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June 30, 2022

Six Nations of the Grand River Development Corporation
2498 Chiefswood Road
Ohsweken ON N0A 1M0

Attention: Mr. Matthew Jamieson
President & CEO

Dear Sirs,

Review Summary of Lake Erie Connector Project

BACKGROUND

Further to our preliminary reporting letter of January 27, 2022, we are pleased to provide our comments on a proposed investment in the Lake Erie Connector project (LEC Project). Upon completion in 2027, the 120 km transmission project is expected to carry up to 1,000 MW of electricity bi-directionally between Nanticoke Ontario and the Erie West Transfer Station in Pennsylvania. Of the total length, approximately 104 km will be underwater, crossing Lake Erie. A rendering of the prospective project can be found at Appendix "A."

This reporting letter is largely based on the May 19, 2022 financial modeling for the project, as provided by ITC and updated June 30, 2022, an owned subsidiary of Fortis Inc., the development and initiating partner of the LEC Project. In preparing this report, we also reviewed other documents, including a Lender's Technical Advisory Report prepared jointly by U.S. engineering firms Washington-based Xodus Engineering and Atlanta-based Leidos Engineering. We also had an opportunity to review a draft project management and services agreement, a Community Benefits Agreement (CBA), a Project Participation Agreement (PPA) that describes investment options available, a recently updated draft Limited Partnership Agreement (LPA) and other information and documentation we normally like to see in final or close to final form. While we have received drafts of much of this documentation and although a number have not yet been finalized, we do not expect major changes to final documents. A more comprehensive list of these and other transaction materials can be found at Appendix “B”.

There are several agreements and forms of documentation that impact the LEC Project, including negotiated agreements with the Canadian Energy Regulator (CER), Independent Energy System Operator for Ontario (IESO), Transmission Procurement Agreement (TA), Engineering Procurement and Construction (EPC) contracts for converter stations, and EPC contract for cable systems that include installation. A list of these materials can be found at Appendix “C”. While we recognize the importance of these contracts and agreements, we have not been involved in discussions and negotiations involving these and other documents, and so offer no comments on their structure or content.

Please note that the information contained in this report has been gathered from sources considered to be reliable, but may require verification prior to use, as no representations or warranties of any kind are either expressed or implied. Please further note that with respect to this report, we have focused our review on matters relating to the financial modelling projections, as prepared jointly by Fortis Inc. subsidiary ITC Lake Erie Connector LLC (ITC) and Canadian Imperial Bank of Commerce (CIBC). The bank is also a lender to several business enterprises, and acts in this transaction as Financial Advisor to ITC. As a possible construction lender, we understand that the primary due diligence review of the feasibility of the LEC Project has been conducted by ITC and by the lenders’ technical advisors. As a result, First Canadian has performed no additional reviews of the banking arrangements, engineering or environmental reports, or other information to verify that which has been provided to us. More particularly, our role is to determine and where justified, confirm that based on information made available to us and to the best of our knowledge, the information contained in the financial model supports the proposal offered to Six Nations of the Grand River Development Corporation (SNGRDC) and represents an attractive investment for the alternative energy asset portfolio.

RATIONALE

In Ontario, approximately 15 GW or 60% of electricity generated is produced by nuclear power plants that either operate at full tilt or need to be shut down to reduce production. Such shutdowns are normally lengthy. Although hydro and nuclear are the two cheapest forms of production, managing nuclear is a cumbersome and expensive process. In times of surplus electricity in Ontario, only hydro is easily manageable by re-routing water over Niagara Falls by bypassing turbines. Even so, because of the many factors affecting demand, historically transmission companies have had difficulty managing electricity volumes produced. Nevertheless, energy storage and other concepts have gained importance as potential electricity management tools.

In response, in times of surplus in Ontario the LEC Project will allow the transmission and sale of electricity into Pennsylvania and other states connected to their transmission systems. Conversely, during periods when there is a surplus of electricity south of Lake Erie and demand in Ontario, the joint business will be able to send electricity north of the border. As a result, wasted electricity that exceeds local demand is expected to become usable by parties that may have need exceeding local supply, allowing both partners access to the Ontario and Pennsylvania grids to meet fluctuations in supply and demand. The Project will send electricity north or south by converting alternating current (AC) to direct current (DC) for underwater transmission and re-conversion from DC to AC through converter stations at Nanticoke and Erie Pennsylvania. The ability to send electricity bi-directionally has potentially lucrative implications for both Ontario LEC LP shareholders and the PJM Interconnection markets (*PJM is a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and the District of Columbia*.) Revenue generated by the LEC Project will be provided through a 40-year services contract with the IESO, with the potential for extending the maturity date by an additional 15 years. (*See Appendix D for excerpts from financial model cash flows for first 40 years*.)

A key feature of the bi-directional transmission project is that, unlike other alternative energy projects where volumes of electricity measured in kilowatts transmitted through the grid are the basis for revenue generation, this will not be the case for the LEC Project. As the paying customer of the proposed service, the IESO will pay fixed price fees indexed by a 0.19% inflation factor adjustment for the availability of the bi-directional service, rather than volumes of electricity transmitted. For the initial 40-year term, the annual compensation formula is expected to be fixed at $129.5M annually, based on 0.19% of presumed average long-term inflation at 2% (calculated = 0.38%). In effect, the IESO agreement with LEC LP is for all practical purposes the equivalent of a take-or-pay services contract.

FUNDING

The LEC Project will be funded with 40% equity and 60% debt, as required by the IESO. All debt for Canadian limited partnership Lake Erie LP will be provided by ITC, including funding of First Nation equity commitments, on a non-recourse basis, at a cost of funds equal to the cost of Project senior debt financing. (*In effect, although notionally referenced as First Nation debt, in practical terms the First Nations that select the equity option are agreeing to allow the earnings of the*

LEC Project to pay their principal and interest payment obligations before distributions.) The following is an estimate of the overall financing required before funding to accommodate equity investments by First Nations:

All $ figures on '000s	***Amount***	***Term (years)***	***Maturity***
Bank Construction Facility	$0		n.a.
CIB Facility	$695,881	35	28-Feb-62
Long-Term Senior Debt	$315,080	40	28-Feb-67
Medium-Term Senior Debt	$74,901	13	29-Feb-40
Equity	$627,361		
Excluding FN $66M non-recourse funding	$1,713,223		

We are advised that the 60/40 debt/equity capital structure is aligned with ITC's ultimate parent's (Fortis Inc.) long-term financing strategy. (*Not coincidentally, in Ontario transmission companies are regulated by the Ontario Energy Board that also requires a 60-40 debt-equity structure*.) ITC and CIBC are spearheading the raising of equity and debt from commercial banks and/or institutional and government project lenders. While terms set out in the updated May 19, 2022 financial model currently include an upfront senior bond issue, assessment of alternative strategies such as bank-to-bond (*floating rate construction loans + fixed rate long term debt*) construction financing is also ongoing. The LEC Project is to be operated as a joint venture between Canadian and U.S. limited partnerships to ensure that the allocations of revenues and expenses will be apportioned equitably.

Based on a 40% equity requirement, a pro forma calculation shows that equity of approximately $700M will be required. Since it is our understanding that SNGRDC and Mississaugas of the Credit First Nation (MCFN) may be two of the three limited partners in Lake Erie LP, in the circumstance where both will be offered and elect to subscribe for the same 10% amount of equity, the following structure will apply:

Total Project		
Lake Erie Holdings LP	50.00%	$350,000,000
Lake Erie LP	50.00%	$350,000,000
Total Equity	100.00%	$700,000,000
U.S. 50% Partner		
MCFN	0.00%	$0
SNGRDC	0.00%	$0
ITC	100.00%	$350,000,000
Total Shareholders	100.00%	$350,000,000
Canadian 50% Partner*		
MCFN	10.00%	$35,000,000
SNGRDC	10.00%	$35,000,000
ITC	80.00%	$280,000,000
Total Shareholders	100.00%	$350,000,000

* subject to change

FINANCIAL CONSIDERATIONS

The Project financials, as set out in the May 12, 2022 financial model indicate annual revenues of $129.9M for 2028, the first full year following the Commercial Operation Date (COD), with revenues increasing by 0.38% each subsequent year. Total revenues for the 40-year contract term are projected at $5.68B.

Operating expenses in the financial model indicate annual costs of $27.0M for 2028, the first full year of operations, with expenses increasing by 2% each subsequent year. Total operating costs for the 40-year contract term are estimated at $1.61B. These numbers assume no royalties being paid to First Nations under the PPA and that ITC, SNGRDC and MCFN will all be equity investors. If SNGRDC selects the royalty option offered, operating costs will increase by $1M annually, indexed to inflation as per the above formula. The potential of a 15-year extension of the contract would also yield significant results, depending upon contract terms, interest rate and inflation assumptions in 45 years' time.

Operating profit (annual revenues less annual operating costs) in the financial model indicate margins $102.9M for 2028, the first full year following the COD. Total operating profit for the 40-year contract term are estimated at $4.01B.

Based on these results, as set out in the financial model, the resultant annual cash flow available for distribution to equity investors will be approximately $63.2M for the first full year post-COD. Total cash flow available for distribution for the 40-year contract term is estimated at $2.70B.

Based on the assumption that SNGRDC and MCFN will both subscribe for 10% equity, and that distributable cash flows may be governed by conditions in effect today, are calculated as follows:

Cash Flow Projections
('000s CAD)

			40 years 2027-2067	**ITC Debt Service Cost**	**Projected 40-year NCF[1]**	**Projected 15-year CF**
50%	Lake Erie Holdings LP	100%	$1,318,669		$1,318,669	$388,690
50%	Lake Erie LP					
	ITC	80%	$1,054,935		$1,054,935	$310,952
	SNGRDC	10%	$131,867	$88,758	$43,109	$38,869
	MCFN	10%	$131,867	$88,758	$43,109	$38,869
	Distributable Cash Flow		$2,637,337	$177,516	$2,459,821	$777,380

[1] Projected 40-year NCF includes pro rata share of net proceeds of sale to IESO. If the contract is extended without a sale, the Year 40 sale price premium will not be included.

STRUCTURE

The $1.74B LEC Project is in an advanced stage of planning and is expected to commence construction in approximately six months. To develop the business, Fortis Inc. subsidiary ITC Holdings LLC has created two entities that together will be owners of the LEC Project. These are ITC Lake Erie Holdings LP for U.S. assets, and Lake Erie LP, which will be responsible for execution of the LEC Project and will own the Canadian assets. Each will own a 50% interest in the overall project. For purposes of this report, these entities are referred to individually and together as the owners of the LEC Project. ITC is the largest independent electricity transmission company in the United States.

The structure will be a 50-50 joint venture between two limited partnerships, where the U.S. partner Lake Erie Holdings LP will be 100% owned by ITC entities. The Canadian partner Lake Erie LP will be 90% owned by ITC entities and 10% by SNGRDC through a special purpose corporation (SPC). It is our understanding that Lake Erie Holdings LP's equity interest may be further diluted through offering up to 10% equity to MCFN. If both SNGRDC and MCFN subscribe for 10% equity interests, the U.S. partner's interest will be reduced to 80%.

OPTIONS AVAILABLE TO SNGRDC

The two First Nations over whose Traditional Lands the Canadian part of the LEC Project will be built have been offered two investment alternatives. The first is a royalty payment defined as an annual Participation Payment of $1,000,000, partially indexed to inflation. The second is a 10% equity ownership interest financed on a non-recourse basis by ITC or an affiliate. Both offer risk-free options that are expected to generate significant income to SNGRDC. These options are more fully defined below.

Option #1: SNGRDC has the option to enter into an annual Participation Agreement, through which SNGRDC would be paid an annual royalty payment in the (initial full year) amount of $1,000,000. Future payments would be partially indexed to inflation, as discussed above. In this circumstance, SNGRDC would be the licensor and Lake Erie LP would be the licensee, with 50% of costs shared with ITC Lake Erie Holdings LP.

Benefits of Royalty Ownership

- As an operating business expense of Lake Erie LP, a royalty reduces net operating cash flow to the business, which means lower net revenues. However, in terms of expense and income priorities, as operating costs royalties will need to be paid before distributions to equity investors.
- Since the royalty will be paid during the term of the IESO contract, including extended for an additional 15 years, royalty income from operations will accrue for the original and extended duration.
- Over a 40-year term, at a 0.38% annual inflation adjustment, royalty payments are expected to generate approximately $42.9M. If the IESO contract is extended for an additional 15 years on current terms, based on the same inflation assumptions, the royalty return to SNGRDC over 55 years would increase to approximate $60.8M.
- The principal advantage of a royalty stream is that it is a hands-free source of income, and that the licensor (SNGRDC) is essentially at arm’s length to the licensee (Lake Erie LP). As such, the royalty asset created is a form of fixed income instrument.

Disadvantages of Royalty Ownership

- As owner of the benefit set out under a royalty agreement, the licensor typically does not have equity rights such as entitlement to a share of business profits, capital gains or losses on the sale of the licensed asset, or participation in business activities germane to the business, such as voting rights.

- In the absence of an option to purchase equity in the future, the licensor will have no further income from the royalty agreement, beyond the term of the agreement. If SNGRDC elects to pursue the royalty option, it may be desirable to incorporate terms into the contract that will cause the term of the agreement to continue to exist for as long as the business is viable, regardless of who the existing or future equity owners may be. To ameliorate this, the agreement could be drafted so that for as long as the business will operate on First Nation Traditional Lands, the royalty is to be paid as compensation for the encroachment. At the end of the agreement, Six Nations of the Grand River will be accorded full reversionary rights.

Option #2: A 10% equity ownership position, funded indirectly by an ITC entity. As mentioned earlier, funding is somewhat of a misnomer because while SNGRDC will not make payments of principal and interest to ITC directly, the general partner of LEC LP will remit these costs to the lender through deductions from revenues to be generated for the account of SNGRDC, prior to distributions. In practical terms, the debt service related to the equity financing will be serviced by cash flows from Lake Erie LP.

In the event of Project failure or a call for additional capital, SNGRDC may wish to support such a call, but will not be required to do so. However, it is expected that -should SNGRDC wish to participate, a call for additional capital will also be funded by ITC or an affiliate on a non-recourse basis. Based on current financial projections, annual net cash flow to SNGRDC after debt servicing charges are expected to be approximately $825K per annum but subject to change in today's volatile interest rate markets. Although contract revenues are partially indexed to inflation (0.38%), such increases may be offset by increases in operating costs. Over the course of 40 years, the return to SNGRDC, as estimated by the June 30, 2022 updated financial model is expected to be approximately $43M. If the contract is extended for an additional 15 years on current terms, revenues in the

40th year will not include the 10% net sale proceeds of approximately $11M, and 40-year revenues will be reduced from $43M to $32M. Offsetting this, revenues for years 41-55 that are projected to be approximately $38M (*based on based on current contract terms)* will bring total revenues for the 55-year period 2027 to 2082 to approximately $70M.

Benefits of Equity Ownership

- As an owner, SNGRDC incurs only the risk that the LEC project will not succeed as expected. Because the contract pricing with the IESO is fundamentally a services contract and not production-based, this appears to be a reasonable assumption. Furthermore, regardless of the LEC Project's success or failure, the risk of economic loss to SNGRDC is nil.
- At the end of the initial term, 40-year revenues are projected to exceed $43M. If the term of the IESO contract is extended for an additional 15 years, SNGRDC's share of cash flows from operations will increase substantially, since principal and interest deductions applied against SNGRDC's obligations will cease due to full amortization at the end of year 40.
- In addition to substantial revenues received by the end of year 40 and possibly beyond, the value of SNGRDC's equity interest in the Lake Erie LP will have increased dramatically. Based on construction values, a 10% debt-free equity interest would have a current equity value of $174M. Because it will be maintained operationally for at least 40 years, it is reasonable to assume that even on a net book value basis, in 40 years' time, it is reasonable to assume that the LEC Project will continue to retain significant market/equity value.
- As an owner, SNGRDC would stand to benefit financially in the event of a sale of Lake Erie LP at a price higher than the capital cost of the asset. Similarly, an owner would stand to benefit financially in the event the Lake Erie LP it may be possible to refinance debt in the future, on terms more attractive than at COD.
- However, it is also important to note that with respect to a possible sale, it is more likely that an alternative format would prevail. In particular, the agreement

between the IESO and Lake Erie LP contains provisions for the IESO to purchase Lake Erie LP at the net book value in year 40. This amount is expected to be approximately $460M. Net of $233M of debt that is projected to be outstanding at the time of a purchase, proceeds to the LEC Project investors would be approximately $227M or $121M to each of ITC Laker Erie Holdings LP and Lake Erie LP.

- If the IESO exercises the purchase option in year 40, the net sale proceeds to SNGRDC as a Canadian investor will not necessarily translate to an additional $12M specifically but should be close. This is primarily because for the first 40 years, the equity loan is sculpted to maximize distributions to equity investors. As such, at the end of year 40, the equity loan is expected to have fully amortized. Notwithstanding, it is acknowledged that to maximize distributions during the first 40 years, a modest amount of residual debt not exceeding $5.6M may remain outstanding. In such circumstance, the LEC Project net sale proceeds of $227M would be comprised of mostly project financing but some residual SNGRDC debt.

The agreement also provides latitude for the 40-year contract to be extended for an additional 15 years. However, since we cannot be certain which will be pursued in the distant future, we have only included brief commentary on this in our report but noting that this additional compensation in the event of a year 40 sale to the IESO would only be available to equity investors.

Disadvantages of Equity Ownership

- From time-to-time, the business may experience increases in construction or other costs that are higher than expected. In our view, much of this risk has been mitigated by budgeting for cost overruns of approximately 10%. We do not expect cost overruns to be significant.

- In addition, capital costs in excess of budgeted amounts and reserves may be required to be incurred. This risk may not be significant, however, as the financial model contemplates capital reserve funds to be held on account.

INVESTMENT OPPORTUNITY

SNGRDC has been presented with an innovative and attractive investment opportunity, particularly with respect to the commitment of capital required to participate. Despite the substantial $1.74B construction cost and size of the LEC Project, SNGRDC is able to choose between two extremely lucrative options, both without financial risk.

SNGRDC is able to do this because of the structure of the investment vehicle that it will create to own the investment, whether equity or royalty. More particularly, SNGRDC will create a new wholly owned SPC that will have no assets or liabilities, other than units in the limited partnership if the equity option is selected, or a royalty agreement with Lake Erie LP, if a royalty is preferred.

With respect to risk, in the event of financial success, the LEC Project will prosper and so will the equity or royalty holders. Conversely, should the LEC Project fail, the financial loss would be borne by the parties that actually underwrote the non-recourse debt and/or equity funding from banks or other third parties. If SNGRDC elects to become an equity owner, the owned units will be pledged to the project lenders as part of the project financing arrangements, as is normal practice for project financing. So, other than an unsecured creditor claims against the SPC that has no assets, the risk to SNGRDC is nil.

Should SNGRDC (and MCFN) subscribe for 10% (20%) of Lake Erie LP equity, ITC and its co-investors (if any) would receive 90% (80%) of the net cash flow if successful. If the LEC Project fails, ITC will incur 100% of any losses.

At the same time, by proposing the above investment structure to SNGRDC and MCFN, ITC is not being altogether altruistic. Since First Nations normally do not have significant investment capital available or other assets to be pledged as collateral, especially for large projects, except under unusual circumstances, the only access to equity loan funding is through special interest groups or government programs, including but not limited to the Ontario Aboriginal Loan Guarantee Program (ALGP). Unfortunately, the ALGP requires a significant investment of time, often up to a year, as well as the ability of the debtor to provide security acceptable to the Province as loan guarantor. Consequently, to be able to launch the LEC Project without unreasonable time delays that include vulnerability to interest rate changes, like other developers, ITC needed to make the investment opportunity attractive as possible to First Nations. ITC achieved this by providing equity funding through access to developer non-recourse loans on attractive terms.

As referenced earlier, SNGRDC has been invited to subscribe for 10% of the required equity funding of Lake Erie LP and ITC has offered to supply 100% of SNGRDC's approximately $33M equity funding, at the same cost of funds as will be available to ITC to raise senior project debt. If this option is exercised, 40-year debt service costs of the loan will be deducted from distributable operating cash flows, prior to distributions to the investor.

Under this scenario, distributions will be paid to limited partners after all other cash expenses are paid. Consequently, it is reasonable to view the Lake Erie LP investors as last payees from distributable cash flows. Assuming a project that is successful from the outset, over the first 40 years, distributions to SNGRDC are expected to total approximately $43M, including reserve funds (averaging approximately $1.0M annually). If the contract is extended by 15 years, and contract payments by the IESO are consistent with prices paid toward the end of the 40-year contract, cash flows to SNGRDC are expected to increase by an additional approximately $38.8M (averaging $2.5M annually), primarily because the ITC non-recourse loan will have been fully repaid and SNGRDC's share of revenues will no longer be burdened by the associated debt service payments. On a 55-year basis, SNGRDC is expected to receive $70M of dividend income (averaging approximately $1.3M annually).

The above discussion on the investment opportunity is based on SNGRDC as an equity partner. If SNGRDC instead decides to take up the alternative option, which would become an operating expense of the business, the royalty will have a lower risk profile for the first 40 years, or longer if the IESO contract is extended. For the first 40 years, royalty will be modestly higher than equity ash flows, but will provide income to SNGRDC that will be similar to equity distributions. If there is a contract extension, the royalty option will provide income consistent with the formula for annual increases. In the 41st year, however, royalty payments would be less than an equity distribution, for reasons discussed above.

Project Revenues

As referenced earlier, the single paying customer and sole source of revenue will be the IESO. Negotiation discussions have been managed by ITC exclusively on behalf of the LEC Project.

Project Expenses

Operating and administrative expenses will be managed through contractual engagement between Lake Erie LP and Fortis Inc. subsidiary, LEC GP Inc. (LE GP). On behalf of the Canadian partnership, the general partner will be entitled to recover all reimbursable operating costs, including accounting services, ensuring compliance with the terms of the LPA , and payment of distributable cash flows to the limited partners.

Project Cash Flows

One of the important aspects of limited partnerships is the ability of investors to be taxed at their individual marginal tax rates, rather than taxing the partnership earnings. To achieve this, the limited partnership needs to distribute its cash flow to investors by year-end, before deducting taxes and depreciation from operating income on partnership earnings but excluding reserves for capital and other costs to be incurred in the future. For SNGRDC, this means that dividends stemming from an equity investment in Lake Erie LP will attract little or no income tax.

Return on Investment

For investors that might wish to purchase a 10% interest by incurring an obligation to service $33M of debt that fully amortizes over 40 years, the return will be impacted negatively by the current 5.48% estimated cost of borrowing. Notwithstanding, the return will be impacted by what happens at the end of 40 years.

Currently, the Transmission Procurement Agreement, which dictates the interaction between the IESO and Lake Erie LP, calls for two and possibly other events at the end of the 40-year term. One is for the IESO to purchase the business for what is projected to be $227M, as discussed above. A second option is to extend the 40-year contract for an additional 15 years. The April 29, 2022 draft agreement has not yet been finalized and indicates that "*Additional terms are under consideration.*". The consequence of the range of options is that the returns on equity are different. For example, a debt funded investment in the Lake Erie LP generates a return of approximately 2.69% over 40 years and 4.24% over 55 years, assuming similar contract pricing of the services provided to the IESO. (*The 55-year investment return may also be impacted by events following expiry of an extended term, although this cannot currently be factored into any calculations*.)

Notwithstanding, using non-recourse funds also means that the investor has little or no financial loss risk, which means there is little or no actual initial capital invested. On this basis, since SNGRDC is only agreeing to service its pro rata share of the equity and not committing its own money to purchasing equity, the return on investment, whether for 40 or 55 years, is in fact infinite.

Lastly, it is also worth noting that at some point in the future, whether in 40 years' time or longer, it may become necessary to decommission the project. We are advised that at an expected cost of less than $5M. The Canadian Energy Regulator, which is responsible for moving energy safely across the country and is engaged when foreign entities are involved, is seeking a performance bond or other type of security to cover such expenses, if, as and when required at a date following the maturity of the IESO service purchase contract. We are advised that the financial model accounts for this future expense.

Conclusion

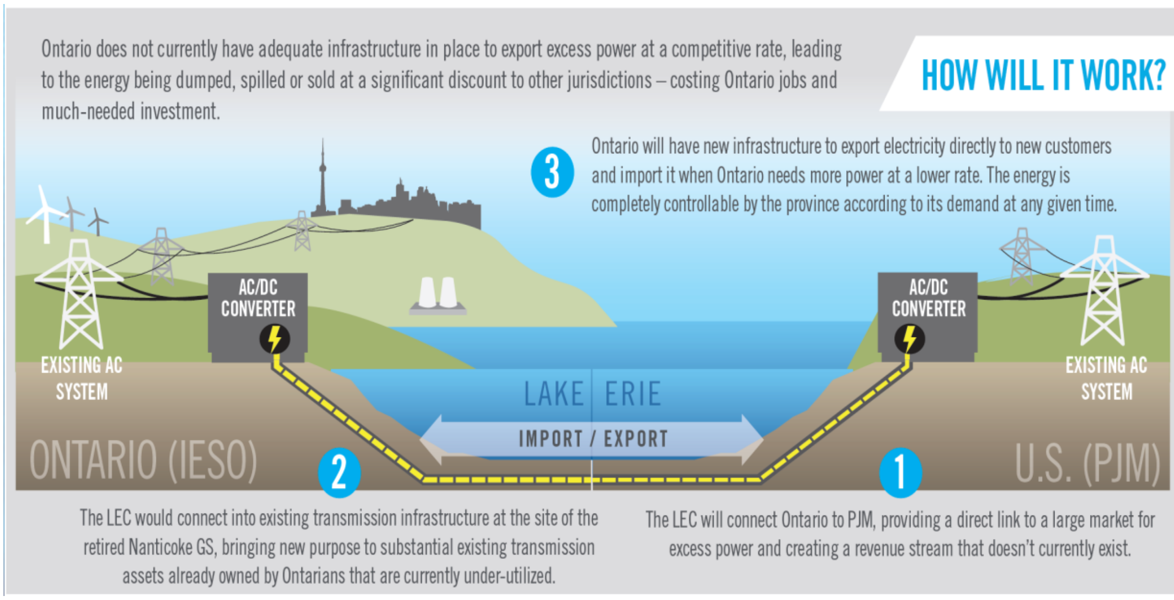
As presented, the opportunity to invest in either the equity ownership of the LEC Project or royalty payment stream is very attractive for SNGRDC and by extension, Six Nations of the Grand River. The investment has no initial cash cost, which means that based on the out-of-pocket investment commitment required, the return on equity is incalculably high. Furthermore, under the equity option, as an owner of the assets, in the event of contract renewals, conversion to a rate-based pricing formula administered by the Ontario Energy Board, or outright sale of the project, equity partners will have an opportunity to reap additional financial returns. Also, it cannot be ignored that with the passage of time, servicing the ITC debt causes the ITC loan to amortize, which in turn will create increased potentially significant market/equity value in the LEC Project assets. Such amortization intrinsically increases to borrower's equity value. From virtually all perspectives, our analysis indicates the equity option should be considered seriously for investment.

In the meantime, and in addition to financial considerations, the investment provides opportunity for SNGRDC to invest in a Fortis Inc. innovative international energy transmission project, at minimal financial risk, substantial overall returns, potential for employment opportunities and other benefits of ownership. We are therefore satisfied that this is an attractive investment opportunity for Six Nations of the Grand River and SNGRDC. While in our view, the royalty and equity options are both attractive at the same level of risk, the latter promises greater returns to long-term equity owners.

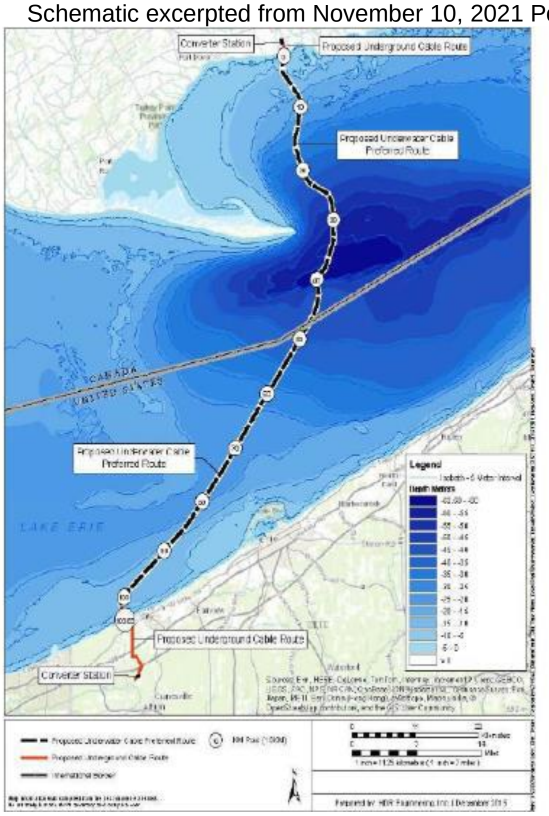
First Canadian Property Investments Ltd.

APPENDIX "A"

LAKE ERIE CONNECTOR SCHEMATIC



Schematic excerpted from November 10, 2021 PowerPoint presentation to Six Nations of the Grand River



APPENDIX “B”

DOCUMENTS TO BE EXECUTED PRIOR TO FINANCIAL CLOSING

1. ITC - SNGRDC Term Sheet

2. April 29, 2022 Transmission Procurement Agreement Between Lake Erie LP and Independent Electricity System Operator

3. November 21, 2021 ITC/CIBC Financial Model

4. Revised May 12, 2022 Financial Model

5. Updated June 30, 2022 Financial Model

6. June 20, 2022 [Draft] Lake Erie LPA Subscription Agreement

7. June 21, 2022 [Draft] Community Benefit Agreement

8. June 25, 2022 [Draft] Project Participation Agreement

9. June 25, 2022 [Draft] Amended and Restated Limited Partnership Agreement

10. June 29, 2022 [Draft] Inter-Company Subordinated Debt Subordination Agreement

11. June 30, 2022 [Draft] Limited Recourse Guarantee

12. June 30, 2022 [Draft] Securities Pledge Agreement

APPENDIX “C”

OTHER TRANSACTION RELATED DOCUMENTS NOT REVIEWED

1. Undated ITC – SNGRDC Capacity Funding Agreement

2. Undated ITC – SNGRDC Support Agreement

3. Undated Credit Agreement between ITC Lake Erie Connector LLC as Borrower and Lake Erie LP as Lender

4. Undated ITC – SNGRDC Draft Loan Agreement

5. Undated TA Subcontracting Agreement

6. Undated Capacity Funding Agreement

7. Undated Project Manager Management Agreement

8. Undated LEP Joint Venture Agreement

9. April 14, 2022 Draft Transmission Procurement Agreement Between ITC Lake Erie Connector LLC and Lake Erie LP and Contractor to be Named re Converter Stations

10. May 1, 2022 Amended and Restated Limited Partnership Agreement of Lake Erie LP

11. May 13, 2022 updated ITC/CIBC Financial model

12. May 24, 2022 Draft Transmission Procurement Agreement Between ITC Lake Erie Connector LLC and Lake Erie LP and Contractor to be Named re Cable Systems

13. April 14, 2022 Engineering, Procurement and Construction Contract (Converter Stations) Between ITC Lake Erie Connector LLC and Lake Erie LP, by its general partner, LEC GP Inc. and [Contractor Name]

14. June 15, 2022 [Draft] Project Management and Services Agreement Between ITC Investment Holdings Inc. and Lake Erie LP and ITC Lake Erie Connector LLC.

15. June 15, 2022 Lenders Technical Advisors Report Independent Engineering Reports (*Xodus Leidos Joint Report*)

APPENDIX "D"

CASH FLOW EXCERPTS FROM JUNE 30, 2022 FINANCIAL MODEL

Financial Statements (Annual)
SCENARIO 4: FN Equity Purchase x2, with CIB Bullet
C$000s

End of Year			2027-12-31	2028-12-31	2029-12-31	2030-12-31	2031-12-31	2032-12-31	2033-12-31	2034-12-31	2035-12-31
Year			2027	2028	2029	2030	2031	2032	2033	2034	2035
Operations Cash Flow (Pre-Tax LP Distributions Logic)											
Revenue			86,358	129,871	130,369	130,878	131,397	131,925	132,465	133,016	133,577
Plus: Buyout			-	-	-	-	-	-	-	-	-
Less: O&M			(17,469)	(27,004)	(27,544)	(28,095)	(28,716)	(29,635)	(30,059)	(30,410)	(32,027)
Less: MMRA Funding			-	-	-	-	-	-	-	-	-
Plus: MMRA Releases			-	-	-	-	-	-	-	-	-
CFADS			68,636	102,487	102,446	102,403	102,300	101,435	102,027	102,226	101,170
Less: Original Debt Service			(26,333)	(39,319)	(39,303)	(39,287)	(39,247)	(39,097)	(39,142)	(39,218)	(38,812)
Less: Senior Debt Allocated to First Nations to Fund Equity Investment			(3,126)	(4,668)	(4,666)	(4,664)	(4,659)	(4,642)	(4,647)	(4,656)	(4,608)
Post Debt Service Cash Flow			39,178	58,500	58,477	58,453	58,394	57,697	58,238	58,351	57,750
Less: FN Equity Participation Payment			-	-	-	-	-	-	-	-	-
Cash Flow Available for Distribution			39,178	58,500	58,477	58,453	58,394	57,697	58,238	58,351	57,750
Adjusted Cash Flow Available for Distribution		2,637,337	42,304	63,168	63,143	63,117	63,053	62,338	62,885	63,007	62,358
Allocation of Distributions to Partners											
Canadian Entity											
Adjusted Cash Flow Available for Distribution to Canadian Partners	50%	1,318,668	21,152	31,584	31,571	31,558	31,527	31,169	31,442	31,504	31,179
Less: Senior Debt Allocated to First Nations to Fund Equity Investment to support FN Equity Purc		(177,516)	(3,126)	(4,668)	(4,666)	(4,664)	(4,659)	(4,642)	(4,647)	(4,656)	(4,608)
Remaining Cash Flow Available for Distribution to Partners		1,141,153	18,026	26,916	26,905	26,894	26,867	26,527	26,796	26,848	26,571
Pro rata preferred distribution to ITC		(710,063)	(12,504)	(18,671)	(18,664)	(18,656)	(18,637)	(18,566)	(18,587)	(18,624)	(18,432)
Remaining Cash Flow Available for Pro Rata Distribution to Partners		431,090	5,522	8,245	8,242	8,238	8,230	7,961	8,208	8,224	8,139
Pro rata distribution to ITC	80%	344,872	4,417	6,596	6,593	6,591	6,584	6,369	6,567	6,579	6,512
Pro Rata distribution to FN	20%	86,218	1,104	1,649	1,648	1,648	1,646	1,592	1,642	1,645	1,628
FN share of Canadian Distributions:											
Senior Debt Allocated to First Nations to Fund Equity Investment to support FN Equity Purcl		177,516	3,126	4,668	4,666	4,664	4,659	4,642	4,647	4,656	4,608
Pro rata share of remaining Distributable Cash Flow		86,218	1,104	1,649	1,648	1,648	1,646	1,592	1,642	1,645	1,628
Total FN Distributions		263,734	4,230	6,317	6,314	6,312	6,305	6,234	6,288	6,301	6,236
% of Adjusted Cash Flow Available for Distribution to Canadian Partners			20%	20%	20%	20%	20%	20%	20%	20%	20%
ITC share of Canadian Distributions:											
Pro rata preferred Distribution		710,063	12,504	18,671	18,664	18,656	18,637	18,566	18,587	18,624	18,432
Pro rata share of remaining Distributable Cash Flow		344,872	4,417	6,596	6,593	6,591	6,584	6,369	6,567	6,579	6,512
Total ITC Distributions		1,054,935	16,921	25,267	25,257	25,247	25,221	24,935	25,154	25,203	24,943
% of Adjusted Cash Flow for Available for Distribution to Canadian Partners			80%	80%	80%	80%	80%	80%	80%	80%	80%
US Entity											
Adjusted Cash Flow Available for Distribution to US Partners		1,318,668	21,152	31,584	31,571	31,558	31,527	31,169	31,442	31,504	31,179
Pro rata distribution to ITC			21,152	31,584	31,571	31,558	31,527	31,169	31,442	31,504	31,179
Pro rata distribution to FN			-	-	-	-	-	-	-	-	-
FN											
Canadian share		263,734	4,230	6,317	6,314	6,312	6,305	6,234	6,288	6,301	6,236
Less: Senior Debt Allocated to First Nations to Fund Equity Investment		(177,516)	(3,126)	(4,668)	(4,666)	(4,664)	(4,659)	(4,642)	(4,647)	(4,656)	(4,608)
US share			-	-	-	-	-	-	-	-	-
Total FN Distributions		86,218	1,104	1,649	1,648	1,648	1,646	1,592	1,642	1,645	1,628
	SN Share	43,109									
ITC											
Canadian share		1,054,935	16,921	25,267	25,257	25,247	25,221	24,935	25,154	25,203	24,943
US share		1,318,668	21,152	31,584	31,571	31,558	31,527	31,169	31,442	31,504	31,179
Total ITC Distributions		2,373,603	38,073	56,851	56,828	56,805	56,748	56,104	56,596	56,707	56,122

** Given preferred payment of incremental senior debt to support FN equity ownership, preferred distribution to ITC allocation on a pro rata basis to ownership in Canadian Entity.*

2036-12-31	2037-12-31	2038-12-31	2039-12-31	2040-12-31	2041-12-31	2042-12-31	2043-12-31	2044-12-31	2045-12-31	2046-12-31	2047-12-31	2048-12-31	2049-12-31	2050-12-31	2051-12-31	2052-12-31	2053-12-31
2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
134,151	134,767	135,404	136,055	136,716	137,302	137,846	138,518	139,202	139,901	140,584	141,273	142,019	142,777	143,550	144,301	145,092	145,961
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(33,385)	(32,272)	(34,625)	(33,576)	(34,528)	(76,556)	(35,631)	(36,343)	(38,385)	(37,812)	(52,392)	(40,092)	(40,126)	(40,928)	(42,468)	(64,800)	(44,936)	(44,787)
(3,463)	(8,310)	(8,310)	(8,310)	(8,310)	(5,282)	(2,704)	(2,704)	(2,704)	(2,704)	(2,847)	(3,588)	(3,588)	(3,588)	(3,588)	(7,332)	(13,292)	(13,292)
-	-	-	-	-	40,858	-	-	-	-	13,292	-	-	-	-	17,639	-	-
96,923	93,330	92,089	93,789	93,498	95,943	98,657	99,091	97,733	99,006	98,258	96,739	97,925	97,881	97,115	89,427	86,008	87,502
(37,177)	(35,976)	(35,315)	(35,970)	(35,858)	(36,799)	(38,027)	(38,011)	(37,488)	(37,978)	(37,690)	(37,288)	(37,562)	(37,545)	(37,250)	(34,290)	(33,156)	(33,549)
(4,415)	(4,273)	(4,195)	(4,273)	(4,259)	(4,370)	(4,515)	(4,513)	(4,452)	(4,510)	(4,476)	(4,428)	(4,460)	(4,459)	(4,424)	(4,074)	(3,941)	(3,987)
55,332	53,081	52,579	53,547	53,381	54,773	56,115	56,566	55,793	56,518	56,092	55,022	55,902	55,877	55,441	51,063	48,911	49,967
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55,332	53,081	52,579	53,547	53,381	54,773	56,115	56,566	55,793	56,518	56,092	55,022	55,902	55,877	55,441	51,063	48,911	49,967
59,747	57,354	56,774	57,819	57,641	59,144	60,630	61,080	60,245	61,027	60,567	59,450	60,363	60,336	59,865	55,137	52,852	53,953
29,873	28,677	28,387	28,910	28,820	29,572	30,315	30,540	30,122	30,514	30,284	29,725	30,181	30,168	29,932	27,569	26,426	26,977
(4,415)	(4,273)	(4,195)	(4,273)	(4,259)	(4,370)	(4,515)	(4,513)	(4,452)	(4,510)	(4,476)	(4,428)	(4,460)	(4,459)	(4,424)	(4,074)	(3,941)	(3,987)
25,458	24,404	24,192	24,637	24,561	25,201	25,800	26,026	25,671	26,004	25,808	25,297	25,721	25,709	25,509	23,494	22,485	22,990
(17,660)	(17,093)	(16,781)	(17,090)	(17,037)	(17,482)	(18,061)	(18,054)	(17,807)	(18,038)	(17,902)	(17,713)	(17,842)	(17,834)	(17,695)	(16,297)	(15,762)	(15,947)
7,799	7,311	7,411	7,547	7,524	7,720	7,738	7,973	7,864	7,966	7,906	7,584	7,879	7,875	7,814	7,197	6,723	7,042
6,239	5,849	5,928	6,038	6,019	6,176	6,191	6,378	6,291	6,373	6,325	6,068	6,303	6,300	6,251	5,758	5,378	5,634
1,560	1,462	1,482	1,509	1,505	1,544	1,548	1,595	1,573	1,593	1,581	1,517	1,576	1,575	1,563	1,439	1,345	1,408
4,415	4,273	4,195	4,273	4,259	4,370	4,515	4,513	4,452	4,510	4,476	4,428	4,460	4,459	4,424	4,074	3,941	3,987
1,560	1,462	1,482	1,509	1,505	1,544	1,548	1,595	1,573	1,593	1,581	1,517	1,576	1,575	1,563	1,439	1,345	1,408
5,975	5,735	5,677	5,782	5,764	5,914	6,063	6,108	6,024	6,103	6,057	5,945	6,036	6,034	5,986	5,514	5,285	5,395
20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
17,660	17,093	16,781	17,090	17,037	17,482	18,061	18,054	17,807	18,038	17,902	17,713	17,842	17,834	17,695	16,297	15,762	15,947
6,239	5,849	5,928	6,038	6,019	6,176	6,191	6,378	6,291	6,373	6,325	6,068	6,303	6,300	6,251	5,758	5,378	5,634
23,899	22,942	22,710	23,128	23,056	23,658	24,252	24,432	24,098	24,411	24,227	23,780	24,145	24,134	23,946	22,055	21,141	21,581
80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
29,873	28,677	28,387	28,910	28,820	29,572	30,315	30,540	30,122	30,514	30,284	29,725	30,181	30,168	29,932	27,569	26,426	26,977
29,873	28,677	28,387	28,910	28,820	29,572	30,315	30,540	30,122	30,514	30,284	29,725	30,181	30,168	29,932	27,569	26,426	26,977
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5,975	5,735	5,677	5,782	5,764	5,914	6,063	6,108	6,024	6,103	6,057	5,945	6,036	6,034	5,986	5,514	5,285	5,395
(4,415)	(4,273)	(4,195)	(4,273)	(4,259)	(4,370)	(4,515)	(4,513)	(4,452)	(4,510)	(4,476)	(4,428)	(4,460)	(4,459)	(4,424)	(4,074)	(3,941)	(3,987)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,560	1,462	1,482	1,509	1,505	1,544	1,548	1,595	1,573	1,593	1,581	1,517	1,576	1,575	1,563	1,439	1,345	1,408
23,899	22,942	22,710	23,128	23,056	23,658	24,252	24,432	24,098	24,411	24,227	23,780	24,145	24,134	23,946	22,055	21,141	21,581
29,873	28,677	28,387	28,910	28,820	29,572	30,315	30,540	30,122	30,514	30,284	29,725	30,181	30,168	29,932	27,569	26,426	26,977
53,772	51,619	51,097	52,037	51,877	53,229	54,567	54,972	54,220	54,925	54,511	53,505	54,327	54,302	53,878	49,623	47,567	48,558

2054-12-31	2055-12-31	2056-12-31	2057-12-31	2058-12-31	2059-12-31	2060-12-31	2061-12-31	2062-12-31	2063-12-31	2064-12-31	2065-12-31	2066-12-31	2067-12-31
2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067
146,846	147,747	148,523	149,214	150,100	151,003	151,924	152,864	153,822	154,800	155,797	156,814	157,852	52,730
-	-	-	-	-	-	-	-	-	-	-	-	-	460,121
(45,559)	(46,092)	(114,027)	(47,954)	(48,913)	(49,891)	(50,889)	(51,907)	(55,190)	(54,004)	(55,084)	(56,186)	(57,310)	(14,464)
(13,292)	(13,292)	(6,646)	-	-	-	-	-	-	-	-	-	-	-
-	-	65,355	-	-	-	-	-	-	-	-	-	-	-
87,614	87,983	92,825	100,404	100,806	100,731	100,655	100,577	97,777	100,416	100,333	100,248	100,162	498,291
(33,592)	(33,734)	(35,598)	(38,700)	(38,672)	(38,643)	(38,613)	(38,583)	(38,553)	(38,521)	(38,490)	(38,457)	(38,424)	(242,264)
(3,992)	(4,009)	(4,229)	(4,595)	(4,591)	(4,588)	(4,585)	(4,581)	(4,577)	(4,574)	(4,570)	(4,566)	(4,562)	(1,138)
50,031	50,240	52,998	57,110	57,543	57,500	57,457	57,412	54,647	57,321	57,274	57,225	57,176	254,889
-	-	-	-	-	-	-	-	-	-	-	-	-	-
50,031	50,240	52,998	57,110	57,543	57,500	57,457	57,412	54,647	57,321	57,274	57,225	57,176	254,889
54,023	54,249	57,226	61,705	62,135	62,088	62,041	61,993	59,225	61,894	61,843	61,791	61,738	256,028
27,011	27,124	28,613	30,852	31,067	31,044	31,021	30,997	29,612	30,947	30,922	30,896	30,869	128,014
(3,992)	(4,009)	(4,229)	(4,595)	(4,591)	(4,588)	(4,585)	(4,581)	(4,577)	(4,574)	(4,570)	(4,566)	(4,562)	(1,138)
23,019	23,116	24,384	26,258	26,476	26,456	26,436	26,416	25,035	26,374	26,352	26,330	26,307	126,876
(15,968)	(16,035)	(16,915)	(18,379)	(18,366)	(18,352)	(18,338)	(18,324)	(18,309)	(18,295)	(18,280)	(18,264)	(18,249)	(4,553)
7,051	7,081	7,470	7,879	8,110	8,104	8,098	8,092	6,726	8,079	8,072	8,065	8,059	122,322
5,641	5,665	5,976	6,303	6,488	6,483	6,478	6,473	5,380	6,463	6,458	6,452	6,447	97,858
1,410	1,416	1,494	1,576	1,622	1,621	1,620	1,618	1,345	1,616	1,614	1,613	1,612	24,464
3,992	4,009	4,229	4,595	4,591	4,588	4,585	4,581	4,577	4,574	4,570	4,566	4,562	1,138
1,410	1,416	1,494	1,576	1,622	1,621	1,620	1,618	1,345	1,616	1,614	1,613	1,612	24,464
5,402	5,425	5,723	6,170	6,213	6,209	6,204	6,199	5,922	6,189	6,184	6,179	6,174	25,603
20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
15,968	16,035	16,915	18,379	18,366	18,352	18,338	18,324	18,309	18,295	18,280	18,264	18,249	4,553
5,641	5,665	5,976	6,303	6,488	6,483	6,478	6,473	5,380	6,463	6,458	6,452	6,447	97,858
21,609	21,700	22,891	24,682	24,854	24,835	24,817	24,797	23,690	24,758	24,737	24,717	24,695	102,411
80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
27,011	27,124	28,613	30,852	31,067	31,044	31,021	30,997	29,612	30,947	30,922	30,896	30,869	128,014
27,011	27,124	28,613	30,852	31,067	31,044	31,021	30,997	29,612	30,947	30,922	30,896	30,869	128,014
-	-	-	-	-	-	-	-	-	-	-	-	-	-
5,402	5,425	5,723	6,170	6,213	6,209	6,204	6,199	5,922	6,189	6,184	6,179	6,174	25,603
(3,992)	(4,009)	(4,229)	(4,595)	(4,591)	(4,588)	(4,585)	(4,581)	(4,577)	(4,574)	(4,570)	(4,566)	(4,562)	(1,138)
-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,410	1,416	1,494	1,576	1,622	1,621	1,620	1,618	1,345	1,616	1,614	1,613	1,612	24,464
21,609	21,700	22,891	24,682	24,854	24,835	24,817	24,797	23,690	24,758	24,737	24,717	24,695	102,411
27,011	27,124	28,613	30,852	31,067	31,044	31,021	30,997	29,612	30,947	30,922	30,896	30,869	128,014
48,620	48,824	51,504	55,534	55,921	55,880	55,837	55,794	53,302	55,705	55,659	55,612	55,565	230,425