

Etrion Corporation
February 2020

etrion

Powered by the Sun

Developing, building and operating solar
power generation plants

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Japan
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MINING



Lundin Mining Corporation
\$4.74 billion

Lundin Gold Inc.
\$1.12 billion

Lucara Diamond Corp.
\$591.10 million

Filo Mining Corp.
\$204.50 million

Denison Mines Corp.
\$406.50 million

Africa Energy Corp.
\$147.00 million

Africa Oil Corp.
\$565.50 million

International Petroleum Corp.
\$1.01 billion

Lundin Petroleum
\$14.10 billion

Shamaran Petroleum Corp.
\$172.90 million

Etrion Corporation
\$70.20 million

OIL & GAS SOLAR



330,000
carats
DIAMONDS
per year

263,000
tonnes
COPPER
per year

157,000
tonnes
ZINC
per year

155,000
boepd
OIL
per year

330,000
tonnes
NICKEL
per year

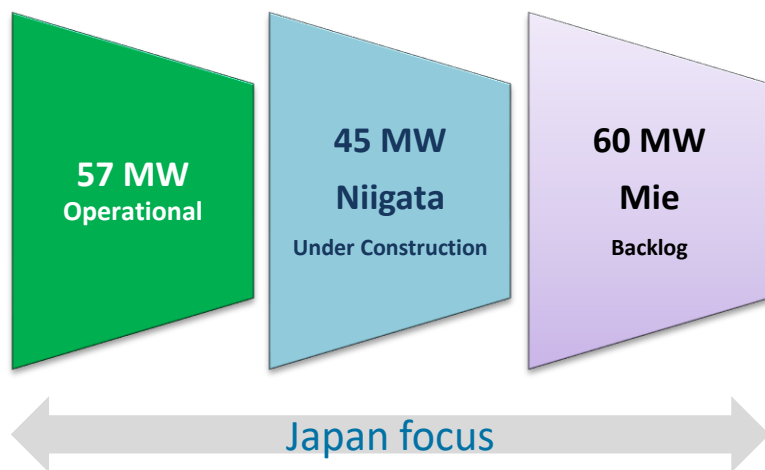
330,000
GWh
SOLAR
ELECTRICITY
per year

Etrion Corporation

Company Overview

- Solar development platform focused in Japan, third largest energy market in the world
- 11 solar plants operational and 1 under construction with aggregate capacity of 102 MWs in Japan
- 60 MW backlog in Japan
- Company fully funded
- 70 MW Operational Chile, being divested

Japan Asset / Pipeline Highlights



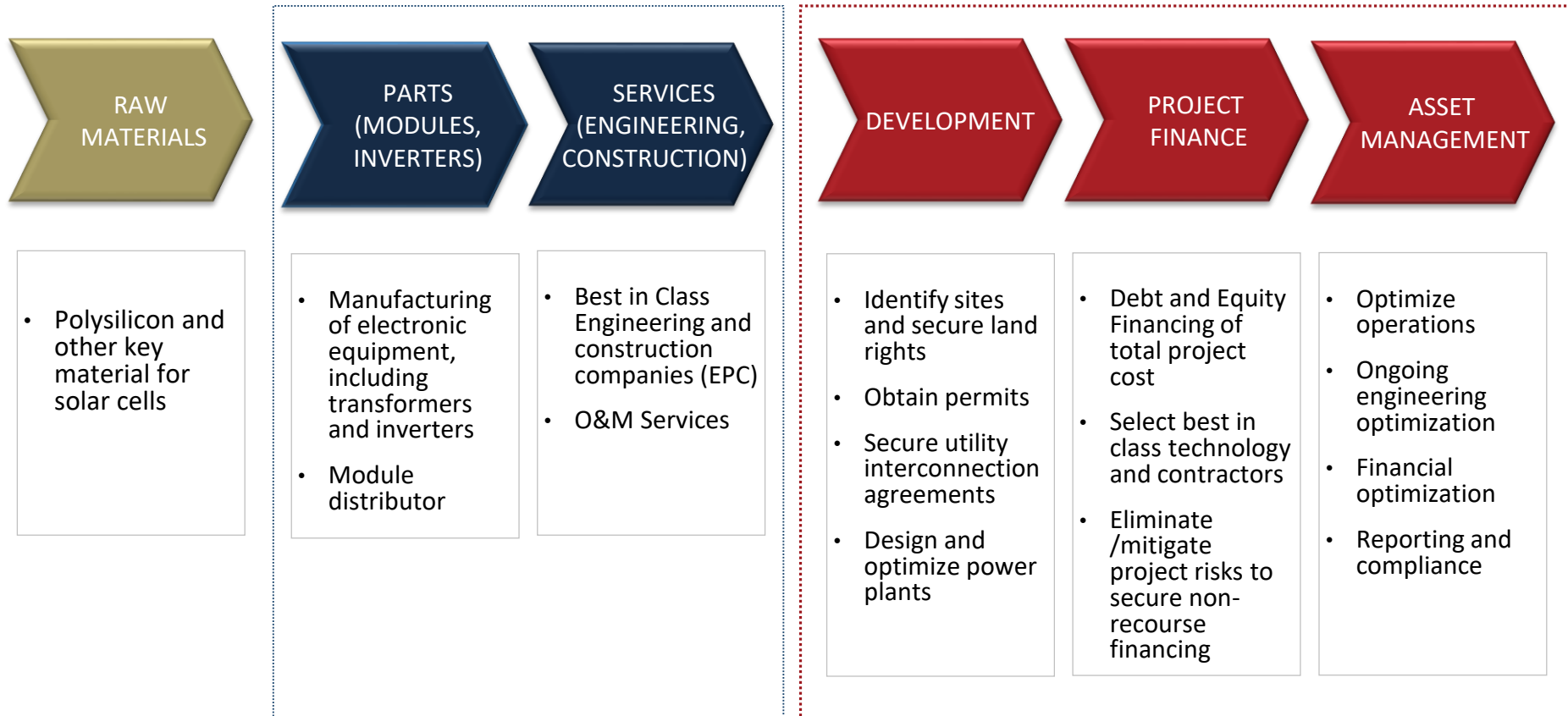
Financial Summary

Recent Share Price (TSX/OMX: ETX)	C\$0.21 / SEK 1.52
Shares Outstanding	334.1MM
Lundin Family Ownership	36.0%
Other Director/Management Ownership	5.7%
Revenues nine months ended September 30 2019	US\$18.3 MM
Project-level EBITDA nine months ended September 30 2019	US\$14.1 M
Restricted / Unrestricted Cash as of September 30, 2019	US\$125.8 MM / \$18.2 MM
Market Capitalization	US\$53MM
Number of Employees	20

Notes:

- (1) US\$ refers to US dollars; C\$ refers to Canadian dollars; SEK refers to Swedish krona
- (2) ETX share price at closing on November 15, 2019
- (3) ETX shares outstanding as of September 30, 2019

Downstream International Development Platform





Japan Market

Our focus is Japan

- 1 3rd largest energy market in the world
- 2 Solar supported by a Feed-in-Tariff program
- 3 Among highest electricity prices in OECD
- 4 Strategic partnerships
- 5 Low cost financing
- 6 Energy sector deregulated in 2016
- 7 Strong institutional demand for yield



Japan – Solar position in the world and growth perspectives

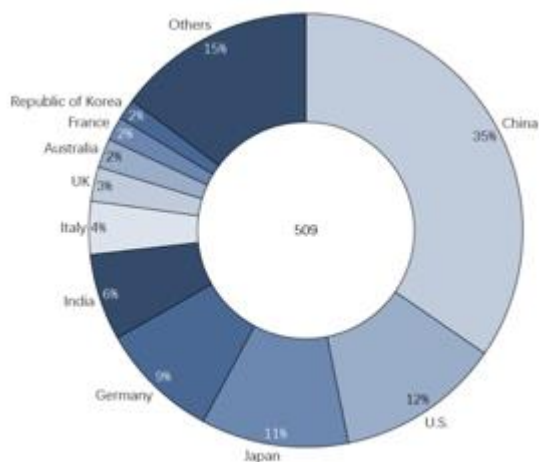


Figure 1: Cumulative solar PV Capacity Globally as of 2018
Source: REN21

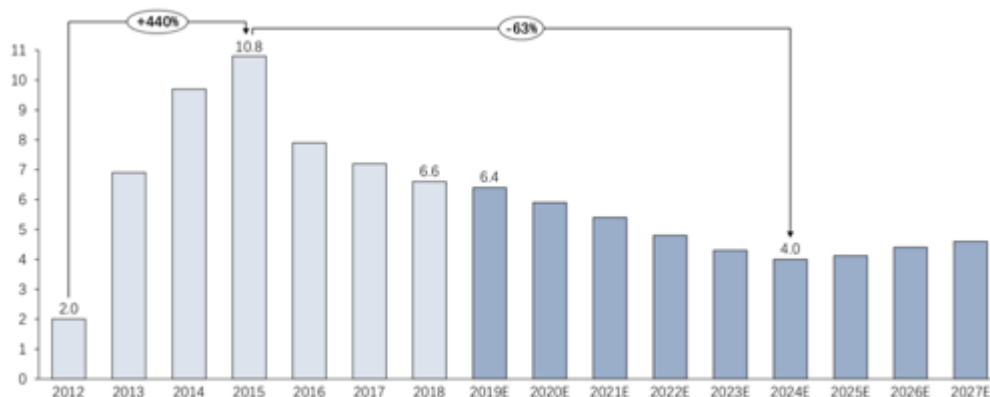


Figure 2: Japan solar PV market growth scenario 2019-2026 (GW)
Source: JPEA

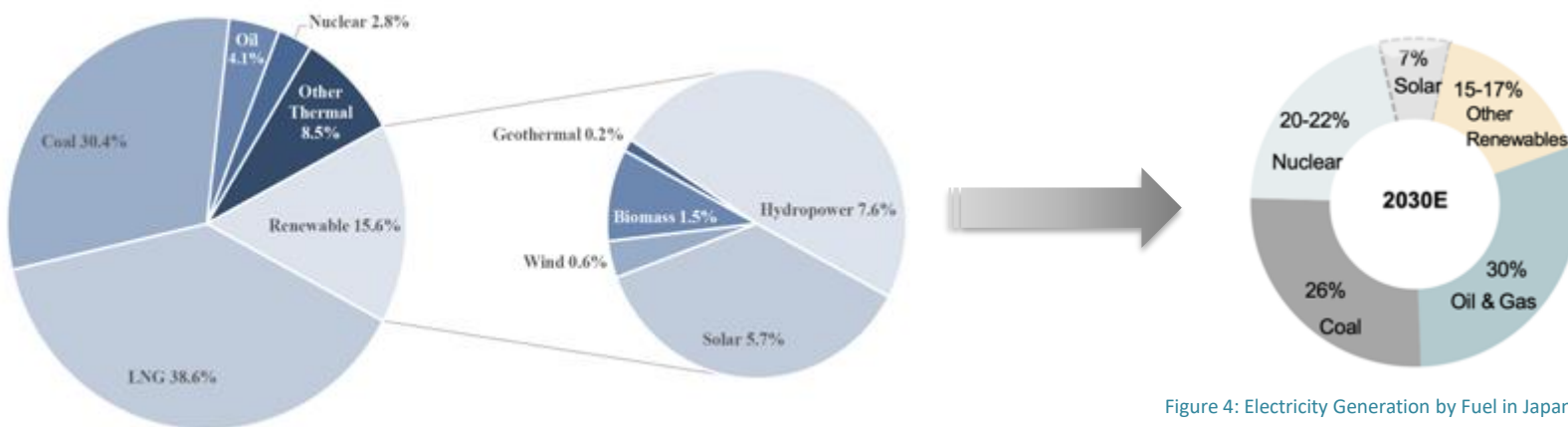
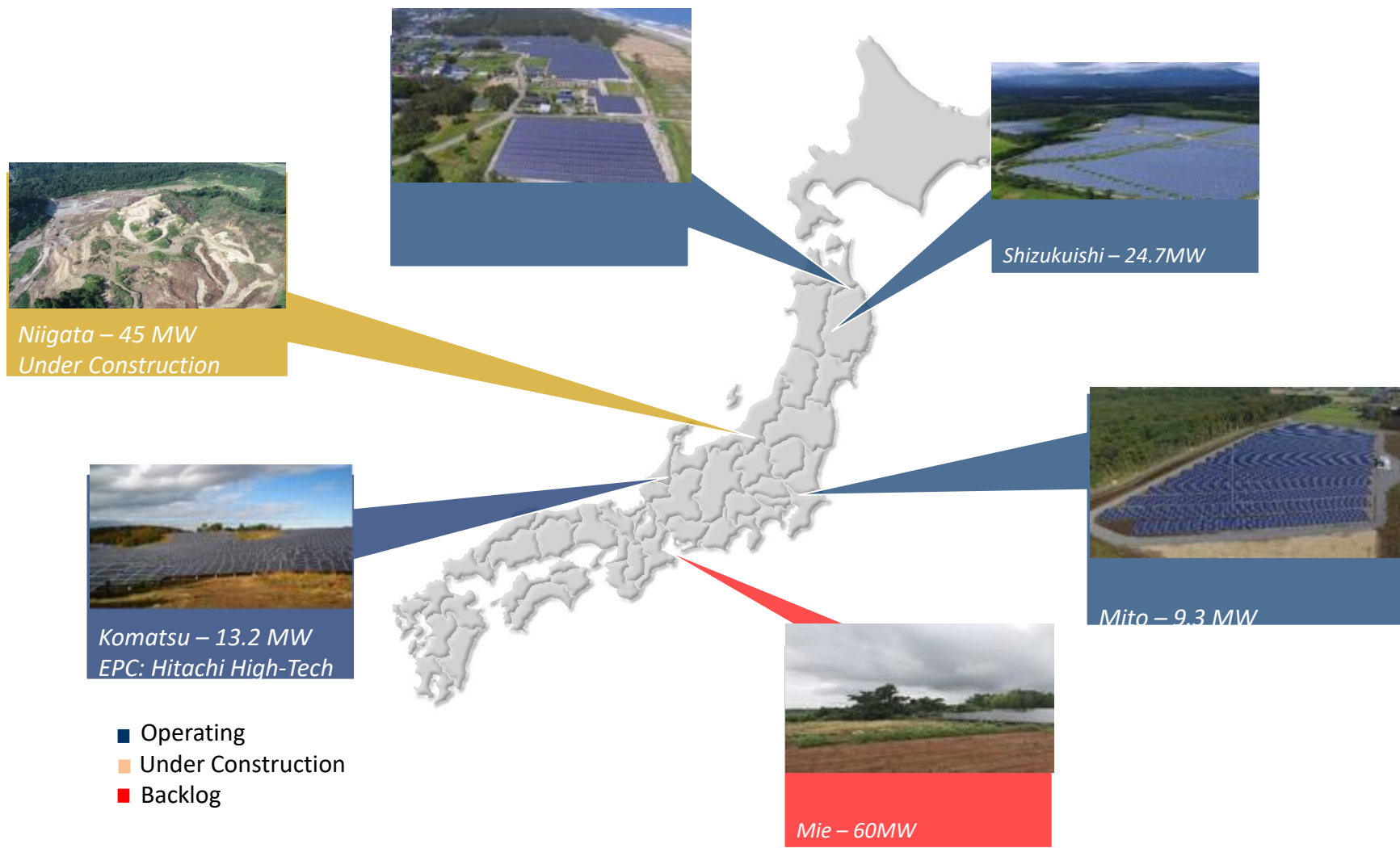


Figure 4: Electricity Generation by Fuel in Japan in 2030

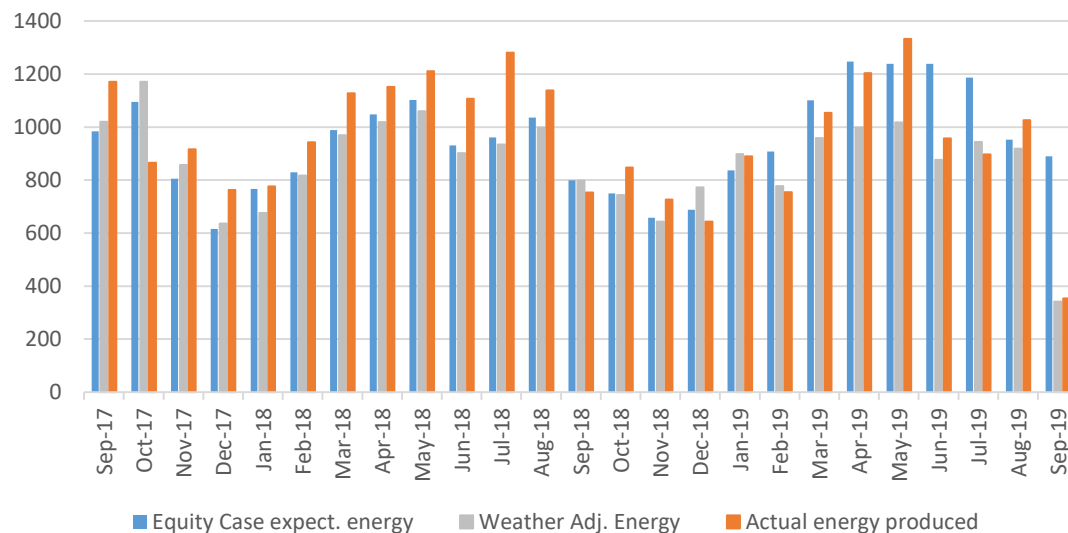
Figure 3: Electricity Generation by Fuel in Japan in 2017
Source: METI

Our presence



Mito – 9.3 MW operational

MITO comparison (MWh)



Mito	
Utility	Tepco
Capacity	9.3 MW
Ownership	100%
Technology	Fixed-tilt
Module	Canadian Solar
Inverters	Hitachi
EPC / O&M	Hitachi
Irradiation Yield	1,120 kWh/kWp
Revenue Stream	FiT: ¥40/kWh Term: 20 years
Production	10.3 GWh/year
Total Project Cost	¥3.4Bn
Commencement of Operation	Aug-15



Mito site 1



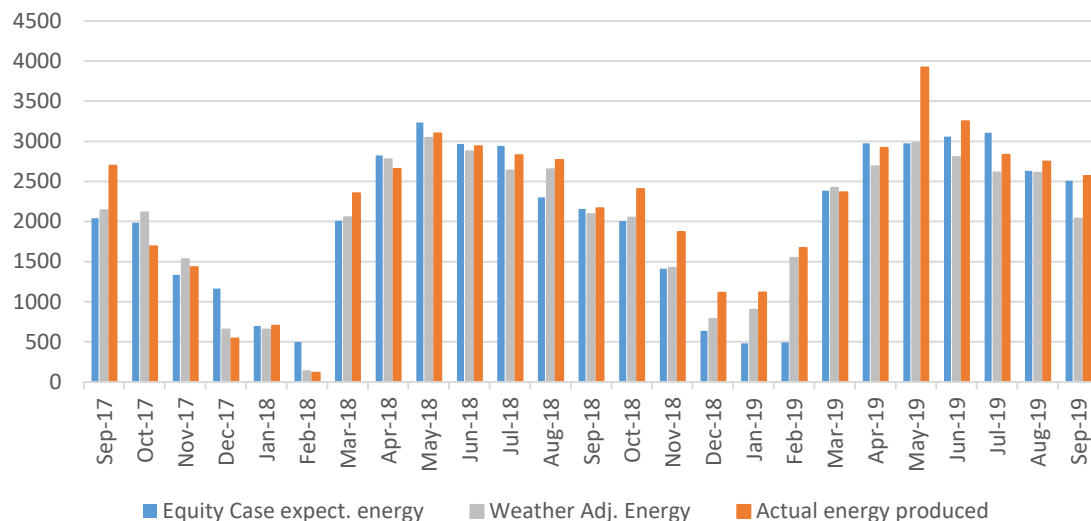
Mito site 2



Mito site 3

Shizukuishi – 24.7 MW operational

Shizukuishi comparison (MWh)



Shizukuishi	
Utility	Tohoku
Capacity	24.7 MW
Ownership	100%
Technology	Fixed-tilt
Module	Canadian Solar
Inverters	Hitachi
EPC / O&M	Hitachi
Irradiation Yield	1,088 kWh/kWp
Revenue Stream	FiT: ¥40/kWh Term: 20 years
Production	26.1 GWh/year
Total Project Cost	¥8.9Bn
Commencement of Operation	Oct-16



General aerial view of full plant



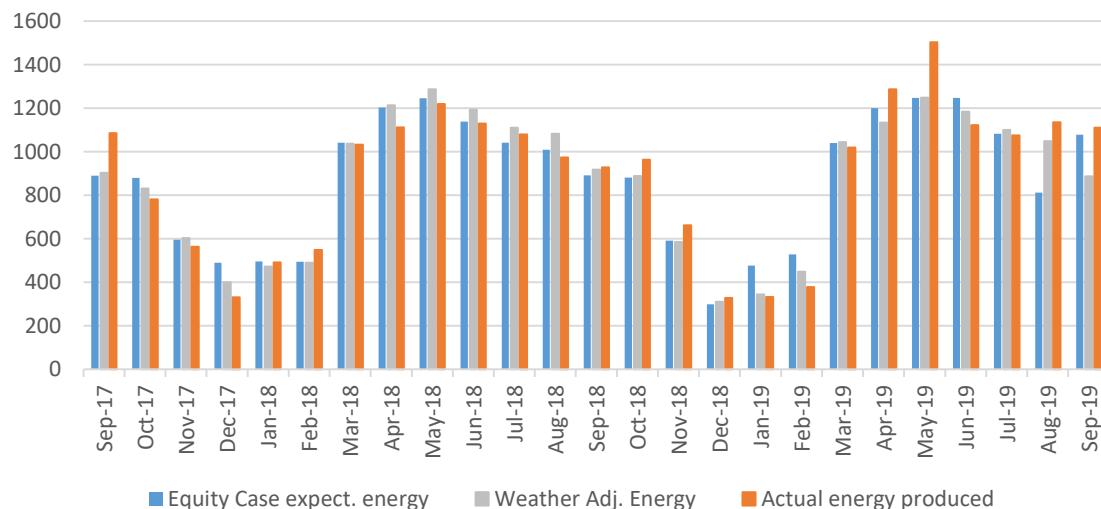
View of the SW section of the plant



View of the NW section of the plant.

Misawa – 9.5 MW operational

MISAWA comparison (MWh)



Misawa	
Utility	Tohoku
Capacity	9.5 MW
Ownership	60%
Technology	Fixed-tilt
Module	AOU
Inverters	Hitachi
EPC / O&M	Hitachi
Irradiation Yield	1,126 kWh/kWp
Revenue Stream	FiT: ¥36/kWh Term: 20 years
Production	10.7 GWh/year
Total Project Cost	¥3.5Bn
Commencement of Operation	Feb-2017



Site 1



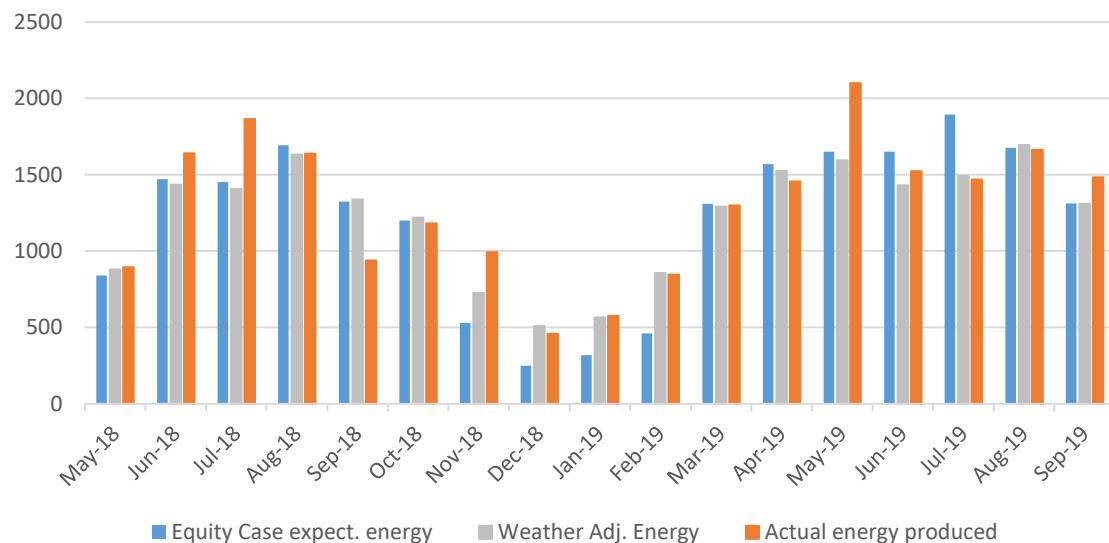
Site 2



Site 4

Komatsu – 13.2 MW operational

Komatsu comparison (MWh)



Komatsu	
Utility	Hokuriku
Capacity	13.2 MW
Ownership	85%
Technology	Fixed-tilt
Module	Canadian Solar
Inverters	Hitachi
EPC / O&M	Hitachi
Irradiation Yield	1,087 kWh/kWp
Revenue Stream	FIT: ¥32/kWh Term: 20 years
Production	14.2 GWh/year
Total Project Cost	¥4.3 Bn
Commencement of Operation	May-2018



Restructuring of Japanese Portfolio in 2019

Etrion closed a multi-step transaction to create significant value across its Japanese solar portfolio

- We acquired the minority interests
- Optimized the related Japanese corporate structure (GK to TK-GK) eliminating Japan level corporate tax
- Renegotiated the operations and maintenance (“O&M”) contracts for Etrion’s 56.8 megawatt (“MW”) solar portfolio in Japan

As part of the transaction, the project debt in the Mito 9.3 MW project was increased by 295 million JPY (USD 2.7 million) to pay for the transaction costs and fees, to be repaid with the remainder of the existing loan within the original tenor.

The bottom line impact

- Significant value creation
- Simplification of corporate structure
- Eliminates material hurdles for future potential disposition
- Minimization of SPV corporate tax and elimination of capital gain tax

	Before Transaction	After Transaction	Nominal Increase	Percentage Increase
Net Capacity	46.5 MWp	56.8 MWp	+ 10.2 MWp	+22%
Annual production	48.8 GWh	62.4 GWh	+ 13.6 GWh	+28%
Annual revenue	\$16.5 m	\$21.7m	+ \$5.2m	+31%
Annual EBITDA	\$11.2 m	\$15.7m	+ \$4.5m	+40%
Annual FCF	\$2.5m	\$4.9m	+ \$2.5m	+100%

The background of the slide features a grayscale photograph of a wind farm. Several wind turbines are visible, their three-bladed rotors and towers extending across the landscape. The image is slightly blurred, giving it a sense of depth and movement.

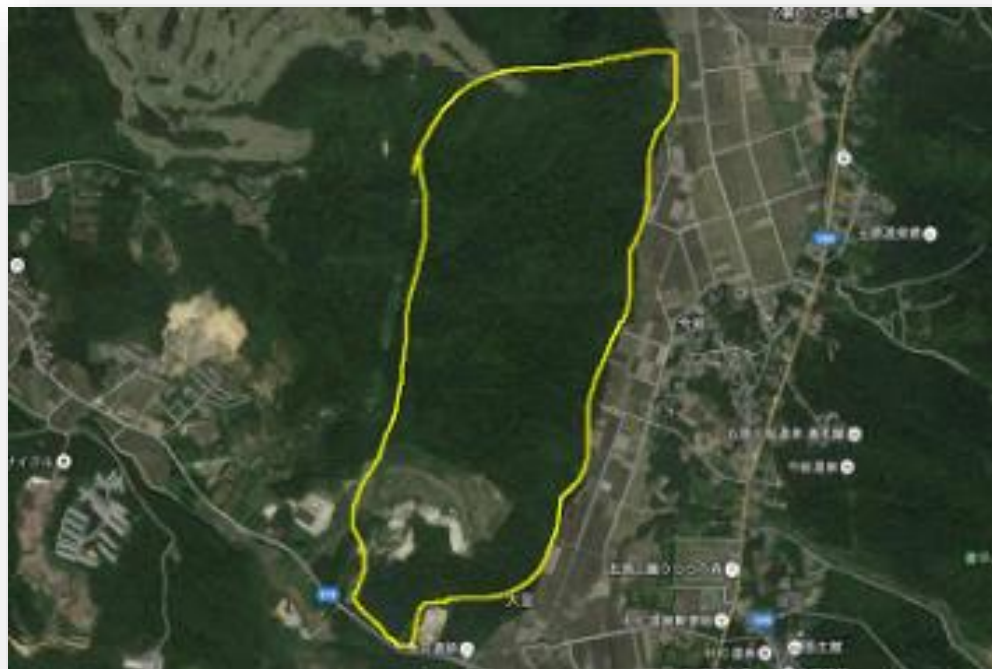
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Niigata

Niigata – 45 MW

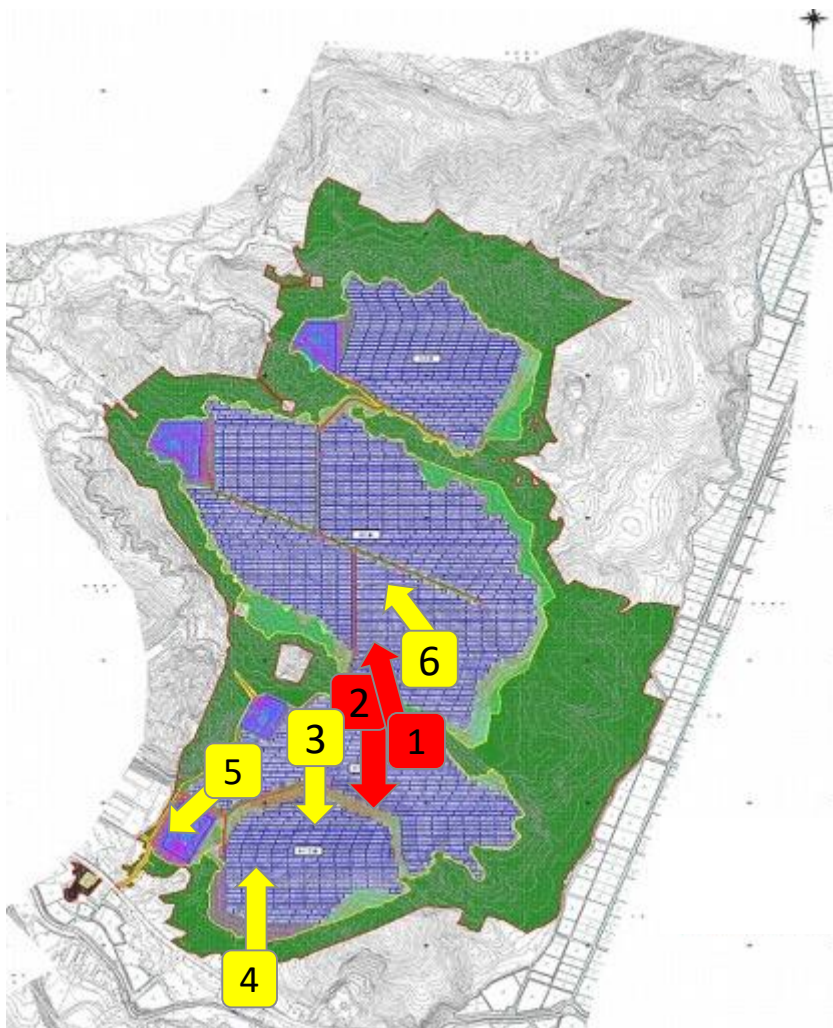
Key project metrics

Ownership	100% ETX
Capacity	45 MW
Region / Utility	Tohoku
PPA Price	¥36/kWh - FiT until March 2040
Irradiation	1,050 kWh/kWp
Total Capex	US\$ 154.2M
Finance Structure	BBB Green Project Bond, US\$ 146.5M (JPY 15.9 billion)
Debt tenor	Construction period plus 16.8 years.
Interest rate	All-in non-recourse project loan interest rate of 1.2%
Total Equity	US\$ 7.7M
EPC Contractor	Toyo Engineering
O&M Contractor	TMEIC / TAG
AMS Provider	Etrion
COD Target	Q4-2021
Average ⁽¹⁾ Revenue	US\$ 15.5 m/year
Average EBITDA	US\$ 13.7 m/year
Average free cash flow at project level	US\$ 3.6m/ year



⁽¹⁾ Average refers to the first 5 years of operations based on historical weather forecast. Actual results will depend on actual weather conditions and other operational matters.

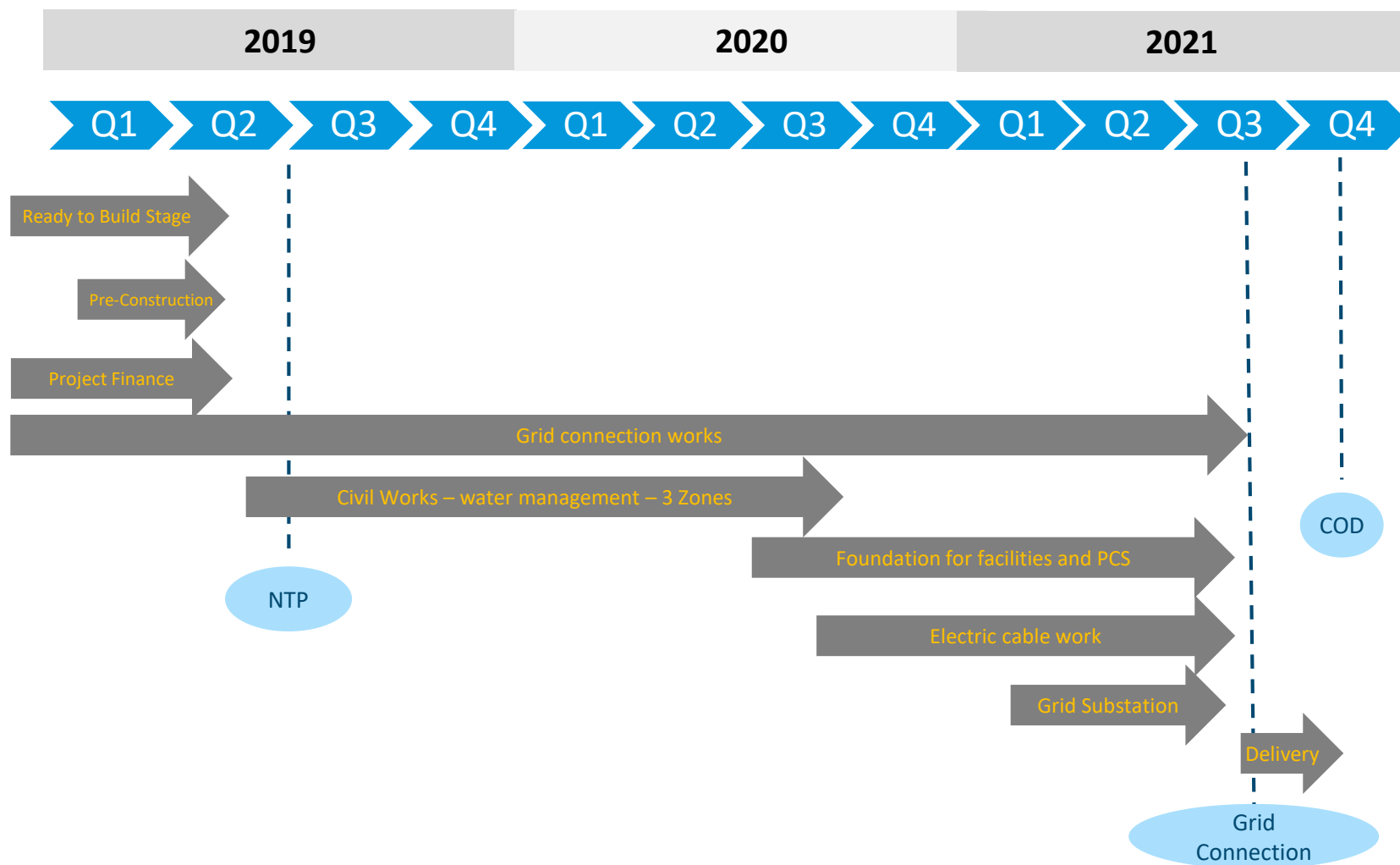
Sites construction status photo (September 2019)



Sites construction status photo (September 2019)



Niigata Project Timeline



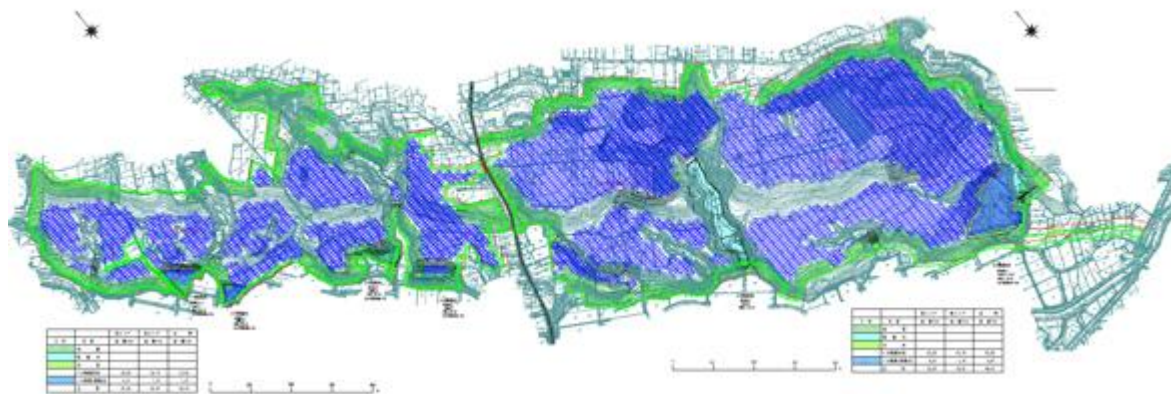


Business Development Update

Mie 60 MW - Backlog

- Project reached ready to build status by Q1-2019. EIA and forest development concluded. Land secured
- ETX is litigation with local developer since Q4-18 who refused to release shares of SPV
- Management cautiously optimistic to obtain positive judgement and regain full control of the project by summer of 2020
- Developer involved in similar litigation with other sponsors

Size	54-64 MWp
Region / Utility	Chubu EPCO
PPA price	FIT: ¥36/kWh
Irradiation	1,204 kWh/kWp
Ownership share	100%
Expected: NTP / COD	Q3-2020 / Q4-2022
Land	100 Ha. Long term lease



Growth Opportunity

- Etrion continues to pursue new opportunities in Japan
- Given latest regulatory changes, several projects with FiT awarded still under development are at risk of losing FiT
- This situation has created increased competition to acquire good projects. Window remains open for next 18 months to secure additional FiT projects
- Beyond the current FiT regime the company is exploring:
 - bilateral agreements for PPA contracts. PPA market is at very early stage but should become a strong source of growth post-FiT market
 - On-shore wind opportunities in Japan

Summary

- Etrion well positioned for continued growth in one of the largest solar markets in the world
- Strong 2019 financial performance in all key operating metrics demonstrated excellent execution in all operational activities
- Restructuring in 2019 increased operational capacity by 22%, improved maintenance contracts, simplified corporate structure and optimized future cash flows
- Niigata 45 MW project on track to be connected by Q4-21
- Company fully funded with no additional capital required to build Niigata project
- Significant upside beyond Niigata with resolution of 60 MW Mie project litigation, Italian tax refund and potential realization additional pipeline projects

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