



## Niagara Reinforcement Line (NRL) -Estimated Financials-

A third-party financial assessment was obtained for the proposed 25% equity ownership in the NRL.

### How much will a 25% Equity Ownership in the Proposed NRL Cost Six Nations?

*A 25% ownership stake in the NRL requires an investment of \$12.5 million and will yield net cash flows of not less than \$25 million over the next 48 years. This stated net cash flow assumes SNGRDC borrows 100% of its investment at an interest rate of 4% using a 30-year amortization.*

### How will the NRL Project be financed?

*Hydro One will provide equity bridge financing until an Aboriginal Loan Guarantee or alternative long-term financing is secured for the purchase of the 25% equity in the project.*

### What happens if the Aboriginal Loan Guarantee Program (ALGP) cannot be secured?

*The Ministry of Energy has agreed to assist SNGRDC in accessing the ALGP offered by the Ontario Financing Authority. If for some unforeseen reason an Aboriginal Loan Guarantee is not secured, the project will be financed utilizing normal equity modelling. Hydro One will provide financial credibility and bankability to secure financing from traditional lending institutions.*

### Is this a risky investment? How much is the rate of return?

*The investment is considered low-risk and produces an internal rate of return of approximately 5%, during the period where debt exists. The annual distributions paid to SNGRDC will sufficiently cover the principle and interest associated with a loan outlined above. SNGRDC will continue to hold, on behalf of the community, a 25% interest in NRL for as long as the asset exists; at a minimum, the residual value of the investment (once long-term debt is retired) is estimated to be not less than \$8 million.*

**“It’s Our Community’s Future, Let’s Talk About It!”**

[www.snfuture.ca](http://www.snfuture.ca)