



**CANADA INDIGENOUS LOAN
GUARANTEE CORPORATION**

A Subsidiary of
Canada Development Investment Corporation

QUARTERLY FINANCIAL REPORT

For the period ended June 30, 2026



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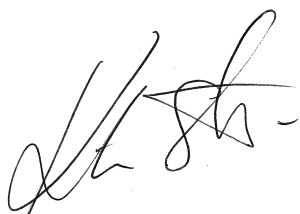
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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.



Kristan Straub
President and Chief Executive Officer
CILGC



Annie Sismanian
Chief Financial Officer
CILGC

August 18, 2026



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 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. 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 operates on a cost-recovery basis by charging issuance and maintenance 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 and six months ended June 30, 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 August 18, 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 June 30, 2026, total assets of \$6.2 million consisted of cash of \$6.0 million and receivables of \$0.2 million. Deferred revenue was \$6.4 million, reflecting guarantee fees received in advance for guarantee commitments, while other liabilities were \$12.3 million, consisting of \$9.7 million payable to CDEV for operating expenses incurred to date and other accrued liabilities of \$2.7 million. The accumulated deficit was \$12.6 million.

Total revenue for the three and six month period was \$0.3 million and \$0.5 million, respectively. Operating costs for the three and six month periods totaled \$1.2 million and \$2.3 million, respectively, consisting of professional and advisory fees Net Program direct costs for the three and six month periods were \$2.3 million and \$2.9 million while the net deficit for the three and six month periods was \$3.2 million and \$4.6 million, respectively. As the Program matures and more loan 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 projects developed under their 50/50 equity model.

On June 17, 2026, CILGC issued a \$715 million loan guarantee in a 50/50 partnership with the Province of Ontario through the Indigenous Opportunities Financing Program, to enable a partnership of the Williams Treaties First Nations to invest \$700 million in the Darlington New Nuclear Project in a deal that will result in equity ownership in the project's regulated rate base once the project becomes fully operational. This guarantee is the largest Indigenous loan guarantee ever issued in Canada and will support Canada's plan to build the first Small Modular Reactors (SMRs) in the G7.



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;
- Continuing to build a dedicated executive team and a full operational team;
- Adding 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	June 30, 2026	December 31, 2025
Financial Assets			
Cash and cash equivalents		\$ 5,963	\$ 3,888
Accounts receivable		208	200
Total Financial Assets		6,171	4,088
Financial Liabilities			
Due to CDEV	4	9,670	7,720
Deferred revenue	3	6,352	3,933
Accounts payable and accrued liabilities		2,704	298
Total Financial Liabilities		18,726	11,951
Net Financial Liabilities		(12,555)	(7,863)
Net Financial Liabilities are comprised of:			
Share Capital	5	1	1
Accumulated Deficit		(12,556)	(7,864)
		\$ (12,555)	\$ (7,863)

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

On behalf of the Board:



Michael Bonshor, Chair



Dwight Ball, Director



STATEMENT OF OPERATIONS

(Thousands of Canadian Dollars)

(Unaudited)

		Three months ended		Six months ended	
		June 30, 2026		June 30, 2026	
	Note	Budget	Actual	Budget	Actual
Revenue					
Guarantor fees - issuance	3	\$ 171	\$ 36	\$ 342	\$ 72
Guarantor fees – maintenance	3	598	209	897	413
Interest income		24	26	48	53
Total Revenue		793	271	1,287	538
Operating Expenses					
Professional and advisory fees		275	228	550	331
Salaries and shared services	4	1,613	862	3,225	1,751
Office and general		70	36	140	82
Conferences and travel		88	53	175	112
Director fees		62	21	125	63
Total Operating Expenses		2,108	1,200	4,215	2,339
Guarantee Program Direct Costs, net		2,250	2,344	3,500	2,891
Total Expenses		4,358	3,544	7,715	5,230
Deficit for the period		(3,565)	(3,273)	(6,428)	(4,692)
Accumulated Deficit					
Deficit, beginning of period		(11,863)	(9,283)	(9,000)	(7,864)
Deficit for the period		(3,565)	(3,273)	(6,428)	(4,692)
Deficit, end of period		\$ (15,428)	\$ (12,556)	\$ (15,428)	\$ (12,556)

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



STATEMENT OF CASH FLOW

(Thousands of Canadian Dollars)

(Unaudited)

	Six months ended June 30, 2026
Cash provided by (used in):	
Operating activities:	
Deficit for the period	\$ (4,692)
Changes in non-cash working capital items:	
Increase in deferred revenue	2,419
Increase in accounts receivable	(8)
Increase in due to related party	1,950
Increase in accounts payable	2,406
Change in cash provided by operating activities	2,075
Cash, beginning of period	3,888
Cash, end of period	\$ 5,963

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 June 30, 2026		Six months ended June 30, 2026	
	Budget	Actual	Budget	Actual
Deficit for the period	\$ (3,565)	\$ (3,273)	\$ (6,428)	\$ (4,692)
Net financial liabilities, beginning of period	(11,863)	(9,282)	(9,000)	(7,863)
Net financial liabilities, end of period	\$ (15,428)	\$ (12,555)	\$ (15,428)	\$ (12,555)

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



NOTES TO THE FINANCIAL STATEMENTS

Three and Six Months Ended June 30, 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* 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.

The mandate of the Company is to deliver the Indigenous Loan Guarantee Program, 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 to pay for 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.

CILGC was established in December 2024 and the first financial report was completed for the period ending September 30, 2025. As such, no comparative figures or budgeted amounts are presented for the period ending June 30, 2025.



NOTES TO THE FINANCIAL STATEMENTS

Three and Six Months Ended June 30, 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 six months ended June 30, 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 and six months ended June 30, 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) Loan guarantee documentation; and
- b) The Indigenous Loan Guarantee 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 three and six months ended June 30, 2026, the loan guarantee fees were:

	Three months ended June 30, 2026	Six months ended June 30, 2026
Balance, beginning of period	\$ 4,063	\$ 3,933
Issuance fees collected	2,325	2,490
Issuance fees earned	(36)	(71)
Deferred revenue balance, end of period	\$ 6,352	\$ 6,352



NOTES TO THE FINANCIAL STATEMENTS

Three and Six Months Ended June 30, 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 and six months ended June 30, 2026, CDEV provided services to the Company for a total of \$0.9 and \$1.8 million, respectively. At June 30, 2026, \$9.7 million was payable to CDEV (December 31, 2025 - \$7.7 million).

	Three months ended June 30, 2026	Six months ended June 30, 2026
Salaries and Shared Services*		
Execution and Advisory	\$ 126	\$ 313
Indigenous Engagement	236	410
Finance and Administration	318	600
Legal	47	144
Human Resources	33	64
Communications	24	32
Other	78	188
	\$ 862	\$ 1,751

*Salaries and benefits of \$0.5 million and \$0.9 million are included in the above table for the three- and six-month periods, respectively.



NOTES TO THE FINANCIAL STATEMENTS

Three and Six Months Ended June 30, 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 June 30, 2026	1	\$ 1

6. Contingent Liabilities

Loan Guarantees

Since the beginning of the Program, CILGC has entered into multiple agreements as listed below. Since CILGC is an agent Crown corporation, the Company's obligations under each loan guarantee are effectively underwritten by the Government of Canada. As at June 30, 2026, there is no indication that a loan guarantee payment obligation is likely on any of the guarantees issued to date, and therefore no liability has been recognized in the financial statements.

Enbridge Westcoast Pipeline (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.

Hydro One Chatham to Lakeshore (Agreement dated February 6, 2026)

CILGC provided a 20-year loan guarantee of \$16.8 million to two First Nations groups to purchase a nearly a 20% ownership interest in Hydro One's Chatham to Lakeshore project.

Darlington New Nuclear Project (Agreement dated June 17, 2026)

CILGC provided a 37-year loan guarantee of \$715 million, in fifty-fifty partnership with the Province of Ontario through the Indigenous Opportunities Financing Program to a consortium of First Nations groups to invest \$700 million in the Darlington New Nuclear Project, for a deal that will result in equity ownership in the project's regulated rate base once the project becomes fully operational. Participating First Nations will share in the long-term revenues generated by this clean electricity facility.

7. Approval of Financial Statements

The Board of Directors approved the financial statements of CILGC on August 18, 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 and Corporate Secretary
Aaron Manz	Vice President, Head of Investments
Matthew Pike	Vice President, Indigenous Relations
Tess Lofsky	General Counsel
Carlos Gallardo	Treasurer
Russ Wenman	Vice President, Execution and Advisory

