



**CANADA INDIGENOUS LOAN
GUARANTEE CORPORATION**

A Subsidiary of
Canada Development Investment Corporation

ANNUAL REPORT

Year ended December 31, 2025



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MESSAGE FROM THE CHAIR OF THE BOARD, MICHAEL BONSHOR



As Chair of the Board of Directors of Canada Indigenous Loan Guarantee Corporation (CILGC), I am pleased to present our 2025 Annual Report.

This is our first annual report since our incorporation in December 2024, and I could not be prouder of the progress achieved in our inaugural year. It has been a pivotal year for the Indigenous Loan Guarantee Program (ILGP), as we support and advance Canada's efforts to increase Indigenous equity participation in major projects.

I was appointed Board Chair on March 10, 2025. On March 21, 2025, enhancements to the ILGP were announced, doubling the program from \$5 billion to \$10 billion and expanding its scope beyond the energy and natural resources sectors. This important expansion enables the program to support a broader range of Indigenous-led infrastructure, transportation, and trade projects across Canada.

Three months later, CILGC announced the largest Indigenous loan guarantee in Canadian history: a \$400 million guarantee that enabled 38 First Nations to acquire a 12.5% ownership interest in Enbridge's West Coast pipeline system, representing a total investment of \$736 million. This landmark transaction reflects both the scale of opportunity and the growing capacity and readiness of Indigenous partners to participate in major investments.

ILGP represents a meaningful shift in Canada's approach to Indigenous economic participation. It moves beyond consultation and accommodation, and beyond solely providing employment and procurement opportunities. Indigenous Peoples are not merely stakeholders in projects—they are investors and co-owners. We are witnessing a generational transformation, and this is precisely the kind of enduring progress that breaks barriers and creates lasting change.

In closing, I would like to recognize the dedication and professionalism of CILGC's leadership and staff, as well as the ongoing support of our parent company, Canada Development Investment Corporation (CDEV). That support has been instrumental to the advancement of our mandate, including the issuance of our first loan guarantee.

I also welcome the appointment of Kristan Straub as CILGC's inaugural Chief Executive Officer, appointed after year end on January 13, 2026. I am confident that his leadership will accelerate our progress in the years ahead and further advance long-term Indigenous economic participation, prosperity, and self-determination. Looking forward, the Board remains committed to supporting Mr. Straub and the entire CILGC team as they continue delivering results in the best interests of Indigenous Peoples and all Canadians.

Michael Bonshor
Chair of the Board of Directors



MESSAGE FROM THE PRESIDENT AND CEO, KRISTAN STRAUB



I am pleased to share this Annual Report for 2025, and to do so as I begin my role as President and Chief Executive Officer of Canada Indigenous Loan Guarantee Corporation (CILGC).

Although I joined the Corporation in January 2026 (after the 2025 fiscal year-end), I have already been impressed by the progress achieved in 2025. The work completed in the first year has helped establish the foundations required for CILGC to deliver on its important mandate: advancing Indigenous economic reconciliation and self-determination by supporting greater Indigenous equity participation in major projects and improving access to capital for Indigenous groups.

In 2025, the Corporation advanced key elements of its organizational readiness, including strengthening governance practices, building internal capacity, and developing the policies and processes needed to support the responsible delivery of loan guarantees. This foundational work is essential, and it positions CILGC to move forward with clarity, discipline, and accountability.

Looking ahead, my focus will be on ensuring that CILGC continues to build trust and credibility with Indigenous partners, stakeholders, and Canadians. This will include advancing operational readiness and ensuring that the Corporation is equipped to deliver its mandate in a way that is transparent, effective, and grounded in public value.

CILGC has an important role to play in supporting Indigenous groups as they pursue long-term economic participation, prosperity, and self-determination. I am committed to working closely with our Board of Directors, our partners, and our dedicated team to help ensure the Corporation is positioned to deliver results in the years ahead.

I would like to thank the Board for its leadership and guidance, and to recognize the dedication and professionalism of CILGC's staff, whose work in 2025 laid critical groundwork for the Corporation's continued progress. I want to highlight the special contribution of our parent company, Canada Development Investment Corporation (CDEV), which turned a vision into reality.

I am honoured to join CILGC at this important moment, and I look forward to working together to advance the Corporation's mandate and support meaningful outcomes for Indigenous Peoples and for Canada.

Kristan Straub
President and Chief Executive Officer



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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 is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls.



OVERVIEW, MANDATE AND PROGRAM DELIVERY

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” or the “Program”), 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.

Program Delivery

CILGC administers the ILGP through a robust process that begins with engagement and early-stage assessment of applicants and their projects. Natural Resources Canada (“NRCan”) supports the investment analysis and due diligence of applicants ensuring eligibility of Indigenous groups with Section 35 rights. Once a project meets eligibility requirements, CILGC will complete thorough due diligence on financial, commercial, and operational aspects of the project. If successful, the project will be put forward to the Board of Directors for approval and then submitted to the Minister of Finance, resulting in a loan guarantee.

The Company pursues portfolio diversification across regions and sectors within program eligibility criteria. Regular reviews of risk parameters and thresholds help calibrate risk appetite and ensure the program supports projects with predictable, stable cash flows.

CILGC also provides ongoing portfolio monitoring and transparent reporting to maintain oversight and manage risk exposures proactively. The Program will operate on a cost-recovery basis by charging issuance and monitoring fees to successful applicants to fund ongoing operational requirements and will not seek to make a profit over the life of the program.



MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS

The following is Management's Discussion and Analysis ("MD&A") of the financial results of operations of CILGC for the year ended December 31, 2025. Additional Company information, including the Company's most recent Financial Statements can be accessed at the Company's website at www.cilgc-cgpac.ca. All financial measures are expressed in thousands of Canadian dollars unless otherwise indicated. This information is current as of March 23, 2026.

Cautionary Statements

Certain information regarding the Company as set forth in the MD&A, including management's assessment of the Company's future plans and operations, contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Company, including the impact of general economic conditions, industry conditions and environmental risks. The actual results, performance or achievement could materially differ from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them does, what benefits the Company will derive there from.

Fiscal 2025 Overview

In its first year of active operations, CILGC established a foundation for growth and impact, transitioning from start-up to full program delivery. The issuance of its inaugural loan guarantee and the review of applications demonstrate strong market interest and validate the program's potential.

For the year ended December 31, 2025, total revenue consisted primarily of the guarantee and monitoring fees 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. As at December 31, 2025, the Company has cash of \$3.9 million. No provision for losses has been recognized to date.

Financial Position and Results

For the year ended December 31, 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 year end, total assets of \$4.1 million consisted of cash of \$3.9 million and receivables of \$0.2 million. Deferred revenue was \$3.9 million, reflecting guarantee fees received in advance for guarantee commitments, and other liabilities were \$8 million, consisting of \$7.7 million payable to CDEV for operating expenses incurred to date and other accrued liabilities of \$0.3 million. The accumulated deficit was \$7.9 million.



MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS

Total revenue for the year was \$0.5 million consisting of guarantee fees of \$0.1 million, monitoring fees of \$0.4 million, and interest income of \$0.05 million. Operating costs totaled \$5.7 million, consisting of professional and advisory fees of \$2.6 million, shared service costs of \$2.6 million and other operating costs totaling 0.5 million. Net program direct costs were \$2.7 million. The net deficit for the period was \$7.9 million.

Operational cash flow was positive at \$3.9 million, supported by increases in receivables, deferred revenue and accounts payable, and the period ended with a cash balance of \$3.9 million.

These results reflect 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 operating costs and move the organization toward breakeven.

Loan Guarantees

On July 2, 2025, CILGC issued its first loan guarantee covering \$400 million of a \$736-million investment by 38 First Nations in British Columbia for a 12.5% stake in Enbridge's West Coast pipeline system. This is a landmark transaction between Enbridge and Stonelasec8 Indigenous Alliance Limited Partnership, which is owned by the 38 First Nations involved in the transaction. The 30-year bonds guaranteed by CILGC were given a credit rating of AAA by Morningstar DBRS based on CILGC's status as an agent of the federal Crown.

On February 2, 2026, CILGC issued a loan guarantee of \$16.8 million for Aamjiwnaang First Nation and Kettle and Stony Point First Nation to collectively purchase a 20% equity stake of the Chatham to Lakeshore Hydro One Transmission Line, Hydro One's first project developed under their 50/50 equity model.

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. CILGC will make investment decisions ensuring that the overall portfolio risk remains reasonable.



Outlook

CILGC has several loan guarantee applications currently in review which demonstrates strong interest and need for the program. CILGC is positioned to play a transformative role in advancing Indigenous economic participation in Canada.

Looking ahead, CILGC's strategic priorities include:

- Constituting a full Board of Directors;
- Hiring a dedicated executive team 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.

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.





Independent auditor's report

To the Directors of Canada Indigenous Loan Guarantee Corporation

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Canada Indigenous Loan Guarantee Corporation (the Corporation) as at December 31, 2025 and the results of its operations, its remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

What we have audited

The Corporation's financial statements comprise:

- the statement of financial position as at December 31, 2025;
- the statement of operations for the year then ended;
- the statement of changes in net financial assets/liabilities for the year then ended;
- the statement of cash flow for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



INDEPENDENT AUDITORS' REPORT

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Comparative information

The comparative information as at and for the year ended December 31, 2024 has not been audited.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



INDEPENDENT AUDITORS' REPORT

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that



INDEPENDENT AUDITORS' REPORT

a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants
Calgary, Alberta
March 23, 2026



STATEMENTS OF FINANCIAL POSITION

(Thousands of Canadian Dollars)

	Notes	December 31, 2025	December 31, 2024
Financial Assets			
Cash and cash equivalents		\$ 3,888	\$ -
Accounts receivable		200	-
Total Financial Assets		4,088	-
Liabilities			
Due to (from) CDEV	4	7,720	(1)
Accounts payable and accrued liabilities		298	-
Financial Liabilities		8,018	(1)
Deferred revenue	3	3,933	-
Total Liabilities		11,951	(1)
Net Financial Assets (Liabilities)		(7,863)	1
Net Financial Assets (Liabilities) are comprised of:			
Share Capital	5	1	1
Accumulated Deficit		(7,864)	-
		\$ (7,863)	\$ 1

The accompanying notes are an integral part of these financial statements.

On behalf of the Board:



Director



Director



STATEMENT OF OPERATIONS

(Thousands of Canadian Dollars)

	Notes	Year ended December 31, 2025
Revenue		
Guarantee fees	3	\$ 67
Monitoring fees	3	398
Interest income		51
Total Revenue		516
Operating Expenses		
Professional and advisory fees		2,548
Shared services	4	2,620
Office and general		196
Conferences and travel		164
Director fees		126
Total Operating Expenses		5,654
Guarantee Program Direct Costs, net		2,726
Total Expenses		8,380
Deficit for the year		(7,864)
Accumulated Deficit		
Deficit, beginning of year		-
Deficit for the year		(7,864)
Deficit, end of year		\$ (7,864)

The accompanying notes are an integral part of these financial statements.



STATEMENT OF CASH FLOW

(Thousands of Canadian Dollars)

	Year ended December 31, 2025
Cash provided by (used in):	
Operating activities:	
Deficit for the year	\$ (7,864)
Changes in non-cash working capital items:	
Increase in deferred revenue	3,933
Increase in accounts receivable	(200)
Increase in due to related party	7,720
Increase in accounts payable	298
	11,751
Change in cash provided by operating activities	3,887
Financing activities	
Change in non-cash working capital items	1
Change in cash provided by financing activities	1
Cash, beginning of year	–
Cash, end of year	\$ 3,888

The accompanying notes are an integral part of these financial statements.



STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (LIABILITIES)

(Thousands of Canadian Dollars)

	Year ended December 31, 2025
Deficit for the year	\$ (7,864)
Net financial assets, beginning of year	1
Net financial assets (liabilities), end of year	\$ (7,863)

The accompanying notes are an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2025

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

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 subsidiary of CDEV, however, CILGC has not been consolidated within CDEV as CDEV is not deemed to have control over CILGC. Accordingly, CILGC operates under the oversight of an independent Board of Directors.

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 incur operating costs to deliver the program. Any short-term cash requirements that it incurs 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 annual statements prior to the year ending December 31, 2025 since it was confirmed during the third quarter of 2025 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 year ending December 31, 2024.



NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2025

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

As CILGC was established in December 2024, a corporate plan for fiscal 2025 was not approved and the Company did not prepare annual statements for the year ending December 31, 2024. The loan guarantee issued on July 2, 2025 initiated the Company's activities and expenses incurred to date and funded by CDEV, were reported by CILGC in the third quarter of 2025. As such, no comparative figures are presented for the year ending December 31, 2024 nor budgeted amounts for the year ending December 31, 2025.

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.

a) Basis of Preparation

These 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.

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.

b) Revenue Recognition

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

Cash received for which performance 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.



NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2025

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

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.

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 with a corresponding expense recognized in the statement of operations.

g) Financial instruments

Cash, accounts receivable and accounts payable and accrued liabilities are recorded at amortized cost.

h) 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 December 31, 2025, no provision for losses has been recognized.



NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2025

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

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.

i) 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, 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.

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” or the “Program”)

As consideration for loan guarantees, CILGC receives a one-time guarantee fee and quarterly recurring monitoring fees. The guarantee fee is amortized over the term of the loan guarantee and monitoring fees are recognized each quarter.



NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2025

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

For the year ended December 31, 2025, the loan guarantee fees were:

	Year ended December 31, 2025
Balance, beginning of year	\$ -
Guarantee fees collected in the year	4,000
Guarantee fees earned in the year	67
Deferred revenue balance, end of year	\$ 3,933

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.

On October 6, 2025, CILGC and CDEV entered into a Services Agreement whereby CDEV provides executive, administrative, banking, financial and support services, and other services to facilitate the organization and functioning of CILGC and the ILGP. Under the Services Agreement, CILGC appoints CDEV as its agent to pay appropriately approved expenses on the Company's behalf. CILGC agrees to remit the full amounts owing under invoices to CDEV provided that CILGC shall not be required to remit payment prior to CILGC having sufficient cash on hand.

During the year ended December 31, 2025, CDEV provided services to the Company for a total of \$2.6 million. In addition, from December 2024 to December 31, 2025, CDEV funded costs incurred by CILGC such as professional and advisory fees, office and general fees and conferences and travel costs. At December 31, 2025, \$7.7 million was payable to CDEV (December 31, 2024 - \$1 receivable from CDEV).



NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2025

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

Shared Services*	Year ended December 31, 2025
Execution and Advisory	\$ 675
Indigenous Engagement	459
Finance and Administration	346
Legal	327
Human Resources	137
Communications	105
Other	571
	\$ 2,620

*Salaries and benefits of \$0.5 million are included in the above table.

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 December 31, 2025	1	\$ 1

6. Contingent Liabilities

Loan Guarantees

For the year ended December 31, 2025, CILGC issued one loan guarantee. Pursuant to an agreement dated July 2, 2025, CILGC provided a 30 year 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 obligations under the loan guarantee are effectively underwritten by the Government of Canada. As at December 31, 2025, there is no indication that a loan guarantee payment obligation is likely, and therefore no liability has been recognized in the financial statements.

Other

The Company, in the normal course of its operations, may become subject to legal and other claims against the Company. At December 31, 2025, CILGC was not named as defendant in any specific legal actions and there were no other contingent liabilities.



NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2025

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

7. Approval of Financial Statements

The Board of Directors approved the financial statements of CILGC on March 23, 2026.

8. Subsequent Event

Subsequent to year end, the Company provided a 20 year loan guarantee of \$16.8 million to two First Nations groups to purchase a total of 20% ownership interest in Hydro One's Chatham to Lakeshore project.



DIRECTORS AND OFFICERS

Board of Directors

Michael Bonshor	Board Chair
Elizabeth Wademan	Director
Dwight Ball	Director
Kristan Straub	Director

Officers

Kristan Straub	President and CEO
Annie Sismanian	Chief Financial Officer
Tess Lofsky	Vice President, Legal
Carlos Gallardo	Treasurer
Russ Wenman	Vice President, Execution and Advisory
Sébastien Labelle	Vice President

