

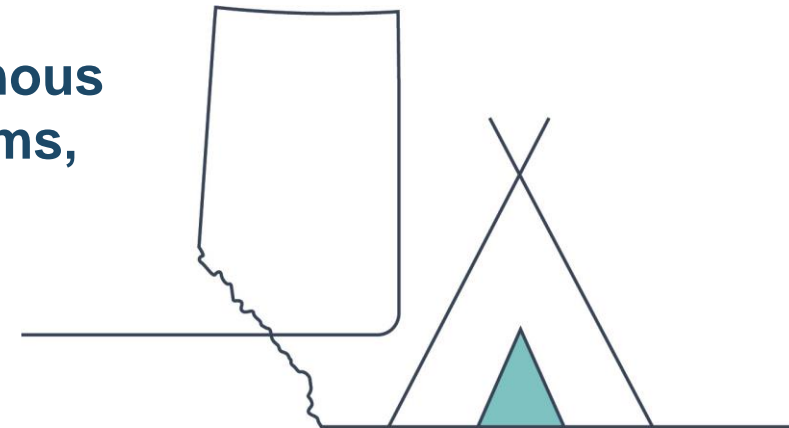


Alberta Indigenous Opportunities Corporation

March 21, 2023

What is AIOC?

- **Crown Corporation** with a **Board of Directors**, who are accountable to the **Minister of Indigenous Relations**
- **8 staff members** (50% Indigenous), including **Indigenous Engagement** and **Investment Management** teams.
- Founded in response to the Truth and Reconciliation Commission's Calls to Action – to **support Indigenous economic prosperity**.
- **Success** - further support the health and well-being of **Indigenous communities** reflected in the **growth** and **expansion** of programs, services and infrastructure.



Strategic Intent

Vision

Indigenous Peoples are important drivers of and key partners in Alberta's thriving economy.

Purpose

Drive Indigenous prosperity and independence through investment and active participation in Alberta's natural resource, agriculture, telecommunications and transportation sectors.



Strategic Priorities

Our work is guided by the following three strategic priorities:

1. Loan Guarantees

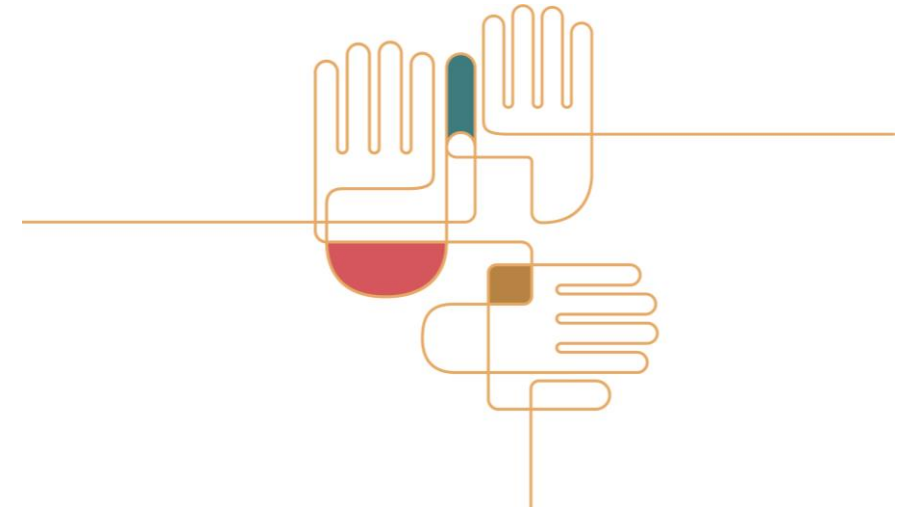
AIOC will provide loan guarantees to Indigenous communities to secure competitive commercial financing for equity share in mid to large scale investments.

2. Capacity Building

AIOC has discretionary funds available to assist Indigenous communities with third party expertise.

3. Engagement

AIOC meets with Industry and Indigenous groups to foster partnerships that drive shared value.



Loan Guarantee Program



Loan Guarantee Program – Eligible Sectors

Natural Resource Sectors

- ✓ Oil and gas
- ✓ Power
- ✓ Renewable Energy (wind, solar, geothermal, biomass)
- ✓ Forestry
- ✓ Mining

Expanded Mandate Sectors

- ✓ Telecommunications
- ✓ Agriculture
- ✓ Transportation

*And related infrastructure.

Loan Guarantee Program – Parameters

Loan Guarantee Size

- ✓ \$20 million to \$250+ million to support Indigenous investment

Eligible Groups

- ✓ First Nations, Metis Settlements
- ✓ Other Indigenous communities with approval by Ministerial Order

Eligible Geography

- ✓ A project can be 100% owned by a single community or a consortium of communities, with or without industry involvement.
- ✓ Projects and or Indigenous Groups outside Alberta may qualify, providing:
 - 25% of Indigenous ownership is located inside Alberta
 - Project has a net benefit to Alberta

Loan Guarantee Program – Benefits



Access to Capital

Loan Guarantee increases Indigenous access to capital. Equity is purchased with funds borrowed from traditional financial institutions.



Equity Participation

Access to capital enables Indigenous Groups to acquire equity interests in large projects.



Improved Terms

Loan Guarantee replaces project risk with lower Government of Alberta risk. Allows for flexibility on terms and conditions and lower interest rates on loans.



Low Risk Investments

Loan Guarantee protects the Indigenous owner from investment risk while still participating in all the investment upside.

Loan Guarantee Program – Risk

The AIOC views the following as lower risk:

- ✓ The project is already built and has a positive operating track-record.
- ✓ If the project is under construction, costs are known and contractually fixed.
- ✓ Technologies used are well known and have been used extensively.
- ✓ Project revenues are predictable and secured by contracts with reputable and creditworthy counterparties.
- ✓ Project inputs or feedstocks are readily available, and costs are predictable and secured by contracts.
- ✓ Third party debt and equity investors are committed to support financing the project on similar terms.

Loan Guarantee Program – Due Diligence

5 Questions to Assess Fit with the AIOC:

- 1 At what stage of development is the project?**
 - ✓ Existing/Operating Asset
 - ✓ Shovel ready project
 - ✓ Post-FID
- 2 If an established asset, what is the operational history?**
 - ✓ Long-term
 - ✓ Stable
- 3 How certain are cash flows associated with the project?**
 - ✓ Contracted
 - ✓ Investment grade
 - ✓ Long-term
- 4 Is this a new technology or is it well established?**
 - ✓ Well established
 - ✓ Proven
 - ✓ Commercial
- 5 What is the market for this product or service?**
 - ✓ Captive
 - ✓ Investment grade
 - ✓ Long-term

Loan Guarantee Program – Approved Projects

\$93 million



Cascade Power Project

\$1.5 billion, greenfield 900 MW CCGT power facility located 12- kilometers southwest of Edson.

Six participating First Nations: Alexis Nakota Sioux Nation, Enoch Cree Nation, Kehewin Cree Nation, O'Chiese First Nation, Paul First Nation, Whitefish (Goodfish) Lake First Nation



\$40 million



Northern Courier Pipeline LP

14.25% ownership interest in the 90 km, dual system pipeline NCPL system that connects the Fort Hills Oil Sands Project with Suncor's facilities in Ft. McMurray.

Eight participating First Nations & Metis Settlements: Athabasca Chipewyan First Nation, Chipewyan Prairie Dene First Nation, Ft. McMurray #468 First Nation, Fort Chipewyan Metis Local 125, Fort McKay Metis Nation, Fort McMurray Local Council 1935, Willow Lake Metis Association, Conklin Metis Local 193



\$27 million



Lindbergh Cogeneration

100% ownership interest in the Lindbergh Cogeneration Facility that provides contracted steam & power to Strathcona's Lindbergh SAGD operation near Cold Lake.

One participating First Nation: Frog Lake First Nation



Loan Guarantee Program – Approved Projects

\$250 million



Athabasca Trunkline

11.57% ownership interest in a portfolio of six liquids pipelines carrying 1.7 million bbl/d, or 45% of total supply, from the Athabasca region to terminals in Edmonton and Hardisty

Twenty-three participating First Nations, Metis Settlements and Metis Locals (Second largest Indigenous Consortium in Canada): Athabasca Chipewyan First Nation, Chipewyan Prairie First Nation, Kehewin Cree Nation, Onion Lake Cree Nation, Saddle Lake Cree Nation, Whitefish (Goodfish) Lake First Nation, Fort McMurray First Nation, Mikisew Cree First Nation, Beaver Lake Cree Nation, Cold Lake First Nation, Frog Lake First Nation, Fort McKay First Nation, Heart Lake First Nation, Buffalo Lake Metis Settlement, Elizabeth Lake Metis Settlement, Fishing Lake Metis Settlement, Kikino Metis Settlement, Fort McKay Metis Nation, Chard Metis Nation Local #218, Conklin Resource Development Advisory Committee Local #193, Fort Chipewyan Metis Local #125, Fort McMurray Metis Local #1935, Willow Lake Metis Nation



Capacity Building Program



Capacity Building Program – Overview

Capacity-building grants help to access third-party advice and expertise for the assessment and development of a potential project.

Budget

\$3 million per year to be awarded on a discretionary basis

Uses

Independent, third-party **legal, technical, economic** support

Purpose

Advisory, negotiation and closing

Does not need to be repaid.

Capacity Building Program – Examples

1 Evaluation of a mining opportunity

- Environmental review
- Economic analysis
- Deal negotiation & structuring

2 Closing an approved Loan Guarantee

- Legal closing

3 Assess long term insurability risk

- Insurance market review

4 Negotiate deal terms with industry partner

- Economic advisor

Engagement



Engagement – Overview

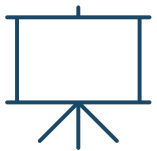
AIOC meets with Industry and Indigenous groups to help foster partnerships that drive shared value.

- AIOC is not a matchmaker.



Outreach to Communities

Remain connected, as trusted partners, with all Alberta First Nations and Metis Settlements.



Information Sessions

Host AIOC mandate information sessions with Indigenous groups and Industry.



Host Conferences, Speaker Series & Open Houses

Host conferences, Speaker Series webinars & Open House style events with Indigenous groups and industry to facilitate conversations and networking.

The background of the slide features five teepees arranged in a row against a sunset sky. The sky transitions from a deep orange at the horizon to a lighter, hazy yellow at the top. The teepees are illuminated from below, with the two on the right showing a bright red glow and the one on the far right showing a yellow glow. The other three teepees on the left are mostly in silhouette. A white rectangular box with a thin border is centered horizontally and vertically, containing the text "Q&A".

Q&A





Thank You
