



**CANADA INDIGENOUS LOAN
GUARANTEE CORPORATION**

A Subsidiary of
Canada Development Investment Corporation

QUARTERLY FINANCIAL REPORT

For the period ended March 31, 2026



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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 for approval, 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 OF OPERATIONS

The following is Management's Discussion and Analysis ("MD&A") of the financial results of operations of CILGC for the three months ended March 31, 2026. 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 May 25, 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.

Financial Position and Results

At March 31, 2026, total assets of \$4.1 million consisted of cash of \$3.9 million and receivables of \$0.2 million. Deferred revenue was \$4.1 million, reflecting guarantee fees received in advance for guarantee commitments, and other liabilities were \$9.3 million, consisting of \$8.8 million payable to CDEV for operating expenses incurred to date and other accrued liabilities of \$0.5 million. The accumulated deficit was \$9.3 million.

Total revenue for the period was \$0.3 million consisting of guarantee fees of \$0.04 million, monitoring fees of \$0.2 million, and interest income of \$0.03 million. Operating costs totaled \$1.1 million, consisting of professional and advisory fees of \$0.1 million, salaries and shared service costs of \$0.9 million and other operating costs totaling \$0.1 million. Net program direct costs were \$0.5 million. The net deficit for the period was \$1.4 million. 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 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 an approximate 20% equity stake of the Chatham to Lakeshore Hydro One Transmission Line, Hydro One's first project developed under their 50/50 equity model.



MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

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.



STATEMENTS OF FINANCIAL POSITION

(Thousands of Canadian Dollars)

(Unaudited)


	Note	March 31, 2026	December 31, 2025
Financial Assets			
Cash and cash equivalents		\$ 3,936	\$ 3,888
Accounts receivable		205	200
Total Financial Assets		4,141	4,088
Liabilities			
Due to CDEV	4	8,820	7,720
Accounts payable and accrued liabilities		540	298
Financial Liabilities		9,360	8,018
Deferred revenue	3	4,063	3,933
Total Liabilities		13,423	11,951
Net Financial Assets (Liabilities)		(9,282)	(7,863)
Net Financial Assets (Liabilities) are comprised of:			
Share Capital	5	1	1
Accumulated Deficit		(9,283)	(7,864)
		\$ (9,282)	\$ (7,863)

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)

(Unaudited)

	Note	Three months ended March 31, 2026	
		Budget	Actual
Revenue			
Guarantor fees - issuance	3	\$ 171	\$ 35
Guarantor fees - maintenance	3	299	205
Interest income		24	27
Total Revenue		494	267
Operating Expenses			
Professional and advisory fees		275	103
Salaries and shared services	4	1,612	889
Office and general		70	46
Conferences and travel		88	59
Director fees		62	42
Total Operating Expenses		2,107	1,139
Guarantee Program Direct Costs, net		1,250	547
Total Expenses		3,357	1,686
Deficit for the period		(2,863)	(1,419)
Accumulated Deficit			
Deficit, beginning of period		(9,000)	(7,864)
Deficit for the period		(2,863)	(1,419)
Deficit, end of period		\$ (11,863)	\$ (9,283)

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



STATEMENT OF CASH FLOW

(Thousands of Canadian Dollars)

(Unaudited)

	Three months ended March 31, 2026
Cash provided by (used in):	
Operating activities:	
Deficit for the period	\$ (1,419)
Changes in non-cash working capital items:	
Increase in deferred revenue	130
Increase in accounts receivable	(5)
Increase in due to related party	1,100
Increase in accounts payable	242
Change in cash provided by operating activities	48
Cash, beginning of period	3,888
Cash, end of period	\$ 3,936

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



STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (LIABILITIES)

(Thousands of Canadian Dollars)

(Unaudited)

	Three months ended March 31, 2026	
	Budget	Actual
Deficit for the period	\$ (2,863)	\$ (1,419)
Net financial assets (liabilities), beginning of period	(9,000)	(7,864)
Net financial assets (liabilities), end of period	\$ (11,863)	\$ (9,283)

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



NOTES TO THE FINANCIAL STATEMENTS

Three Months Ended March 31, 2026

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

(Unaudited)

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.

As CILGC was established in December 2024, a corporate plan for fiscal 2025 was not approved and the Company did not prepare annual statements prior to the year ending December 31, 2025. 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 or budgeted amounts are presented for the period ending March 31, 2025.



NOTES TO THE FINANCIAL STATEMENTS

Three Months Ended March 31, 2026

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

(Unaudited)

2. Significant Accounting Policies

The accounting policies applied in these condensed interim financial statements are consistent with those applied in the preparation of the Company's annual financial statements. These condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2025. Areas of judgement that have the most significant effect on the amounts recognized in the interim financial statements are disclosed in Note 2(a) of the Company's financial statements for the year ended December 31, 2025. There have been no significant changes to the areas of estimation and judgement during the three months ended March 31, 2026.

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 months ended March 31, 2026 are not necessarily the results that may be expected for the year ended December 31, 2026.

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 issuance fee and quarterly recurring maintenance fees. The issuance fee is amortized over the term of the loan guarantee and maintenance fees are recognized quarterly as earned.

For the period ended March 31, 2026, the loan guarantee fees were:

	Period ended March 31, 2026	
Balance, beginning of period	\$	3,933
Guarantee fees collected		165
Guarantee fees earned		(35)
Deferred revenue balance, end of period	\$	4,063



NOTES TO THE FINANCIAL STATEMENTS

Three Months Ended March 31, 2026

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

(Unaudited)

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 three months ended March 31, 2026, CDEV provided services to the Company for a total of \$0.9 million. At March 31, 2026, \$8.8 million was payable to CDEV (December 31, 2025 - \$7.7 million).

	Period ended March 31, 2026
Salaries and Shared Services*	
Execution and Advisory	\$ 187
Indigenous Engagement	174
Finance and Administration	282
Legal	97
Human Resources	31
Communications	8
Other	110
	\$ 889

*Salaries and benefits of \$0.4 million are included in the above table.



NOTES TO THE FINANCIAL STATEMENTS

Three Months Ended March 31, 2026

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

(Unaudited)

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, 2025 and March 31, 2026	1	\$ 1

6. Contingent Liabilities

Loan Guarantees

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 March 31, 2026, there is no indication that a loan guarantee payment obligation is likely, and therefore no liability has been recognized in the financial statements.

Pursuant to an agreement dated February 6, 2026, CILGC 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. As CILGC is an agent Crown Corporation, CILGC's obligations under the loan guarantee are effectively underwritten by the Government of Canada. As at March 31, 2026, there is no indication that a loan guarantee payment obligation is likely, and therefore no liability has been recognized in the financial statements.

7. Approval of Financial Statements

The Board of Directors approved the financial statements of CILGC on May 25, 2026.



DIRECTORS AND OFFICERS

Board of Directors

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

Officers

Kristan Straub	President and Chief Executive Officer
Annie Sismanian	Chief Financial Officer
Stephen Eddy	Vice President, Legal
Tess Lofsky	General Counsel & Corporate Secretary
Carlos Gallardo	Treasurer
Russ Wenman	Vice President, Execution and Advisory
Sébastien Labelle	Vice President

