



DUNDEE[®]



SECURITIES CORPORATION

A DUNDEE WEALTH MANAGEMENT COMPANY

Presentation Overview

- Dundee overview
- Geothermal development and cost timeline
- Investor risk and financing options for each stage

Dundee Corporation Overview

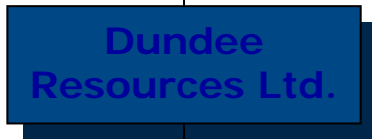
Wealth Management, Resources & Real Estate

- Dundee Corporation (TSX:DBC.SV.A) is a holding company dedicated to wealth management and financial services, resources and real estate
- Current market capitalization is approximately \$1.3 billion
- Domestic financial services activities are carried out through a 64%-owned subsidiary, Dundee Wealth Management Inc. (TSX:DW)
- Resource activities are conducted through wholly-owned Dundee Resources Ltd., which owns 21% of Dundee Precious Metals Ltd., 19% of Breakwater Resources and 51% of Eurogas Corporation
- Real estate activities are carried out through its 86%-owned Dundee Realty Corporation and 30%-owned Dundee REIT, which owns approximately 16 million square feet of properties
- International financial services businesses are conducted in Bermuda and the Cayman Islands through the Dundee Bank
- Dundee Bank of Canada is a Schedule I bank with almost \$2 B in deposits

The Dundee Family



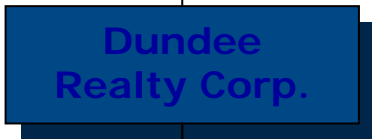
100%



63%



86%



21%



(TSX: DW)



30%

19%



Other land & housing investments

51%



12%



Other portfolio investments



The Full Support of an Integrated Financial Partner



(TSX: DBC.A)
(TSX: DBC.SV.A)



BLUE-CHIP GROWTH
(TSX: DW)



(TSX: D.UN)

Investment Management

Capital Markets, Retail Distribution, and Banking

Goodman & Company

Investment Counsel

- Goodman & Company Investment Counsel
- Goodman Private Wealth Management
- CMP Group of Companies
- Dynamic
- Dynamic Power
- Dynamic Focus
- Viscount
- StrategicNova



- Retail Distribution
- Research
- Institutional Sales & Trading
- Investment Banking
- Capital Markets



- Retail Distribution



- Schedule 1 Chartered Bank



- General Managing Agent



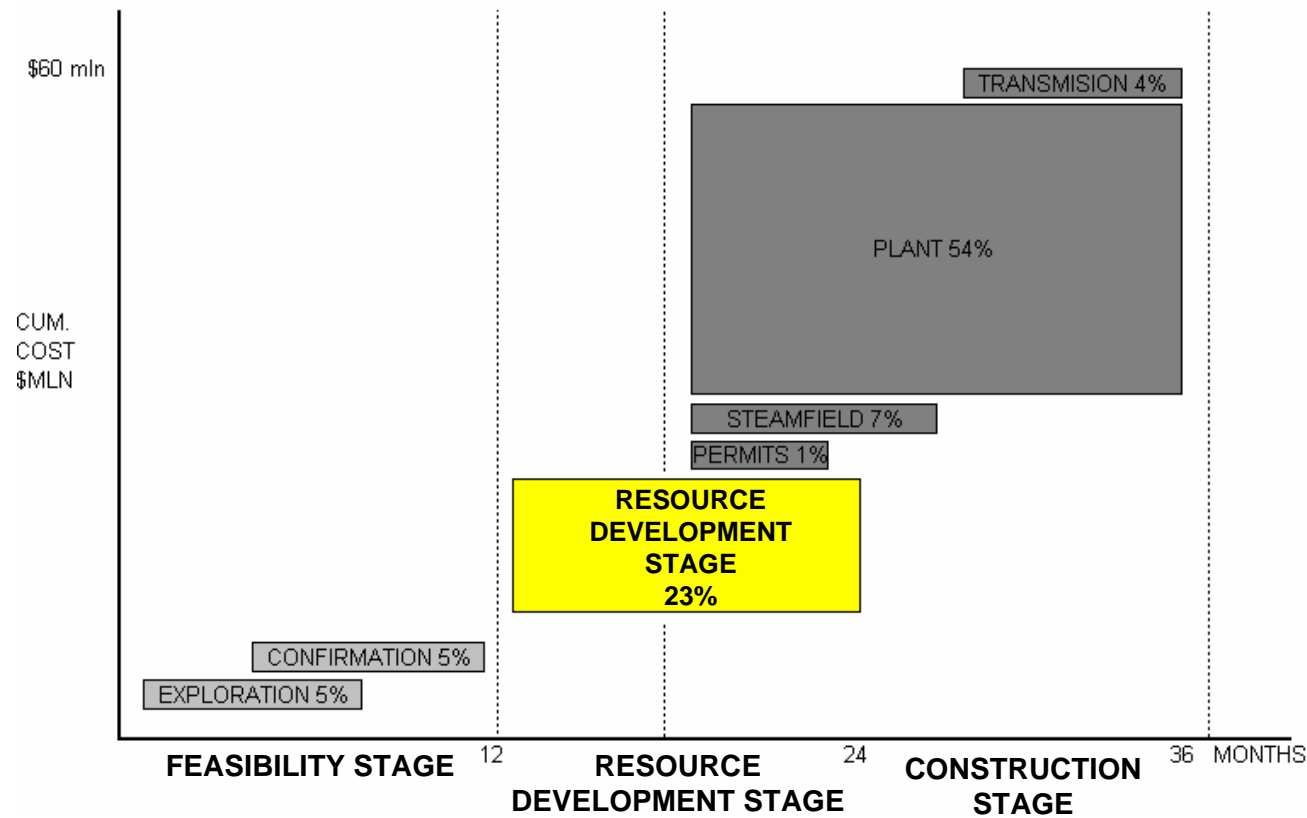
Dundee Securities Corporation Involvement In the Alternative Energy Market

- **Over the past 3 years, Dundee has been the lead underwriter for over \$250 million and a syndicate member for in excess of \$1.1 billion in capital transactions within the alternative power sector**
- **\$150 MILLION OF CAPITAL RAISED FOR GEOTHERMAL POWER PROJECT DEVELOPERS**
- **Dundee has a focused mandate to provide aftermarket support for its alternative power universe**
- **Within the alternative power sector, Dundee has acted as an underwriter/advisor and as a principal investor for select transactions**

Geothermal Development and Cost Timeline

Capital Cost and Timeline

20 MW example (approx \$3 million per MW to build)



Feasibility Stage

➤ Milestones / Financing

1. Secure land lease rights (license for 1% to 5% of revenue)
 2. Conduct geologic surveys to determine the size, location and temperature of the resource – mapping, testing, slim holes
 - Slim holes or temperature gradient well drilling (300' to 1,500') - \$150,000 to \$800,000 per well (3 to 10 wells required)
 3. Drill and test exploration/production well - \$2 - \$5 million per well
 4. Drill confirmation wells/injector – usually about $\frac{1}{2}$ the required resource for the project, i.e. for 20MW = 2 production wells, 1 injector - \$2 - \$5 million per well
- Approx \$7-\$10 million+ of capital required (the 20 MW example) or 10% of budget
- Financed usually with equity from personal resources, industry partners (farm-in), private equity and/or grants such as from the DOE

Resource Development Stage (Drilling)

➤ Milestones / Financing

1. Produce Feasibility Study which provides data for plant design
2. Drill remaining producers and injectors.
 - Each well will cost \$2 million to \$5 million
3. Production flow tests are conducted to assess resource economics
 - Temperature of resource
 - Flow per well
 - Fluid chemistry

➤ Approx \$15 million capital required at this stage

- Equity
 - Public equity – available but subject to market forces
 - Private equity – available, but can be expensive
 - Debt capital – not easily available at this stage
- Existing Federal incentives (PTCs, accelerated depreciation and depletion allowances) are usually sufficient to spur development *post-feasibility study* but are of little help in the pre-feasibility study phase

Construction Stage (post feasibility)

► Milestones / Financing

► A feasibility study should enable:

- permitting
- the PPA
- Traditional project finance - debt financing of approx 70% the other 30% will be raised as equity, private or public

► Costs include: Permits \$1 million, plant \$32 million, Steam gathering system \$4mm, transmission line and tie-in \$2mm, financing and “soft costs”

► Approx \$35-\$40 million required at this stage

- A combination of equity, debt and tax-driven financing

► Tax-driven deal / Production Tax Credit - \$19/MWh tax credit

- Allows developer to monetize full tax benefits which might expire worthless
- Utilize flip structure to transfer tax benefits to a taxable investor
- The federal incentives (PTC) form part of the return to the taxable investor and thereby reduces the borrowing cost to the project
- Other incentives include - Accelerated depreciation, Depletion allowance & First year write-off of intangible drilling costs

CONCLUSIONS

- ▶ **There is capital available in the market for experienced/capable developers with solid resource prospects**
- ▶ ***TAX AND OTHER INCENTIVES AT THE FEASIBILITY AND RESOURCE DEVELOPMENT STAGES ARE ESSENTIAL TO ATTRACTING RISK CAPITAL AND DRIVING GEOTHERMAL DEVELOPMENT IN THE U.S. !***

Alternative Power Expertise

Recent Power Financings

<p>\$33,040,000</p>  <p>POLARIS</p> <p>Common & Pref Shares</p> <p>Lead Underwriter</p>	<p>\$17,700,000</p>  <p>NEVADA GEOTHERMAL POWER INC.</p> <p>Common Share Issue</p> <p>Lead Underwriter</p>	<p>\$22,000,000</p>  <p>WESTERN GEOPOWER CORP.</p> <p>Common Share Issue</p> <p>Lead Underwriter</p>	<p>\$25,000,000</p> <p><i>US Geothermal</i></p> <p>Common Share Issue</p> <p>Lead Underwriter</p>
<p>\$17,500,000</p>  <p>PLASCO ENERGY GROUP</p> <p>Common Share Issue</p> <p>Lead Underwriter</p>	<p>\$142,887,000</p>  <p>ORMAT®</p> <p>Common Share Issue</p> <p>Co-Manager</p>	<p>\$172,500,000</p>  <p>CANADIAN HYDRO DEVELOPERS INC.</p> <p>Common Share Issue</p> <p>Co-Manager</p>	<p>\$77,000,000</p>  <p>SKYPOWER</p> <p>LP Units</p> <p>Co-Manager</p>

Alternative Power Expertise

Recent Power Financings

\$5,000,000



Common Share Issue

Lead Underwriter

\$122,000,000



Project Equity

Co-Arranger

\$15,000,000



Common Share Issue

Lead Underwriter

\$4,000,000



Common Share Issue

Lead Underwriter

US\$34,000,000



Project Equity

Lead Underwriter

\$10,000,000



Common Share Issue

Co-Manager

\$3,400,000



Common Share Issue

Co-Manager

\$10,000,000



RTO and Common Share Issue

Co-Manager

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