



ANNUAL INFORMATION FORM

Year Ended December 31, 2010

March 16, 2011

TABLE OF CONTENTS

GLOSSARY OF TERMS	2
CORPORATE STRUCTURE	4
The Company	4
Subsidiaries and Affiliates	4
BUSINESS OF THE COMPANY	4
General Development.....	4
The Electricity Market in BC	5
Run-of-River Hydroelectric Power	7
Wind Power	7
The Company's Projects	8
Map of Run-of-River Projects.....	8
Toba Montrose Facility	10
Upper Toba Project	11
Bute Inlet Project	12
Dokie Wind Farm.....	13
ABW Solar Project.....	15
Other Projects	16
Competitive Environment	16
Statement on Working Relationships with First Nations.....	17
Risk Factors.....	17
DIVIDENDS.....	22
DESCRIPTION OF CAPITAL STRUCTURE.....	22
MARKET FOR SECURITIES.....	23
DIRECTORS AND OFFICERS	23
Cease Trade Orders, Bankruptcies, Penalties or Sanctions.....	26
Conflicts of Interest.....	27
AUDIT COMMITTEE DISCLOSURE	27
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	30
TRANSFER AGENT AND REGISTRAR	30
MATERIAL CONTRACTS	30
ADDITIONAL INFORMATION.....	30
SCHEDULE A - TERMS OF REFERENCE FOR THE AUDIT COMMITTEE	

GLOSSARY OF TERMS

Certain terms used in this Annual Information Form are defined below.

“BC” means the Province of British Columbia

“BC Hydro” means British Columbia Hydro and Power Authority

“BCUC” means the British Columbia Utilities Commission

“Bute Inlet Project” means a group of sites for proposed run-of-river generation facilities located in the Homathko, Southgate, Orford, Bear and Teaquahan river drainage basins, all of which are in the vicinity of Bute Inlet, together with the transmission line to be built from the Bute Inlet Project to Malaspina to interconnect with the BC Hydro transmission grid

“CEA” means the British Columbia *Clean Energy Act*

“2008 Clean Power Call” means the procurement process commenced by BC Hydro in June 2008 to purchase electricity from IPPs, which involves BC Hydro inviting IPPs to tender offers for EPAs for their projects to BC Hydro

“common shares” means the common shares without par value in the capital of the Company

“Company”, “Plutonic” and “Plutonic Power” means Plutonic Power Corporation

“DGP” means Dokie General Partnership, the partnership which is building the Dokie Wind Farm

“Dokie Wind Farm” means the wind farm located west of Chetwynd, British Columbia and the accompanying transmission line from the wind farm to the Dokie interconnection site owned by BC Hydro

“EAO” means the British Columbia Environmental Assessment Office

“EPA” means electricity purchase agreement

“EarthFirst” means EarthFirst Canada Inc.

“GEEFSHC” means GE Energy Financial Services Holding Company, an affiliate of General Electric

“GEEFS” means GE Energy Financial Services Company, an affiliate of General Electric

“GEFSCWC” means GE Energy Financial Services Canadian Wind Company, an affiliate of General Electric

“GW” means gigawatt, or one billion watts, and **“GWh”** means gigawatt hours, or one billion watt hours

“installed capacity” means the generating capacity currently capable of production by a facility, whether or not it is in operation

“IPP” means an independent power producer

“km” means kilometer

“kV” means kilovolt

“MNRO” means the Ministry of Natural Resource Operation within the British Columbia provincial government that is responsible for issuance and regulation of activities on provincial Crown lands and other government land holdings

“MW” means megawatt, or one million watts, and **“MWh”** means megawatt hours or one million watt hours

“penstock” is a pipe through which water is conveyed from an intake structure to the generating portion of a hydroelectric facility

“ROW” means a right of way, generally for a transmission line

“run-of-river” means a hydroelectric generation facility which diverts a portion of flowing water from a water course through a penstock to turbines to generate electricity and then returns the water to the water course, without first creating a water storage reservoir

“TMGP” means Toba Montrose General Partnership, the partnership which is operating the Toba Montrose Facility

“Toba Montrose Facility” means the combined East Toba River and Montrose Creek run-of-river generation facilities and the accompanying transmission line from the facilities to Salter Bay on Jervis Inlet

“transmission grid” means BC Hydro's system for the transmission of electricity within British Columbia

“Upper Toba Project” means the two sites for proposed run-of-river generation facilities located on Jimmie Creek and the Upper Toba River, which will utilize the same transmission line being used for the Toba Montrose Facility

“Vestas” means Vestas-Canadian Wind Technology Inc.

CORPORATE STRUCTURE

The Company

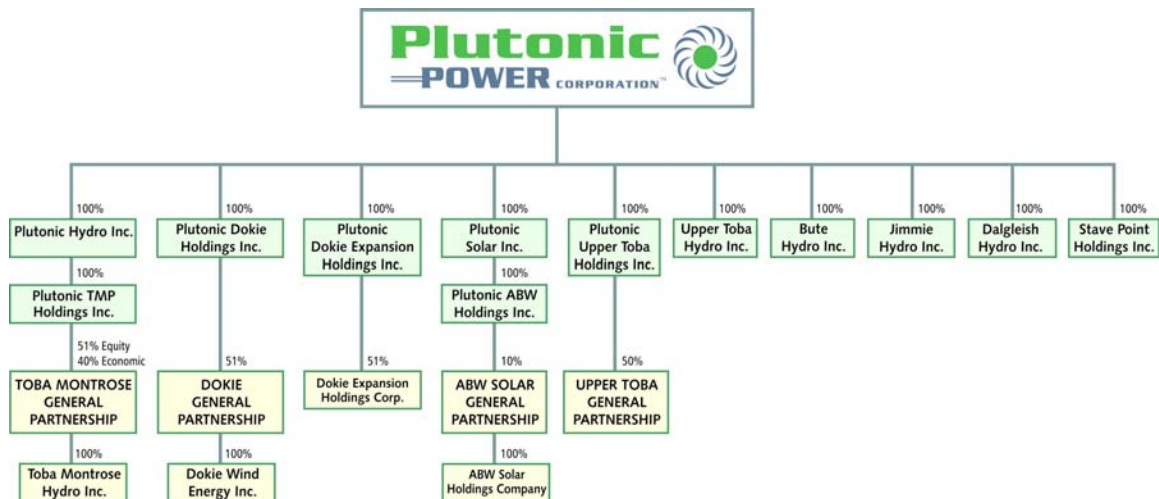
Plutonic Power Corporation was originally incorporated under the provisions of the British Columbia *Company Act* and subsequently transitioned under the British Columbia *Business Corporations Act* in April 2004.

The Company's head office and registered office is located at Suite 600, 888 Dunsmuir Street, Vancouver, British Columbia, V6C 3K4.

Unless otherwise noted, all information herein is provided as of December 31, 2010.

Subsidiaries and Affiliates

The Company's subsidiaries and affiliates are set out in the diagram below:



All of the Company's subsidiaries and affiliates were incorporated or formed in British Columbia with the exception of ABW Solar General Partnership and ABW Solar Holdings Company, which were respectively formed and incorporated in Ontario.

BUSINESS OF THE COMPANY

General Development

The Company's purpose is to identify, develop and operate clean power projects in a safe, reliable and efficient manner. The Company is one of the first private-sector developers of clean power to take a utility-scale approach to clean power development, and since 2006 the Company has been continuously expanding its portfolio of clean power projects and strengthening its management team so as to be able to further develop this concept. The Company's long term strategic focus is to generate long term

sustainable cash flows through the operation of clean power projects, and in so doing become a leading supplier of clean power.

During the past three years, the Company has assembled a portfolio of hydroelectric and wind clean power projects. The hydroelectric projects consist of 43 run-of-river and one pumped storage power generation sites located throughout BC in various stages of development, including two which commenced commercial operation in 2010 (the Toba Montrose Facility). The majority of the Company's sites fall within a geographic area surrounding Toba, Bute and Knight Inlets on the southwestern coast of BC, an area which the Company has named the "Green Power Corridor"TM, or "GPC".

The Company's wind projects are the Dokie Wind Farm and the nearby Dokie expansion project, both of which were acquired in December 2009 in partnership with GEEFS. The Dokie Wind Farm is located west of Chetwynd, British Columbia, approximately 1,100 km northeast of Vancouver, and commenced commercial operation on February 16, 2011.

In November 2008, the Company and GEEFS jointly submitted proposals for EPAs for two projects, the Upper Toba Project and Bute Inlet Project, into the 2008 Clean Power Call. The proposal for the Bute Inlet Project was withdrawn in March 2010, but in April 2010, BC Hydro awarded a 40 year EPA for the Upper Toba Project.

In January 2011, the Company in partnership with GEEFS agreed to acquire from First Solar, Inc. three photovoltaic solar facilities with a total capacity of 50MW to be built in southern Ontario.

As at December 31, 2010 the Company and its subsidiaries had 38 full time employees and 15 part time employees.

The Electricity Market in BC

Electricity is an essential commodity, and demand for electricity in BC has been steadily increasing, driven by population and economic growth. The Company has identified a number of long-term trends which it believes will increase the demand for clean power generated from environmentally friendly, low-impact sources such as the Company's projects. These include:

- The Government of British Columbia's stated intention that BC Hydro will retain ownership of existing "heritage" assets, and that new generation supply will be provided by the private sector.
- The increasing global trend towards concern for the environment and environmental stewardship, which drives demand for sources of low-impact, renewable power.
- Increasing government mandated minimum targets for renewable energy in the overall supply mix.

To date, Plutonic's management has focused on the sale of electricity to the BC market through the provincial utility, BC Hydro. BC Hydro is one of the largest electric utilities in Canada, owning and supplying the majority of power generating capacity in the province.

The remaining capacity is provided by private utilities, large and small industrial self-generators and independent power producers.

In 2002 the Government of BC announced its BC Energy Plan (the “Plan”), subsequently updating the Plan in February 2007. The Plan set out goals to ensure that BC would have the reliable and domestically supplied electricity needed to meet ongoing, growing demand.

In 2010 the Government of BC followed up the Plan with the *Clean Energy Act* (the “CEA”). The CEA puts into law the British Columbia government’s long standing commitment to clean energy and the reduction of greenhouse gases and establishes a long term vision for British Columbia to become a clean energy powerhouse. The CEA sets out a number of specific energy objectives that will guide the provincial government, BC Hydro and the BCUC in advancing this vision, focusing on three areas:

1. Ensuring Electricity Self-Sufficiency at Low Rates

The province’s legislated goal of electricity self-sufficiency by 2016 will be strengthened with a new regulatory framework for long-term electricity planning, commitments to clean and renewable electricity generation, streamlined approval processes and new measures to promote electricity efficiency and conservation. The CEA also strengthens protection for the province’s ratepayers with new measures to promote competitive rates and to ensure that all of the benefits from BC Hydro’s heritage assets continue to flow to British Columbians. These objectives will be accomplished through long-term planning; public investments and conservation; and new investments in clean, renewable power and energy security. The BCUC will continue to ensure appropriate rates are set in advancing government’s energy objectives and long-term resource plans.

2. Harnessing BC’s Clean Power Potential to Create Jobs in every Region

The CEA will provide BC Hydro and renewable power producers with the tools necessary to establish British Columbia as a clean energy powerhouse that enables economic growth and job creation in every region. It will enable BC Hydro to maximize the value of its energy resources for ratepayers and taxpayers. It will provide a new model to secure long-term export power sales to other jurisdictions seeking clean power by partnering with renewable power producers without risk or cost to the province’s ratepayers. The CEA also consolidates British Columbia Transmission Corp. with BC Hydro and creates a First Nations Clean Energy Business Fund to provide the opportunity for First Nations to create investment and jobs in renewable power production.

3. Strengthening Environmental Stewardship and Reducing Greenhouse Gases

The CEA enshrines in law measures the Province will take to reduce greenhouse gas emissions, help customers save money through conservation and protect the environment. The provincial *Environmental Assessment Act* process will be strengthened to specifically provide for assessments of potential cumulative environmental effects. In addition, the development or proposal of energy projects in parks, protected areas and conservancies will be prohibited by law.

For more information on the CEA go to www.gov.bc.ca/cleanenergyact.

Run-of-River Hydroelectric Power

Run-of-river hydroelectric generation facilities differ from traditional hydroelectric facilities, which require the damming of a river or other water course and the consequent flooding of large areas of land to provide a reservoir of water to be used to drive the turbines to generate electricity. A run-of-river project only requires a minimal amount of retention of water in a stream or river, limiting it to the amount required to submerge the intake mouth of a conveyance pipe, or penstock. Through the construction of a weir a portion of the water flowing in the stream or river is diverted into a downward sloping penstock which delivers the water to drive turbines located at the bottom of the grade. The water is then returned to the river without altering the existing flow or water levels downstream.

It should be noted that because a run-of-river project does not have the ability to store water, the amount of electricity it can generate is dependent on water flow. The weather patterns in the areas where the Company's projects are located generally result in increased water flows in the spring and summer months. This has the potential to enhance BC Hydro's ability to better shape its supply of electricity to meet demand, as BC Hydro's generation capacity is primarily from dam-created reservoirs. BC Hydro would be able to utilize run-of-river produced electricity during high water months instead of drawing down its reservoirs, and thereby allowing its reservoirs to be replenished during low water months. This essentially allows BC Hydro's reservoirs to function as large batteries storing power that can be generated by BC Hydro on demand.

The environmental attributes of electricity generated by run-of-river hydroelectric facilities allow them to be classified as environmentally friendly clean power projects. These attributes include the following:

- Zero greenhouse gas emissions
- No pollution or wastes created
- Small environmental footprint
- Low visual impact
- Minimal impact on fish, vegetation, bird and wildlife habitat

Wind Power

Wind power is used to generate electricity by positioning a propeller so that the force of the wind blowing over the blades causes the propeller to spin, which in turn drives an attached generator. The generators are housed in nacelles which are traditionally mounted on top of towers located in windy areas, which automatically rotate and orient to the direction of the wind.

Wind energy has evolved from an emerging source of energy to become a significant resource in many countries.

Global installed wind energy capacity has grown continuously over the past 15 years. Europe dominates the global wind energy industry, having approximately 61% of total installed wind energy capacity. In Canada, government initiatives to foster the development of wind energy were implemented somewhat later than in many other

countries around the world. However, since 2001, the Canadian wind energy market has been growing, driven largely by national production incentives and provincial renewable energy targets.

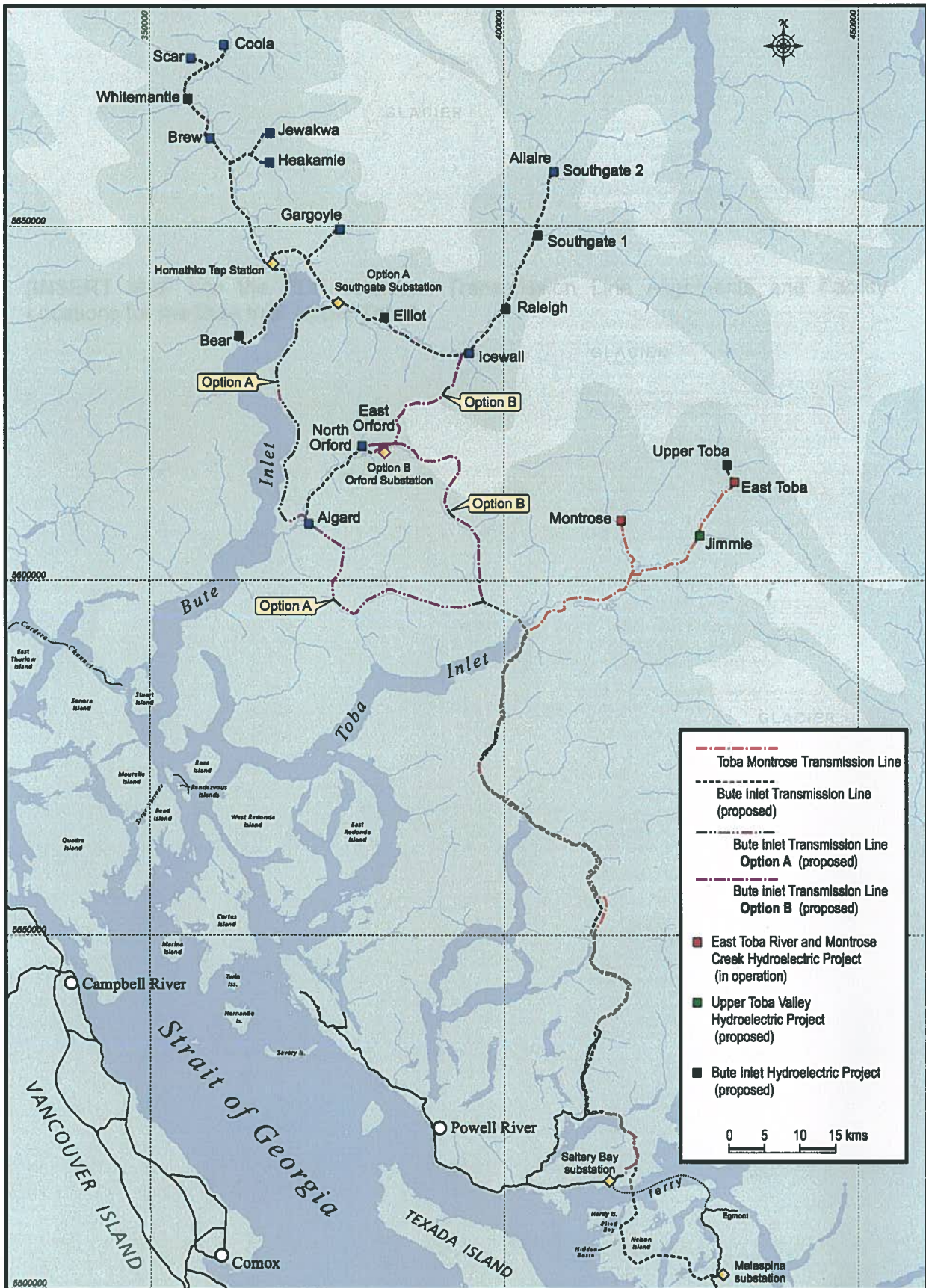
The environmental attributes of electricity generated by wind generated power allows it to be classified as environmentally friendly clean power. These attributes include the following:

- Zero greenhouse gas emissions
- No pollution or wastes created
- Small environmental footprint
- Non-restrictive use of land
- Minimal impact on fish, vegetation, bird and wildlife habitat

The Company's Projects

Map of Run-of-River Projects

The location of the Toba Montrose Facility and the sites comprising the Upper Toba Project and Bute Inlet Project are located on the following map.



Toba Montrose Facility

The Toba Montrose Facility has been in commercial operation since May 2010 and is owned by Toba Montrose General Partnership ("TMGP"), of which the Company owns a 51% equity and 40% economic interest. The remaining interests in TMGP are owned by GEEFSHC.

Project Overview

The Toba Montrose Facility is comprised of two run-of-river power generation sites, one on the East Toba River and one on Montrose Creek. Both generation sites are located northeast of the head of Toba Inlet, approximately 100 km north northeast of Powell River, BC. A new 230 kV transmission line to carry the generated electricity to Saltery Bay for interconnection to the BC Hydro transmission grid was built as part of the Toba Montrose Facility.

The Montrose Creek facility is a 88 MW run-of-river facility in the Montrose Creek drainage basin, located approximately 29 km northeast of Toba Inlet's northernmost extent. This facility diverts water from a penstock intake on Montrose Creek which drops in elevation to a surface powerhouse containing turbines in the lower reach of the creek. The facility, with its intake located at an elevation of approximately 512 meters above sea level, drains an area of approximately 99 square kilometers. The facility is expected to generate a net 275 GWh of electricity per year.

The East Toba facility is a 146 MW run-of-river facility in the East Toba River drainage basin, located approximately 45 km northeast of Toba Inlet's northernmost extent. This facility diverts water from a penstock intake on the East Toba River which drops in elevation to a surface powerhouse containing turbines in the lower reach of the river. The facility, with its intake located at an elevation of approximately 690 meters above sea level, drains an area of approximately 188 square kilometers. The facility is expected to generate a net 452 GWh of electricity per year.

Access to the head of Toba Inlet is by boat, barge and aircraft. A combination of rehabilitated logging roads and new roads built by TMGP provide access from the head of Toba Inlet up the Toba River valley to the East Toba and Montrose Creek facilities.

The electricity generated from the Toba Montrose Facility is transmitted via a new 230 kV transmission line approximately 150 km in length which was built by TMGP and interconnected to the transmission grid at Saltery Bay, on Jervis Inlet. The transmission line was routed to take advantage of existing logging roads in lower lying areas and to avoid private land, First Nations land reserves, sensitive areas, and parks. Generally, the line was built using wooden H-Poles, but steel towers were utilized for added strength in high elevation locations. The ROW is located on Crown Land and maintained at a width of 40 meters, with only low bush being allowed to grow in it.

The total cost of building the Toba Montrose Facility was approximately \$660 million, which included approximately \$503 million in direct construction costs.

Status of the Toba Montrose Facility

In June 2007, Plutonic TMP Holdings Inc., a wholly owned subsidiary of the Company, formed TMGP with GEEFSHC. The Company then assigned all of its interest in the Toba Montrose Facility to TMGP and GEEFSHC invested \$100 million into TMGP. The resulting ownership interests in TMGP are a 49% equity interest and a 60% economic interest for GEEFSHC and a 51% equity interest and a 40% economic interest for the Company. Following the 35 year EPA term, the economic interest of GEEFSHC will reduce from 60% to 49% and the Company's economic interest will increase from 40% to 51%.

On August 31, 2006 TMGP and BC Hydro entered into a 35 year EPA for the Toba Montrose Facility, pursuant to which electricity from the Toba Montrose Facility is purchased by BC Hydro.

The Toba Montrose Facility generation facilities are located within the traditional territory of Klahoose First Nation, and the transmission line that links the Toba Montrose Facility's generation facilities to the transmission grid crosses the traditional territories of Klahoose, Sliammon and Sechelt First Nations. The substation that interconnects the Toba Montrose Facility's generation facilities to the transmission grid is within the traditional territory of Sechelt First Nation. TMGP has entered into Impact Benefit Agreements with all three of these First Nations, which allow access through the First Nations' traditional territories and provides revenue sharing and employment, training and contracting opportunities for First Nations' members.

Construction of the Toba Montrose Facility was financed via a Credit Agreement with a consortium of lenders led by The Manufacturers Life Insurance Company, which provided a 38 year fixed rate non-recourse aggregate of \$470 million debt facility to TMGP for the Toba Montrose Facility. This debt is secured by a charge on the Toba Montrose Facility in favour of the lenders.

The Toba Montrose Facility qualifies for participation in the ecoEnergy Program, a Canadian federal government program to encourage construction of renewable and green projects. Qualified projects will be entitled to receive from ecoEnergy an incentive of \$10 per MWh for up to 10 years for eligible low-impact, renewable electricity projects built prior to March 31, 2011. On February 16, 2009 TMGP signed an agreement with the Government of Canada which provides that TMGP will receive the \$10 per MWh payments, which commenced with commercial operation in May 2010.

Upper Toba Project

The Upper Toba Project, which is not yet under construction, is comprised of two run-of-river power generation sites, one located on Jimmie Creek and one located on Upper Toba River. Both of the sites are located north east of the head of Toba Inlet, in the vicinity of the Toba Montrose Facility.

The Jimmie Creek site envisages a 66 MW run-of-river facility in the Jimmie Creek drainage basin, located approximately 30 km northeast of Toba Inlet's northernmost extent. This facility would divert water from a penstock intake on Jimmie Creek which drops in elevation to a surface powerhouse containing turbines in the lower reach of the

creek. The development would drain an area of approximately 93 square kilometers and generate an estimated net 167 GWh of electricity per year.

The Upper Toba River site envisages a 58 MW run-of-river facility in the Upper Toba River drainage basin, located approximately 45 km northeast of Toba Inlet's northernmost extent. This facility would divert water from a penstock intake on the Upper Toba River which drops in elevation to a surface powerhouse containing turbines in the lower reach of the river. The development would drain an area of approximately 78 square kilometers and generate an estimated net 149 GWh of electricity per year.

The two sites are both located in close proximity to the Toba Montrose Facility, and with the construction of a minimal amount of connector transmission lines would be able to utilize the transmission line built for the Toba Montrose Facility to interconnect to the transmission grid. The roads and other infrastructure built to construct the Toba Montrose Facility could also be used to construct the Upper Toba Project, together with some additional mainline and other roads to access the new intake locations.

On March 31, 2009, the Company received an Environmental Assessment Certificate from the EAO for the Upper Toba Project. In December 2009 the Canadian Environmental Assessment Agency completed its screening level review under the *Canadian Environmental Assessment Act*, allowing the Upper Toba Project to proceed.

On March 29, 2010 the Company's subsidiary, Plutonic Upper Toba Holdings Inc., and GE EFS Canada Investment Holding Company, an affiliate of General Electric, formed the Upper Toba General Partnership ("UTGP") and on April 28, 2010, UTGP and BC Hydro entered into a 40 year EPA for the Upper Toba Project with a commercial operation deadline date of January 1, 2014.

During 2010 the Company carried out hydrological studies and engineering, cost estimating, environmental work and interconnection studies on the Upper Toba Project, at a cost of approximately \$1.0 million. During 2011 the Company's primary focus will be on engineering and cost estimating, with the objective of making a construction decision by the end of the year.

The Impact Benefit Agreements entered into with Sliammon and Sechelt First Nations for the Toba Montrose Facility are also applicable to the Upper Toba Project, so the Company will not need to enter separate agreements with those two First Nations for the Upper Toba Project. The Impact Benefit Agreement entered into with Klahoose First Nation for the Toba Montrose Facility is applicable to some, but not all, aspects of the Upper Toba Project, and the Company will be required to negotiate an Impact Benefit Agreement with the Klahoose First Nation for certain aspects of the Upper Toba Project. Negotiations between the Company and Klahoose First Nation on an Impact Benefit Agreement for the Upper Toba Project are ongoing.

Bute Inlet Project

The Bute Inlet Project, which is not yet under construction, consists of a number of run-of-river sites located within a radius of approximately 50 km of the head of Bute Inlet, which is located approximately 150 km north of Powell River, BC. The Bute Inlet Project will require transmission facilities to be built to transmit the electricity generated. The

currently planned configuration is a 500 kV line from Bute Inlet to the BC Hydro substation located at Malaspina, where it will interconnect with the transmission grid.

Significant logging and other industrial activity has occurred in the vicinity of Bute Inlet since the 1980s, resulting in the development of an extensive network of roads in the area. The Company should be able to utilize these roads for construction of some of the Bute Inlet Project facilities, however the rehabilitation of a number of existing and the construction of additional new roads will likely be required.

In May 2007, the Company submitted the Bute Inlet Project into the BC Environmental Assessment Permitting Process, with the EAO consequently issuing a Section 10 order binding the project to review under the *Environmental Assessment Act*. The size of the Bute Inlet Project has also triggered the requirement for a more comprehensive review by the Canadian Environmental Assessment Agency ("CEAA") under the *Canadian Environmental Assessment Act*, and in May 2009 the Federal Minister of the Environment determined that the environmental assessment of the Bute Inlet Project would be conducted under the extensive panel review process. In June 2010 the Company advised CEAA that it was extending the timeline for development of the Bute Inlet Project. The reasons for the extension were the project not receiving an EPA in the 2008 Clean Power Call, a reduction in the likelihood that the project would receive an EPA within a reasonable time period and with the possibility of a reconfiguration of the project as the result of additional field study results there is uncertainty on what the composition of the project may be moving forward. CEAA has maintained the review panel in place, and will be re-evaluating and making a decision whether or not to disband the panel in spring 2011.

All of the generation sites for the Bute Inlet Project are located in the traditional territory of the Homalco First Nation, and the transmission line will run across the traditional territories of the Homalco, Klahoose, Sliammon and Sechelt First Nations. During 2010 the Company entered into an Impact Benefit Agreement with Sechelt First Nation, and continued negotiating Impact Benefit Agreements with the other three First Nations. The Impact Benefit Agreement with Sechelt First Nation includes terms regarding access through their traditional territory, payment of access and construction fees, revenue sharing, employment, training and contracting opportunities for First Nation members and provisions providing for management of future transmission access through Sechelt traditional territory.

During 2010 the Company continued with hydrological studies and cost effective environmental baseline work on the Bute Inlet Project sites. Given the extended timeline for development of the Bute Inlet Project, the Company plans to focus primarily on hydrological studies during 2011.

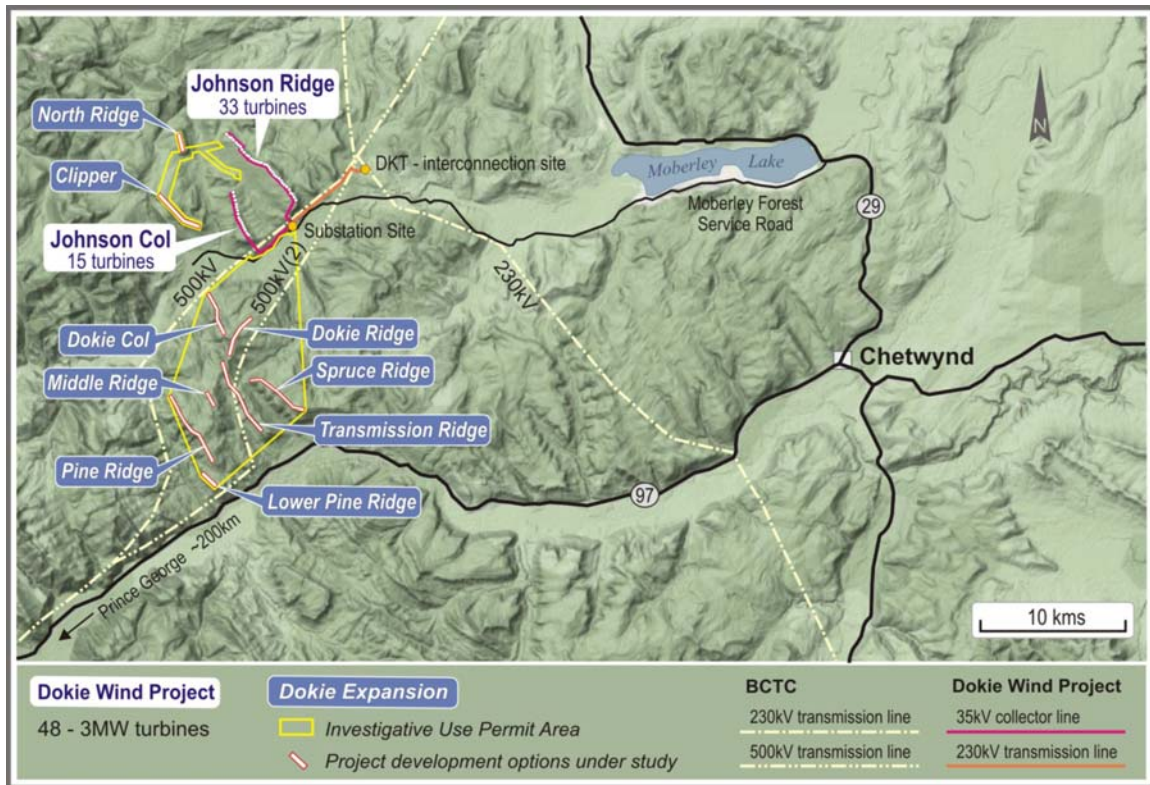
During 2010, the Company incurred costs in the amount of \$1.0 million in development of the Bute Inlet Project.

Dokie Wind Farm

Project Overview

The Dokie Wind Farm is a 144 megawatt capacity wind farm located approximately 40 km west of Chetwynd, in north-eastern British Columbia. The location of the Dokie Wind

Farm and the sites comprising the nearby Dokie Expansion Project (see “Other Projects – Dokie Wind Expansion”) are located on the following map.



The Dokie Wind Farm commenced commercial operation on February 16, 2011. The Dokie Wind Farm consists of 48 wind turbine generators (“WTGs”) located on two ridges, with each WTG having a capacity of three megawatts. The first ridge, Johnson Col, has 15 WTGs installed in a line of approximately 3,500 meters and the second ridge, Johnson Ridge, has 33 WTGs installed in a line of approximately 7,500 meters. Each WTG is comprised of a tower 80 meters in height topped with a three MW Vestas V-90 turbine nacelle, which has a turbine blade sweep diameter of 90 meters. The Dokie Wind Farm will generate between 320 and 340 net GWh of electricity per year.

The Dokie Wind Farm includes approximately 17 km of 35kv collector lines running from the WTGs to the project substation. At the substation energy is stepped up to 230kv and then carried approximately seven km by a 230kv transmission line to an interconnection point with BC Hydro’s transmission grid.

The cost of building the Dokie Wind Farm to December 31, 2010 was approximately \$203.7 million, which included approximately \$65.3 million in direct construction costs.

Status of the Dokie Wind Farm

The Dokie Wind Farm was originally under development by EarthFirst Canada Inc. (“EarthFirst”), however, in November 2008 EarthFirst filed for protection from its creditors under the *Companies’ Creditors Arrangement Act* (the “CCAA”). As part of its

restructuring plan under the CCAA, EarthFirst and GEEFS entered into an Asset Purchase Agreement dated May 20, 2009 (the "APA") whereby GEEFS agreed to purchase the assets comprising the Dokie Wind Farm from EarthFirst and other third parties. On September 16, 2009 the APA was subsequently assigned to DGP and its acquisition of the assets comprising the Dokie Wind Farm was completed on December 10, 2009.

DGP and BC Hydro have entered into a 25 year EPA for the Dokie Wind Farm, pursuant to which electricity from the Dokie Wind Farm is purchased by BC Hydro.

The Dokie Wind Farm is located within the traditional territories of the West Moberly, Saulteau and Halfway River First Nations and the McLeod Lake Indian Band. DGP has entered into Memoranda of Understanding with all of these First Nations, which agreements allow access through the First Nation's traditional territories and provides revenue sharing employment, and contracting opportunities for First Nation members.

To finance construction of the Dokie Wind Farm the Company and GEEFS contributed \$52.5 million in equity to DGP, of which the Company's 51% share was \$26.8 million, and on December 7, 2009 DGP entered into a Credit Agreement with a consortium of lenders led by The Manufacturers Life Insurance Company pursuant to which \$175 million in construction financing was provided to DGP. This financing has been secured by a charge on the Dokie Wind Farm in favour of the lenders.

The Dokie Wind Farm was built by Mortenson Construction Canada on a fixed price basis pursuant to an engineering, procurement and construction contract.

The Dokie Wind Farm also qualifies for participation in the ecoEnergy Program, and on November 19, 2009 DGP signed an agreement with the Government of Canada which provides that DGP will receive \$10 per MWh upon commencement of operation in 2011.

ABW Solar Project

Description of the Project

The ABW Solar Project consists of three photovoltaic solar facilities to be built in southern Ontario by First Solar, Inc. The three facilities are being built near the towns of Amherstburg (10 MW), Belmont (20MW) and Walpole (20 MW). Completion of permitting for the project under Ontario's Renewable Energy Approval process is expected in the spring of 2011, with construction expected to begin by mid-2011 and be completed by late-2011.

Status of the ABW Solar Project

The ABW Solar Project is being developed by First Solar, Inc. ("First Solar"), an Arizona based company listed on the NASDAQ Exchange. First Solar designs, manufactures and sells solar power modules using a proprietary thin film semiconductor technology. Its business includes project development, engineering, procurement & construction, operating and maintenance services. First Solar will build the three photovoltaic solar facilities and then provide operation and maintenance services under a long-term contract.

On December 23, 2010 Plutonic ABW Holdings Inc., a wholly owned subsidiary of the Company, formed ABW Solar General Partnership ("ABWGP") with GE Energy Financial Services ABW Solar Company. On January 4, 2011, ABWGP agreed to acquire the ABW Solar Project from First Solar once it is complete in late-2011. The Company is expected to make an equity contribution of approximately \$6 million for a 10% interest in the project, and serve as the managing partner of the ABW Solar Project. Project debt will be arranged by First Solar on behalf of ABWGP and is expected to be in place to allow ABWGP to acquire the ABW Solar Project upon completion.

The ABW Solar Project will sell its power to the Ontario Power Authority under 20-year energy purchase agreements and will interconnect to Ontario's distribution grid at five points.

Other Projects

Green Power Corridor™ Projects

The Company has completed Stages 1 and 2 towards securing Water Licenses and Crown Land rights from MNRO for the development of a number of run-of-river and one pumped storage sites on the southwestern coast of BC, an area which the Company has named the "Green Power Corridor"™, or "GPC".

The Company's activities on these projects has been limited to collecting hydrological data and preliminary engineering work on some of the sites, and it expects to maintain this activity level during 2011.

Dokie Wind Expansion

Located on a number of ridges to the south and west of the Dokie Wind Farm is the Dokie Expansion Project. This project was acquired from EarthFirst concurrently with the Dokie Wind Farm. During 2010 the Company evaluated the wind resource data for the project it received from EarthFirst in order to determine the potential capacity of the project, and plans to continue with this evaluation in 2011.

Competitive Environment

At the present time the Company considers that the only feasible purchaser of electricity generated by the Company and other IPPs in British Columbia is BC Hydro, pursuant to EPAs which are awarded in a call for power such as the 2008 Clean Power Call. The Company is therefore dependent on obtaining EPAs from BC Hydro for its projects, and competes for EPAs with other IPPs who are developing power projects using run-of-river and other technologies, including wind and biomass. These IPPs range in size from large utilities to small independent power producers.

Each power production technology has benefits and drawbacks. In general, on an economic and environmental basis, run-of-river, wind and biomass technology is competitive with other forms of clean power generation.

Statement on Working Relationships with First Nations

The Company and its management firmly believe that it is in the best interests of the Company to work in partnership with First Nations in developing its projects. With this belief in mind, the Company has adopted the following Statement on Working Relationships with First Nations.

Successful partnerships require dedication, commitment, hard work, understanding, trust and mutual respect. They also involve recognizing each other's values and aspirations, and identifying and communicating common goals. Plutonic shares the goals of First Nations in regards to the respect of land and resources and insuring long term sustainability. The Company's activities shall always be conducted in an economically, socially and environmentally responsible manner.

The following ten principles guide the Company's position on all activities and issues related to First Nations:

1. Recognize the traditional territories and areas of cultural or heritage interest of First Nations.
2. Recognize that First Nations have overlapping or shared territories.
3. Respect the diversity of interests and cultures among First Nations.
4. Respect the internal affairs of First Nations.
5. Have a common commitment to sustainability and respect for the land and its resources.
6. Recognize that each First Nation may have interests and objectives that are unique in their business relationships and cooperative ventures.
7. Acknowledge there is a shortage of capital to involve First Nations in cooperative ventures and assist them wherever possible in obtaining financing from both the private and public sectors.
8. Assist First Nations' ability to develop training, employment and business opportunities in connection with Plutonic's activities.
9. Support First Nations' aspirations in securing long term economic development.
10. Set objectives and maintain operations that are in the best business interests of the Company's shareholders and First Nations.

Risk Factors

Certain risk factors relating to the Company and an investment in its securities are set out below, in the order of their seriousness.

Operation of Facilities

The Company is dependent on the successful operation of its generation facilities. Design error and flaws in the manufacture of equipment may have occurred and be

unknown to the Company and may not be covered by warranty or mechanical failure may occur after the warranty period has expired. Either of these situations may result in unexpected repair costs and loss of production.

Fluctuations and changes in weather and wind patterns may impact hydro and wind operations, causing fluctuations in yearly operating results.

The ability of the Company's facilities to generate the maximum amount of electricity which can be sold to BC Hydro is important to the Company's revenues. If a facility delivers less than the amount of electricity required to be delivered under its EPA, penalty payments may become payable to BC Hydro, adversely affecting the revenues and profitability of the Company.

Regulatory and Political Risks

The development of the Company's power projects and their future operation are subject to extensive regulation by federal, provincial and municipal governments, and changes in the policies and laws of any of these governments could have a significant impact on the Company and its projects, including regulations relating to environmental policies and conflicts of interest with other parties and other related matters beyond the direct control of the Company. Specific risks include increases in water rentals, wind participation rent, property and other taxes and changes in regulations which could make it more difficult to obtain necessary permits.

Permitting

The Company has incurred and will continue to incur significant costs to obtain the water licenses, permits (environmental and otherwise) and other approvals necessary to develop its projects. If the Company is unsuccessful in obtaining an important license, permit or other approval, this could have a material adverse effect on the Company's ability to develop its projects. Due to the large scope of some of the Company's projects, such as the Bute Inlet Project, obtaining the necessary permits may take longer than is usual for smaller, more routine projects.

First Nations

The Company's projects may be located on Crown land which is subject to ongoing, unresolved claims by First Nations. The Company's failure to reach an agreement with such First Nations could result in delays to the development of the Company's projects.

Damage to Facilities

The Company's power generation facilities may be subject to damage due to wear and tear, equipment failures or natural disasters such as floods, fires, high winds, landslides, avalanches or earthquakes. Any of these factors could lead to a reduction in revenues from the sale of electricity.

Industry Risk and Competition

The Company operates mainly in the BC run-of-river and wind power sectors. Its growth and future profitability is therefore dependent on the current supply and demand for

electricity in BC and to a lesser extent in Alberta and the United States. The Company faces competition from a wide range of competitors, from small independent power producers to large companies, some of which have significantly greater financial resources than the Company.

Weather and Long Term Hydrology Data

The revenues generated by run-of-river systems such as those developed by the Company are proportional to the amount of electricity generated, which is in turn dependent on available water flows. The Company relies on hydrological studies and data to confirm there is sufficient water flow available to generate enough electricity for its projects to be economically viable. Once built, the Company's power projects may be subject to significant variations in precipitation and the amount of snow pack in the watershed, which would affect the water flow necessary for power generation. There can be no assurance that historical water data will remain accurate or that no material hydrologic event will occur and have a negative impact on water flows.

Assessment of Wind Resource and Production

The strength and consistency of the wind resource at its wind projects, including the Dokie Wind Farm, may vary from the estimates set out in the wind study for the project. Weather patterns could change or the historical data could prove to be an inaccurate reflection of the strength and consistency of the wind in the future. The conclusions of wind studies are based on a particular methodology and a set of assumptions about the existence of certain conditions and the continuance of such conditions in the future. The following is a list of considerations which may contribute to actual energy production being different, possibly materially, than the energy production estimates set out in wind studies:

- The extent to which the limited time period of the site-specific wind data accurately reflects long term wind speeds
- The extent to which historical data accurately reflects the strength and consistency of the wind in the future
- The strength of the correlation between the site-specific wind data and the longer-term regional wind data
- The potential impact of climatic factors
- The accuracy of assumptions on a variety of factors, including but not limited to, weather, icing and soiling of wind turbines, site access, wake and line losses and wind shear
- The accuracy with which anemometers measure wind speed, and the difference between the hub height of the wind turbines and the height of the meteorological towers used for data collection
- The inherent variability of wind speeds
- The lack of independent verification of the turbine power curve provided by the turbine manufacturer
- The potential impact of topographical variations, turbine placement and local conditions, including vegetation
- The inherent uncertainty associated with the specific methodologies and related models, in particular future orientated models, used to project the wind resource
- The potential for electricity losses to occur before delivery

If the actual wind resources for a particular project varies from the estimates in the wind study or wind data collected it could have a material adverse effect on that project and, in turn, on the business, financial position or results of operations of the Company.

Variable Wind Resource

Wind is naturally variable and as a result, the level of electricity production from a wind project will also be variable. If there is insufficient wind resource at a wind project, the amount of electricity estimated to be generated by the project may not occur and the business, financial position or results of operations of the Company may be impacted adversely.

Additional Capital May Be Needed

The Company will need to raise additional capital to develop its projects. The ability of the Company to raise such capital will depend, in part, upon conditions in the capital markets at the time and its historical business performance. Failure to raise additional required capital could result in delays in the Company's development of its projects. If additional capital is raised by the issuance of shares from the treasury of the Company shareholders may suffer dilution.

Finance Requirements

The Company will be subject to capital requirements associated with developing its current projects and expanding its operations. Current or future borrowings by the Company or its subsidiaries and joint ventures will increase the level of financial risk to the Company. Several of the Company's subsidiaries are and will be required to service existing and future indebtedness. If these subsidiaries fail to comply with one or more covenants in existing debt facilities or if the Company fails to arrange the required level of debt financing for other projects from other lenders, there can be no assurance that it will be able to raise the funds required to complete its other projects as currently contemplated. Further, failure to comply with any debt covenants may entitle the lenders to demand repayment and enforce their security against certain project assets. In addition, if debt financing is available, there is no assurance that such financing will be available on terms acceptable to the Company.

Interest Rates

The Company will normally finance a significant portion of the capital cost for each project and seek to fix the interest rate payable for the duration of the loan, however there is no guarantee that the Company will be able to do so. In the event the Company does not partially or fully obtain fixed rate loans, the Company will be subject to interest rate fluctuations.

Contractual Risks

Subsidiaries of the Company have entered into long-term EPAs with BC Hydro for the Toba Montrose, Dokie and Upper Toba Projects, and it is intended that additional long-term EPAs will ultimately be entered into with BC Hydro for the sale of electricity from its other projects. If the Company is unable to negotiate and enter into such EPAs, the

development of its projects could be delayed. Furthermore, if the Company is unable to meet its obligations under an EPA, which could result if there is an interruption in electricity generation, a breach of the EPA could occur potentially resulting in liability to the Company.

Reliance on Single Turbine Supplier

The wind turbines for the Dokie Wind Farm have been obtained from one supplier only, Vestas-Canadian Wind Technology Inc. ("Vestas"). If for any reason Vestas is unable or unwilling to fulfill its contractual obligations under its warranty and maintenance agreement with DGP, it may have a material adverse effect on the Dokie Wind Farm and in turn, the Company. If Vestas ceases business operations prior to the cessation of operations at the Dokie Wind Farm, spare parts for the Dokie Wind Farm may be unavailable and operation of the wind turbines at the Dokie Wind Farm may be adversely affected, which may have a material adverse effect on the business, financial condition and results of operations of the Dokie Wind Farm and in turn, the Company.

Turbine Design and Local Climatic Conditions

The Vestas turbines installed at the Dokie Wind Farm were chosen because of their advanced design and their expected ability to withstand local weather conditions. However, there can be no assurance that these turbines will be able to withstand all weather conditions that may be experienced, or that extreme weather will not otherwise materially impact the production of electricity. While the Vestas turbine's ability to perform in accordance with its power curve has been warranted by Vestas, there is no assurance that such performance will in fact occur. In the event that the turbines do not perform as expected and any deficiencies cannot be corrected in an efficient manner, there may be an adverse effect on the production of electricity by the Dokie Wind Farm. The wind turbines utilized for the Dokie Wind Farm may break down from time to time and may degrade over time. Breakdowns and degradation will adversely affect the operations and increase the expenses of, and decrease the revenues from, the Dokie Wind Farm. In addition, any equipment breakdown after expiry of the applicable warranty period will increase the expenses of the Dokie Wind Farm.

Key Employees and Consultants

The Company is managed by long-term employees and employs consultants with considerable experience in the development of run-of-river and wind projects. The continued success of the Company will depend on retaining its current employees and consultants and attracting new ones to achieve its planned growth. Should existing management's services be unavailable for any reason, a disruption of the Company's operations could result.

Reliance upon Public Transmission Systems

The Company's ability to sell electricity is conditional upon the interconnection of its projects with the transmission grid, and impacted by the capacity of the transmission grid in BC and the other jurisdictions in which it is developing projects. The inability to connect a project to the transmission grid, failure of existing transmission facilities or lack of adequate transmission capacity may have a material adverse effect on the Company and certain of its projects.

Water Rental Expense and Wind Participation Expense

The Company makes rental payments to the Government of BC for water rights used at its run-of-river plants and wind participation at its wind plants. Significant increases in water rental or wind participation rates or a change in the way that the Government regulates water or wind supply could have a material adverse effect on the Company's operating results.

Insurance Limits

The Company anticipates its insurance coverage will address all material insurable risks, will provide coverage that is similar to what would be maintained by a prudent owner/operator of similar facilities and will be subject to deductibles, limits, and exclusions which are customary or reasonable given the cost of obtaining insurance and current operating conditions. There can be no assurance that insurance will be obtained or continue to be offered on an economically feasible basis, or that all events are insured that could give rise to a loss by the Company.

DIVIDENDS

The Company has not paid any dividends on its common shares since its incorporation. The Company does not expect to pay any dividends in the foreseeable future, as its current intention is to retain future earnings for the development of its inventory of power projects.

The payment of any future dividends will be at the discretion of the Company's Board of Directors and will depend upon the Company's future earnings, operations, capital requirements to develop its inventory of power projects, financial condition and general business conditions.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of the Company consists of an unlimited number of common shares and an unlimited number of preferred shares. As at December 31, 2010 there were 65,435,042 common shares and no preferred shares outstanding.

Common Shares

The holders of common shares are entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class or series of shares of the Company, to receive any dividends declared by the Company on the common shares. Holders of common shares are also entitled to vote at all meetings of the shareholders of the Company, except meetings at which only holders of a specified class of shares are entitled to vote. Holders of common shares have the right, subject to the rights, privileges, restrictions and conditions attaching to any other class or series of shares of the Company, to receive the remaining property of the Company upon dissolution.

Preferred Shares

The preferred shares may, upon compliance with the applicable provisions of the *Business Corporations Act* (British Columbia) be issued at any time in one or more series. The directors of the Company may fix the number of shares in and create the special rights and restrictions attaching to any series of preferred shares to be issued. Each series of preferred shares issued will rank on par with other series with respect to the payment of dividends and the distribution of assets in the event of liquidation, dissolution or winding-up, and will rank prior to the common shares with respect thereto.

Options

On December 31, 2010 the Company had an aggregate of 5,789,739 stock options outstanding under its Incentive Stock Option Plan, each of which entitles the holder thereof to purchase one common share. The options are exercisable at various prices between \$0.80 and \$7.80 per share, and expire on various dates ranging from March 26, 2011 to November 28, 2015.

MARKET FOR SECURITIES

The common shares are listed and traded on the Toronto Stock Exchange ("TSX") under the symbol 'PCC'. The monthly price ranges and volumes traded for the common shares on the TSX during 2010 are as follows:

<u>Date</u>	<u>High</u> <u>(\$)</u>	<u>Low</u> <u>(\$)</u>	<u>Close</u> <u>(\$)</u>	<u>Volume</u>
Dec-10	2.22	1.96	2.13	2,880,517
Nov-10	2.52	2.09	2.22	2,545,698
Oct-10	2.25	1.85	2.20	3,536,790
Sep-10	2.54	2.14	2.18	1,967,928
Aug-10	2.97	2.36	2.47	2,622,623
Jul-10	2.62	2.38	2.43	519,178
Jun-10	2.95	2.33	2.45	1,936,808
May-10	3.27	2.86	2.95	1,263,838
Apr-10	3.53	2.91	3.24	3,019,753
Mar-10	3.95	3.20	3.39	4,414,657
Feb-10	3.75	3.40	3.60	1,086,834
Jan-10	3.93	3.23	3.52	2,472,626

DIRECTORS AND OFFICERS

The directors and executive officers of the Company and its material subsidiaries as at December 31, 2010 are set out below. The term of office for directors will expire at the next annual general meeting of shareholders of the Company, unless a director resigns or is otherwise removed in accordance with the Articles of the Company or the *Business Corporations Act*.

Name and Present Position with the Company	Principal Occupation for Past Five Years	Year First Became a Director or Officer
Walter T. Segsworth ^{(3) (4)} West Vancouver, BC Chairman of the Board and Director	Self employed businessman and consulting engineer.	2003
Donald A. McInnes North Vancouver, BC Chief Executive Officer, Vice Chairman and Director	Chief Executive Officer and Vice Chairman of the Company since October 2007. President and CEO of the Company from 1999 to 2007.	1999
R. (Tookie) Stuart Angus ⁽¹⁾ Sechelt, BC Director	Independent business advisor.	1999
William F. Lindqvist ^{(1) (2) (4)} Tiburon, California Director	Independent business consultant.	2003
Peter C. Flynn ^{(1) (2)} Edmonton, Alberta Director	Professor in the Department of Mechanical Engineering at the University of Alberta and Director of Electricity Balancing Pool for the Province of Alberta.	2006
David O'Brien ^{(2) (3)} Mississauga, ON Director	Retired business executive since September 2009. Previously President and Chief Executive Officer of Toronto Hydro Corporation from July 2004 to September 2009.	2009
Larry Philip Fontaine ^{(3) (4)} Ottawa, ON Director	President of Ishkonigan Inc. since August 2009. Previously Grand National Chief of the Assembly of First Nations from July 1999 to July 2009.	2009

Name and Present Position with the Company	Principal Occupation for Past Five Years	Year First Became a Director or Officer
Paul B. Sweeney Surrey, BC Executive Officer	Executive Officer of the Company from April 2010 to December 2010. President of the Company from August 2009 to April 2010. Previously, Executive Vice President, Corporate Development of the Company from October 2008 to August 2009 and Executive Vice President, Business Development of the Company from January 2007 to October 2008. Independent business and financial consultant from 2005 to 2007.	2007
Bruce D. Ripley Surrey, BC President and Chief Operating Officer of Plutonic and Chief Executive Officer, Toba Montrose General Partnership	President and Chief Operating Officer of the Company since April 2010. Chief Executive Officer of TMGP since October 2008. Previously, President and Chief Operating Officer of the Company from October 2007 to August 2009 and Executive Vice President, Operations of the Company from March 2007 to October 2007. Formerly Vice President, Engineering of BC Hydro from 2004 to 2006.	2007
Grigor E. Cook Surrey, BC Chief Executive Officer, Dokie General Partnership	Chief Executive Officer of DGP since September 2009. Previously, Executive Vice President, Projects of the Company from October 2007 to December 2010. Chief Executive Officer of Toba Montrose General Partnership from October 2007 to October 2008. Chief Operating Officer of the Company from 2006 to October 2007. Formerly, President and COO of Commonwealth Construction Canada Ltd. from 2000 to 2006.	2006

Name and Present Position with the Company	Principal Occupation for Past Five Years	Year First Became a Director or Officer
Rupert A. Legge North Vancouver, BC Executive Vice President, Corporate and Legal Affairs	Executive Vice President, Corporate and Legal Affairs of the Company since October 2008. Senior Vice President, Legal Affairs from January 2008 to October 2008. Corporate secretary from 1999 to October 2008. Previously, lawyer with Miller Thomson LLP from 2004 to 2007.	1999
Peter G. Wong Vancouver, BC Chief Financial Officer	Chief Financial Officer of the Company since 2005.	2005

- (1) *Members of Audit Committee*
- (2) *Members of Compensation Committee.*
- (3) *Members of Corporate Governance / Nominating Committee.*
- (4) *Members of Health, Safety Environmental Committee.*

As at December 31, 2010, the directors and officers of the Company, as a group, beneficially owned, or controlled or directed, directly or indirectly, 5,169,250 common shares which represented 7.9% of the common shares outstanding at that time. As at December 31, 2010, the directors and officers held an aggregate of 3,354,000 options to purchase common shares under the Company's Incentive Stock Option Plan and no warrants to acquire common shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

R. (Tookie) Stuart Angus is a director of Wildcat Silver Corporation ("Wildcat"), which requested and received notice from the British Columbia Securities Commission of the issuance of a management cease trade order (the "MCTO") on October 30, 2007 in connection with the late filing of its annual audited consolidated financial statements for the fiscal year ending June 30, 2007. Wildcat's failure to make the filing within the required time frame was due to the need to clarify potential foreign tax obligations relating to an acquisition it made. The required filing was made on January 7, 2008 and the MCTO was revoked on January 8, 2008.

To the best of the Company's knowledge, no other director or executive officer of the Company is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for more than 30 consecutive days that (an "Order") was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the best of the Company's knowledge, no director or executive officer of the Company, or shareholder holding a sufficient number of common shares to materially affect control of the Company:

- (c) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including Plutonic Power Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the best of the Company's knowledge, no director or executive officer of the Company, or shareholder holding a sufficient number of common shares to materially affect control of the Company, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The Company is not aware of any existing or potential conflicts of interest between the Company or a subsidiary and any director or officer of the Company or a subsidiary.

AUDIT COMMITTEE DISCLOSURE

General

The Audit Committee is a standing committee of the Board of Directors, the primary function of which is to assist the Board of Directors in fulfilling its financial oversight responsibilities, which include monitoring the quality and integrity of the Company's financial statements and related disclosure, the Company's compliance with legal and

regulatory requirements, the independence, qualifications and performance of the Company's external auditor, acting as a liaison between the Board of Directors and the Company's external auditor, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls management that the Board of Directors have established.

Terms of Reference for the Audit Committee

The Board of Directors has adopted Terms of Reference for the Audit Committee, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The Audit Committee's Terms of Reference is attached as Schedule A to this annual information form.

Composition

The three directors who comprise the Company's Audit Committee are R. (Tookie) Stuart Angus, William F. Lindqvist and Peter C. Flynn. All three of these directors are independent and financially literate.

Summarized below is the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member, including that which provides the member with an understanding of the accounting principles used by the Company to prepare its financial statements and an understanding of its internal controls and procedures for financial reporting.

R. (Tookie) Stuart Angus – holds an LLB and has extensive experience as a director and audit committee member of publicly traded companies. From 2003 to 2005 he was the Managing Director, Mergers and Acquisitions for Endeavor Financial Corp, a merchant banking and financial advisory firm. Previously, he was Chairman of the Board of BC Sugar Refinery Limited.

William F. Lindqvist – holds a BE in mineral engineering, a BSc in economic geology and a PhD in applied geology, and has been a member of senior management of a number of large, multinational mining companies over the course of his career.

Peter C. Flynn – is a Professional Engineer and holds a B.Sc, M.Eng and Ph.D, all in chemical engineering. Mr. Flynn held the Poole Chair in Management for Engineers at the University of Alberta, which is an endowed position in the Faculty of Engineering for an academic with extensive experience in industrial management. Mr. Flynn teaches financial management in a variety of settings, and has authored a text on the subject. He is also the chair of the Audit Committee for the Electricity Balancing Pool for the Province of Alberta.

Pre-Approval Policies and Procedures

The Audit Committee may delegate to one or more of its independent members the authority to pre-approve non-audit services, but no such delegation may be made to management of the Company. The pre-approval of non-audit services by any independent member of the Audit Committee to whom such authority has been granted must be presented to the Audit Committee at its first scheduled meeting following such pre-approval. Non-audit services will include, without limitation, the following:

- (a) Bookkeeping or other services related to the Company's accounting records or financial statements;
- (b) Financial information systems design and implementation;
- (c) Appraisal or valuation services, fairness opinions or contributions-in-kind reports;
- (d) Actuarial services;
- (e) Internal audit outsourcing services
- (f) Management functions;
- (g) Human resources;
- (h) Broker or dealer, investment adviser or investment banking services;
- (i) Legal services;
- (j) Expert services unrelated to the audit, including tax planning and consulting.

External Auditor Service Fees (By Category)

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
December 31, 2010	\$142,040	\$47,281	\$21,890	Nil
December 31, 2009	\$172,550	\$45,150	\$24,000	\$9,191

Notes:

- ⁽¹⁾ *The aggregate fees billed by the Company's auditor for audit services, including the audit of the Company's annual consolidated financial statements, review of interim financial statements and other related services.*
- ⁽²⁾ *The aggregate fees billed for advice and documentation assistance with respect to the Company's internal controls over financial reporting and IFRS advisory services.*
- ⁽³⁾ *The aggregate fees billed for professional services rendered by the Company's auditor for tax compliance, tax advice and tax planning. These services involved tax planning and related advice with respect to filing of the annual tax returns for the Company.*
- ⁽⁴⁾ *The aggregate fees billed for professional services other than those listed in the other three columns. This includes fees billed for professional services related to the Company's accounting software selection.*

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not a party to, and none of its properties are the subject of, any legal proceedings.

During the financial year ended December 31, 2010 the Company was not subject to any:

- (a) penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority;
- (b) other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision; or
- (c) settlement agreements with a court relating to securities legislation or with a securities regulatory authority.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is Computershare Investor Services, 510 Burrard Street, 2nd floor, Vancouver, British Columbia, V6C 3B9.

MATERIAL CONTRACTS

The Company and its subsidiaries entered into the following material contracts during the most recently completed financial year:

1. Impact Benefit Agreement dated February 11, 2010 with Sechelt First Nation. Refer to "Business of the Company – The Company's Projects – Bute Project" for further details.
2. Electricity Purchase Agreement dated April 28, 2010 between BC Hydro and UTGP. Refer to "Business of the Company – The Company's Projects – Upper Toba Project" for further details.

ADDITIONAL INFORMATION

Additional information on the Company may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, are contained in the information circular for the Company's most recent annual meeting of security holders. This document can be found on SEDAR at www.sedar.com.

For additional financial information, please see the Company's consolidated financial statements and accompanying management's discussion and analysis of such financial statements for the most recently completed financial year. These documents may also be found on SEDAR at www.sedar.com.

SCHEDULE A

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

General

Primary responsibility for the Corporation's financial reporting obligations, information systems, financial information disclosure, risk management and internal controls is vested in management and overseen by the Board.

The Audit Committee is a standing committee of the Board, the primary function of which is to assist the Board in fulfilling its financial oversight responsibilities. This will include monitoring the quality and integrity of the Corporation's financial statements and related disclosure, the Corporation's compliance with legal and regulatory requirements that could have a material effect upon the financial position of the Corporation, the independence, qualifications and performance of the Corporation's external auditor, acting as a liaison between the Board and the Corporation's auditor, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls management and the Board have established.

Composition and Process

1. The Audit Committee will be comprised of a minimum of three directors. All of the members of the Audit Committee will be independent, as that term is defined in Multilateral Instrument 52 – 110 *Audit Committees*, unless otherwise exempted by MI 52 - 110.
2. Audit Committee members will be appointed by the Board on an annual basis at the time of the Corporation's annual general meeting of shareholders, and will hold office until the next annual general meeting, or until they are removed by the Board or they cease to be directors. An Audit Committee member may serve any number of consecutive terms, which is encouraged to ensure continuity of experience. Vacancies on the Audit Committee will be filled by the Board. The Board may remove and replace any member of the Audit Committee.
3. All members of the Audit Committee will be financially literate, with financial literacy being the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.
4. The Chair of the Audit Committee will be appointed by the Board, and may be removed and replaced by the Board. The Audit Committee Chair may serve as chair for any number of consecutive terms. The Audit Committee Chair will arrange for an alternate chair if he or she is planning to be absent.
5. The Audit Committee Chair will, in consultation with management and the external auditor establish the agenda for Audit Committee meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for review prior to the meeting. The external auditor will also receive notice of all meetings of the Audit Committee. The external auditor will be entitled to attend and speak at each meeting of the Audit Committee concerning the Corporation's annual audited financial statements, and any other meeting at which the Audit Committee feels it is necessary or

appropriate. If the external auditor is present at a meeting of the Audit Committee, the Audit Committee will also meet separately with the external auditor without management present. The Audit Committee may employ a list of prepared questions and considerations as a portion of its review and assessment process.

6. The Audit Committee will meet a minimum of four times per year, at least once per quarter, and any member may call a special meeting as required. The Audit Committee will be entitled to meet without management present, but the Audit Committee may also request that members of management and the internal auditor attend an Audit Committee meeting. The Audit Committee may hold its meetings, and members of the Audit Committee may attend meetings, by telephone conference call.
7. Notice of the time and place of an Audit Committee meeting will be given in writing or by email or facsimile communication to each member of the Audit Committee and the external auditor at least 24 hours in advance of the time fixed for the meeting. An Audit Committee member may waive notice of a meeting and the attendance of a member at a meeting is a waiver of notice of the meeting.
8. A quorum at meetings of the Audit Committee will be a majority of its members if comprised of an odd number of members and one half of its members if comprised of an even number of members. If within one half hour of the time appointed for a meeting of the Audit Committee a quorum is not present, the meeting will stand adjourned to the same time and place on the next business day following the date of such meeting. If within one half hour of the time appointed for such adjourned meeting a quorum as hereinbefore specified is not present, the members then present will constitute a quorum for the purposes of the adjourned meeting.
9. At all meetings of the Audit Committee every question will be decided by a majority of the votes cast. In case of an equality of votes, the Audit Committee Chair will not be entitled to a second, or casting, vote.
10. The minutes of Audit Committee meetings will accurately record the decisions reached and will be distributed to Audit Committee members with copies to the Board, the Chief Executive Officer, the Chief Financial Officer and the external auditor. Without limitation, the Audit Committee will report to the Board any issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's compliance with legal or regulatory requirements within the Audit Committee's purview, the performance and independence of the Corporation's external auditor or the performance of the internal auditor.

Authority

1. The Audit Committee will have unrestricted access to the Corporation's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.
2. The Audit Committee will have direct communication channels with the external auditor.
3. The Audit Committee will have the authority to retain (or terminate) any outside counsel, advisors or consultants it determines necessary to assist it in discharging its functions, independently of the Board, Chair or Chief Executive Officer. The Audit Committee will be provided with the necessary funding to compensate any counsel, advisors or consultants it retains.

4. The Audit Committee will enquire about potential claims, assessments and other contingent liabilities.
5. The Audit Committee will periodically review with management the Corporation's depreciation and amortization policies, loss provisions and other accounting policies for appropriateness and consistency.
6. The Audit Committee will, through the Audit Committee Chair, report to the Board following each meeting on the major discussions and decisions made by the Audit Committee, and will report annually to the Board on the Audit Committee's responsibilities and how it has discharged them.

Relationship with External Auditor

The Audit Committee will be directly responsible for the retention, subject to Board and shareholder approval, and oversight of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, and for the resolution of any disagreements which may arise between management and the external auditor regarding financial reporting. The external auditor will report directly to the Audit Committee. This will include, without limitation, the Audit Committee doing the following:

1. Establishing effective communication processes with management and the external auditor so it can objectively monitor the quality and effectiveness of the external auditor's relationship with the Audit Committee and management.
2. Reviewing and discussing with the external auditor, at least annually, any disclosed relationships or services that may impact the objectivity and independence of the external auditor and, if necessary, obtaining a formal written statement from the external auditor setting forth all relationships between the external auditor and the Corporation.
3. Taking, or recommending that the Board take, appropriate action to ensure the independence of the external auditor. This may include considering the rotation of the external auditor, or the rotation of the lead audit partner of the external auditor who has primary responsibility for the audit.
4. Recommending to the Board:
 - a. the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
 - b. the compensation of the external auditor.
5. Reviewing and evaluating annually the performance of the external auditor, taking into account the opinions of management and the internal auditor, and reporting to the Board its conclusions regarding the external auditor and its recommendation for appointment of the external auditor. This should include a review and evaluation of the experience, qualifications and performance of the members of the external auditor's audit team.

6. Unless otherwise permitted by MI 52-110 *Audit Committees*, pre-approving all non-audit services to be provided by the external auditor, together with estimated fees, and considering the impact, if any, on the independence of the external auditor. The Audit Committee may delegate to one or more of its independent members the authority to pre-approve non-audit services, but no such delegation may be made to management of the Corporation. The pre-approval of non-audit services by any independent member of the Audit Committee to whom such authority has been granted must be presented to the Audit Committee at its first scheduled meeting following such pre-approval. Non-audit services will include, without limitation, the following:
 - a. Bookkeeping or other services related to the Corporation's accounting records or financial statements.
 - b. Financial information systems design and implementation.
 - c. Appraisal or valuation services, fairness opinions or contributions-in-kind reports.
 - d. Actuarial services.
 - e. Internal audit outsourcing services.
 - f. Management functions.
 - g. Human resources.
 - h. Broker or dealer, investment adviser or investment banking services.
 - i. Legal services.
 - j. Expert services unrelated to the audit, including tax planning and consulting.
7. Meeting with the external auditor on a regular basis independent of management. This should include a meeting prior to the annual audit to review the planning and staffing of the audit, and meeting as required to review any problems or difficulties that the external auditor may have encountered and management's response thereto.
8. Meeting with the chief financial officer of the Corporation on a regular basis independent of the rest of management.
9. Reviewing with the external auditor the adequacy and appropriateness of the accounting policies used in the preparation of the Corporation's financial statements.
10. Inquiring regularly of management and the external auditor whether there have been any significant issues between them regarding financial reporting or other matters and how they have been resolved, and facilitate a resolution, if required.
11. Reviewing, finalizing and signing the engagement letter with the external auditor with respect to conducting the annual audit.

Accounting Systems, Internal Controls and Procedures

The Audit Committee will ensure that the Corporation's accounting systems are reliable and that the prescribed internal controls and procedures are operating effectively for the Corporation, its subsidiaries and affiliates. This will include, without limitation, the Audit Committee doing the following:

1. Discussing with and receiving reports from management and the external auditor on the status and effectiveness of the Corporation's accounting systems and prescribed internal controls and procedures.
2. Reviewing and considering any recommendations made by the external auditor, together with management's response, and the extent to which recommendations made by the external auditor have been implemented.
3. Ensuring that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assessing the adequacy of those procedures.
4. Reviewing and discussing with management and the external auditor the clarity and completeness of the Corporation's financial and non-financial disclosures made pursuant to applicable continuous disclosure requirements.
5. Reviewing and discussing with management and the external auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Corporation's financial statements or accounting policies.
6. Reviewing and discussing with management and the external auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Corporation's financial statements.
7. Reviewing with the external auditor the quality of the Corporation's generally accepted accounting principles and directing the external auditor's examinations to particular areas.
8. Discussing with management and the external auditor the Corporation's underlying accounting policies and key estimates and judgments to ensure they are considered to be the most appropriate in the circumstances, within the range of acceptable options and alternatives.
9. Reviewing the procedures of the external auditors to ensure the combined evaluating and testing of the Corporation's controls are comprehensive, well co-ordinated, cost effective and appropriate to relevant risks and business activities.
10. Reviewing all control weaknesses and deviations identified by management or the external auditor together with management's response, and reviewing with the external auditor their opinion of the qualifications and performance of the key financial and accounting executives.

11. Reviewing and discussing with management and the external auditor any proposed changes in major accounting policies and the financial impact thereof, and from time to time benchmarking the Corporation's accounting policies to those followed in its industry.
12. Reviewing and discussing with management the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures, including without limitation reviewing:
 - a. The appetite for financial risk as set forth by management and the Board.
 - b. The Corporation's policies for the management of significant financial risk.
 - c. Management's assessment of the significant financial risks facing the Corporation.
 - d. Management's plans, processes and programs to manage and control financial risk.
13. Reviewing and approving the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation. The Corporation's policies in this regard are attached as Schedule A to the Audit Committee Charter.
14. Reviewing the Corporation's insurance policies, including directors' and officers' coverage, and making recommendations to the Board.
15. Establishing a periodic review procedure to ensure that the external auditor complies with the Canadian Public Accountability Regime under Multilateral Instrument 52 – 108 *Auditor Oversight*.

Financial Disclosure Responsibilities

The Audit Committee will review, discuss with management and/or, when it deems appropriate, the external auditor, and make recommendations on, prior to presentation to the Board for approval and the Corporation's dissemination to the public, all material financial information required to be disclosed by the Corporation. In fulfilling this responsibility, the Audit Committee will, without limitation, review and discuss with management and/or, when it deems appropriate, the external auditor:

1. The Corporation's annual and quarterly financial statements (including those of any subsidiaries and affiliates of the Corporation), management discussion and analysis and news releases, disclosing financial results and any prospectus, annual information form, offering memorandum or other disclosure documents containing financial information extracted or derived from its financial statements.
2. The Corporation's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.

3. Disclosures made to the Audit Committee by the Corporation's Chief Executive Officer and Chief Financial Officer during their certification process of the Corporation's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Corporation's internal controls.

Other Responsibilities

1. Review with management, the external auditor and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Corporation and the manner in which these matters are being disclosed in the financial statements.
2. Investigate fraud, illegal acts or conflicts of interest, and the Audit Committee will obtain from management, at least annually, regular reports on fraud, illegal acts and conflicts of interest.
3. Discuss selected issues with legal counsel, the external auditor or management, or conduct special reviews or other assignments from time to time as requested by the Board, or by management with the Board's approval.
4. Review loans made by the Corporation to its directors, officers, employees and consultants.
5. The Audit Committee will review and assess its effectiveness, contribution and this Charter annually and recommend any proposed changes thereto to the Board.

Procedures for Receipt of Complaints and Submissions Relating to Accounting Matters ("Whistleblower" Procedures)

The Audit Committee is responsible for establishing procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters. In this policy, "complaint" means any adverse information provided to the Corporation, whether in the form of a concern, a demand for remedial action or a report of a suspected violation of law or Corporation policy, that relates to the Corporation's accounting, internal accounting controls or auditing matters.

The Audit Committee will appoint a person, independent of the financial reporting function, to be designated as the Corporation's Complaints Officer, to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters. The Audit Committee will inform all employees, at least annually, as to who the Complaints Officer is. Unless otherwise designated by the Audit Committee, the Complaints Officer will be the Corporation's Vice-President, Legal Affairs.

Employees are free to bring complaints to the attention of their supervisors, the Corporation's Human Resources Department or its Legal Department, as they would any other workplace concern. The recipients of such complaints will promptly forward them to the Chair of the Audit Committee and to the Complaints Officer.

Complaints can also be submitted confidentially or anonymously by employee complainants through the interoffice mail (or regular mail or other means of delivery, addressed to the corporate headquarters address of the Corporation) in a sealed envelope marked "Private and Strictly Confidential – Attention: Chair of the Audit Committee of Plutonic Power Corporation". Any such envelopes will be forwarded unopened to the Chair of the Audit Committee.

Non-employees may submit complaints by mail (or other means of delivery) to the corporate headquarters address of the Corporation, either addressed to any officer of the Corporation (who are identified on the Corporation's external website) or marked "Private and Strictly Confidential – Attention: Chair of the Audit Committee of Plutonic Power Corporation". Any such envelopes will be forwarded unopened to the Chair of the Audit Committee. These procedures will be posted on the Corporation's external website.

Records pertaining to a complaint are the property of the Corporation and will be retained in compliance with applicable laws and document retention policies, subject to safeguards that ensure their confidentiality, and, when applicable, the anonymity of the person making the complaint.

Although a person making an anonymous complaint may be advised that maintaining anonymity could hinder an effective investigation, any complaints or submissions received and the identity of employees making complaints or submissions will be kept confidential and only communicated to the Complaints Officer, the Chair of the Audit Committee and the Audit Committee. Anonymity will be maintained until the person indicates that he or she no longer wishes to remain anonymous. Any system established for exchanging information with a complainant will be designed so as to maintain anonymity.

The Chair of the Audit Committee will inform the Audit Committee, in summary form or otherwise, of all complaints received, with an initial assessment as to the appropriate treatment of each complaint. Assessment, investigation, and evaluation of complaints will be conducted by, or at the direction of, the Audit Committee or the Complaints Officer. If the Audit Committee deems it appropriate, the Audit Committee may engage at the Corporation's expense independent advisors, such as outside counsel and accountants unaffiliated with the Corporation's auditor.

Following investigation and evaluation of a complaint, the Chair of the Audit Committee will report to the Audit Committee on recommended disciplinary or remedial action, if any. The action determined by the Audit Committee to be appropriate under the circumstances will then be brought to the Board or to the appropriate members of senior management of the Corporation for authorization or implementation, respectively. If the action taken to resolve a complaint is deemed by the Audit Committee to be material or otherwise appropriate for inclusion in the minutes of the meetings of the Audit Committee, it will be so noted in the minutes.

Any effort to retaliate against any person making a complaint in good faith is strictly prohibited and will be reported immediately to the Chair of the Audit Committee or the Complaints Officer.