

Investor Update - March 31, 2015

Solar Flow-Through 2012-I Limited Partnership

Overview

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

Merger of OPA and IESO

On January 1, 2015, the Ontario Power Authority (**OPA**) which was the agency of the Government of Ontario that administered the Feed-in-Tariff program (**FIT**) merged with the Independent Electricity System Operator (**IESO**), another government agency. The merged entity is now collectively operating as IESO. Any previous reference to OPA will refer to IESO going forward.

Net Asset Value

Over the first two years of the 2012 LP, as FIT Contracts were being secured and projects were being developed, the Net Asset Value (**NAV**) for the 2012 LP remained at par being \$100 per unit. During Q1 2015, Management of the 2012 LP (**Management**) has been working with a third party consulting firm to establish an updated NAV for the 2012 LP. The NAV for the 2012 LP will be based on the discounted distributable cash flows from all of the projects in which the 2012 LP holds an economic interest. The NAV will be reset on either an annual or semi-annual basis to be determined. The updated NAV will be helpful in creating a market of secondary buyers of the 2012 LP units. Management believes this expected liquidity will allow interested 2012 LP unitholders to sell some or all of their units to secondary buyers. The updated NAV is expected to be established in the next thirty days.

Upcoming Liquidity for Investors

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

Management has been working to create a liquidity event for the 2012 LP unitholders and expects this to occur in May 2015. Once the NAV for the 2012 LP has been reset in the next thirty days, Management will notify unitholders of the NAV and an offering price for the units from secondary buyers. The offering price for units in this type of limited partnership is typically at a discount to NAV. Unitholders interested in selling some or all of their units should notify their investment advisor of their intent to sell

units. If there are more units offered for sale than offers to purchase than the units will be sold on a pro rata basis.

Longer Term Liquidity Options

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

FIT 2.1 Project Progress – Construction Underway

The 2012 Proceeds were used to secure Ontario Power Authority (OPA) Feed-in-Tariff 2.1 (FIT 2) Contracts to develop solar projects (FIT 2 Projects). Since the last Investor Update at December 31, 2014, construction has begun on most of the FIT 2 Projects. By the end of Q2 2015, it is expected that several of the FIT 2 projects will be operational and producing electricity into the electrical grid. Substantial completion of construction for most of the FIT 2 Projects is expected to be complete by the end of Q2 as well.



FIT 3 and FIT 3.5 Projects Status

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

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

Project Development Through 2015 and into 2016

Receipt of the FIT 3.5 Contracts with the OPA was originally expected to occur by the end of Q1 2015. As of March 31, 2015, the IESO had not yet issued the FIT 3.5 Contracts to the 2012 LP or any developers. It is expected that the IESO will issue the FIT 3.5 Contract Awards in the next thirty to sixty days.

The development and permitting of the FIT 3.5 Projects to the point of being ready to start construction will occur throughout 2015 and 2016. Typically, four-to-twelve weeks are required to build out a project once it is "construction ready". It is the objective of management to have some of the FIT 3.5 projects operational in the 2015 calendar year. All the FIT 3.5 Projects are expected to be completed and operational within 18 months of receipt of the FIT 3.5 Contract date and before the end of Q4 2016.

Performance – Dividends Continuing in 2015

As FIT 2 Projects become operational in 2015, the distributable cash flows to the 2012 LP are expected to be sufficient to meet the targeted income distribution of 8% per annum. As a result, Management expects to continue paying 2% dividends on a quarterly basis.

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

2014 LP – \$9,868,000 Raised

On December 19, 2014, the third Solar Flow-Through Fund, called the Solar Flow-Through 2014-I Limited Partnership (**2014 LP**), raised \$9,868,000 (**2014 Proceeds**). It is intended that some of the 2014 Proceeds will be used to fund development expenses of the FIT 3.5 Projects held by the 2012 LP and the 2013 LP. As a result of the 2014 LP's funding of the FIT 3.5 Projects, the 2014 LP will have an economic interest in the FIT 3.5 Projects along with the 2012 LP and 2013 LP.

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

info@solarflowthrough.com

www.solarflowthrough.com

Toronto Office

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