly represent the report, opinion or statement of the expert, or (ii) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Furthermore, no person or company other than the Corporation is liable with respect to any part of this Offering Memorandum or any amendment thereto not purporting to be made on the authority of an expert; and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation; or (ii) believed that there had been a Misrepresentation.

If a Misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into, this Offering Memorandum or amendment thereto, the Misrepresentation is deemed to be contained in this Offering Memorandum or in any amendment thereto.

The rights of action for rescission or damages are in addition to and without derogation from any other right the Investor may have at law.

Rights of Action for Investors in the Province of Prince Edward Island

The right of action for rescission or damages described under this heading is conferred by section 112 of the Securities Act (Prince Edward Island). Section 112 provides, that in the event that this Offering Memorandum contains a "misrepresentation", an Investor who purchased the Bonds during the period of distribution, without regard to whether the Investor relied upon such misrepresentation, has a statutory right of action for damages against the Corporation, the selling bondholder on whose behalf the distribution is made, every director of the Corporation at the date of the Offering Memorandum and every person who signed the Offering Memorandum. Alternatively, the Investor who purchases the Bonds during the period of distribution may elect to exercise a statutory right of action for rescission against the Corporation. For the purposes of section 112, "misrepresentation" means an untrue statement of material fact, or an omission to state a material fact that is required to be stated by the Securities Act (Prince Edward Island), or an omission to state a material fact that needs to be stated so that a statement is not false or misleading in light of the circumstances in which it is made.

Statutory rights of action for rescission or damages by an Investor are subject to the following limitations:

(a) no action may be commenced to enforce the rights of action described above more than:

(i) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(ii) in the case of any action other than an action for rescission:

(1) 180 days after the Investor first had knowledge of the facts giving rise to the cause of action; or

(2) three years after the date of the transaction that gave rise to the cause of action; whichever period first expires;

(b) no person will be liable if the person proves that the Investor purchased the Bonds with knowledge of the misrepresentation;

(c) no person, other than the Corporation, will be liable if the person proves that:

(i) the Offering Memorandum was sent to the Investor without the person's knowledge or consent and that, on becoming aware of it being sent, the person had promptly given reasonable notice to the Corporation that it had been sent without the knowledge and consent of the person;

(ii) the person, on becoming aware of the misrepresentation in the Offering Memorandum, had withdrawn the person's consent to the Offering Memorandum and had given reasonable notice to the Corporation of the withdrawal and the reason for it; or

(iii) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe, and did not believe that:

(1) there had been a misrepresentation; or

(2) the relevant part of the Offering Memorandum:

A) did not fairly represent the report, statement or opinion of the expert; or

B) was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

In addition, a person, other than the Corporation and selling bond holder, is not liable with respect to any part of an Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person:

(a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or

(b) believed that there had been a misrepresentation.

In addition, a person is not liable with respect to a misrepresentation in forward looking information if:

(a) the Offering Memorandum containing the forward looking information also contains, proximate to the forward looking information (i) reasonable cautionary language identifying the forward looking information as such and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward looking information; and (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward looking information; and

(b) the person had a reasonable basis for drawing the conclusions or making the forecast or projections set out in the forward-looking information.

The above paragraph does not relieve a person of liability respecting forward looking information in a financial statement required to be filed under Prince Edward Island securities laws.

If the Investor elects to exercise a right of action for rescission, the purchaser will have no right of action for damages.

In no case will the amount recoverable in any action exceed the price at which the Bonds were offered to and purchased by the Investor.

In an action for damages, the defendant will not be liable for any damages that the defendant proves do not represent the depreciation in value of the Bonds as a result of the misrepresentation.

The foregoing statutory rights of action for rescission or damages conferred by section 112 are in addition to and without derogation from any other right the Investor may have at law.

This summary is subject to the express conditions of the Securities Act (Prince Edward Island) and the regulations and rules made under it, and prospective Investors should refer to the complete text of those provisions.

Rights of Action for Investors in Newfoundland and Labrador

The right of action for rescission or damages described herein is conferred by section 130.1 of the Securities Act (Newfoundland and Labrador) (the "**NL Act**"). The NL Act provides, in the relevant part, that if the Offering Memorandum contains a misrepresentation when a person or company purchases a Bond, the Investor has, without regard to whether the Investor relied on the misrepresentation, a right of action for damages or rescission.

Such Investor has a statutory right of action for damages against the Corporation, every director of the Corporation at the date of the Offering Memorandum and every person who signed the Offering Memorandum. Alternatively, the Investor has a right of action for rescission against the Corporation, in which case the Investor shall have no right of action for damages against the persons described above. No such action may be commenced to enforce the right of action for rescission or damages more than (a) 180 days after the day of the transaction that gave rise to the cause of action, in the case of an action for rescission; or (b) the earlier of (i) 180 days after the Investor first had knowledge of the facts giving rise to the cause of action; or (ii) three years after the day of the transaction giving rise to the cause of action, in any other case.

The NL Act provides a number of limitations and defences, including the following:

(a) no person or company is liable if the person or company proves that the Investor had knowledge of the misrepresentation;

(b) in the case of an action for damages, the defendant is not liable for any damages that the defendant proves do not represent the depreciation in value of the Bonds resulting from the misrepresentation; and

(c) the amount recoverable in respect of such action shall not exceed the price at which the Bonds were offered under the Offering Memorandum.

In addition, a person or company, other than the Corporation, will not be liable in an action for rescission or damages: :

(a) if the person or company proves that the Offering Memorandum was sent to the Investor without the person's or company's knowledge or consent, and that, upon becoming aware of its being sent, the person or company had promptly given reasonable notice to the issuer that it had been sent without the knowledge and consent of the person or company;

(b) if the person or company proves that the person or company, upon becoming aware of the misrepresentation in the Offering Memorandum, withdrew the person's or company's consent to the Offering Memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;

(c) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person or company proves that the person or company had no reasonable grounds to believe and did not believe that: (i) there had been a misrepresentation; or (ii) the relevant part of the Offering Memorandum: (A) did not fairly represent the report, statement or opinion of the expert; or (B) was not a fair copy of, or an extract from, the report, statement or opinion of the expert; or

(d) with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, an extract from, a report, opinion or statement of an expert, unless the person or company: (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or (ii) believed there had been a misrepresentation.

Rights of Action for Investors in the Northwest Territories

If an Offering Memorandum contains a misrepresentation, an Investor who purchases a security offered by the Offering Memorandum during the period of distribution has, without regard to whether the Investor relied on the misrepresentation, a right of action for damages against the Corporation, the selling holder of a Bond on whose behalf the distribution is made, every director of the Corporation at the date of the Offering Memorandum, and every person who signed the Offering Memorandum. If an Offering Memorandum contains a misrepresentation, an Investor who purchases a security offered by the Offering Memorandum during the period of distribution has a right of action for rescission against the Corporation or the selling security holder on whose behalf the distribution is made. If the Investor elects to exercise a right of action for rescission, the Investor shall have no right of action for damages.

A defendant is not liable if he or she proves that the Investor purchased the securities with knowledge of the misrepresentation. A person, other than the Corporation and selling security holder, is not liable if he or she proves that:

(a) the Offering Memorandum was sent to the Investor without the person's knowledge or consent and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the issuer that it had been sent without the knowledge and consent of the person;

(b) the person, on becoming aware of the misrepresentation in the Offering Memorandum, had withdrawn their consent to the Offering Memorandum and given reasonable notice to the Corporation of the withdrawal and the reason for it;

(c) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that:

    (i) there had been a misrepresentation, or

    (ii) the relevant part of the Offering Memorandum:

        (1) there had been a misrepresentation, or

(2) the relevant part of the offering memorandum did not fairly represent the report, statement or opinion of the expert, or was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

A defendant, other than the Corporation and selling holder of a Bond, is not liable with respect to any part of an Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person:

(a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or

(b) believed that there had been a misrepresentation.

A defendant is not liable with respect to a misrepresentation in forward-looking information if the offering memorandum containing the forward-looking information also contains, proximate to the forward-looking information,

(a) reasonable cautionary language identifying the forward-looking information as such forecast or projection in the forward-looking information; and

(b) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(c) reasonable cautionary language identifying the forward-looking information as such forecast or projection in the forward-looking information; and

(d) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(e) the person had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

In an action for damages, the defendant is not liable for any damages that the defendant proves do not represent the depreciation in value of the Bonds resulting from the misrepresentation. The amount recoverable by a plaintiff must not exceed the price at which the Bonds purchased by the plaintiff were offered. The right of action for rescission or damages is in addition to and without derogation from any other right the Investor may have at law. If a misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, an Offering Memorandum, the misrepresentation is deemed to be contained in the Offering Memorandum.

Rights of Action for Investors in the Yukon Territory

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, then you have a statutory right to sue in Yukon:

(a) for the Corporation to cancel your agreement to buy these securities; or

(b) for damages against the Corporation, every person who was a director of the Corporation at the date of this Offering Memorandum and any other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your securities as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the securities were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if you knew of the misrepresentation when you purchased the securities.

The defendant will not be liable for a misrepresentation in forward-looking information if the Corporation proves that:

(a) this Offering Memorandum contains reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(b) the Corporation has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

However, in Yukon, the above defence does not relieve a person of liability respecting forward-looking information in a financial statement required to be filed under Yukon securities laws.

If you intend to rely on the statutory right to sue described above, you must do so within strict time limitations.

In Yukon, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of:

(a) 180 days after learning of the misrepresentation, or

(b) three years after the transaction.

Rights for Failure to Deliver the Offering Memorandum in Yukon

If you reside in Yukon and you did not receive a copy of this Offering Memorandum before you signed your Subscription Agreement, you have a right to sue for damages, or if you still own your securities, you can choose to cancel your agreement instead of suing for damages.

Rights of Action for Investors in the Nunavut Territory

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue in Nunavut:

(a) the Corporation to cancel your agreement to buy the Bonds; or

(b) for damages against the Corporation, any selling security holder on whose behalf the distribution is made, any director of the Corporation (who was a director at the date of this Offering Memorandum), and any person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your securities as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the securities were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if they prove that you knew of the misrepresentation when you purchased the securities.

The defendant will not be liable for a misrepresentation in forward-looking information if the Corporation proves that:

(a) this Offering Memorandum contained, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(b) the Corporation has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

If you intend to rely on the statutory rights to sue described above, you must do so within strict time limitations.

In Nunavut, you must commence your action to cancel the agreement to purchase securities within 180 days after the transaction or commence your action for damages within the earlier of:

(i) 180 days after learning of the misrepresentation, or

(ii) three years after the transaction.

Rights of Action for Investors in the Province of Québec

In addition to any other right or remedy available to the Investors who purchased Bonds residing in Québec under ordinary civil liability rules, Investors are granted the same rights of action for damages or rescission as Investors in Ontario.

INVESTORS SHOULD CONSULT THEIR OWN LEGAL ADVISERS WITH RESPECT TO THE RIGHTS AND REMEDIES AVAILABLE TO THEM. THE FOREGOING IS A SUMMARY ONLY AND IS SUBJECT TO INTERPRETATION AND THE EXPRESS PROVISIONS OF APPLICABLE SECURITIES LEGISLATION.

REFERENCE SHOULD BE MADE TO THE APPLICABLE SECURITIES LEGISLATION, THE REGULATIONS AND THE RULES THEREUNDER FOR THE COMPLETE TEXT OF THE PROVISIONS UNDER WHICH THE FOREGOING RIGHTS ARE CONFERRED.

ITEM 12 – FINANCIAL STATEMENTS

CoPower Finance Inc.

Financial Statements

December 31, 2018

CoPower Finance Inc.
Contents
For the year ended December 31, 2018

Page

Independent Auditor's Report

To the Shareholders of CoPower Finance Inc.:

Opinion

We have audited the financial statements of CoPower Finance Inc. (the "Company"), which comprise the statement of financial position as at December 31, 2018, and the statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Montréal, Québec

April 10, 2019

MNP SENCRL, srl[1]

[1] CPA auditor, CA, public accountancy permit no. A122514

CoPower Finance Inc.
Statement of Financial Position
As at December 31, 2018

	2018	*2017*
Assets		
Current		
Cash	**3,892,651**	2,162,213
Interest receivable	**29,539**	18,335
Current portion of loans receivable *(Note 5)*	**727,556**	2,244,811
	4,649,746	4,425,359
Non-current		
Loans receivable *(Note 5)*	**13,692,982**	2,978,291
Total assets	**18,342,728**	7,403,650
Liabilities		
Current		
Trade payables	**164,463**	43,558
Non-current		
Loans payable, net of deferred financing fees *(Note 6)*	**18,147,612**	7,325,928
Total liabilities	**18,312,075**	7,369,486
Equity		
Share capital *(Note 7)*	**40,100**	40,100
Deficit	**(9,447)**	(5,936)
Total equity	**30,653**	34,164
Total liabilities and equity	**18,342,728**	7,403,650

Approved on behalf of the Board

Director **Director**

The accompanying notes are an integral part of these financial statements

CoPower Finance Inc.
Statement of Loss and Comprehensive Loss
For the year ended December 31, 2018

	2018	*2017*
Interest Income	**726,045**	252,022
Expenses		
Interest on loans payable	**558,094**	142,870
Management fees	**145,789**	90,226
Amortization of deferred financing fees	**13,499**	11,469
Professional fees	**10,935**	11,722
Interest and bank charges	**1,239**	921
Commissions	**-**	750
	729,556	257,958
Total loss and comprehensive loss for the year	**(3,511)**	(5,936)

The accompanying notes are an integral part of these financial statements

CoPower Finance Inc.
Statement of Changes in Equity
For the year ended December 31, 2018

	Share capital	*Deficit*	*Total equity*
Balance December 31, 2016	**40,100**	**-**	**40,100**
Total comprehensive loss for the year	**-**	**(5,936)**	**(5,936)**
Balance December 31, 2017	**40,100**	**(5,936)**	**34,164**
Total comprehensive loss for the year	**-**	**(3,511)**	**(3,511)**
Balance December 31, 2018	**40,100**	**(9,447)**	**30,653**

The accompanying notes are an integral part of these financial statements

CoPower Finance Inc.
Statement of Cash Flows
For the year ended December 31, 2018

	2018	*2017*
Cash provided by (used for) the following activities		
Operating activities		
Total comprehensive loss for the year	**(3,511)**	(5,936)
Amortization of deferred financing fees	**13,499**	11,469
	9,988	5,533
Changes in working capital accounts		
Interest receivable	**(11,204)**	(16,210)
Trade payables	**120,905**	38,933
	119,689	28,256
Financing activity		
Increase in loans payable	**10,814,160**	7,366,214
Deferred financing fees	**(5,975)**	(9,255)
	10,808,185	7,356,959
Investing activity		
Loans receivable	**(9,197,436)**	(5,223,102)
Increase in cash resources	**1,730,438**	2,162,113
Cash resources, beginning of year	**2,162,213**	100
Cash resources, end of year	**3,892,651**	2,162,213

The accompanying notes are an integral part of these financial statements

1. Reporting entity

CoPower Finance Inc. (the "Company") was incorporated under the Quebec Business Corporation Act on November 21, 2016. The Company's primary objective is to achieve superior returns for its shareholders by investing in projects via loans that it determines are financially lucrative.

The address of the Company's registered office and principal place of business is 4444 St-Catherine St. West, Suite 201, Westmount, QC H3Z 1R2.

The financial statements were approved by the board of directors and authorized for issue on April 10, 2019.

2. Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB").

3. Basis of preparation

Basis of measurement

The financial statements have been prepared on a going concern basis and have been initially measured using the historical cost basis, except where otherwise indicated.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency. This is the currency of primary economic environment in which the Company operates.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainties about these assumptions and estimates could result in outcomes that would require a material adjustment to the carrying amount of the asset or liability affected in the future.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of financial assets – applicable to 2018

At each reporting period, financial assets are assessed to determine whether their credit risk has increased significantly since initial recognition. In determining whether credit risk has significantly increased, management considers regular indicators which include significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganization, and default or delinquency in payments.

Significant judgments, estimates and assumptions are required when calculating the expected credit losses of financial assets, including loans receivable and interest recievable, and determining whether there has been a significant increase in credit risk since initial recognition in accordance with IFRS 9 *Financial instruments*. For more information, refer to Note 9.

4. Summary of significant accounting policies

The following principle accounting policies have been adopted in the preparation of these financial statements.

Financial instruments – Policy applicable from January 1, 2018

Financial assets

Recognition and initial measurement

The Company recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

Classification and subsequent measurement

Subsequent to initial recognition, all financial assets are classified and subsequently measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss. Financial assets measured at amortized cost are comprised of cash, interest receivable and loans receivable.

Reclassifications

The Company reclassifies financial assets only when its business model for managing those financial assets has changed. Reclassifications are applied prospectively from the reclassification date and any previously recognized gains, losses or interest are not restated.

Impairment

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss and equity investments. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The date the Company commits to purchasing a financial asset is considered the date of initial recognition for the purpose of applying the Company's accounting policies for impairment of financial assets.

For loans receivable and interest receivable, the Company records a loss allowance equal to the expected credit losses resulting from default events that are possible within the next 12-month period, unless there has been a significant increase in credit risk since initial recognition. For those financial assets for which the Company assessed that a significant increase in credit risk has occurred, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts, breaches of borrowing contracts such as default events or breaches of borrowing covenants, requests to restructure loan payment schedules, etc. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the statement of financial position as a deduction from the gross carrying amount of the financial asset.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

Derecognition of financial assets

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

4. Summary of significant accounting policies *(continued from previous page)*

Financial liabilities

Recognition and initial measurement

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Classification and subsequent measurement

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in profit or loss.

Derecognition of financial liabilities

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

Fair value measurements

The Company classifies fair value measurements recognized in the statement of financial position using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Quoted prices (unadjusted) are available in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the Company to develop its own assumptions.

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors specific to an asset or a liability and may affect placement within the fair value hierarchy.

Finance Income

Interest income is recognized on an accrual basis by the effective interest method, using an effective interest rate which exactly discounts estimated future cash receipts to the net carrying amount of the financial asset over the asset's expected life.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments with original maturities of three months or less that are readily convertible into to known amounts of cash and which are subject to an insignificant risk of changes in value. As of December 31, 2018, there were no cash equivalents outstanding.

Loans

As noted in the financial instruments accounting policy above, loans are recognized at their amortized cost. Amortized cost is calculated as the loans' principal amount less any allowance for anticipated losses, plus accrued interest. Interest revenue is recorded on the accrual basis using the effective interest method. Loan administration fees are amortized over the term of the loan using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the carrying amount of the financial asset.

Income taxes

Taxation on the income or loss for the year comprises of current and deferred tax.

Taxation is recognized in income or loss except to the extent that the tax arises from a transaction or event which is recognized either in other comprehensive income or directly in equity, or a business combination.

4. Summary of significant accounting policies (continued from previous page)

Current tax is the expected tax payable on the taxable income for the year using rates enacted or substantially enacted at the year end, and includes any adjustments to tax payable in respect of previous years.

Deferred Taxes

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Where an asset has no deductible or depreciable amount for income tax purposes, but has a deductible amount on sale or abandonment for capital gains purposes, the amount is included in the determination of temporary differences.

Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets are reviewed at each statement of financial position and adjusted to the extent that it is no longer probable that the related tax benefit will be realized.

Any changes in deferred tax assets or liabilities are recognized as part of tax expense or income in income or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income (loss) or equity, respectively.

Operating segments

During the year, the Company had one reportable segment which involves lending of capital to third parties.

Comprehensive income (loss)

Comprehensive income (loss) includes all changes in equity of the Company, except those resulting from investments by owners and distributions to owners. Comprehensive income (loss) is the total of income (loss) and other comprehensive income (loss). Other comprehensive income (loss) comprises revenues, expenses, gains and losses that, in accordance with International Financial Reporting Standards, require recognition, but are excluded from income (loss). The Company does not have any items giving rise to other comprehensive income (loss).

Standards issued but not yet effective

The Company has not yet applied the following new standards, interpretations and amendments to standards that have been issued as at December 31, 2018 but are not yet effective. Unless otherwise stated, the Company does not plan to early adopt any of these new or amended standards and interpretations.

IFRS 16 Leases

IFRS 16, issued in January 2016, introduces a single lessee accounting model that requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The standard will supersede IAS 17 *Leases*, IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, SIC-15 *Operating Leases - Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company has assessed the impact of this standard and there are no significant changes expected to the financial statements.

IFRIC 23 Uncertainty over income tax treatments

IFRIC 23 was issued in June 2017 to specify how to reflect the effects of uncertainty in accounting for income taxes. The interpretation aims to reduce the diversity in how entities recognise and measure a tax liability or tax asset when there is uncertainty over income tax treatments. The new interpretation is effective for annual periods beginning on or after January 1, 2019. Management does not anticipate a significant impact on adoption of this interpretation as there are no outstanding disputes with taxation authorities.

5. Loans Receivable

	2018	*2017*
Loan receivable secured by the borrower's accounts receivable, inventory, equipment, investment property and intangibles and a guarantee by the borrower's corporate shareholder for principal and interest, maturing March 2019, bearing interest at 9.25% per annum and repayable in monthly blended installments of principal and interest that varies from month to month based on a repayment schedule agreed on with the borrower.	**42,697**	859,606
Loan receivable secured by the borrower's accounts receivable, inventory, equipment, investment property and intangibles and a guarantee by the borrower's corporate shareholder for principal and interest, maturing September 2019, bearing interest at 9.15% per annum and repayable in monthly blended installments of principal and interest that varies from month to month based on a repayment schedule agreed on with the borrower.	**206,012**	960,389
Loan receivable secured by the borrower's accounts receivable, inventory, equipment, investment property and intangibles and a guarantee by the borrower's corporate shareholder for principal and interest, maturing September 2019, bearing interest at 9.05% per annum and repayable in monthly blended installments of principal and interest that varies from month to month based on a repayment schedule agreed on with the borrower.	**263,030**	903,911
Loan receivable secured by the borrower's accounts receivable, inventory, equipment, investment property and intangibles and a guarantee by the borrower's general partner for principal and interest, maturing May 2022, bearing interest at 8.50% per annum and repayable in monthly blended installments of principal and interest of $7,486 and a final payment in May 2022 of $371,696.	**544,518**	442,220
Loan receivable secured by the borrower's accounts receivable, inventory, equipment, investment property and intangibles and a guarantee by the borrower's corporate shareholder for principal and interest, amortizing starting December 2019, bearing interest at 6.85% per annum that is paid monthly on the principal value of the loan with the loan balance being repaid on maturity.	**2,739,343**	2,056,976
Loan receivable secured by the borrower's accounts receivable, inventory, equipment, investment property and intangibles and a guarantee by the borrower's general partner for principal and interest, maturing January 2023, bearing interest at 6% per annum and repayable in monthly blended installments of principle and interest that varies from month to month based on a repayment schedule agreed on with the borrower.	**846,747**	-
Loan receivable secured by the borrower's accounts receivable, inventory, equipment, investment property and intangibles and a guarantee by the borrower's corporate shareholder for principal and interest, maturing June 2021, bearing interest at 5.75% per annum that is paid monthly on the principal value of the loan with the loan balance being repaid on maturity.	**2,586,358**	-
Loan receivable secured by the borrower's accounts receivable, inventory, equipment, investment property and intangibles and a guarantee by the borrower's general partner for principal and interest, maturing June 2028, bearing interest at 6.8% per annum and repayable in monthly blended installments of principal and interest that varies from month to month based on a repayment schedule agreed on with the borrower.	**6,347,136**	-
Loan receivable secured by the borrower's accounts receivable, inventory, equipment, investment property and intangibles, maturing September 2025, bearing interest at 6.95% per annum and repayable in monthly blended installments of principal and interest of $17,936 and a final payment in September 2025 of $751,558.	**844,697**	-
Less: Current portion	**(727,556)**	(2,244,811)
	13,692,982	2,978,291

6. Loans Payable

	2018	*2017*
Bonds bearing interest at 5% per annum, unsecured and maturing in 2022, 2023 and 2024	**13,124,562**	4,862,008
Bonds bearing interest at 4.5% per annum, unsecured and maturing in 2022 and 2023	**1,175,139**	964,412
Bonds bearing interest at 4% per annum, unsecured and maturing 2022	**2,331,393**	-
Bonds bearing interest at 3.5% per annum, unsecured and maturing 2020 and 2021	**581,280**	367,794
Bonds bearing interest at 3% per annum, unsecured and maturing 2021	**30,000**	-
Advances received for bonds issued subsequent to year end (Note 11)	**938,000**	1,172,000
Deferred financing fees	**(32,762)**	(40,286)
	18,147,612	7,325,928

7. Share capital

As at December 31, 2018, the Corporation was authorized to issue the following:

Unlimited number of Class "A" voting preferred shares

Unlimited number of Class 'B' non-voting common shares

Issued and outstanding:

	2018	*2017*
40,000 Class 'B' Common shares	**40,000**	40,000
10,000 Class 'A' Preferred shares	**100**	100
	40,100	40,100

8. Related party transactions

Transactions with corporate shareholders and related parties

	2018	*2017*
Management fees	**145,789**	90,226
Deferred financing fees	**5,975**	4,799
Trade payables	**90,444**	33,109

9. Financial instruments

The Company as part of its operations carries a number of financial instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

The carrying amount of the Company's financial instruments best represents the maximum exposure to credit risk.

The Company manages its credit risk by performing regular credit assessments of its debtors and provides allowances for potentially uncollectible loans receivable. Cash is in place with a major Canadian financial institution.

A credit concentration exists relating to interest receivable and loans receivable as three debtors hold approximately 85% of the total interest receivable and loans receivable as at December 31, 2018.

The loans receivable and interest receivable are neither past due nor impaired, and the Company expects to receive full payment by the due date.

Given the limited exposure of the Company to credit risk, no loss allowance has been recognized as the Company believes any such impairment will not have a significant impact on the financial statements.

Fair value of all financial assets and liabilities approximate carrying amounts

The carrying amount of cash, interest receivable and trade payables approximates their fair value due to their short term nature.

The carrying amount of loans receivable and loans payable approximate their fair values as they carry interest rates that reflect market terms for similar loans.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through entering into contracts with fixed rates. As a result, the Company is not exposed to significant interest rate risk as at December 31, 2018.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The Company enters into transactions to purchase goods and services on credit and borrow funds, for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the Company's future net cash flows for the possibility of negative net cash flow.

	< 1 year	***1-2 years***	***> 3 years***	***Total***
Trade payables	164,463	-	-	**164,463**
Loans payable	-	367,794	17,812,580	**18,180,374**
Total	164,463	367,794	17,812,580	**18,344,837**

10. Capital management

The Company considers equity as the component of capital to be managed. The Company's main objective when managing capital is to execute on its investment program to provide a reasonable return to the shareholders while ensuring capital protection. The Company monitors expenditures as required to ensure capital is successfully deployed.

11. Events after the reporting period

Subsequent to the reporting date, the Company issued additional loans payable as follows:

$110,000 in bonds bearing interest at 4% per annum, unsecured and maturing on December 31, 2022.
$837,000 in bonds bearing interest at 5% per annum, unsecured and maturing on December 31, 2024.
$86,000 in bonds bearing interest at 4% per annum, unsecured and maturing on January 31, 2023.
$774,000 in bonds bearing interest at 5% per annum, unsecured and maturing on January 31, 2025.
$80,000 in bonds bearing interest at 4% per annum, unsecured and maturing on February 28, 2023.
$796,000 in bonds bearing interest at 5% per annum, unsecured and maturing on February 28, 2025.

Unaudited Internal Interim Financial Statements of

COPOWER FINANCE INC.

For the period ended September 30, 2019

COPOWER FINANCE INC.

Interim Statement of Financial Position (Unaudited)
(Expressed in thousands of dollars)

	Note	Sep 30 2019	Dec 31 2018
Assets			
Cash and cash equivalents		$ 7,760	$ 3,893
Accounts receivable		86	-
Interest receivable		31	29
Loans and advances to customers	4	12,668	14,421
		$ 20,545	$ 18,343
Liabilities and Shareholder's Equity			
Liabilities:			
Accounts payable and accrued liabilities		$ 97	$ 164
Debt securities issued	5	20,353	18,148
		20,450	18,312
Shareholder's equity:			
Share capital		40	40
Retained earnings (deficit)		55	(9)
		95	31
		$ 20,545	$ 18,343

The accompanying notes form an integral part of these financial statements.

COPOWER FINANCE INC.

Interim Statement of Income and Comprehensive Income (Unaudited)
(Expressed in thousands of dollars)

	For the three months ended		For the nine months ended	
	Sep 30 2019	Sep 30 2018	Sep 30 2019	Sep 30 2018
Revenue				
Interest income	280	212	822	464
Expenses				
Interest expense	242	150	711	370
Management fees	-	56	42	77
General and administrative	5	4	5	12
	247	210	758	459
Net comprehensive income	33	2	64	5

The accompanying notes form an integral part of these financial statements.

COPOWER FINANCE INC.

Interim Statement of Changes in Shareholder's Equity (Unaudited)
(Expressed in thousands of dollars)

	Share capital	Deficit	Total shareholder's equity
Balance at January 1, 2019	$ 40	$ (9)	$ 31
Net income	-	64	64
Balance at September 30, 2019	$ 40	$ 55	$ 95

	Share capital	Deficit	Total shareholder's equity
Balance at January 1, 2018	$ 40	$ (6)	$ 34
Net income	-	5	5
Balance at September 30, 2018	$ 40	$ (1)	$ 39

The accompanying notes form an integral part of these financial statements.

COPOWER FINANCE INC.

Interim Statement of Cash Flows (Unaudited)
(Expressed in thousands of dollars)

	For the three months ended		For the nine months ended	
	Sep 30 2019	Sep 30 2018	Sep 30 2019	Sep 30 2018
Cash flows from (used in) operating activities:				
Net comprehensive income	$ 33	$ 2	$ 64	$ 5
Adjustments for:				
Net interest income	(37)	(62)	(111)	(94)
Amortization of deferred financing fees	4	3	14	10
	-	(57)	(33)	(79)
Change in accounts receivable	(46)	(256)	(86)	1,136
Change in loans and advances to customers	439	(1,063)	1,753	(7,762)
Change in accounts payable and accrued liabilities	(37)	(3,332)	(67)	149
Interest received	262	214	820	468
Interest paid	(242)	(150)	(711)	(370)
Net cash generated from (used in) operating activities	376	(4,644)	1,676	(6,458)
Cash flows from (used in) financing activities:				
Amounts advanced on debt securities issued	158	2,587	2,191	5,735
Net cash generated from (used in) financing activities	158	2,587	2,191	5,735
Increase (decrease) in cash and cash equivalents	534	(2,057)	3,867	(723)
Cash and cash equivalents, beginning of period	7,226	3,496	3,893	2,162
Cash and cash equivalents, end of period	$ 7,760	$ 1,439	$ 7,760	$ 1,439

The accompanying notes form an integral part of these financial statements.

1. Governing legislation and operations

CoPower Finance Inc. (the "Company") was incorporated under the Quebec Business Corporation Act on November 21, 2016. The Company is a non-bank financial intermediation that provides an alternative to traditional banking. Its primary objective is to provide loan financing to clean energy projects in the solar, geothermal and other alternative energy sectors.

The address of the Company's registered office and principal place of business is 642 rue de Courcelle, #PH5, Montreal, QC, H4C 3C5.

2. Basis of presentation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The significant accounting policies as set out in note 3 below, comply with the requirements of IFRS and have been applied consistently to all periods presented in the financial statements, except as otherwise noted.

(b) Basis of measurement

The financial statements have been prepared on a going concern basis and have been initially measured using the historical cost basis, except where otherwise indicated.

(c) Functional and presentational currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The following discussion sets forth management's most critical estimates and assumptions in determining the value of assets and liabilities, and most critical judgments in applying accounting policies.

The principal area where critical estimates and assumptions have been applied is described below:

Impairment of financial assets

At each reporting period, financial assets are assessed to determine whether their credit risk has increased significantly since initial recognition. In determining whether credit risk has significantly increased, management considers regular indicators which include significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganization, and default or delinquency in payments.

2. Basis of presentation (continued)

(d) Use of estimates and judgments (continued)

Impairment of financial assets (continued)

Significant judgments, estimates and assumptions are required when calculating the expected credit losses of financial assets, including loans receivable and interest receivable, and determining whether there has been a significant increase in credit risk since initial recognition with IFRS 9 *Financial Instruments*. For more information, refer to note 3(b).

The principal area which require critical judgments in applying accounting policies is described below:

Deferred taxes

The calculation of deferred tax is based on assumptions, which are subject to uncertainty as to timing and which tax rates are expected to apply when temporary differences reverse. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements from changes in such estimates in future years could be material.

3. Summary of significant accounting policies

(a) Cash and cash equivalents

Cash and cash equivalents include demand deposits at other financial institutions with an original maturity of less than three months. Cash is carried at amortized cost in the statement of financial position.

(b) Financial instruments

(*i*) Recognition, classification and measurement

All financial assets are initially recorded at fair value and subsequently classified as measured at amortized cost, FVOCI, or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

A debt security investment is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(*i*) Recognition, classification and measurement (continued)

On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in FVOCI. This election is made on an investment-by-investment basis. All other financial assets are classified as measured at FVTPL.

All financial liabilities are initially recorded at fair value and subsequently classified as measured at amortized cost or FVTPL. On initial recognition, the Company may irrevocably designate a financial liability at FVTPL when doing so results in more relevant information, because either:

- the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases; or
- a group of financial liabilities or financial assets and financial liabilities is managed with its performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to key management personnel.

For financial assets classified as measured at FVTPL or designated at FVTPL, changes in fair value are recognized in the statement of income. For financial assets classified as measured at FVOCI or an irrevocable election has been made, changes in fair value are recognized in the statement of comprehensive income. For financial assets and other financial liabilities measured at amortized cost, interest income and interest expense are calculated using the effective interest method and is recognized in the statement of income.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the asset is managed and information is provided to management. The information considered includes:

- how the performance of the portfolio is evaluated and reported to management;
- how managers of the business are compensated;
- whether the assets are held for trading purposes;
- the risks that affect the performance of the financial assets held within the business model and how those risks are managed; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sale activity.

3. Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(*i*) Recognition, classification and measurement (continued)

Contractual cash flow characteristics assessment

In assessing whether the contractual cash flows are solely payments of principal and interest, 'principal' is defined as the fair value of the financial asset on initial recognition and 'interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

The Company considers the contractual terms of the financial asset and whether the asset contains contractual terms that could change the timing or amount of cash flows such that it would not meet the condition of principal and interest. Contractual terms considered in this assessment include contingent events that would change the amount and timing of cash flows, leverage features, prepayment and extension terms, terms that limit the claim to cash flows from specified assets, and features that modify the consideration from time value of money.

(*ii*) Reclassification of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing those assets. There were no changes to any of the Company's business models for the years ended September 30, 2019 and December 31, 2018.

(*iii*) Impairment

The expected credit loss ("ECL") model applies to amortized cost financial assets, debt security investments at FVOCI, off-balance sheet loan commitments, and financial guarantee contracts.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECL: these are losses that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECL: these are losses that result from all possible default events over the expected life of a financial instrument.

ECL is measured as 12-month ECL unless the credit risk on a financial instrument has increased significantly since initial recognition, the financial instrument is credit-impaired at initial recognition, or trade and lease receivables, for which the Company has elected to take the simplified approach by using lifetime ECL to measure the loss allowance.

3. Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(*iii*) Impairment (continued)

Assessment of significant increase in credit risk

The assessment of significant increase in credit risk considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. Factors considered in the assessment include macroeconomic outlook, management judgment, and delinquency and monitoring. The importance and relevance of each specific macroeconomic factor depends on the portfolio, characteristics of the financial instruments, and the borrower. Quantitative models may not always be able to capture all reasonable and supportable information that may indicate a significant increase in credit risk. Qualitative factors may be assessed to supplement the gap.

For certain instruments with low credit risk as at the reporting date, it is presumed that credit risk has not increased significantly relative to initial recognition. Credit risk is considered to be low if the instrument has a low risk of default and the borrower has the ability to fulfill their contractual obligations both in the short and long term, including periods of adverse changes in the economic or business environment.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls, which is the difference between the cash flows due in accordance with the contract and the cash flows expected to be received. The measurement of ECL is based primarily on the product of the following variables: probability of default ("PD"), loss given default ("LGD"), and exposure at default ("EAD").

The PD is an estimate of the likelihood that a loan will not be repaid and will go into default in either a 12-month or lifetime horizon. The LGD is an estimate of the amount that may not be recovered in the event of default. The EAD is an estimate of the outstanding amount of credit exposure at the time a default may occur. These estimates are modelled based on historic data, current market conditions, and reasonable and supportable information about future economic conditions, where appropriate.

Credit-impaired and restructured financial assets

At each reporting date, the Company assesses whether financial assets measured at amortized cost or FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

If the terms of a financial asset are renegotiated or modified, or a financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized and how ECL is measured. If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset. If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow of the existing asset at the time of its derecognition.

3. Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(*iii*) Impairment (continued)

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt security investments measured at FVOCI, the loss allowance is recognized in OCI instead of reducing the carrying amount of the asset.

Write-off

Loans and debt security investments are written off (either partially or in full) when there is no realistic prospect of recovery.

(*iv*) Derecognition of financial instruments

The Company derecognizes a financial instrument when its contractual rights to the cash flows from a financial asset expire or when its contractual obligations from a financial liability is discharged, cancelled or expire.

(*v*) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts with the same counterparty and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

(c) Interest income and expense

Interest income and expense for all interest-bearing financial instruments is recognized within interest income and interest expense in the statement of income using the effective interest method. The effective interest method is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument but does not consider future credit losses.

(d) Income taxes

Income tax expense comprises current and deferred tax. Current and deferred taxes are recognized in the statement of income except to the extent that it relates to items recognized directly in shareholder's equity or in other comprehensive income.

(*i*) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

3. Summary of significant accounting policies (continued)

(d) Income taxes (continued)

(*ii*) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(e) Standards issued but not yet effective

At September 30, 2019, a number of standards and amendments to standards had been issued by the IASB but are not yet effective for these financial statements. Those which are relevant to the Company's financial statements are set out below:

(*i*) Conceptual Framework for Financial Reporting

On March 29, 2018, the IASB issued the revised *Conceptual Framework for Financial Reporting* ("Conceptual Framework") which describes the objective of, and the concepts for, general purpose financial reporting. The purpose of the Conceptual Framework is to assist preparers of financial statements to develop consistent accounting policies when no Standard applies to a particular transaction or other event, or when a Standard allows a choice of accounting policy. The Conceptual Framework is not a Standard and does not override any Standard or any requirement in a Standard.

As the revised Conceptual Framework is effective for the Company on January 1, 2020, the Company is currently assessing the impact of adoption.

(Amounts expressed in thousands of dollars unless otherwise stated)

4. Loans and advances to customers

	Sep 30 2019	Dec 31 2018
Maturing March 2019, bearing interest at 9.25% p.a.	$ -	$ 43
Maturing September 2019, bearing interest at 9.15% p.a.	-	206
Maturing September 2019, bearing interest at 9.05% p.a.	-	263
Maturing May 2022, bearing interest at 8.50% p.a.	509	545
Maturing January 2023, bearing interest at 6.00% p.a.	806	847
Maturing September 2025, bearing interest at 6.95% p.a.	835	845
Maturing June 2028, bearing interest at 6.80% p.a.	6,265	6,347
Maturing November 2021, bearing interest at 6.85% p.a.	1,666	2,739
Maturing June 2021, bearing interest at 5.75% p.a.	2,587	2,586
	$ 12,668	$ 14,421

5. Debt securities issued

	Sep 30 2019	Dec 31 2018
Bonds bearing interest at:		
5% p.a., unsecured and maturing in 2022, 2023, 2024 and 2025	$ 15,922	$ 13,125
4.5% p.a., unsecured and maturing in 2022 and 2023	1,210	1,175
4% p.a., unsecured and maturing 2022 and 2023	2,638	2,331
3.5% p.a., unsecured and maturing 2020 and 2021	588	581
3% p.a., unsecured and maturing 2021	30	30
Advances received for bonds issued subsequent to year-end	-	938
Deferred financing fees	(35)	(32)
	$ 20,353	$ 18,148

6. Share capital

(a) Authorized

The Company is authorized to issue an unlimited number of Class 'A' voting preferred shares and an unlimited number of Class 'B' non-voting common shares.

(b) Outstanding

As at September 30, 2019, there were:

- 10,000 (Dec 31 2018 – 10,000) Class 'A' preferred shares outstanding for $100 (Dec 31 2018 - $100).
- 40,000 (Dec 31 2018 – 40,000) Class 'B' common shares outstanding for $40,000 (Dec 31 2018 - $40,000).

7. Related party transactions

In the normal course of business, the Company enters into transactions with corporate shareholders and related parties, as detailed below.

(a) The Company recognized for the nine months ended Sep 30 2019 management fees expense of $42 thousand (Sep 30 2018 - $77 thousand) and deferred financing fees of $13 thousand (Sep 30 2018 - $10 thousand).

(b) The Company as at Sep 30 2019 has outstanding payables of $26 thousand (Dec 31 2018 - $90 thousand) owed to corporate shareholders of the Company and related parties.

8. Financial risk management framework

The Company's principal business activities result in a statement of financial position that consists primarily of financial instruments. The primary types of financial risks that arise from these activities include credit risk, liquidity risk, and market risk.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty of a financial transaction fails to meet its contractual obligations. Credit risk arises primarily from the Company's loans and receivables. The maximum exposure to credit risk is the carrying value of cash and cash equivalents, accounts receivables, interest receivable, sales tax receivable, receivable from shareholders and intercompany, investment in partnership and loans and advances to customers. The Company manages credit risk by adhering to risk tolerance limits set by the Board of Directors. There were no financial assets that are past due or impaired at September 30, 2019 or December 31, 2018. Given the limited exposure of the Company to credit risk, no loss allowance has been recognized as the Company believes any such impairment will not have a significant impact on the financial statements.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset as well as not being able to meet unexpected cash needs. Liquidity risk is inherent in any financial institution and could result from entity level circumstances and/or market events.

The Company's approach to managing liquidity risk is to ensure that it has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

(c) Market risk

In the normal course of its operations, the Company engages in transactions that give rise to market risk. Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and credit spreads. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(*i*) Interest rate risk

Interest rate risk, inclusive of credit spread risk, is the risk of loss to the Company due to the following: changes in the level, slope and curvature of the interest rate yield curve; the volatility of interest rates; the maturity profile of assets and liabilities; and the creditworthiness of a particular issuer.

In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through primarily entering into contracts with fixed rates. As a result, the Company is not exposed to significant interest rate risk as at September 30, 2019.

8. Financial risk management framework (continued)

(c) Market risk (continued)

(*ii*) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market parameters, excluding those arising from interest rate or foreign exchange risk. The Company is not exposed to other price risk.

9. Fair value of financial instruments

The Company measures fair value using the following hierarchy that reflects the significance of inputs used in making the measurements:

Level 1: Inputs that are quoted market prices (unadjusted) in an active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

As at September 30, 2019, all financial instruments are measured at level 3 within the fair value hierarchy. The carrying amount of loans and debt securities issued approximate their fair values as they carry interest rates that reflect market terms for similar loans. The remainder of the financial assets are carried at amortized cost which is deemed to approximate the fair value due to their short-term nature.

ITEM 13 – DATE AND CERTIFICATE

Dated: January 31, 2020

This Offering Memorandum does not contain a misrepresentation.

ON BEHALF OF THE DIRECTORS AND OFFICERS OF COPOWER FINANCE INC.

Terry Wong
Acting Chief Financial Officer
and a Member of the Board of
Directors

Jacquelyn Stacey
Member of the Board of
Directors

Jay-Ann Gilfoy
Acting Chief Executive Officer
and a Member of the Board of
Directors

Kevin Mathias
Member of the Board of Directors

ON BEHALF OF COPOWER INC., THE PROMOTER OF COPOWER FINANCE INC.

Victoria Nixon
Chief Executive Officer