CDEV

Canada Development Investment Corporation

La corporation de développement des investissements du Canada

CANADA DEVELOPMENT INVESTMENT CORPORATION

2021 to 2025
CORPORATE PLAN SUMMARY

and

2021 CAPITAL BUDGET SUMMARY

December 2020

CDEV CORPORATE PLAN SUMMARY
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1.0 EXECUTIVE SUMMARY AND CORPORATE PROFILE

Who we are

Canada Development Investment Corporation ("the Corporation" or "CDEV") was incorporated in 1982 under the provisions of the *Canada Business Corporations Act* and is wholly-owned by Her Majesty in Right of Canada. The Corporation is an agent Crown corporation listed in Schedule III, Part II of the *Financial Administration Act* ("FAA") and is not subject to the provisions of the *Income Tax Act*. CDEV reports to Parliament through the Minister of Finance ("the Minister"). CDEV has four wholly-owned subsidiaries: Canada Hibernia Holding Corporation ("CHHC"), Canada Eldor Inc. ("CEI"), Canada Enterprise Emergency Funding Corporation ("CEEFC") and Canada TMP Finance Ltd. ("TMP Finance") which in turn owns Trans Mountain Corporation ("TMC") and its subsidiaries. CDEV's primary mandate is to manage the government's assets assigned to us in a commercial manner. CDEV also undertakes analyses of government assets from a commercial perspective as requested by the Minister of Finance.

What we do

In 2020 CDEV received a mandate to set up a new subsidiary, CEEFC, to implement the Government's Large Employer Emergency Funding Facility ("LEEFF"). CDEV management was very active in assisting the Government in developing the LEEFF. CDEV appointed a Board of Directors for CEEFC and assisted in hiring a President and Chief Executive Officer. CDEV has and continues to assist CEEFC in building up its lending capabilities, policies and administration.

Pursuant to direction from the Minister of Finance, since 2019, CDEV is responsible for receiving payments related to the Net Profits Interest and Incidental Net Profits Interest agreements (collectively, "NPI") from the owners of the Hibernia offshore oil project, and all its related obligations. In the Plan period we will continue to manage the NPI proceeds and audit functions.

Since August of 2018, CDEV, through its subsidiary TMP Finance, has owned and financed TMC and its Trans Mountain Expansion Project ("TMEP"). In 2020 TMC is expected to generate $184 million in EBITDA based on its USGAAP accounting framework. In 2020 construction costs on the TMEP are forecast at $3.0 billion excluding financing costs. The in-service date for the expansion remains December 2022 and the approved and budgeted cost of the expansion including financing costs remains $12.6 billion as approved in June 2019 by the TMC Board.

CHHC owns a working interest in the Hibernia offshore oil production platform. CHHC continues to generate profits with forecast 2020 sales volumes of 3.15 million barrels. This projection is down from the revised 2020 plan developed in May of 2020 of 3.25 million barrels. The May 2020 revision was prepared due to the decrease in world crude oil prices experienced since March 2020. Forecast net income for 2020 is $22 million, compared to 2019 net income of $46 million due to the drop in oil prices.

CEI continues to pay for costs relating to the mine site decommissioning and retiree benefits.

CDEV held its annual public meeting on November 17, 2020 via the internet, fulfilling requirements under the FAA.

Our main focus in 2021 through 2025 will be to oversee the management of TMC, the construction of the TMEP and preparing the entity for divestiture. As well we will support CEEFC in its implementation of the LEEFF loan program.

The major risks faced by CDEV relate to the uncertainty of the timing and total cost of the TMEP project. Attaining permits and land as well as dealing with geotechnical and weather events will have an impact on the timing and pace of construction of the project as well as construction challenges in a competitive market for trades in BC and Alberta. TMC has made significant progress regarding attaining required permits in BC. The operating risks of TMC are significant but are being managed by an experienced management team with risk-focused systems and processes.

The major risk related to CEEFC includes macro-economic risks related to its loan portfolio focused on borrowers facing financial challenges related to the COVID-19 pandemic.

Capital Budget

CDEV's total capital budget for 2021 is $4.2 billion as described in the cash flow statement (Schedule 2) consists of $4.2 billion in TMC capital expenditures excluding financing costs plus $11 million for CHCC expenditures.

The cost estimate for the TMEP project remains $12.6 billion, including financing costs, as approved by the TMC Board.

2.0 MANDATE AND BUSINESS OVERVIEW

Mandate

CDEV's Articles of Incorporation give it a broad mandate. We were incorporated to provide a commercial vehicle for Government investments and to manage commercial holdings of Canada. Our primary objective is to carry out our activities in the best interests of Canada, operating in a commercial manner.

In November 2007, the Minister of Finance wrote to the Chair of the Board and indicated that the future operations of CDEV "should reflect a future focused on the ongoing management of its current holdings in a commercial manner, providing assistance to the Government in new policy directions suited to CDEV's capabilities, while maintaining the capacity to divest CDEV's existing holdings, and any other Government interests assigned to it for divestiture, upon the direction of the Minister of Finance". CDEV continues to operate under this mandate.

Our Vision: To be the Government of Canada's primary resource for the evaluation, management and divestiture of its commercial assets.

Our Mission: Acting in the best interests of Canada, on behalf of the Minister of Finance, we bring excellent business judgement and commercial practices to the evaluation, management and divestiture of assets of the Government of Canada.

Business Overview

CDEV's activities are driven by the priorities of the Government. The Corporation and its subsidiaries are managed with a commercial focus within the policy constraints or directives given to it from the Government. In the past we have managed sales processes of Government assets and assisted the Government in the analysis of federal assets as requested.

Canada TMP Finance Ltd.

TMP Finance is the owner and financing entity for TMC. It is expected that TMP Finance will receive funds from the Government to fund the cash requirements of TMC. The funding currently is expected to be 100% debt from the Canada Account.

As per a Funding Agreement between TMP Finance and TMC, 55% of funds advanced to TMC are loans, and 45% equity. Loans payable by TMC to TMP Finance bear an interest rate of 5.0%. This structure is in alignment with the tolling regime agreed to by the Canada Energy Regulator ("CER"), and the shippers of the Trans Mountain Pipeline. It is expected that TMP Finance will need to borrow funds to pay some of its interest costs on top of borrowings to fund TMC's capital expenditures on TMEP.

Trans Mountain Corporation

See Appendix B for more details of TMC and its plan for the next five years. TMC owns Trans Mountain Pipeline Limited Partnership (the operator of the Trans Mountain Pipeline), Trans Mountain Pipeline ULC (the regulated entity and general

partner of the pipeline), Trans Mountain Canada Inc. (the employer and service entity) and Trans Mountain Puget Inc. (which owns the US branch of the system) as shown in the Appendix A-1 organization chart. In 2019, TMC received regulatory approval to re-commence construction of the TMEP project. Construction activity in 2020 focused on facilities work, onshore and offshore work at the Westridge marine terminal and at the Burnaby terminal. Pipeline construction progressed on spreads near Edmonton and in other spreads in preparation for continued activity later in Q4 2020 and in 2021 when the bulk of construction activity will occur. The TMEP cost estimate remains $12.6 billion including financing costs, and an in-service date of December 2022 with full completion in mid-2023.

Net Profits Interest

In August 2019, the Government transferred Canada's responsibility pursuant to the Hibernia Development Project Net Profits Interest agreement (NPI) and Hibernia Development Project Incidental Net Profits Interest agreement (INPI) (jointly, the "NPI") from the Minister of Natural Resources to CDEV via an executed Memorandum of Understanding ("MOU"). The NPI allows the Government, and now CDEV, to be paid approximately 10% of all profits from the production of oil from the main Hibernia field (i.e., the NPI) as well as 10% of fees from Hibernia's incidental activities (i.e., the INPI), such as the Hibernia South Extension. Net profit is defined as specific revenues less certain operating expenses and cash capital expenditures incurred by owners, less royalty payments. To fulfill its responsibilities under the agreement, CDEV will hire individuals and/or professional firms to audit the NPI submissions by the Hibernia owners. The NPI receipts are recorded on a cash basis as Net Profits Reserve which is a component of Shareholder's Equity. When dividends are paid from NPI receipts these will be recorded as a dividend from Net Profits Reserve.

CHHC

CHHC was established in March 1993, for the sole purpose of holding, managing, administering and operating an 8.5% working interest in the Hibernia project. CHHC's primary goal is to commercially manage its ownership in the Hibernia project to maintain the asset in a state of readiness should Canada elect to divest of the asset. An expert management team based in Calgary performs these functions along with a technical advisor to prepare technical and economic reserve evaluation reports (See Appendix C).

Sales Mandates and Asset Reviews

There are currently no sales mandates or asset reviews underway by CDEV.

CEI

CEI, through Cameco, the manager and licensee of the Beaverlodge mine site, continues to manage the properties for which it has been granted a license. Projects are being undertaken to reach the goal of transferring the properties to the Institutional Control ("IC") programme of the Government of Saskatchewan during the current license period for the properties, ending in 2023.

Canada Enterprise Emergency Funding Corporation

Canada Enterprise Emergency Funding Corporation was established in May 2020 to assist in the recovery of businesses and industries of Canada from the economic impact of the COVID-19 emergency, by administering the Large Enterprise Emergency Financing Facility.

CEEFC's mandate is to provide financing to large Canadian firms that are otherwise unable to secure incremental financing in financial markets due to the heightened credit risk environment. CEEFC makes loans to borrowers based on the terms and conditions detailed in the term sheet provided by the Minister of Finance. As at December 2020, CEEFC has issued two loans for $320 million with $110 million drawn. (See Appendix D for CEEFC's Corporate Plan Summary.) We note that given the requirements under IFRS, CEEFC financial results are not consolidated into CDEV and hence the attached financial schedules do not include CEEFC.

3.0 CORPORATE GOVERNANCE AND OPERATING ENVIRONMENT

CDEV is managed by a team based in Toronto, Ontario. Until his retirement, on September 30 and after fourteen years in the position, CDEV was led by an Executive Vice President (EVP). A process is underway to have a President and CEO appointed by an Order in Council (OIC). In the interim, CDEV's management reports to the Chair of the Board. Management works closely with consultants, legal counsel, the Board and management of its subsidiaries to ensure the effective functioning of the Corporation and its subsidiaries.

The Corporation reports to Parliament through the Minister of Finance. CDEV's Board of Directors supervises and oversees the conduct of the business and affairs of CDEV. The Board of CDEV currently consists of the Chair, appointed March 27, 2019 and six other directors. See Appendix A-1 for the Corporation's organization chart and current listing of CDEV's directors and officers. All members of the Board are independent of CDEV management.

COVID-19

COVID-19 has had an impact on CDEV's subsidiaries which are described in the respective corporate plans appended. CDEV's operations have not been materially affected. The CDEV offices were closed in the initial outbreak and continued to be staffed at much reduced levels through 2020. All employees have been provided computers and access to work remotely. Operational performance has not been impacted.

4.0 CORPORATE PERFORMANCE

4.1 Assessment of 2020 Results

Our actual performance in 2020 as compared to the objectives outlined in our 2020-2024 Corporate Plan is as follows:

2020 Objectives	2020 Results
Oversee, monitor and provide strategic support of TMC	Continued strong working relationship with TMC management; participated in strategic planning and review sessions and assisted TMC with conversion to a Crown corporation. Engaged contractors to work with TMEP management team.
TMP Finance to provide financing to TMC	TMP Finance negotiated increased loan facilities with Export Development Canada and funding agreement with TMC to provide financing for TMEP.
Manage working interest in Hibernia through CHHC; keep asset ready for potential divestiture and maximize value where possible	Financial results were well below original plan due to significant drop in world crude oil prices. Invested $10 million in abandonment fund in 2020.
Operate CHHC efficiently and to maximize value, given limited 8.5% ownership leverage	CHHC's share of production is forecast at 9.1k bpd which is higher than the original 2020 plan production of 8.5k bpd and the revised 2020 plan figure in May 2020 of 8.9k bpd. However, the average oil price was only US $38 compared to US $62 in the original plan and US $30 in the May 2020 update. The 2020 forecast net income is only $22 million compared to the 2019 actual of $46 million.
Manage assigned sales processes of Government assets	CDEV did not have any sales processes to manage in 2020.
Remain operationally efficient yet flexible to meet requirements from the Department of Finance	Our ability to assist the Department of Finance was evidenced with CDEV's support in setting up the LEEFF program and the creation of the new CEEFC subsidiary.
Management of Canada CEI and its liabilities	CEI continues to oversee Cameco's management of the site restoration activities and budget estimates. Transfer of 20 properties in 2020 to the Institutional Control program of the Government of Saskatchewan.

Manage responsibilities related to the assignment of the NPI to CDEV	Managed the receipt of NPI payments from Hibernia owners; managed the audit function responsibilities related to the receipt of the NPI agreement;.

Trans Mountain Corporation

From the time TMC was acquired, through to the end of 2020, TMC will have spent $4.2 billion (excluding carrying costs) on the project. In 2020, efforts were focused on construction activity at the Edmonton Terminal, Burnaby Terminal and Westridge Marine Terminal and Spreads 1 (Edmonton area) and 2 (Stony Plain, AB to Hinton, AB) of the pipeline installation.

The outstanding loans with Canada Account at December 31, 2020 are forecast at $4.7 billion for the Acquisition Facility and $ 4.3 billion on the Construction Facility (see Schedule 2).

5.0 CDEV - OBJECTIVES AND STRATEGIES FOR THE PERIOD 2021 TO 2025

Our main objectives are to manage the interests the Government assigns to us in a commercial manner. These are the main areas of focus for 2021 and beyond:

- Oversee, monitor and provide strategic support of the Trans Mountain Corporation. As per TMC's Corporate Plan (Appendix B) TMC's main objectives for 2021 are:
    - Continue to operate the existing Trans Mountain Pipeline System and Puget systems safely and efficiently.
    - To build the Trans Mountain Expansion Project in a safe, environmentally sound manner on a commercially viable basis.
- For TMP Finance to provide financing to TMC for its operating and financing requirements. The attached financial projections assume that 100% of the financing of TMEP will be in the form of loans from the Canada Account to TMP Finance.
- Maintain readiness to divest of TMC taking into account the optimal timing for divestiture relative to project risks. This will include the hiring of financial advisors to provide structuring and strategic advice regarding the divestiture of TMC. Also, to consider ways for Indigenous groups to participate in the divestiture on commercial terms.
- Assist CEEFC with the implementation of the LEEFF by seconded CDEV employees on CEEFC related work and building out CEEFC's administrative functions.
- Manage our working interest in the Hibernia oil field through our subsidiary CHHC in a commercially prudent manner.
- Continue to keep CHHC in a state of preparedness for a potential sale.
- Manage any responsibilities related to the assignment of the NPI to CDEV including any audit functions and receipt of any NPI proceeds from Hibernia owners.
- Manage our operations to maintain our ability to perform all tasks allocated to us in an efficient manner. This involves keeping employees and management trained and engaged in relevant issues including the provision of appropriate IT infrastructure to allow for working from home, maintaining contacts with potential advisors, and maintaining suitable levels of cash to fund contingencies and new projects.
- Assist in the review of government assets as requested by the Minister of Finance and remain available and prepared to address the needs of the Government for any future endeavour that is suitable given our capabilities and expertise.

5.1 Trans Mountain Corporation

Please see the attached Appendix B for detailed information on the objectives and strategies of TMC. Trans Mountain Corporation's mandate is to own and operate the Trans Mountain Pipeline System and to complete the related expansion project in a timely and commercially viable manner.

TMC is focused on efficiently and profitably operating its pipeline in a manner that supports its Environmental, Health and Safety program. Its regulated transportation service revenue is driven by the tolls approved by the CER and its forecast volume throughput.

TMEP

TMC will continue to develop the TMEP in a commercially viable manner respecting environmental, health and safety standards, and best practices. The current construction schedule for TMEP plans for peak construction activity in 2021. Project construction will be complete in phases throughout 2021 and 2022 with commissioning and testing planned for late 2022. The current project plan is to have TMEP in service by December 2022. The final few tanks and final expanded dock would be complete by mid-2023.

The cost estimate for the TMEP including financing costs remains $12.6 billion, which includes a project contingency of $0.5 billion.

5.2 Canada TMP Finance Ltd.

TMP Finance will continue to access debt financing from the Canada Account administered by EDC. TMP Finance will fund TMC in a ratio of 55% debt/45% equity. Given that, at present, TMP Finance borrows 100% of its financial requirements (at 4.7% interest) but only lends 55% of this to TMC (at 5.0% interest), it has a cash flow deficiency. If TMP Finance continues to be 100% debt financed, it will be required to draw on its Construction facility to fund some of the interest expenses on the Acquisition and Construction facilities. A portion of the interest costs will be capitalized during construction which will reduce the accounting loss of TMP and CDEV.

The borrowing approval from the Minister of Finance on the Construction facility is $5.1 billion increasing to $6.1 billion on January 1, 2021 available to March 31, 2021.

5.3 Canada Hibernia Holding Corporation

Please see the attached Appendix C for detailed information on the objectives and strategies of CHHC. Planned CHHC 2021 sales volume is 3.1 million bbl compared to the 2020 forecast of 3.15. Crude oil prices are expected to increase in 2021 to US$45/bbl compared to the 2020 forecast of US $38/bbl.

Dividends from CHHC in the plan period are expected to range from $29 to $60 million per year. Since CHHC is a single asset company, it retains funds for decommissioning obligations for the Hibernia project. At the end of 2020 CHHC has set aside approximately $102 million in the CRF plus $61 million in other financial assets for abandonment and other purposes. CHHC plans to invest $10 million per year into the abandonment fund over the plan period.

In the CHHC 2021 Plan, net income is $26 million, slightly higher than the 2020 forecast net income of $22 million. Dividends from CHHC are expected to be $47 million in 2021 compared to $74 million forecast in 2020. The decrease in 2021 dividends from 2020 is due to the higher 2020 dividend of surplus cash that had been retained during the period of low oil prices. The current expectation for future capital expenditures is also lower given the cessation in new well drilling for the next few years.

5.4 Net Profits Interest

The transfer of the Net Profits Interest to CDEV allows CDEV to receive a payment equal to 10% of net profit from the Hibernia owners. In the plan period we have estimated the receipts based on the payments forecast by CHHC and applying a factor based on its proportion of the field production.

To satisfy CDEV's obligations under the NPI, CDEV has hired an audit firm to review NPI submissions by the owners and to finalize NPI determinations.

5.5 Canada Eldor Inc.

CEI has mine site restoration liabilities related to a decommissioned uranium mine of Eldorado Nuclear in northern Saskatchewan and costs related to post-employment benefits of former employees. CEI is also a defendant in a dormant class action lawsuit going back several years in the Deloro township of Ontario.

CEI will continue to pay Cameco to undertake mine site restoration activities, pay regulatory fees and pay benefits to retired employees. The 2021 projected costs are $2.0 million and $8.4 million for the entire plan period 2021 to 2025. Of these costs, $1.1 million is for Canada Nuclear Safety Commission (CNSC) fees. CEI has $13.5 million in assets to pay for these expected costs. Payments to Cameco for defined benefits to former employees average approximately $100 thousand per year. CEI will withdraw $5 million from the CRF in 2021.

Status of Overall Project and Outstanding Issues

The CNSC approved a license renewal for the Beaverlodge properties in 2013 for a period of ten years to 2023. It is expected that by the end of the license term, all 65 individual properties will be transferred to the Institutional Control ("IC") program of the Government of Saskatchewan.

5.6 Canada Enterprise Emergency Funding Corporation

Canada Enterprise Emergency Funding Corporation ("CEEFC") was incorporated in May of 2020 to implement the Government's Large Employer Emergency Financing Facility. CEEFC is a wholly-owned subsidiary of Canada Development Investment Corporation ("CDEV"), a federal Crown corporation. CDEV reports to Parliament through the Minister of Finance.

As 2020 was CEEFC's first partial year of operations it has no historical financial results. Subsequent to the LEEFF launch in late May 2020, CEEFC has received loan applications from borrowers, conducted due diligence and analysis on several loan applications.
In the fall of 2020, CEEFC granted its first two loans, one for $200 million and a second for $120 million. Funded loan draws totaled $110 million at December 31, 2020.

5.7 Review of Government Assets and Sales Roles

Review of Government Assets

We remain available and prepared to commence reviews of Crown corporations or other assets as and when requested by the Government. Our primary functions include advising the Department of Finance, preparing well-defined statements of work in conjunction with the Department of Finance, conducting a thorough and fair advisor selection process, and producing insightful reports to the Government.

The Ridley Terminals Inc. sale closed in December 2019. CDEV received $350 million in cash on behalf of the Government for the 90% of the shares of RTI sold to the commercial buyer.

5.7 Risks and risk mitigation summary

We and our subsidiaries are subject to a number of risks. Those risks related to TMC, CHHC and CEEFC are detailed in their respective Corporate Plans (see Appendixes B, C and D). The main risks for CDEV (non-consolidated) are reputational in nature.

Over the past year TMC has had strong co-operation with the BC government to expedite permit issuance and there is an expectation that all key permits will be in place by February 2021 to allow for uninterrupted construction in 2021. This has reduced the risks due to permit issuance.

The risk of cost escalation continues to be significant due to unforeseen weather events, technical challenges, and geological challenges that can impact the schedule within tight seasonal construction windows. As well, the risk of cost escalation due to actual productivity experience by contractors is significant.

A substantial amount of credit risk is associated with the LEEFF program based on the terms and eligibility criteria established for purposes of the directive issued to CEEFC. CEEFC has a low risk tolerance regarding other factors that it can control or impact. CEEFC has a high tolerance of macro-economic risks and for potential financial losses within the terms of the LEEFF program, however it will monitor the activities of its loan portfolio to limit any losses of loans issued.

CEI is subject to liabilities with no ability to raise additional funds. We rely on the expertise of Cameco to manage and budget for the site restoration activities. A significant mitigant for future risks is through the transfer of properties to Institutional

Control where monitoring costs are reduced significantly. However, these transfers do not fully remove CEI liability for future environmental impacts and related financial costs.

6.0 FINANCIAL SECTION

6.1 Financial Overview for 2020

Without including the financial results of CEEFC, consolidated net loss is forecast for 2020 at $39 million which is comprised of CHHC's income of $22 million, TMC's operating income of $116 million (net of IFRS adjustments and before interest and income taxes) less TMP's loss of $62 million (after incurring net interest costs and after capitalizing some interest), less costs to operate CDEV, detailed in Schedule 4. Dividends paid (please see Schedules 2 or 3 below) are forecast in 2020 at $74 million from the NPI Reserve and $89 million from shareholders' deficit, compared to 2019 dividends of $12 million and $51 million respectively.

See the Appendix for the pro-forma financial projections (December year-end) (On the following Schedules, numbers may not add due to rounding):

Schedule 1 - Consolidated Statements of Financial Position
Schedule 2 - Consolidated Statements of Cash Flows
Schedule 3 - Consolidated Statements of Changes in Shareholder's Equity
Schedule 4 - Consolidated Statements of Comprehensive Income

Key assumptions for the above schedules are outlined below in Section 6.3.

6.2 Quarterly Financial Reporting

We issue Quarterly Financial Statements, which we post in both English and French on our website (www.cdev.gc.ca) within 60 days of a quarter end.

6.3 Commentary, Highlights and Key Assumptions in Financial Projections

Condensed operations and cash flow of CDEV (2020 – 2025) not including CEEFC:

$ Million (per IFRS)	**2020 F**	**2021 P**	**2022 P**	**2023 P**	**2024 P**	**2025 P**
CHHC Oil Sales (Million bbl)	3.15	3.10	2.44	2.27	2.77	2.99
Price per bbl (C$)	*51*	*59*	*64*	*69*	*72*	*75*
Net Crude Revenue	121	130	116	119	143	159
CHHC Operating Cash Flow	94	73	87	70	89	100
CHHC Capital Investments	16	11	19	28	26	27
Abandonment funding	10	10	10	10	10	10
CHHC Dividends to CDEV	74	47	55	29	49	60
NPI Receipts (incl CHHC)	80	110	87	85	117	158
TMP Finance (net loss) before capitalized interest	(318)	(412)	(577)	199	240	192
TMC Operating Cash Flow before changes in Working Capital items *	100	88	54	1087	1138	1064
TMC Continued Op. Capital Expenditure	71	70	46	49	40	42
TMEP Cash Capital Expenditures	2957	3923	1518	67	-	-

* There are large adjustments for non-cash working capital items due the refunding of dock premiums that are current and non-current but not truly operational in nature.

CHHC earnings and NPI Receipt Projections

CHHC earnings and NPI receipts influence dividends to the Government and are driven by Hibernia's oil production, crude oil prices and capital expenditures which neither CHHC nor CDEV have any direct control over. Hibernia production is lower in 2022 and 2023 due to the ceasing of new well drilling in 2020. Crude oil prices will vary but there are no reliable means to predict oil prices in the long term as the forward market is not fluid.

Loans Payable to Canada Account

In 2020, TMP Finance executed an amendment to the Construction Loan Facility to increase the maximum available outstanding to $11.6 billion,

6.3.2 Assumptions for the Plan Period

This Corporate Plan is based on the following assumptions:

Canada Development Investment Corporation (non-consolidated)

1) Operating Costs - Financial projections assume management and the Board continue to closely manage costs. Administration costs (Salary, Benefits and Other) are $4 million annually throughout the planning period which is similar to earlier years but difficult to predict. The increased costs for the development of CEEFC have been charged to CEEFC.

2) Professional fees incurred by CDEV, TMP Finance and CEI are expected to be approximately $5 million in 2021 and beyond, related to the TMC advisors and NPI audit work by professional firms.

3) Foreign Exchange Rate – CAD$ 1.31 per USD for CDEV and CHHC. TMC has used an exchange rate of 1.35.

Canada Hibernia Holding Corporation

4) Operating Revenues and Costs – CHHC's revenues and costs are discussed in detail in Appendix C.

Canada Eldor Inc.

5) Site restoration costs in the plan period total $6.9 million.

6) Interest is accrued on CEI's funds on deposit in the CRF at a rate equal to 90% of the Government's 90-day Treasury Bill rate. Provisions for Site restoration are adjusted for inflation at 2% and discounted at the 3yr Treasury Bill rate.

Canada TMP Finance Ltd.

7) The loans negotiated with EDC have an interest rate of 4.7% per annum and have commitment fees of 0.065% for undrawn amounts. Loans receivable from TMC (55% of funding) earn interest at 5.0% and the remaining equity contributions are interest free. The commitment fee on the CER facility is 0.30%. Other commitments fees on the Construction Facility are 0.065% and are charged for undrawn amounts of approved loan facility limits.

Trans Mountain Corporation

8) The existing pipeline is expected to generate over $180 million in EBITDA (under US GAAP) until the expansion project comes into service. Once in service, EBITDA jumps significantly due to higher tolls and volumes on the entire system. To ensure that TMC has comparative financial information to its prior operation and to its peer group, TMC prepares its financial statements under USGAAP regulated entities framework. CDEV prepares its financial information under IFRS. Therefore it converts TMC's financial information into IFRS for consolidation. We present the income statement components in both USGAAP and IFRS below with the adjusting entries.

TMC $MM	2021	2022	2023	2024	2024
EBITDA – USGAAP	182	183	1,486	1,519	1,420
Collection of funds to be used in construction (Firm 50)	34	2	0	0	0
EBITDA - IFRS	216	185	1,486	1,519	1,420

Canada Enterprise Emergency Funding Corporation

10) As noted above CEEFC financial results have not been consolidated into CDEV. The financial projections for CEEFC are included in Appendix D.

6.4 Capital Budget

CEEFC, TMP Finance and CEI are not involved in capital intensive activities and do not require any capital funding of equipment or other acquisitions for the 2021 fiscal year.

The total capital budget for 2021 to be approved by the Treasury Board, including capitalized interest, is $4.2 billion.

Summary of Capital Expenditures (per Schedule 2 – Statement of Cash Flow)

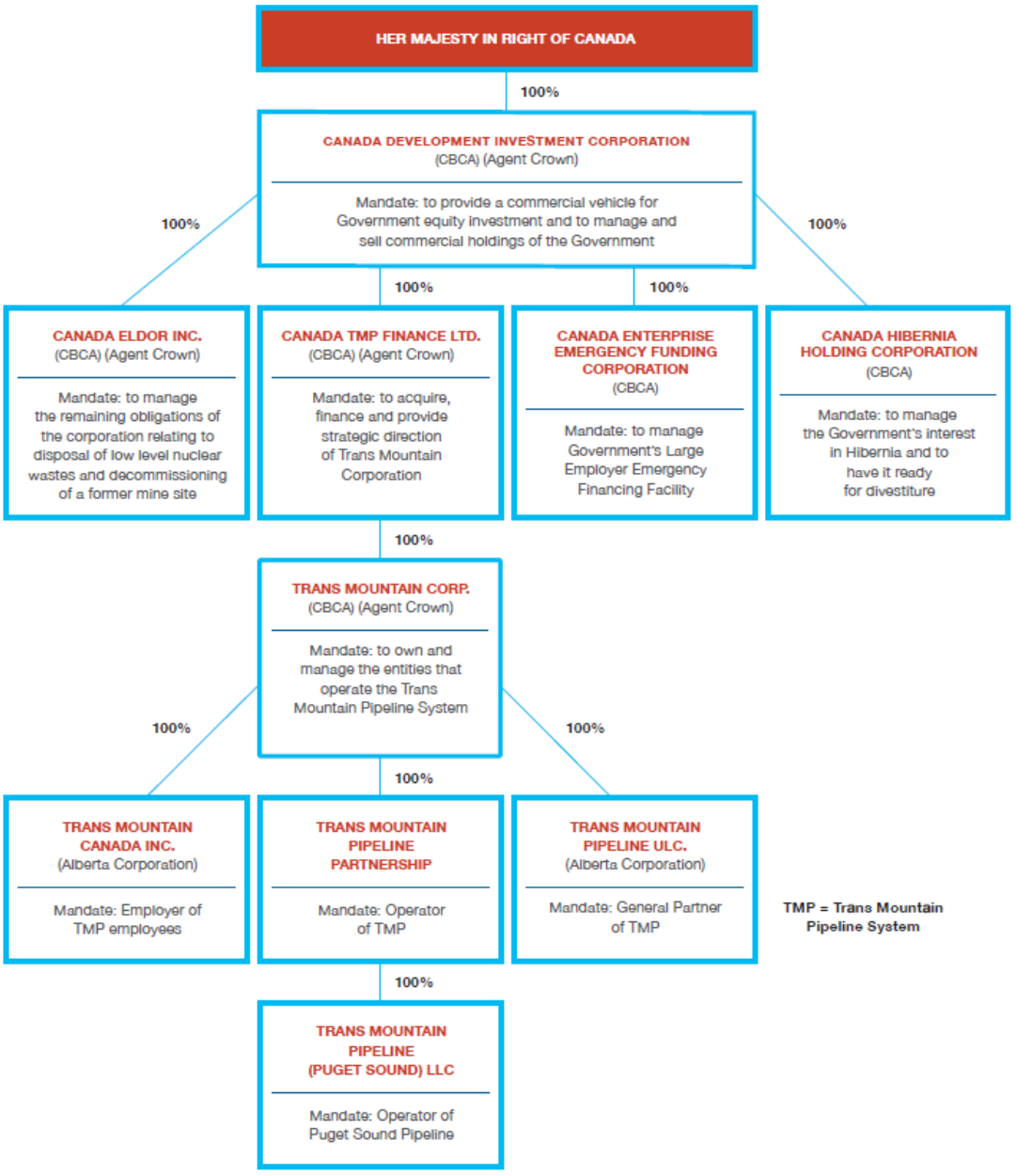
$ million	2021	2022	2023	2024	2025
TMC – TMEP	3,923	1,518	67		
TMC - Interest	210	226	0		
TMC - maintenance	70	46	49	40	42
CHHC	11	19	28	26	27
CDEV Office and ancillary leases	1				
CEEFC (not consolidated in attached schedules)	0	0	0	0	0
CDEV consolidated with CEEFC	4,215	1,809	144	66	69

6.5 Operating budget

Please see Appendices B, C and D for details of the operating budgets of TMC, CHHC and CEEFC respectively.

Appendix A-1 – Organization Chart and Board of Directors

CANADA DEVELOPMENT INVESTMENT CORPORATION



Effective communication with the Government and the public is conducted through the Corporate Plan and Corporate Plan Summary, the Annual Report, the interim quarterly reports, the corporate website, and an annual public meeting. As well, meetings are held as required with the Minister of Finance and officials of the Government of Canada.

Board of Directors

Stephen Swaffield, MBA (2) Chair of CDEV President CarbEx Consulting Inc. Whistler, British Columbia	
Darlene Halwas, CFA, ICD.D (1) (3) Director Calgary, Alberta	**Mary Ritchie, FCPA FCA** (1) (2) CEO Richford Holdings Ltd. Edmonton, Alberta
Carole Malo, BCom, CFA, (1) (2) (3) Director, Humber River Hospital, York University Toronto, Ontario	**Sandra Rosch, MBA** (2) (3) Executive Vice President and Director Labrador Iron Ore Royalty Corporation Toronto, Ontario
Jennifer Reynolds, MBA (1) (3) President and CEO Toronto Financial International Toronto, Ontario	**Robert Wener, MBA, FCPA, FCA** (1) (2) President Wener Advisory Group Ltd. Ottawa, Ontario

CDEV has three committees of the Board: (1) Audit Committee, (2) Nominating and Governance Committee, (3) Human Resources and Compensation Committee

CDEV Officers: **Stephen Swaffield**
Chair

Andrew Stafl, CPA CA, MBA
Vice-President, Finance

Zoltan Ambrus, CFA, LL.B, MBA
Vice-President

Noreen Flaherty, BA, LLB
Corporate Secretary

Appendix A-2 – CDEV Consolidated Pro-Forma Financial Statements 2019 – 2025

Schedule 1 - Proforma Consolidated Statements of Financial Position

$ millions (Dec 31)

	2019 Actual	2020 Plan	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Assets								
Currents assets:								
Cash and cash equivalents	587.1	626.7	350.8	465.2	284.7	261.1	326.4	326.7
Restricted cash	-	-	2.5	2.5	2.5	2.5	2.5	2.5
Trade and other receivables	119.3	47.0	55.8	66.1	41.6	170.3	174.9	165.5
Other current assets	27.3	21.3	21.5	21.5	22.7	19.9	19.7	19.5
	733.7	695.0	430.7	555.2	351.4	453.8	523.4	514.1
Non current assets:								
Property, plant and equipment (note 1)	6,144.35	9,105.1	9,277.9	13,335.1	14,996.8	14,695.9	14,312.6	13,917.7
Goodwill	1,015.8	1,015.8	1,015.8	1,015.8	1,015.8	1,015.8	1,015.8	1,015.8
Investments held for future obligations	159.7	173.3	172.9	178.6	188.1	196.6	207.7	218.7
Restricted cash	71.5	73.5	69.0	70.8	70.8	70.8	70.8	70.8
Restricted investments	70.9	85.6	86.8	101.4	116.4	143.0	170.2	198.0
Other assets	95.7	128.3	180.0	213.9	245.1	121.2	96.8	72.3
	7,558.0	10,581.6	10,802.5	14,915.7	16,633.1	16,243.3	15,873.8	15,493.2
	8,291.7	**11,276.7**	**11,233.2**	**15,470.9**	**16,984.5**	**16,697.2**	**16,397.2**	**16,007.3**
Liabilities and Shareholder's Equity								
Current liabilities								
Trade and other payables	332.6	315.7	560.0	731.2	578.4	66.2	63.1	57.5
Income tax payable	-	(1.6)	(4.3)	(4.3)	(4.2)	-	-	-
Other current liabilities	221.7	211.2	138.7	67.0	68.2	14.5	14.3	14.1
	554.2	525.3	694.4	794.0	642.4	80.8	77.4	71.7
Non-current liabilities								
Loans payable	6,055.0	9,142.7	9,000.0	13,213.0	15,011.0	14,882.6	14,185.6	13,481.6
Deferred income taxes	507.5	504.2	504.9	498.8	484.4	648.1	782.9	887.1
Provision for decommissioning obligation	609.9	623.4	623.9	632.8	641.9	651.1	660.6	670.3
Provision for site restoration	6.4	5.8	5.0	3.3	0.3	-	-	-
Defined benefit obligation	88.7	88.6	88.7	88.6	88.0	87.9	87.7	87.3
Other non-current liabilities (note 1)	163.4	177.5	122.1	133.4	144.9	172.9	196.5	220.7
	7,430.9	10,542.2	10,344.5	14,569.8	16,370.4	16,442.6	15,913.4	15,347.1
Shareholder's equity								
Share capital	-	-	-	-	-	-	-	-
Preferred shares	-	-	-	-	-	-	-	-
Contributed surplus	603.3	603.3	603.3	603.3	603.3	603.3	603.3	603.3
Net Profits Interest reserve	0.8	0.8	1.5	1.5	1.5	1.5	1.5	1.5
Accumulated deficit	(287.0)	(384.3)	(400.0)	(487.2)	(622.6)	(420.4)	(187.7)	(5.7)
Accumulated other comprehensive income	(10.6)	(10.6)	(10.6)	(10.6)	(10.6)	(10.6)	(10.6)	(10.6)
	306.6	209.2	194.2	107.0	(28.4)	173.8	406.4	588.5
	8,291.7	**11,276.7**	**11,233.2**	**15,470.9**	**16,984.5**	**16,697.2**	**16,397.2**	**16,007.3**

Note 1 - Right to use assets are included in PP& E; lease liabilities are included in other non-current liabilities
Note 2 - see Appendices B and C for TMC and CHHC Financial Statement.

Schedule 2 - Proforma Consolidated Statements of Cashflow

$ millions (Dec 31)

	2019 Actual	2020 Plan	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Cash provided by (used in):								
Operating activities:								
Net income (loss)	**33.9**	**(90.3)**	**(39.0)**	**(45.2)**	**(80.4)**	**225.2**	**275.6**	**236.1**
Adjustments for:								
Depletion and depreciation	160.6	164.8	156.6	157.5	148.2	452.9	459.6	462.8
Income tax expense	(8.4)	11.3	16.9	21.7	16.5	18.9	23.0	27.5
Interest income	(11.8)	(2.8)	(0.1)	(0.9)	(0.9)	(1.0)	(1.1)	(1.2)
Unwind of discount on provisions	12.9	9.8	8.7	8.9	9.1	9.3	9.5	9.7
Net change in defined benefits	2.3	(0.1)	0.1	(0.1)	(0.1)	0.0	0.0	0.0
Lease interest expense	2.0	-	-	-	-	-	-	-
Unrealized foreign exchange gain (loss)	(0.1)	-	-	-	-	-	-	-
Change in provision	1.2	(2.5)	(3.0)	(1.9)	(1.8)	(3.0)	(0.3)	-
Deferred income taxes	-	(3.3)	(2.6)	(6.0)	(14.5)	163.8	134.8	104.2
Interest on CRF (abandonment)	-	-	(2.5)	-	-	-	-	-
Interest received	11.6	2.6	-	1.2	1.1	1.2	1.3	1.3
Provisions settled	(3.7)	(1.4)	(1.4)	-	(1.2)	(3.2)	(1.8)	(2.6)
Income taxes paid	(27.4)	(8.7)	(17.0)	(21.7)	(18.5)	(18.9)	(23.0)	(27.5)
	173.1	79.3	116.7	113.5	57.6	845.2	877.5	810.4
Change in non-cash working capital	0.4	31.7	77.0	70.3	(144.3)	(536.0)	36.1	59.2
	173.5	**110.9**	**193.6**	**183.8**	**(86.7)**	**309.2**	**913.6**	**869.6**
Financing activities:								
Proceeds from loan issuance	1,265.0	3,087.7	2,945.0	4,213.0	1,798.0	-	-	-
NPI Received	12.8	63.0	89.7	110.0	87.1	85.2	117.2	157.8
Repayment of debt	(500.0)	-	-	-	-	(128.4)	(697.0)	(704.0)
Payment of lease liabilities	(19.1)	(3.9)	(3.9)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)
Dividends paid	(63.0)	(70.0)	(163.0)	(152.0)	(142.1)	(108.2)	(160.2)	(211.8)
	695.7	**3,076.7**	**2,867.8**	**4,167.2**	**1,739.2**	**(155.2)**	**(743.8)**	**(761.8)**
Investing activities:								
Working capital settlement re acquisition	37.0	-	-	-	-	-	-	-
Withdrawal from CRF	5.0	-	-	5.0	-	5.0	-	-
Purchase of property, plant and equipment	(1,115.0)	(3,119.9)	(3,273.2)	(4,214.7)	(1,808.7)	(143.9)	(66.5)	(68.8)
Intangible implementation costs	(10.1)		-	-	-	-	-	-
Sale (purchase) of short term investments	-	(2.0)	-	(1.8)	-	-	-	-
Purchase of restricted investment	(14.0)	(14.7)	(15.9)	(14.7)	(15.0)	(26.6)	(27.2)	(27.8)
Purchase of investments held for future obligation	(14.4)	(11.6)	(11.6)	(10.6)	(10.7)	(10.8)	(10.8)	(10.9)
Change in restricted cash	485.8	-	-	-	-	-	-	-
Change in non-cash working capital	-	0.1	3.0	0.1	0.0	-	-	-
	(625.5)	**(3,148.1)**	**(3,297.6)**	**(4,236.7)**	**(1,834.3)**	**(176.2)**	**(104.5)**	**(107.5)**
Effects of FX translation on cash	(1.4)		-					
Increase (decrease) in cash & cash equivalents	242.3	39.6	(236.3)	114.3	(181.9)	(22.2)	65.3	0.3
Cash and cash equivalents, beginning of year	344.9	587.1	587.1	350.9	465.2	283.3	261.1	326.4
Cash and cash equivalents, end of year	**587.1**	**626.7**	**350.9**	**465.2**	**283.3**	**261.1**	**326.4**	**326.7**

Schedule 3 - Proforma Consolidated Statements of Changes in Shareholder's Equity

$ millions (Dec 31)

	2019 Actual	2020 Plan	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Share Capital								
Balance, beginning and end of year	-	-	-	-	-	-	-	-
Contributed Surplus								
Balance, beginning and end of year	603.3	603.3	603.3	603.3	603.3	603.3	603.3	603.3
NPI Reserve								
Balance, beginning of year	-	0.8	0.8	1.5	1.5	1.5	1.5	1.5
NPI receipts	12.8	63.0	89.7	110.0	87.1	85.2	117.2	157.8
Dividends paid	(12.0)	(63.0)	(89.0)	(110.0)	(87.1)	(85.2)	(117.2)	(157.8)
Balance, end of year	0.8	0.8	1.5	1.5	1.5	1.5	1.5	1.5
Accumulated deficit								
Balance, beginning of year	(269.9)	(287.0)	(287.0)	(400.0)	(487.2)	(622.6)	(420.4)	(187.7)
Net income (loss)	33.9	(90.3)	(39.0)	(45.2)	(80.4)	225.2	275.6	236.1
Dividends paid	(51.0)	(7.0)	(74.0)	(42.0)	(55.0)	(23.0)	(43.0)	(54.0)
Balance, end of year	(287.0)	(384.3)	(400.0)	(487.2)	(622.6)	(420.4)	(187.7)	(5.7)
Accumulated other comprehensive income								
Balance, beginning of year	10.8	(10.6)	(10.6)	(10.6)	(10.6)	(10.6)	(10.6)	(10.6)
Other comprehensive income	(21.4)	-	-	-	-	-	-	-
Balance, end of year	(10.6)	(10.6)	(10.6)	(10.6)	(10.6)	(10.6)	(10.6)	(10.6)
Total shareholder's equity	**306.6**	**209.2**	**194.2**	**107.0**	**(28.4)**	**173.8**	**406.4**	**588.5**

Schedule 4 - Proforma Consolidated Statements of Comprehensive Income

$ millions (Dec 31)

	2019 Actual	2020 Plan	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Revenue:								
Transportation revenue	413.2	395.5	392.9	398.2	371.0	1,916.7	1,978.7	1,863.5
Net crude oil revenue	172.8	99.1	125.9	129.7	116.5	118.7	143.5	158.7
Lease revenue	60.1	64.1	63.8	63.5	62.8	58.7	52.0	54.7
Other revenue	16.8	4.1	4.3	3.1	2.6	2.6	2.6	2.5
	662.9	562.9	586.8	594.6	553.0	2,096.5	2,176.7	2,079.3
Expenses:								
Depletion and depreciation	160.6	164.8	156.6	157.5	148.2	452.9	459.6	462.8
Pipeline operating expenses	152.3	126.6	128.9	130.0	129.0	289.5	305.0	283.7
Crude oil operating, transportation and marketin	27.4	24.1	27.2	26.1	27.1	23.9	27.3	26.1
Salaries and benefits	71.6	77.9	75.9	77.8	79.7	109.9	114.1	118.5
Professional fees	12.4	33.6	5.7	5.2	4.9	5.2	4.9	5.6
Other expenses	8.6	3.6	4.3	8.8	9.1	19.9	20.5	20.6
	433.0	430.6	398.6	405.5	398.0	901.4	931.3	917.4
Finance expenses:								
Interest expense	203.35	174.6	173.7	175.4	188.7	702.8	683.3	650.4
Interest income	(11.8)	(4.9)	(2.8)	(2.0)	(1.9)	(2.0)	(2.1)	(2.3)
Unwind of discounts	12.9	9.9	8.8	8.9	9.1	9.3	9.5	9.7
	204.4	179.6	179.7	182.3	195.8	710.0	690.7	657.8
Net income (loss) before income taxes	**25.5**	**(47.3)**	**8.6**	**6.8**	**(40.9)**	**485.1**	**554.7**	**504.1**
Income taxes:								
Current	25.4	46.4	50.2	58.1	53.9	96.2	102.6	109.5
Deferred	(33.8)	(3.3)	(2.6)	(6.0)	(14.5)	163.8	176.5	158.5
	(8.4)	43.0	47.6	52.1	39.5	259.9	279.1	268.0
Net income (loss)	**33.9**	**(90.3)**	**(39.0)**	**(45.2)**	**(80.4)**	**225.2**	**275.6**	**236.1**
Other comprehensive income (loss):								
Currency translation adjustment	(14.77)	-	-	-	-	-	-	-
Remeasurement of defined benefit obligations	(6.58)	-	-					
Total other comprehensive income	**(21.4)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
				-				
Comprehensive income (loss)	**12.6**	**(90.3)**	**(39.0)**	**(45.2)**	**(80.4)**	**225.2**	**275.6**	**236.1**