

July 2021



**2021 Mid-Year Report to Stakeholders
Report from the CEO**



We at North Shore Power Group are a municipal green energy developer headquartered in Blind River, Ontario, on Lake Huron's North Channel.

Omni Interest Payments in Good Standing

Plasco Conversion Technologies Inc. changed its name to Omni Conversion Technologies Inc. on January 1, 2021. As reported in our audited Financial Statements, Omni was in default on interest owed to NSPG for approximately half of the the 2019 interest due and for the 2020 interest due.

All of the overdue 2019 interest payment was paid on February 17th, 2021, and the overdue 2020 interest was paid on April 5th, 2021. Interest penalties were also paid in full on both amounts.

Sale of GPRS Unit

Omni has entered into an agreement with the Larsen-Lam Climate Change Foundation to sell its first commercial GPRS unit for USD \$35 million and has received a down payment of USD \$8.75 million. The purchase contract was signed April 23, 2021 and the unit is anticipated by OMNI to be installed into a plant being built in California by H Cycle, LLC, a company controlled by a Californian private equity fund. The Larsen-Lam Climate Change Foundation is funded by San Francisco billionaires Chris Larsen and his wife Lyna Lam.

Omni Recoveries to Date

In October of 2011, NSPG invested \$25 million in Plasco.

In February of 2015 Plasco entered creditor protection and NSPG along with Canadian Water Projects (together the Secured Creditors) saved the core intellectual property of the company, and the corporation itself, from the bankruptcy proceedings.

We then sold Plasco back to its founder, with our full debt intact.

Our monetary recoveries to date total \$7.08 million in principal and \$6.92 million in interest. With some interest that was capitalized, the base principal due to NSPG today is \$19.54 million, which is due to mature on December 31, 2026.

This income will augment our ability to contribute to our Balloon Reserve fund, established in cooperation with the Town of Blind River in June of 2018, for the purpose of building an asset to offset our 2037 final payment to the Town so that it might make its final payment to the CMHC.

What has North Shore Power Group accomplished?

Power Project Portfolio

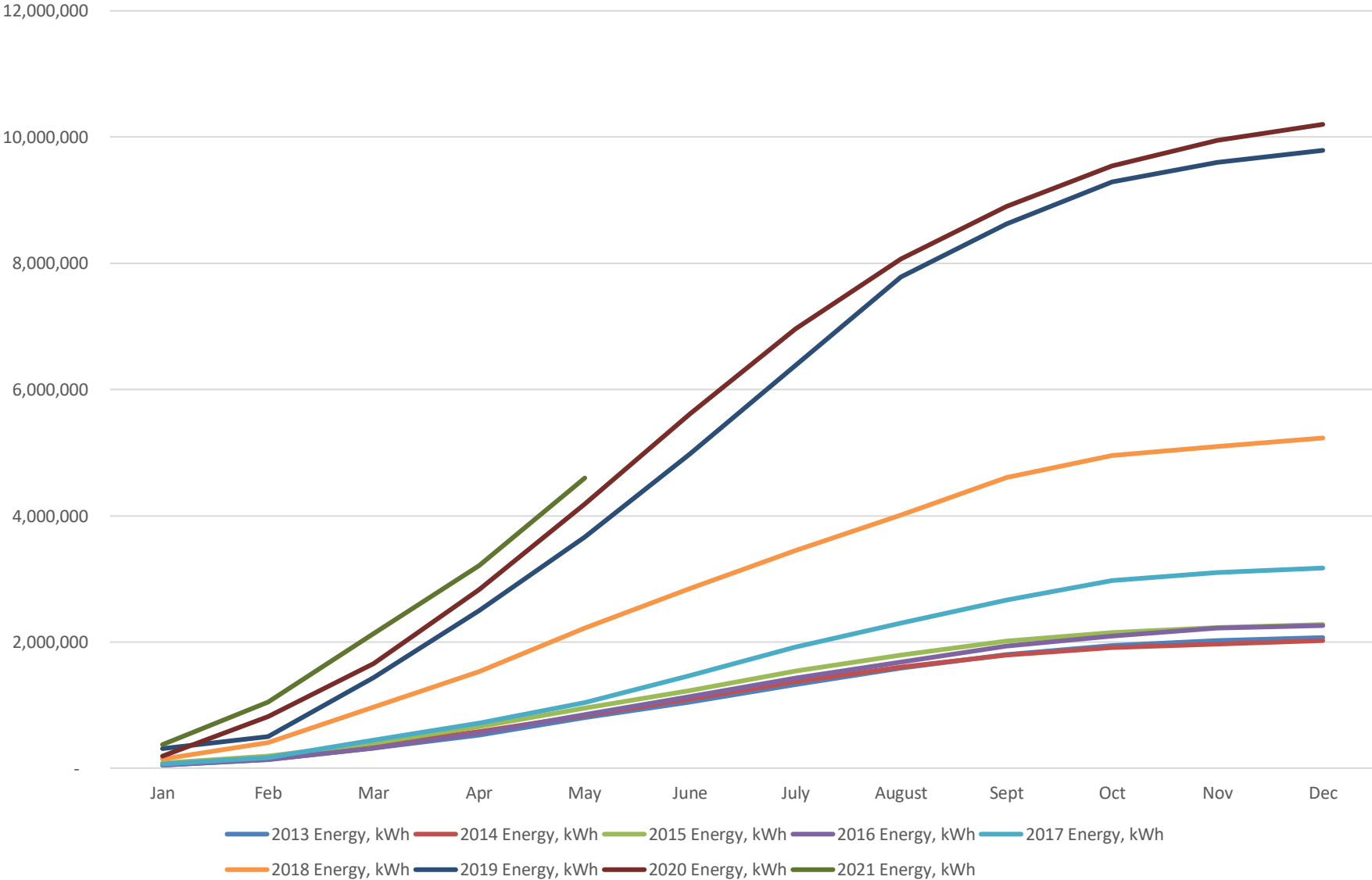
1. 124 Built Projects, 4.34 mW installed capacity
2. 13 External-Client, Long-Term Operation & Maintenance Contracts
 - a) 10 Solar Plants
 - b) 3 Waterpower Plants

Total Project Count	Projects per Type	Solar Project Location or Type (for Privacy)	Total kW AC	Micro FIT or FIT	Roof or Gnd	NSPG Role	Capacity as % of Portfolio
1	1	Blind River Fire Hall	10	MF	R	Equipment Lessor	0.2%
2	1	Blind River Golf Course - Maintenance Building	10	MF	R	Equipment Lessor	0.2%
3	1	Blind River Public Library	10	MF	R	Equipment Lessor	0.2%
4	1	Blind River Marina	10	MF	R	Equipment Lessor	0.2%
5	1	Blind River Seniors Cultural Centre	10	MF	R	Equipment Lessor	0.2%
6	1	Blind River Sewage Treatment Plant	10	MF	R	Equipment Lessor	0.2%
7	1	Blind River Tennis Courts	7	MF	R	Equipment Lessor	0.2%
8	1	Blind River Town Hall	10	MF	R	Equipment Lessor	0.2%
9	1	Blind River Water Treatment Plant	10	MF	R	Equipment Lessor	0.2%
10	1	Blind River Community Centre	150	F	R	Equipment Lessor	3.5%
11	1	Blind River GTEC	106	F	G	Equipment Lessor	2.5%
12	1	Blind River Landfill	10	MF	G	Equipment Lessor	0.2%
24	12	Blind River & MFN Residential	68	MF	G	Equipment Lessor	1.6%
68	44	Blind River & MFN Residential	281	MF	R	Equipment Lessor	6.5%
99	31	Rainy River District	310	MF	G	Project Owner	7.1%
109	10	Sudbury-Maintoulin Region	100	MF	G	Project Owner	2.3%
117	8	London-Waterloo Region	80	MF	G	Project Owner	1.8%
118	1	Blind River North Shore Health Network	400	F	R	51% Project Partner	9.2%
119	1	Blind River Fixed 200 Project	500	F	G	51% Project Partner	11.5%
120	1	Blind River Fixed 300 Project	500	F	G	51% Project Partner	11.5%
121	1	Blind River Fixed 400 Project	500	F	G	51% Project Partner	11.5%
122	1	Blind River Fixed 100 Project	500	F	G	51% Project Partner, 2018 Q2 Completion	11.5%
123	1	Blind River Tracker Project	500	F	G	51% Project Partner, 2018 Q2 Completion	11.5%
124	1	Delta Project	250	F	G	Equipment Lessor	5.8%
			4,341				
	74	Total Blind River Area Projects	3,601				83.0%

Growth in Generating Assets

Power production for 2013 to 2016 averaged approximately 2.2 million kilowatt-hours. In 2017 our production exceeded 3,000,000 kilowatt-hours with new project additions and in 2020 we hit a record-setting power generation of over 10 million kWh with the completion of all contracted projects.

Power Generated, kWh, Reported in Gross kWh Generated



- NSPG expects to be able to publish its Board-approved 2020 Audited Financial Statements early next week and they will be available on our web site.
- On behalf of the entire team at NSPG, we thank you for your interest in our progress and for taking some of your valuable time to log in and hear our presentation.
- This presentation will be available for viewing on our web site.
- It is now my pleasure to introduce a well-known local executive, Mr. Chris Astles, to provide his views and outlook as our Chair at NSPG.

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**2021 Mid-Year Report to Stakeholders
Report from the Chairman**



We at North Shore Power Group are a municipal green energy developer headquartered in Blind River, Ontario, on Lake Huron's North Channel.

NSPG, the Town of Blind River, and the Energy Sector

- I am Chris Astles and it continues to be my pleasure to serve as the Chair of the Board of NSPG
- I have served since 2015
- The potential value of our receivable from Omni (formerly Plasco) appears to be on the rise and our core power generating operations continue to hum along profitably
- As an essential electrical service during the pandemic, NSPG staff continued to work continuously in the office and in the field throughout the lockdowns
- It is worthy of note that NSPG did not request nor receive any funding whatsoever from the various government pandemic financial support programs
- The tireless efforts of the crew at NSPG over the past decade to strengthen NSPG are producing tangible and positive results for our community and they are further detailed on the next slides.

The Annual Economic Benefit of North Shore Power Group Inc.

to the Town of Blind River and Council-Operated Entities

Each and every year since 2010, when NSPG first borrowed from the Town of Blind River, the company has made its full loan payment and the Town has used these funds to make its full loan payment to CMHC.

In addition to these funds, during 2020 NSPG paid:

\$81,909 to the BRDC (a Council-Operated Entity) for the rent of the GTEC building

\$25,086 to the Town in FIT Equipment Lessee payments where NSPG paid for the generating equipment: these are the Arena and GTEC projects

\$8,927 to the Town in MicroFIT Equipment Lessee payments where NSPG paid for the generating equipment: Landfill, Fire Hall, Golf Course Maintenance Building, Library, Marina, Seniors Cultural Center, Sewage Treatment Plant, Tennis Courts, Town Hall, Water Treatment Plant

\$65,919 to the Town in project revenue sharing arrangements for power plants at the Industrial Park and Hospital (related to SS5 LP where NSPG is the 51% Partner): these are the NSHN, Fixed 100, 200, 300, 400 and Tracker projects)

\$13,058 to the Town in project revenue sharing arrangements for property used at the Industrial Park (related to Saturn and Vigor)

\$194,900 in Total Annual Payments from NSPG in addition to the full CMHC payment

And to local residents:

\$37,754 in MicroFIT Equipment Lessee payments to Blind River area project owners, on projects where they made zero investment

Donation to Town-owned Golf Course

\$75,941 Installed Capital Cost of Huron Pines Solar Tracker, which is a favourite charity of mine.

I join the entire team at NSPG in thanking you for your interest in our progress and for taking some of your valuable time to hear our presentation.

This presentation will be available for viewing on our web site.