

# **CANADA INDIGENOUS LOAN GUARANTEE CORPORATION**

## **Quarterly Financial Report**

### **CANADA INDIGENOUS LOAN GUARANTEE CORPORATION**

Three and nine months ended September 30, 2025

# Quarterly Financial Report – including MD&A

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## Corporate Address

Canada Indigenous Loan Guarantee Corporation  
161 Bay Street, Suite 4540  
Toronto, Ontario M5J 2S1

## **Management's Responsibility for Financial Reporting**

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The accompanying financial statements of Canada Indigenous Loan Guarantee Corporation (“CILGC” or the “Company”) have been prepared and presented by management, who is responsible for the integrity and fair presentation of the information.

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (“PSAS”) and include certain amounts based on the informed judgments and best estimates of management.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, CILGC maintains a system of internal control to produce reliable information for reporting requirements. The systems are designed to provide reasonable assurance that CILGC transactions are properly authorized, assets are safeguarded from loss and the accounting records are a reliable basis for preparation of the financial statements.

CILGC’s Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls.

## Mandate and Corporate Governance Practices

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### Overview and Mandate

CILGC is a federal Crown corporation established in 2024 to help Indigenous groups across Canada become owners and partners in major Canadian projects. Through the Indigenous Loan Guarantee Program (ILGP), CILGC provides up to \$10 billion in federal loan guarantees, unlocking access to affordable capital and enabling meaningful Indigenous ownership in natural resource, energy, infrastructure, and other major projects that generate long-term benefits for their communities.

CILGC's mission is to advance economic reconciliation by enabling Indigenous equity participation in large-scale projects, particularly in sectors where longstanding legal and structural constraints, such as the inability to use reserve lands as collateral, have historically limited access to affordable capital. By providing federal guarantees, CILGC helps Indigenous groups secure more favorable borrowing terms and participate as equity partners in wealth-generating assets.

As a wholly owned subsidiary of the Canada Development Investment Corporation (CDEV), the Company is accountable to the Minister of Finance and follows strict transparency and reporting standards, including annual and quarterly public disclosures.

### Strategic Objectives and Delivery

CILGC's launch in 2024 marks a significant milestone in Canada's commitment to economic reconciliation. The Indigenous Loan Guarantee Program (ILGP) is designed to advance Indigenous economic reconciliation and self-determination by supporting equity participation in major projects, unlocking access to affordable capital for Indigenous groups, facilitating partnerships with the private sector across a range of sectors, and building Indigenous business and commercial capacity through increased dealmaking and investment analysis support. The program is sector-agnostic, supporting investments in energy, natural resources, infrastructure, and other eligible sectors, with the exception of gaming.

CILGC administers the ILGP through a robust process that begins with engagement and early-stage assessment of applicants and their projects. Investment analysis and due diligence are conducted with support from Natural Resources Canada (NRCan), ensuring that each application is thoroughly evaluated. Once a project meets eligibility requirements and receives approval from the Minister of Finance, CILGC negotiates and issues the loan guarantee. The Company also provides ongoing portfolio monitoring and transparent reporting to maintain oversight and manage risk exposures proactively. Loan guarantees typically range from \$20 million to \$1 billion per project, with eligibility limited to Indigenous groups with recognized section 35 rights or their wholly owned subsidiaries. Projects must be operational or near-operational, with demonstrated stable cash flows.

## Management Discussion and Analysis of Results

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### Program Initiatives and Financial Stewardship

In its first year of active operations, CILGC has established a foundation for growth and impact, transitioning from start-up to full program delivery. The issuance of its inaugural \$400 million loan guarantee and the review of additional applications demonstrate strong market interest and validate the program's potential. To ensure robust governance and risk management, CILGC has implemented comprehensive due diligence and financial modeling for each application, supported by NRCan funding. The organization maintains ongoing monitoring of guaranteed projects, enforces compliance with covenants, and pursues portfolio diversification across regions and sectors within program eligibility criteria. Regular reviews of risk parameters and thresholds, including a mandated two-year review for Project Dawn, help calibrate risk appetite and ensure the program supports projects with predictable, stable cash flows.

Financially, CILGC's strategy is to build sustainable fee-based revenue streams as more guarantees are issued. For the nine-months ended September 30, 2025, total revenue consisted primarily of the guarantee and monitoring fee from the initial loan guarantee issued in July 2025. Operating costs in the start-up phase reflect the initial investments in legal, financial, and operational infrastructure which support the non-profit nature of the program. As at September 30, 2025, the Company has cash of \$4 million. No provision for losses has been recognized to date.

Operationally, CILGC is focused on scaling program delivery, enhancing applicant engagement, and streamlining investment analysis and due diligence. Strategic partnerships with Indigenous groups and government stakeholders underpin the program's long-term success, and as the guarantee portfolio expands and fee revenues increase, CILGC is positioned to offset administrative costs and move toward breakeven as the program matures.

### Financial Position and Results

For the nine months ended September 30, 2025, CILGC transitioned from its start-up phase to active program delivery, marked by the issuance of its first loan guarantee of \$400 million for the West Coast Pipeline project on July 2, 2025. At quarter-end, total assets of \$4.219 million consisted of cash and receivables of \$4.021 million and \$198 thousand, respectively. Deferred revenue was \$3.967 million, reflecting guarantee fees received in advance for guarantee commitments, while other liabilities were \$6.303 million, consisting of \$4.848 million payable to CDEV for operating expenses incurred to date and other accrued liabilities of \$1.455 million. Share capital remained at \$1 thousand, and the accumulated deficit was \$6.052 million.

Total revenue for the nine months was \$252 thousand consisting of guarantee fee income of \$33 thousand, monitoring fees of \$198 thousand, and interest income of \$21 thousand. Operating costs totaled \$4.544 million, consisting of professional and advisory fees of \$2.262 million, shared service costs of \$1.890 million and other administrative costs totaling \$392 thousand. Net program direct costs were \$1.760 million. The net deficit for the period was \$6.052 million.

Operational cash flow was positive at \$4.021 million, supported by increases in receivables, deferred revenue and accounts payable, and the period ended with a cash balance of \$4 million.

These results reflect the occurrence of certain one-time program set-up costs as the program is in its first year of operations. As the program matures and more guarantees are issued, fee revenue is expected to increase, helping to offset administrative costs and move the organization toward breakeven.

## Management Discussion and Analysis of Results

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### Risk Management

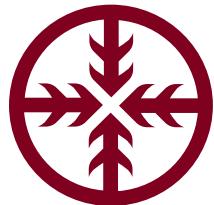
CILGC is exposed to credit, operational, and reputational risks that are inherent in loan guarantee programs. To manage these risks, the Company conducts comprehensive due diligence and financial modeling for each application, followed by ongoing monitoring of guaranteed projects to ensure compliance with covenants. The Company aims for the portfolio to be diversified across regions and sectors, within the boundaries of program eligibility, with risk parameters and thresholds being regularly reviewed, including a mandated two-year program review to assess overall efficacy and risk appetite. The program's risk tolerance is calibrated to support projects with predictable and stable cash flows, such as regulated utilities or those with long-term offtake agreements, though early-stage or high-risk projects are generally eligible, however, the overall portfolio risk is expected to be reasonable.

### Outlook

Looking ahead, CILGC's strategic priorities include:

- Constituting a full Board of Directors;
- Hiring a dedicated executive team, including a CEO and a full operational team;
- Adding several high quality guarantees from a variety of sectors and regions to the portfolio;
- Moving toward breakeven cashflows as the program matures.

CILGC is positioned to play a transformative role in advancing Indigenous economic participation in Canada and with that, the Company will ensure there is appropriate Indigenous representation on the Board of Directors, on the executive team and across the organization. The first loan guarantee has been issued with additional applications currently in review, demonstrating strong interest and need for the program. The Company will continue to refine its processes, expand outreach, and collaborate with federal and provincial partners to maximize the Company's impact. In the upcoming years, CILGC will assess program effectiveness, risk management, and sectoral reach, ensuring the Company remains responsive to the evolving needs of Indigenous communities and the Canadian economy.



## **CANADA INDIGENOUS LOAN GUARANTEE CORPORATION**

### **Interim Financial Statements**

### **CANADA INDIGENOUS LOAN GUARANTEE CORPORATION**

Three and nine months ended September 30, 2025

(Unaudited)



## CANADA INDIGENOUS LOAN GUARANTEE CORPORATION

Condensed Interim Statement of Financial Position  
(Thousands of Canadian Dollars)  
(Unaudited)

	Notes	September 30, 2025	December 31, 2024
<b>Assets</b>			
Cash and cash equivalents		\$ 4,021	\$ -
Accounts receivable		198	-
Due from CDEV	4	-	1
<b>Total Assets</b>		4,219	1
<b>Liabilities</b>			
Due to CDEV	4	4,848	-
Accounts payable		1,455	-
<b>Total Financial Liabilities</b>		6,303	-
Deferred Revenue	3	3,967	-
<b>Net Liabilities</b>		10,270	-
<b>Net Assets / (Liabilities)</b>		(6,051)	1
<b>Net Assets / (Liabilities) are comprised of:</b>			
Share Capital	5	1	1
Accumulated Deficit		(6,052)	-
		\$ (6,051)	\$ 1

On behalf of the Board:

Director

Director



## CANADA INDIGENOUS LOAN GUARANTEE CORPORATION

Condensed Interim Statement of Operations  
(Thousands of Canadian Dollars)  
(Unaudited)

		Three months ended September 30	Nine months ended September 30
	Notes	2025	2025
<b>Revenue</b>			
Guarantee fee	3	\$ 33	\$ 33
Monitoring fee	3	198	198
Interest income		21	21
<b>Total Revenue</b>		252	252
<b>Administrative Expenses</b>			
Professional and advisory fees		2,262	2,262
Shared services costs	4	1,890	1,890
Office and general		179	179
Conferences and travel		129	129
Director Fees		84	84
<b>Total Administrative Expenses</b>		4,544	4,544
<b>Guarantee Program Direct Costs, net</b>		1,760	1,760
<b>Total Expenses</b>		6,304	6,304
<b>Deficit for the period</b>		(6,052)	(6,052)
<b>Accumulated Deficit</b>			
Deficit, beginning of period		-	-
Deficit for the period		(6,052)	(6,052)
<b>Deficit, end of period</b>		\$ (6,052)	\$ (6,052)



## CANADA INDIGENOUS LOAN GUARANTEE CORPORATION

Condensed Interim Statements of Cash Flow  
(Thousands of Canadian Dollars)  
(Unaudited)

	Nine months ended September 30	
	2025	
<b>Cash provided by (used in)</b>		
<b>Operating activities:</b>		
Deficit	\$ (6,052)	
Changes in non-cash working capital items:		
Increase in deferred revenue	3,967	
Increase in accounts receivable	(198)	
Increase in due to/from related party	4,849	
Increase in accounts payable	1,455	
	<b>10,073</b>	
Change in cash provided by operating activities	4,021	
<b>Financing activities</b>		
Share Capital	-	
Cash, beginning of period	-	
Change in cash	4,021	
<b>Cash, end of period</b>	<b>\$ 4,021</b>	



## CANADA INDIGENOUS LOAN GUARANTEE CORPORATION

Condensed Interim Statement of Changes in Net Financial Assets / (Liabilities)

(Thousands of Canadian Dollars)

(Unaudited)

	Three months ended September 30	Nine months ended September 30
	<b>2025</b>	<b>2025</b>
Deficit for the period	\$ (6,052)	\$ (6,052)
Increase (decrease) in financial assets	(6,052)	(6,052)
Net financial assets, beginning of period	1	1
<b>Net financial liabilities, end of period</b>	<b>\$ (6,051)</b>	<b>\$ (6,051)</b>

# CANADA INDIGENOUS LOAN GUARANTEE CORPORATION

Notes to the Interim Condensed Financial Statements (unaudited)

Three and nine months ended September 30, 2025

(All dollar amounts are stated in thousands of Canadian dollars, unless otherwise indicated)

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## 1. Reporting Entity and Nature of Operations

Canada Indigenous Loan Guarantee Corporation (“CILGC”, or the “Company”) is a wholly-owned subsidiary of Canada Development Investment Corporation (“CDEV”). CDEV is, in turn, wholly-owned by His Majesty in Right of Canada (the “government” or the “Government of Canada”). In compliance with a directive given by the Governor in Council, CDEV incorporated CILGC under the *Canada Business Corporations Act* (“CBCA”) on December 16, 2024. The Company is an agent Crown Corporation and is subject to the *Financial Administration Act* (“FAA”) but is not subject to provisions of the *Income Tax Act*. CILGC is a wholly-owned subsidiary of CDEV, however, CILGC has not been consolidated within CDEV as CDEV is not deemed to have control over CILGC.

The mandate of the Company is to deliver the Indigenous Loan Guarantee Program (“ILGP”), as announced in Budget 2024 which provides loan guarantees, helping Indigenous groups secure affordable financing and become co-owners of major projects across Canada. CILGC’s activities include engaging with applicants, conducting investment analysis and due diligence, negotiating guarantee agreements, recommending loan guarantees for the approval of the Minister of Finance, and administering the portfolio of outstanding guarantees.

Loan guarantees provide a guarantee the debt will be repaid by the federal government should the borrower (Indigenous groups) be unable to pay. Per the Budget Implementation Act, 2024, No.1, the Minister of Finance must pay out of the Consolidated Revenue Fund any amounts necessary for the payment of the principal and interest in respect of the guarantees and all other amounts required to discharge its obligations under those guarantees in the case where there is a default on the loans for which guarantees were issued. See Note 6 – Contingent Liabilities.

The Company operates on a cost-recovery basis; as the timing of issuing guarantees cannot be predicted or planned, there will be short-term working capital needs that CILGC will have for operating costs to deliver the program. Any short-term cash requirements that it has in the start-up phase will be provided by CDEV and repaid as cash becomes available through the generation of revenues from issuing and monitoring guarantees.

The Company did not prepare statements prior to the period ending September 30, 2025 since it was confirmed during the quarter that the loan guarantee issued on July 2, 2025 would initiate the Company’s activities and expenses incurred to date would be reported in the same period. As such, no comparative figures are presented for the three and nine month periods ending September 30, 2024.

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## 2. Significant Accounting Policies

In the opinion of management, all adjustments considered necessary for fair presentation of the Company’s financial position, results of operations and cash flows have been included. Operating results for the three and nine months ended September 30, 2025, are not necessarily indicative of the results that may be expected for the year ending December 31, 2025.

### a) Basis of Preparation

These interim condensed financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (“PSAS”) as issued by the Public Sector Accounting Board.

These financial statements have been prepared on a historical cost basis using the accrual basis of accounting, except for cash flow information.

# CANADA INDIGENOUS LOAN GUARANTEE CORPORATION

Notes to the Interim Condensed Financial Statements (unaudited)

Three and nine months ended September 30, 2025

(All dollar amounts are stated in thousands of Canadian dollars, unless otherwise indicated)

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## 2. Significant accounting policies (continued)

### a) Basis of Preparation (continued)

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

These financial statements, including comparatives, have been prepared on the basis of PSAS standards that are published at the time of preparation.

### b) Revenue Recognition

Revenues from transactions with service obligations are recognized when CILGC provides the service to a borrower.

Cash received for which goods and/or services have not been provided or service obligations have not been fulfilled is recognized as deferred revenue.

#### i. Loan Guarantee Fees

CILGC charges a one-time set-up fee in connection with the issuance of loan guarantees. The set-up fee covers the costs of providing the transaction advisory services and issuance of the defined-term loan guarantee. The one-time set up fee is recognized over the term of the loan guarantee. Cash received for which performance obligations have not been fulfilled is recognized as deferred revenue.

#### ii. Loan Monitoring Fees

CILGC conducts ongoing monitoring of guaranteed loans to assess exposure and credit deterioration. Monitoring fees are recognized quarterly over the term of the loan guarantee.

#### iii. Interest Income

Interest income is recognized as revenue in the period earned.

### c) Expenses

Expenses are reported on an accrual basis. The costs of all goods consumed and services received during the reporting period are expensed. For program direct costs, certain costs may be recovered from parties to the arrangement and are presented on a net basis in the statement of operations.

### d) Cash

Cash includes funds deposited in bank accounts at Canadian financial institutions.

### e) Accounts Receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

# CANADA INDIGENOUS LOAN GUARANTEE CORPORATION

Notes to the Interim Condensed Financial Statements (unaudited)

Three and nine months ended September 30, 2025

(All dollar amounts are stated in thousands of Canadian dollars, unless otherwise indicated)

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## 2. Significant accounting policies (continued)

### f) Loan Guarantees

Loan guarantees are disclosed as contingent liabilities (Note 6). A provision for losses on loan guarantees is established when it is determined that a loss is likely and is accounted for as a financial liability and in the statement of operations as an expense.

### g) Financial instruments

Cash, accounts receivable and accounts payable and accrued liabilities are recorded at amortized cost. Loan guarantees are financial instruments.

### h) Government contribution and repayments

Government contributions represent the common shares issued to CDEV, recorded at cost based on the proceeds received at the time the shares were issued.

### i) Financial Risk Factors

The nature of CILGC's operations exposes the Company to risks that may have a material effect on cash flows and the Statement of Operations.

#### i) Credit risk

Credit risk is the risk of financial loss to CILGC if counterparties do not fulfill their contractual obligations. CILGC attempts to mitigate this risk by conducting rigorous due diligence on all guarantee applicants, requiring ring-fenced project structures, and monitoring the financial health of guaranteed projects. The loan guarantees represent substantially all of the maximum credit risk exposure. As at September 30, 2025, no provision for losses has been recognized.

#### ii) Liquidity risk

Liquidity risk is the risk of having insufficient cash or collateral to meet financial obligations in a timely and cost-effective manner. CILGC manages its liquidity by drawing on funding from CDEV to provide funding for the day-to-day operating costs of CILGC including the costs for salaries, administration and implementation of the ILGP and any related costs of delivering the program. CILGC receives cash from guarantee issuance fees, monitoring fees and interest income, as well as cash received from any reimbursed project related costs. See Note 6 – Contingent Liabilities.

### j) Measurement uncertainty

The timely preparation of the financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results may differ from these estimates. In the process of applying its accounting policies, management has made certain assumptions related to the amount and timing of the loan guarantee payout obligations based on their projected cash flows and financial projections.

# CANADA INDIGENOUS LOAN GUARANTEE CORPORATION

Notes to the Interim Condensed Financial Statements (unaudited)

Three and nine months ended September 30, 2025

(All dollar amounts are stated in thousands of Canadian dollars, unless otherwise indicated)

## k) Measurement uncertainty (continued)

Management determines the provision for losses on loan guarantees, based on credit assessment of the borrower and other factors. The provision for losses on loan guarantees uses estimates and timing of expected repayments by the borrower. Where actual results differ from these estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

## 3. Loan Guarantee Fees

Loan guarantees are provided in accordance with the terms and conditions set out in:

- a) Each loan guarantee agreement; and
- b) The Indigenous Loan Guarantee Program (ILGP)

As consideration for loan guarantees, CILGC receives a one-time guarantee fee and quarterly recurring monitoring fees (collectively, the “Fees”). The Fees are amortized over the term of the loan guarantee.

As at September 30, 2025, there is no evidence that payment under the loan guarantee is likely, and therefore no liability has been recognized in the financial statements. The loan guarantee is disclosed as a contingent liability in accordance with PSAS 3310 – see Note 6.

For the three and nine months ended September 30, 2025, CILGC issued one loan guarantee.

## 4. Transactions with Related Parties

Related parties include CDEV and its subsidiaries, all Government of Canada departments, agencies and crown corporations, and key management personnel. Key management personnel are comprised of the directors and executive officers of the Company.

During the three and nine months ended September 30, 2025, CDEV provided services to the Company for a total of \$1.89 million. In addition, from December 2024 to September 30, 2025, CDEV funded costs incurred by CILGC such as professional and advisory fees, office and general fees and conferences and travel costs. At September 30, 2025, \$4.848 million was payable to CDEV (December 31, 2024 - \$1,000 receivable from CDEV).

<b>Shared Service Costs</b>	<b>Three months ended September 30 2025</b>		<b>Nine months ended September 30 2025</b>	
<b>Salaries and benefits</b>				
Execution and Advisory	\$	481	\$	481
Indigenous Engagement		344		344
Finance		224		224
Legal		186		186
Human Resources		133		133
Communications		70		70
Other		452		452
	\$	1,890	\$	1,890

# CANADA INDIGENOUS LOAN GUARANTEE CORPORATION

Notes to the Interim Condensed Financial Statements (unaudited)

Three and nine months ended September 30, 2025

(All dollar amounts are stated in thousands of Canadian dollars, unless otherwise indicated)

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## 5. Share Capital

- a) **Authorized** – unlimited voting common shares
- b) **Issued and Outstanding**

Common Share issued to CDEV	Number of Shares	Value
Balance, December 31, 2024 and September 30, 2025	1	\$ 1

## 6. Contingent Liabilities

The Company, in the normal course of its operations, may become subject to legal and other claims against the Company.

Pursuant to an agreement dated July 2, 2025, CILGC provided a loan guarantee of \$400 million to enable a consortium of First Nations groups to participate in Enbridge's Westcoast Pipeline ("the Issuer"). As CILGC is an agent Crown Corporation, CILGC's obligation under the loan guarantee are effectively underwritten by the Government of Canada. As of the date of these financial statements, there have been no known breaches that could lead to a call on the Westcoast Pipeline loan guarantee.

At September 30, 2025, CILGC was not named as defendant in any specific legal actions and there were no other contingent liabilities.

## 7. Approval of Financial Statements

The Board of Directors approved the financial statements of CILGC on November 18, 2025.

## Directors and Officers as at November 18, 2025

<b>Board of Directors</b>	Michael Bonshor, MBA Elizabeth Wademan, CFA, ICD.D Dwight Ball	Board Chair Director Director
<b>Officers</b>	Annie Sismanian Tess Lofsky Carlos Gallardo Russ Wenman Sebastien Labelle Ashley Payette	Chief Financial Officer Vice President, Legal Treasurer Vice President, Execution and Advisory Vice President 