



FISCAL YEAR ENDING DECEMBER 31, 2024

The purpose of this Management Discussion and Analysis (MD&A) is to provide the reader with a written explanation of Six Nations of the Grand River Development Corporation's ("SNGRDC" or the "Organization") financial performance as assessed through the eyes of Senior Management. Although this disclosure is not required by any corporate charter or by-law, the Board of Directors and Management feel that sharing this level of detail is an important undertaking to demonstrate commitment to be open and accountable to the community.

This document is segmented into three sections: (1) Factors of Significance, (2) General Commentary, and (3) Economic Interest - Status Reports.

Embedded within the document are frequent references as follows:

- *The corporation's sole shareholder is the Six Nations Elected Council (SNEC);*
- *"CFS" refers to the Consolidated Financial Statements for the twelve-month period ending December 31, 2024 audited by KPMG LLP (KPMG);*
- *Excerpts and cross references to the Consolidated Financial Statements; and*
- *'Current year' means 2024 (January 1, 2024 to December 31, 2024) and 'future year' means the 2025 calendar year (January 1, 2025 to December 31, 2025).*

This document is most effective when reviewed alongside the CFS for year ended December 31, 2024.



MISSION

To achieve economic self-sufficiency without compromising our values

VISION

A healthy community for today and the faces yet to come.

GUIDING PRINCIPLES

The Six Nations of the Grand River Development Group shall adhere to our collective responsibility as Ogwehoweh; a distinct people who live within the delicate balance of the natural world.

The Six Nations of the Grand River Development Group shall demonstrate a respect for our collective rights and responsibilities, recognizing that our collective wellbeing is maintained by our sovereignty.

Our ohdrihwagwaíhsq:ʔ (integrity) and success relies on our consistency in demonstrating these principles in a way that is ogęht (openness) and accountable for our actions and inactions.

At the forefront of our minds are these principles, which guide our actions and decision-making:

Ga'nigq̃hi:yo (Peace)

As we hold a position of responsibility to our community, we must play an active role in promoting peace and well-being (sgé:nq: senq̃hdq̃nyq̃h), demonstrated through gęděq̃ (compassion), fairness, responsiveness, and gahsgyáq:nyq:ʔk (encouragement).

Respect for the Natural World

We are all inter-connected and inter-related as people to the natural world. Maintaining this balance requires degaeyenawa'gqhó:gye' (cooperation), degakahsq̃:gweh (sharing), and protecting the integrity of the natural environment.

Future Members

Our collective well-being includes future generations of our community. In our decision making, we are mindful that our sustenance is borrowed from the coming generations.

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1) FACTORS OF SIGNIFICANCE

The following factors have been identified by Management as matters of significance that are not immediately evident in the Consolidated Financial Statements (CFS):

A) SNGRDC GROUP GOVERNANCE MODEL

SNGRDC was launched as a community development corporation to generate wealth with the express purpose of investing to meet the current and future needs of the Six Nations of the Grand River Community.

On March 31, 2023, SNGRDC and Six Nations of the Grand River Elected Council (SNEC) executed a 15-year Management Agreement. A key component of the Management Agreement was enhancing SNGRDC's relationship with SNEC and to find efficiencies in the operations of SNGRDC to better serve the Six Nations community and reach our goal of prosperity 100 by 2030.

The new Management Agreement was also a catalyst for a stream-lined governance structure. The board of directors is now comprised of nine (9) members, down from fifteen (15) who served on three different governing Boards. The Elected Chief serves as an ex-officio (non-voting) member of the board. The Board of Directors oversees the President/CEO, who is focused on overseeing Management to generate income. SNGRDC's Governance Model illustrated in [Fig. 1 on page 26](#) outlines the inter-dependencies between SNGRDC and the relationship with our sole shareholder.

The following committees were established to improve the efficiency and effectiveness of the Board and Directors and to perform certain responsibilities that were previously the responsibility of the previous governing Boards:

<i>Economic Development Trust Committee</i>	<i>Provides recommendations to the Board related to the oversight of the Six Nations of the Grand River Economic Development Trust (EDT) which re-invests surplus profits for the collective benefit of the Community in projects/needs that qualify under the Trust Distribution guidelines</i>
<i>Corporate Governance Committee</i>	<i>Provides recommendations to the Board related to corporate governance that will enhance corporate performance.</i>
<i>Board Development Committee</i>	<i>Provides recommendations to the Board regarding continuity of leadership on the Board, the competencies required of Board members, and determining the make-up and potential gaps in competencies required in current and potential Board members.</i>
<i>Finance, Investment & Audit Committee</i>	<i>Provides recommendations to the Board on new investment opportunities and approvals of the audited financial statements</i>

B) SIX NATIONS ELECTED COUNCIL – SOLE SHAREHOLDER

SNGRDC is a federal corporation originally approved for creation by SNEC on October 22, 2013 and incorporated on November 18, 2013. The development process included broad research (i.e., Harvard Project – American Indian Economic Development, other Indigenous Institutions) and expert legal advice in the areas of corporate and tax law. SNGRDC was launched after in-depth community engagement (We Gathered Our Voices project) which included 19 think tank sessions and over 30 SNEC resolutions. On May 28, 2015, SNEC ratified the launch and separation of SNGRDC.

As discussed in Section 1e below, SNGRDC is a Band empowered entity performing a function of government. The corporation's single shareholder is SNEC, where SNEC is a "Band" within the meaning of the Indian Act and is therefore legally recognized as public body empowered to create a community owned legal entity.

Although SNEC is the only shareholder, the governance of SNGRDC was designed to be apolitical in nature where business operations are carried out autonomously without political influence. That said, SNGRDC does engage in informal business meetings with SNEC to keep them informed of progress, hear concerns, and answer any questions presented on behalf of their constituents.

SNGRDC, including the Board, Management and staff recognize the importance of working harmoniously with SNEC and all community stakeholders; all parties recognize the need to align our efforts to ensure we are coordinated and focused on achieving the best possible value for the entire community.

SNGRDC rights, responsibilities, and communication obligations vis-a-vis our shareholder is fully captured in the new Management Agreement executed on March 31, 2023.

C) MANAGEMENT AND FUNDING AGREEMENT

On March 31, 2023, SNGRDC and SNEC commenced operating under a new Management Agreement and Funding Agreement as noted above. One of the primary goals was to strengthen the relationship with the shareholder (SNEC) and to ensure SNGRDC and SNEC are aligned in our pursuit of economic self-sufficiency for the Six Nations Community.

Management Agreement

The Management Agreement is a 15-year agreement between SNGRDC and SNEC which captures the terms of the relationship and outlines the obligations of both parties. The agreement, among other things, includes Economic Development Parameters to provide guidance to SNGRDC on the type of development activity that will be supported politically; the requirement for SNGRDC to comply with community engagement standards; the terms of a new head lease arrangement between the parties; and a structured process to conduct joint strategic reviews, dispute resolution processes, and other administrative matters.

Funding Agreement

A 15-year Funding Agreement was executed between SNGRDC, SNEC and the EDT. SNEC will receive a minimum annual funding commitment from the EDT for the next 15 years. The annual commitment is 40%

of SNGRDC's post audit free cash or \$1.4M, whichever is greater. On average this annual commitment is the equivalent of the allocations SNEC departments previously received via the EDT application process.

This will provide funding certainty to SNEC and its departments so they can plan for the long-term needs of the community. Eliminating the EDT application requirement for the SNEC saves resources and time of both the SNEC and the EDT which results in financial savings.

The Funding Agreement provides parameters in which the SNEC can utilize the funds. Funding must be directly tied to a community need as outlined in the 2019 Community Plan. The SNEC will be subject to reporting and disclosures, keeping in line with the current EDT funding agreements. As part of the auditing process, the SNEC will produce an annual report detailing where the funds were directed.

SNEC will no longer be eligible to apply for EDT funding. This will enable the EDT to streamline their focus towards other general applicants and grassroots level initiatives.

D) ACCOUNTING FRAMEWORK (NPO, PART III)

Typically, 'for-profit' corporations are focused on increasing shareholder value, whereas not-for-profit (NPO) entities focus on creating value for a specific mission or cause. When viewed holistically, the efforts of the SNGRDC Group are NPO orientated as economic returns flow to the community as a beneficiary and not directly to the shareholder. Given this orientation, Management, with the assistance of our auditors KPMG, have determined that NPO (Part III) accounting framework is the most appropriate for SNGRDC (refer to the CFS pgs. 5-9 for further discussion on accounting policies).

E) TAX MITIGATION STRATEGY

The basic tenet of our tax mitigation strategy is SNGRDC is a wholly owned subsidiary of SNEC which under the Income Tax Act is considered a public body performing a function of government. Thus, SNGRDC is a 'Band empowered entity' and is exempt from tax pursuant to Section 149(1)(d.5) of the Income Tax Act. The function SNGRDC provides is Economic Development.

The following considerations reinforce our position:

i) Master Trust

SNGRDC utilizes a Master Trust vehicle to hold and manage community interests in Community Benefit Agreements (CBA's). The Master Trust is organized as an entity within the governance umbrella to ensure all holdings and interests are managed transparently, comply with CBAs, and align with our overall tax strategy. Ultimately, community benefit proceeds are transferred annually from the Master Trust to the Six Nations of the Grand River Economic Development Trust (EDT) for the use and collective benefit of the community (where the Six Nations community is the ultimate Beneficiary).

ii) Tax Planning

In 2014, in anticipation of the launch of SNGRDC, our tax advisors made application to Canada Revenue Agency (CRA) seeking an advanced ruling on the tax-exempt nature of the activities and

structure organized under our corporate umbrella. In support of our application, our tax lawyer (Howard Morry of Pitblado LLP), provided SNGRDC with twelve (12) separate legal opinions supporting our asserted exemption from applicable taxes.

On July 27, 2016, CRA issued bulletin [2016-064503117](#), which clarifies that First Nation development corporations, structured like SNGRDC, no longer need to obtain an advanced tax ruling as they are deemed to be a public body performing a function of government. This bulletin was verified by and between our tax lawyer and the Income Tax Directorate of CRA on November 21, 2016.

Management remains satisfied that our tax planning strategy is sound – this position is supported by the independent vetting conducted by our audit firm, KPMG, who have concluded that SNGRDC is ‘more likely than not’ exempt based on the merits of our structure. As a result, SNGRDC is no longer pursuing a CRA tax ruling.

F) DISTINCT REVENUE STREAMS/HOLDINGS

SNGRDC engages in three (3) distinct streams of revenue generation. Generally, the determining factors of how assets are held within SNGRDC is based on the geographic location of the project, the type of business activity, and the treatment of the asset as prescribed within the Income Tax Act.

These streams are identified as Nation Enterprises, Economic Interests, and Trust Entities.

i) Nation Enterprises

Nation Enterprises include economic development activity and operations taking place on Six Nations Reserve No. 40 lands. Nation Enterprises are generally un-incorporated entities managed by SNGRDC on behalf of the community. These operations require no special tax planning as the income generated is exempt by virtue of being conducted on-reserve (example: Six Nations Bingo).

ii) Economic Interests

These activities reflect investments made in activities taking place outside of Six Nations Reserve lands (example: Grand Renewable Energy Park). Economic Interests are primarily pursued due to attractive return on investment and alignment with our Guiding Principles (refer to Page 2).

iii) Trust Entities

These holdings are held as subsidiaries of the Master Trust and are held in sub-trusts which serve as flow through vehicles to provide insulation from corporate tax. The income is exempt from corporate tax as the funds ultimately flow directly to the beneficiary (the Six Nations Community) via the EDT. Examples of these holdings include the receipt of royalty payments as described within previously negotiated Community Benefit Agreements (example: Capital Power and Dufferin Wind).

G) FINANCIAL REPORTING ANOMOLIES

Revenue –Development Fees

With certain projects, the Organization negotiates development fees. These development fees when recorded as revenue are non-recurring in nature with variable amounts dependent on the nature of the Project. In 2024, the Organization received a \$6,000,000 development fee from Boralex Inc. related to the Hagersville Battery Energy Storage Project which was recorded as part of the Economic interest revenue.

In 2023, two development fees were received. The first, as part of SNEC's Settlement and Release Agreement with Hydro One Networks Inc., the Organization received \$6,000,000 which was recorded as capital contribution. The second, was \$1,000,000 related to the Oneida Battery Energy Storage Project which was recorded as part of the Economic interest revenue. Both development fees were designated for re-investment and transferred into the Growth Fund Reserve.

Trust Reorganization

On June 12, 2024, SNGR Wind Project 1 Trust, SNGR Community Benefits Trust, SNGR Solar Project 1 Trust and Six Nations Solar Developments LP have wound up its operations into Six Nations of the Grand River Master Trust. This was an administrative restructuring to find efficiencies within the corporate structure and to reduce costs. Any commitments that remained within the wound-up entities have been reassigned to the Master Trust. There was no interruption of allocation of Trust proceeds to the community via the Economic Development Trust/Six Nations Council.

H) ASSET REPORTING/VALUATION

As previously noted, SNGRDC and SNEC are parties to a Management Agreement which outlines, among other things, the rights SNGRDC has secured to enable the continued operations of Nation Enterprises. The tangible capital assets (land and buildings) housing our Nation Enterprises are assets that are held by, and reported on, Six Nations Elected Council's balance sheet. As a result, SNGRDC reports no value for these types of assets (Example: Oneida Business Park, Bingo Hall, Gathering Place, etc.), however SNGRDC is responsible for investing in and maintaining lands and buildings within our control.

i) Capital Assets (Leasehold Improvements)

SNGRDC is responsible for maintaining and investing in leasehold improvements and capital replacements. As of December 31, 2024, SNGRDC had a net book value (NBV) in capital assets of \$11,070,820 (\$11,835,741 - December 31, 2023). This amount reflects the aggregate expenditure on capital assets since SNGRDC's inception (refer CFS, Note 7, pg. 13).

In the fiscal year a total of \$782,701 (\$1,184,005 – December 31, 2023) was invested in capital assets (refer CFS, Statement of Cash Flows, Pg. 4). The top five (5) largest expenditures were:

<i>EV Charging Stations Installation</i>	<i>\$152,087</i>
<i>Bingo Furnishings & Renovations</i>	<i>\$185,269</i>
<i>Oneida Business Park Renovations</i>	<i>\$105,492</i>
<i>Chiefswood Park Renovations</i>	<i>\$94,796</i>
<i>Property Management Office / Garage Renovation & Vehicle</i>	<i>\$105,492</i>

SNGRDC partnered with the Six Nations Elected Council to install electric vehicle charging stations at SNGRDC facilities. There is an approved grant from Natural Resources Canada to cover 50% of the costs associated, up to a total of \$149,000. SNGRDC will retain 50% of the grant funding, up to a total of \$74,500 to offset the costs listed above.

ii) Investments in Economic Interests

Investments in Economic Interests are valued using the not-for-profit accounting framework (refer to 1a above) where the value is reported at cost. Typically, the cost method applies when an ownership interest is below 25% or the investment is made into a limited partnership structure where SNGRDC has limited influence/control over operations. For Joint Ventures (JV), the asset value is reported using the equity method proportionate to our interest in the JV.

The Investments in Economic Interests as of December 31, 2024, increased to \$68,361,246 (\$68,225,066 – December 31, 2023). The net change of \$136,180 is largely attributable to:

- During 2024, the Organization's investment cost in the Oneida battery storage project increased by \$192,630 (\$4,410,229 – December 31, 2023) to fund the remaining construction costs. The Organization owns a 10.3% interest in Oneida Storage LP, which was acquired in 2023 when the Organization exchanged its interests in Oneida Energy Storage LP for special units in of Oneida Storage LP.*
- In October 2024, the Organization exercised an option to convert its \$193,500 loan with Brant County related to the Adidas Roof Top Solar Project in exchange for a 15% ownership interest.*
- In 2023 A6N the Organization's business partnership with Aecon was converted from a joint venture to a General Partnership. In 2024, the Company's investment interest of \$250,000 was offset as result of the offsetting of a liability which was owed to Aecon from the inception of the joint venture.*

iii) Long-Term Receivables

In 2024, SNGRDC has long-term receivables which total \$10,900,546 (CFS, Note 4, pg. 10) includes \$10,026,042 included under the current portion of long-term receivables. These receivables were advanced on the following terms:

A6N JV Equipment Purchase – On November 17, 2021, SNGRDC entered into a lease arrangement with A6N, where A6N pays SNGRDC \$68,000 for the first 6 months and \$13,000 for every subsequent month in exchange for the exclusive use of \$1,145,000 in construction equipment acquired by SNGRDC on behalf of A6N. This equipment was purchased using cash on hand.

On August 7, 2024, \$350,000 was loaned to Nanashakes Inc. through a convertible promissory note. Nanashakes Inc. is a private company in the business of developing delicious and healthy ice cream alternatives that are naturally sweetened. The promissory note accrues interest at a rate of 7% per annum, compounded annually and matures on August 7, 2027. The promissory note can be converted into Preferred Shares at any time before the maturity in the event of a Qualified Equity Financing (go-public transaction) based upon a prescribed formula in the loan agreement.

On November 22, 2024, \$10,000,000 was loaned to Lynx Equity Limited through a term loan agreement. Lynx is a private equity firm that specializes in buying small to medium sized businesses from owners looking to retire. Interest on the term loan is payable monthly at a rate of 10% per annum. The loan matures 12 months from the date of the advance, November 22, 2025 unless the Organization at its sole discretion elects to extend the maturity date for an additional 12 months by giving 30 days notice prior to the Maturity Date.

The following scorecard has been developed to provide a snapshot of performance for each Long-Term Receivable that is held by SNGRDC. The stop light pattern below signals any areas of concern.

Asset	Investment	Commercial Operation Date	Current Loan Principal	Accrued Interest	Indicator
Aecon Six Nations (A6N)	\$1,383,000 Loan at 7.58% interest	November 2021	\$512,850	\$3,137	
Nanashakes Inc.	\$350,000 Loan at 7% interest	August 2024	\$350,000	\$8,517	
Lynx Equity Limited	\$10,000,000 Loan at 10% interest	November 2024	\$10,000,000	\$26,042	

I) ANNUAL TRANSFER PAYMENTS

As aligned with the terms of the Funding Agreement, the EDT will receive a distribution in the amount of \$2,918,362 for period ending December 31, 2024 (\$2,009,985 – December 31, 2023) (refer to CFS, Statement of Earnings, pg. 2). EDT will subsequently transfer \$2,334,690 (\$1,607,988 – December 31, 2023) to SNEC pursuant to the funding allocation under the Funding Agreement.

One of the key terms of the Funding Agreement included a guaranteed minimum annual funding commitment to SNEC from the EDT for the next 15 years. The annual funding commitments are comprised of SNGRDC's post audit cash, as follows:

- 50% payable to Six Nations of the Grand River Development Corporation – to be utilized for future investment and growth opportunities (\$2,918,362 – 2024, \$2,009,985 – 2023)
- 40% (or \$1,400,000 whichever is greater) payable to SNEC - to be used to address Community Plan priorities, by way of EDT annual transfer (\$2,334,690 – 2024, \$1,607,988 – 2023)

- 10% to be retained by EDT- to be used for investment in community priorities outside SNEC departments (\$583,672 – 2024, \$401,997 – 2023)

The Economic Development Trust committee is tasked with issuing a call for funding applications and are also responsible for assessing and approving any funds for re-investment into community needs and priorities. Once funds are approved for community investment, the recipients will typically have until December 31, 2025 to expend the funds.

2) GENERAL COMMENTARY

SNGRDC received a clean, 'unqualified' audit opinion for the year ending December 31, 2024, along with an unqualified opinion for the Six Nations of the Grand River EDT.

With the December 31, 2024 allocation, the SNGRDC is extremely pleased that since inception in 2016, the organization has transferred a cumulative total of \$26.84M to the EDT to help fund community needs and priorities. This community re-investment has been funded entirely by the development activities of SNGRDC and are an example of what can be achieved through the execution of sound planning.

A) FINANCIAL & PERFORMANCE HIGHLIGHTS

Consolidated total revenues for the period ending December 31, 2024 was \$46,923,077 (\$40,243,933 – December 31, 2023) with direct expenses of \$35,348,601 (\$33,901,942 – December 31, 2023) resulting in excess revenues over expenses before distributions of \$11,574,476 (\$6,576,997 – December 31, 2023) as shown in the CFS, Statement of Earnings on pg. 2.

It is important to note that Equity income decreased in 2024 to \$nil compared to \$235,006 in 2023. This equity income reflected the Organization's 51% ownership interest in A6N. On March 31, 2023, the A6N joint venture was converted to a general partnership. Consequently, the accounting for this investment changed from the equity basis of accounting to the cost method and as a result the recognition of the equity earnings from this investment is no longer required.

i) Economic Interests

Economic Interest assets of \$68,361,246 (\$68,225,066 – December 31, 2023) produced revenues of \$14,417,396 (\$9,982,079 – December 31, 2023) refer CFS, Note 5, pg. 11 in the current period.

The sale of energy production through power purchase agreements with Ontario accounts for ~47% (~84% – 2023) of Economic Interest revenue, these contracts are valid for 20 years from the commercial operation date of the project. The decrease in 2024 is attributable to the inclusion of the non-recurring \$6.0 million development fee related to the Hagersville Battery Energy Storage Project. All 3rd party financing associated with investments in Economic Interest projects has been structured to ensure all debt will be fully retired before the expiry of power purchase agreements.

Since 2020, the A6N JV's Management and Executive Committee has re-evaluated work streams and focused resources on projects that align with its skill set to yield improved project margins. As a result, a significant improvement in A6N's profitability continues to show relative to prior years. Since inception A6N has generated \$186.48M in Revenue (\$154.58M – 2023) and \$68.3M in payroll (\$57.9M – 2023). A6N's current workforce is 87% Indigenous.

In 2024, the Oneida Energy Storage project started construction. The company executed a Service Agreement with the Oneida project to undertake services related to the project, including the development and allocation of funding to community initiatives. In 2024, SNGRDC and the Oneida project jointly donated \$176,198 to community organizations as follows:

Organization	Impact Used For	Donation
Six Nations Elementary Schools	Any schools supplies or education upgrades	\$49,000 (\$7,000/ school)
Six Nations Food Bank	Purchase any necessary items for the community food needs	\$15,000
SNGRDC Community Collaborators 2024	Sponsor Community Collaborator program	\$15,000
Iroquois Lodge	Daily Programming, New Furniture, Technology Upgrades, and Elder Needs.	\$15,000
The Language Society	Purchase of staff computers and podcast recording equipment	\$9,198
Six Nations Library	New furniture and electronic upgrades	\$10,000
Six Nations Social Services (Kanikonriio (Good Mind) Child and Youth Program)	Purchase of program supplies (craft supplies, games, outdoor activities)	\$5,000
The Red Barn	Cover cost of 2025 registration fees, new canopies, and 2 sponsored lunches	\$8,000
Grand River Post Secondary Education	SNGRDC Scholarship- general post secondary fund	\$50,000
Total 2024 Community Impact		\$176,198

ii) Nation Enterprises

Nation Enterprises revenues in 2024 improved to \$29,324,753 (\$27,806,585 – 2023). The increase of \$1,518,168 is primarily from Six Nations Bingo increasing customer visits in 2024 relative to 2023. While Bingo revenue and operating income have yet to return to the amounts generated pre-COVID, we are beginning to see the impact of various marketing initiatives to increase customer visits.

Six Nations Bingo is responsible for generating 89.7% (86.3% - 2023) of Nation Enterprise revenue. The performance of Six Nations Bingo resulted in operating income of \$488,551 (\$483,384 – December 31, 2022). The organization provided funding to the Gaming Sponsor Program \$200,000 (\$302,483 - December 31, 2023) after incurring Gaming License Fees \$110,000 (\$124,000 - December 31, 2023), debt payments \$555,363 (\$555,363 - December 31, 2023), rent to SNEC \$448,000 (\$445,888 - December 31, 2023), and other fixed expenses.

The single largest expense associated with Nation Enterprises was the payment of Bingo prizing which accounted for approximately 85% (78% - 2023) of the ‘General, operating, and administrative expenses’ (see CFS, Statement of Earnings, pg. 2).

Management Agreement – Nation Enterprises

Pursuant to the Management Agreement with SNEC dated March 31, 2023, SNGRDC is responsible for remitting annual rent payments to SNEC for the undisturbed use of Nation Enterprise property; the total amount payable for 2024 under the agreement is \$700,000 (\$701,887 – 2023).

The following properties are included in the Management Agreement and are classified as Nation Enterprises for the purposes of financial reporting:

- ✓ Six Nations Bingo
- ✓ Gathering Place by the Grand
- ✓ Chiefswood Park & Cabins
- ✓ SNGRDC Head Office

- ✓ Oneida Business Park (building only)
- ✓ Three internet towers – Cayuga, Mohawk, and Pauline Johnson Road

iii) Master Trust Income

The Master Trust received a total of \$1,423,963 (\$1,462,748 – December 31, 2023) of income which is attributed to Community Benefit Agreements that were negotiated on behalf of the Six Nations Community. Although not specifically itemized within the CFS, the Master Trust income includes a total of \$439,223 (\$469,023 – December 31, 2023) of lease payments received from the Province of Ontario in exchange for use of South Cayuga land(s) to house the Grand Renewable Energy Park. NOTE: Master Trust is not the same as the Six Nations of the Grand River Economic Development Trust (EDT) (refer to Fig. 1 on page 23).

iv) Tangible Impacts

Also not reflected on our CFS, SNGRDC CEO was the primary negotiator in a Contribution Agreement between the Province of Ontario and SNEC for the GTA West Gaming Bundle. This agreement resulted in a total of \$4.5M per year to SNEC for the period Dec 2018 – Dec 2039.

SNGRDC and SNEC’s Consultation and Accommodation Process (CAP) Team previously negotiated post-secondary funding contributions within Community Benefit Agreements. A total of \$73,000/year is currently directed to community or related funding agencies. These contributions are expected to continue until 2036.

SNGRDC tracks local vendor spending that occurs throughout our operations, the total for the year was \$1,144,657 (\$1,366,018 – December 31, 2023).

B) DIRECT ECONOMIC IMPACT

The SNGRDC Board of Directors continues to use Direct Economic Impact (“DEI”) as a key performance indicator. The calculation takes into consideration the key financial drivers that generate direct economic impact within the community. DEI has become a key metric in assessing organization-wide performance.

The total DEI for the period ending December 31, 2024, is \$36.4M which represents a 23.2% decrease versus 2023. Other Tangible Impacts in 2023 included a \$12.6M Hydro One Networks Inc. settlement agreement and release which SNGRDC negotiated on behalf its shareholder. Excluding the \$12.6M from 2023 (adjusted for the economic multiplier), DEI would have increased 15.0% in 2024. These figures are calculated as follows:

	2024	2023
Profit Before Distributions	11,579,538	7,265,586
Payroll	10,279,601	10,451,318
Gaming Commission and Sponsor Program	310,000	426,430
Other Tangible Impacts*	4,574,000	17,174,000
Shareholder Lease & Debt Retirement	1,262,910	1,262,910
Local Vendor Spending	1,144,657	1,366,018
SUM	29,150,705	37,946,263
DIRECT ECONOMIC IMPACT**	36,438,381	47,432,828

* Includes funds negotiated on behalf of community

** Includes Economic Multiplier of 1.25x

Note: Economic Multiplier of 1.25x is a factor which estimates the true value of economic impact within the economy of measure. For example, payroll generates spending within a defined area which in turn fuels economic growth leading to additional local spending. 1.25x is a very conservative factor used by economists.

Since inception in 2015, SNGRDC's total DEI impact to the Six Nations community has been \$294.8M.

C) HUMAN RESOURCES

As of December 31, 2024, SNGRDC had a staff compliment of 110 people (excluding A6N staff), of which 61 were full-time and 49 were contract, part-time and/or seasonal workers. Approximately 70% of SNGRDC labour force, and 75% of our Executive Leadership Team are members from Six Nations or other First Nations.

63% of our management team are female, and 10 of our 16 managers were trained and promoted internally into their roles. 8 of our current staff have been with SNGRDC prior to 2015, 18 have been here for 5 years or longer.

CEO Evaluation

The Board of Directors supervises the CEO and as part of this responsibility the Board conducts an annual evaluation to assess the performance of the CEO. This process includes an Evaluation committee of Board members who conduct a 360 review of the CEO performance to, among other things, assess compliance of approved company policies, the achievement of strategic objectives, and evaluate leadership and management capability. Through this evaluation, the Board assigns annual deliverables and approves the CEO workplan to be assessed in the upcoming year.

Compensation program

As of March 28, 2023, the following compensation program was approved by the Board, with an effective date of April 9, 2023. The Board engaged Korn Ferry to complete an independent Pay Structure and Compensation study. The salary grid identifies the minimum and maximum of all job classifications within SNGRDC, where the most senior positions are as follows:

	MIN	MAX
President & CEO	\$184,000.00	\$276,000.00
CFO	\$ 157,600.00	\$236,400.00
Vice President(s)	\$136,000.00	\$204,000.00
Executive Directors	\$ 117,600.00	\$ 176,400.00
Directors	\$102,400.00	\$ 153,600.00

D) CORPORATE STRATEGY: PROSPERITY 100 BY 2030

In 2022, the Board and Management identified a Wildly Important Goal (WIG) of generating \$100M in Profit by 2030. This has become the new WIG for SNGRDC:



SNGRDC will continue to report on Direct Economic Impact, however it will not be the key metric utilized to inform our management planning.

Board and Management remain focused on pursuing our strategic plan which includes the following four (4) pillars of focus:

1. Joint Ventures & Partnerships

Leverage our reputation to attract top quality partners to gain access to new market opportunities

2. Investments & Development

Deploy capital to invest in diversified holdings, unlock verticals, and generate re-occurring revenue streams

3. Nation Enterprise

Maintain efficient management of on-reserve business operations, invest strategically to drive DEI

4. Human Capital

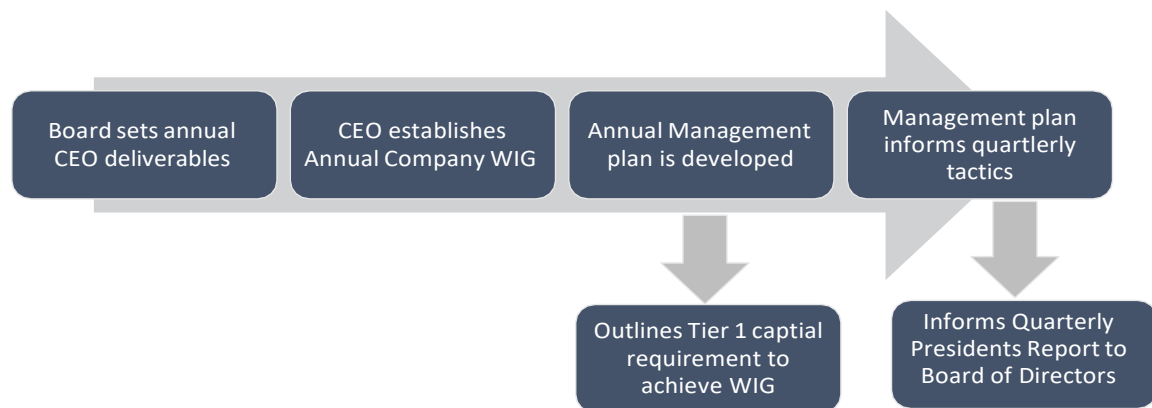
An outcome of Pillars 1-3. and represents investment into our future through skills and capacity development. Growth is achieved through job creation and training.

E) STRATEGIC PLANNING FRAMEWORK

The planning framework synthesizes various streams of intelligence and information to ensure SNGRDC is aligning its resources to achieve the goals prescribed by the Board of Directors. The key focus of intelligence gathering is the assessment of historical performance, progress against the approved management plan, and evaluation of market trends. These findings are then used to devise an updated management plan and identify the financial resources (operating budget and capital requirements) needed to be successful.

Strategy formulation

The process begins with the Board assessing the annual performance of the CEO. As an outcome the Board prescribes specific deliverables to be achieved in the upcoming year. The deliverables then cascade through the Management team who collectively develop management plans, budgetary requirements and Tier 1 capital needs to achieve our goals.



Among other things Tier 1 capital includes funding for capital investments, leasehold improvements, equipment upgrades and certain operating expenses. Under the new Management Agreement, all capital requirements are funded by SNGRDC's Growth Fund Reserve.

In Q4 of each year, a strategic planning summit is held where Management presents the draft management plan, funding requirements, and seeks guidance from the Board of Directors for upcoming priorities and profit goals.

Annual Budget and Management Plan

The SNGRDC Management team utilizes a "rolling forecast" financial budgeting model which provides a continuous 12-month outlook using real time information to keep our financial outlook current. Beginning in Q4, Management evaluates business trends for the current year and uses this data to update the rolling forecast to develop what then becomes of the Operating budget for the upcoming year.

The Management plan is developed in response to deliverables assigned by the Board, this is a tactical plan by each department, it includes capital requirements and is designed to accompany the 12-month operating budget for the upcoming year.

The Management plan and annual budget allocations require Board of Directors approval pursuant to the Matters Reserved for the Board policy.

Our robust strategic planning process ensures that SNGRDC efforts are well planned, aligned to achieve our strategic goals, and carefully assessed against competing opportunities.

F) INTERNALLY RESTRICTED RESERVES

The Board of Directors and Management have established a future restricted reserve totalling \$25,834,169 (\$27,480,127 – December 31, 2023) which includes: a 12 month debt service reserve for upcoming debt obligations of \$3,070,316, a Growth Fund Reserve of \$14,605,373 (which includes \$2,918,362 that is due pursuant to the Funding Agreement), a Restricted working capital reserve of \$7,158,480 and a Restricted operating reserve of \$1,000,000.

	2024	2023
Future debt reduction and re-investment reserves:		
Growth fund reserve	\$ 14,605,373	\$ 16,037,011
Debt service reserve	3,070,316	3,084,999
Restricted operating reserve	1,000,000	1,000,000
Restricted working capital reserve	7,158,480	6,983,117
Other commitments	–	475,000
	\$ 25,834,169	\$ 27,580,127

The Growth Fund is utilized by the Organization for its strategic investments. The Growth Fund's inflows represent the Organization's allocation of surplus free cash (distributions received) generated and certain revenues designated for investment purposes. The following is a continuity of the annual fund balance:

	2024	2023
Balance, beginning of year	\$ 16,037,011	\$ 8,027,026
Annual Distribution (Surplus Free Cash)	2,918,362	2,009,985
Hagersville Battery Energy Storage Development Fee	6,000,000	–
Hydro One Networks Inc Settlement and Release	–	6,000,000
Lynx Equity Loan (Note 4)	(10,000,000)	–
Nanashake Convertible Debenture (Note 4)	(350,000)	–
Balance, end of year	\$ 14,605,373	\$ 16,037,011

The restricted working capital reserve represents the funds established by the Organization to ensure sufficient liquidity to fund its operations.

The Board of Directors have elected to maintain a restricted operating reserve as further risk mitigation measure.

G) RISK MANAGEMENT

On a quarterly basis, the SNGRDC Management team assesses operational risk at the divisional level. Operational risks are gathered, causes identified, response plans developed, and timeframes to address/manage are implemented. The top areas of concern for each division are then captured on a risk register and reported to the Board of Directors. The Board selects key risks and directs the Management team to devise mitigation plans for each. The risk register approach is designed to ensure risks with High Probability and/or High Impact are identified, reported, and proactively managed wherever possible.

As an ongoing best practice, Management conducts significant independent due diligence on investment decisions involving partners or activities requiring debt financing. Where possible, SNGRDC negotiates capacity funding agreements with potential partners to provide SNGRDC with financial resources needed to pay for independent legal advice and financial due diligence.

Currently, all holdings under our corporate umbrella are held in independent special purpose corporations – this strategy helps insulate holdings from cross exposure to risk. As a result, SNGRDC controls several corporations under its corporate umbrella, which are disclosed on the CFS, Note 1, pg.6:

9374264 Canada Limited – Nanticoke Solar LP
9211560 Canada Limited – Gunn’s Hill LP
7539223 Canada Limited – Grand Renewable Wind LP
8490341 Canada Limited – Grand Renewable Solar LP
9250492 Canada Limited – SN Solar Developments LP
9710612 Canada Limited – FWRN LP
11100726 Canada Limited – Niagara Reinforcement LP
11456784 Canada Limited – Oneida Energy LP
11937855 Canada Limited – 3DATX Corporation
12419700 Canada Limited – Oneida Energy Service Agreement
14950844 Canada Limited – West Street Demolition
15338085 Canada Limited – Elora Battery Energy Storage
14069358 Canada Limited – Nanticoke H2
15801397 Canada Limited – Hagersville Battery Energy Storage
16119867 Canada Limited – Hedley Battery Energy Storage
16592228 Canada Limited – Oxford Battery Energy Storage
SNGR Trustee Services Inc.
SNGR Wind Project 1 Trustee Inc.
SNGR Community Benefits Trustee Inc.
SNGR Utilities Trustee Inc.
SNGR Solar Project 1 Trustee Inc.
Six Nations of the Grand River GP Inc.
SNGR Utilities LP
SNQM General Partner Inc
SNGR QM LP

H) SNGRDC GOVERNANCE

As of March 31, 2023, the Board of Directors is comprised of nine (9) community members. The Elected Chief of Six Nations Elected Council serves as an ex-officio (non-voting) member of the Board of Director and is not entitled to remuneration. In 2023, the Board of Directors commissioned a compensation analysis. The compensation analysis was completed by an independent firm, Korn Ferry. Based on the results of the Korn Ferry compensation analysis, the Board of Directors approved an annual board stipend remuneration model. Below are the approved amounts effective January 1, 2024:

Position	Amount
Board Chair	\$ 25,000
Board Member	\$ 15,000
Committee Chair	\$ 5,000
Committee Member	\$ 4,000

Note: Stipends are issued monthly and adjusted annually for cost of living.

As summarized in the CFS Note 19, Pg. 19, the total corporate governance expense for 2024 was \$240,578 (\$147,164 – December 31, 2023).

December 31, 2024	Board of Directors	Advisory Committee	Total
Honoraria	\$ 206,212	\$ –	\$ 206,212
Professional fee	5,000	–	5,000
Conferences	–	–	–
Computer software/licenses	19,760	–	19,760
Insurance	3,601	–	3,601
Meetings	1,216	–	1,216
Advertising and promotion	289	–	289
Other	4,500	–	4,500
	\$ 240,578	\$ –	\$ 240,578

December 31, 2023	Board of Directors	Advisory Committee	Total
Honoraria	\$ 62,525	\$ 4,500	\$ 67,025
Professional fee	27,021	–	27,021
Conferences	16,762	–	16,762
Computer software/licenses	9,711	6,189	15,900
Insurance	8,658	1,457	10,115
Meetings	2,180	–	2,180
Advertising and promotion	203	–	203
Other	7,958	–	7,958
	\$ 135,018	\$ 12,146	\$ 147,164

Note: the governance expense associated with the Board of Trustees are reported separately in the Economic Development Trust audit.

Refer to <https://sndevcorp.ca/about/board-of-directors/> for additional information along with new Board of Directors bios.

I) COMMUNITY ENGAGEMENT

SNGRDC is committed to complying with SNEC's Consultation and Accommodation Policy. In the event a development activity is deemed to require community consultation, our management team secures SNEC approval to manage the engagement, and coordinates with the SNEC Consultation and Accommodation Process team ("CAP team") to ensure the consultation occurs in compliance with approved policy.

Within SNGRDC, the Corporate Governance Committee assesses community engagement requirements and directs the Board of Directors to gather and report community concerns.

Once Community Consultation concludes, the Board of Directors will assess findings and develop a recommendation to seek the support of SNEC as outlined within the Consultation and Accommodation Policy.

Management has identified the need to continue to enhance the community engagement process. We remain hopeful that the community can find common ground to advance our economic objectives. In support of this effort, SNGRDC will continue to utilize the internet platform www.snfuture.com to engage the Six Nations Community.

As part of the new Management Agreement as of March 31, 2023, SNGRDC also confirmed its commitment to comply with any Community Engagement Standards that may be developed by SNEC.

3) ECONOMIC INTEREST STATUS REPORT

A) SCORECARD

The following scorecard has been developed to provide a snapshot of performance for each economic interest asset that is held by SNGRDC. The stop light pattern below signals any areas of concern.

Asset	Investment	Commercial Operation Date	Long term Debt	Gross Distribution \$	Indicator
Grand Renewable Wind 7539223 Cdn Ltd	\$6,799,000 10% ownership (cost method)	Dec 2014	\$0	\$1,022,000	
Grand Renewable Solar 8490341 Cdn Ltd	\$2,874,160 10% ownership (cost method)	March 2015	\$0	\$1,948,240	
Gunn's Hill Wind Farm 9211560 Cdn Ltd.	\$1,835,625 10% ownership (cost method)	Nov 2016	\$0	\$282,349	
Niagara Region Wind (FWRN) 9710612 Cdn Ltd	\$30,262,273 50% equity (cost method)	Nov 2016	\$25,594,364	\$2,600,000	
Six Nations Aecon GP	\$1,640,554 51% interest (equity method)	April 2015	\$0	Funds are retained for future growth	
9250492 Canada Limited–OBP Solar	\$1,682,294 90% ownership (equity method)	Sept 2015	\$200,763	\$20,618	
9250492 Canada Limited–BGI Solar	\$146,250 15% ownership (equity method)	March 2015	\$0	Incl with OBP results	
9250492 Canada Limited–Adidas Solar	\$193,500 15% ownership (cost method)	October 2015	\$0	\$0	
Nanticoke Solar 9374264 Cdn Ltd	\$3,832,223 15% ownership (cost method)	March 2019	\$2,710,000	\$311,199	
Niagara Reinforcement 11100726 Cdn Ltd	\$11,943,000 25% ownership (cost method)	September 2019	\$0	\$1,370,250	
SNGR QM LP	\$1 51% ownership (cost method)	June 2022	\$0	\$0	
3DATX 11937855 Cdn Ltd	\$2,447,002 (6.94% share purchase)	March 2020	\$0	\$0	

Oneida Storage LP (formerly Oneida Energy LP)

On June 13, 2018, SNGRDC entered a memorandum of understanding which was followed by a formal 50:50 Limited partnership agreement on November 7, 2019 between SNGRDC subsidiary 11456784 Canada Limited and NRStor Inc. (<http://nrstor.com/>). On December 21, 2022, SNGRDC entered into a number of definitive agreements including an amended and restated Limited Partnership Agreement and Asset Transfer Agreement. Among other things, the definitive agreements enabled Oneida Storage LP to secure a contract for services with the Independent Electricity System Operator. Project partners now include SNGRDC, NRStor Inc., Northland Power, and Aecon.

The Oneida Energy Storage project is a utility scale battery facility providing grid balancing and capacity related services for the Ontario power grid. The project underwent a community investment review in 2021 and all project rated materials are located on the snfuture website:

<https://www.snfuture.com/projects/oneida-energy-storage/?portfolioCats=14>

SNGRDC through its special purpose entity 11456784 Canada Limited, holds a 10.3% equity ownership in the project. Once the project is operational this ownership interest along with service-related fees are expected to generate ~\$2M per year in economic returns for the next 20 years.

Hagersville Battery

On February 16, 2023, SNGRDC and its partner Boralex submitted a competitive bid on a new battery storage project to the Independent Electricity System Operator (IESO). The project is a 300MW battery storage facility located on 10 acres at the Hagersville Business Park.

On May 16, 2023, the IESO announced the successful bids which included the Hagersville Battery project.

The project underwent a community investment review in 2023 and all project related materials are located on the snfuture website:

<https://www.snfuture.com/projects/hagersville-battery-project/?portfolioCats=14>

The target date for commercial operation is spring of 2025. Upon financial close, SNGRDC through special purpose entity 15801397 Canada Limited, is expected to hold 50% ownership in the project. Once the project is operational our ownership along with royalty fees are expected to generate ~\$1.7M per year in economic returns for the next 20 years.

Oxford Battery Energy Storage Project

On December 12, 2023, SNGRDC and partner Boralex submitted a competitive bid on a new battery storage project to the Independent Electricity System Operator (IESO). The project is a 125MW battery storage facility to be located in the Township of South-West Oxford, Oxford County, Ontario. This project is utilizing aggregate-depleted land which minimises the environmental impact and repurposes

nonarable land. The Project will connect to an existing Hydro One transmission line located north of the proposed Project.

On May 9, 2024 the IESO announced all successful bids to which Oxford Battery obtained a contract.

The project underwent a community investment review in 2024, and all project related materials are located on the snfuture website:

<https://www.snfuture.com/projects/oxford-project/?portfolioCats=14>

The earliest target date for commercial operation is December 2026. Upon financial close, SNGRDC through special purpose entity 16592228 Canada Limited, is expected to hold 50% ownership in the project. Once the project is operational our ownership along with royalty fees are expected to generate ~\$1M per year in economic returns for the next 20 years.

Elora Battery Energy Storage System

On December 12, 2023, SNGRDC and partner Aypa Power submitted a competitive bid on a new battery storage project to the Independent Electricity System Operator (IESO). The project is a 211MW battery storage facility to be located on rural land in in Wellington County of the Centre Wellington Township.

On May 9, 2024 the IESO announced all successful bids to which Elora Battery obtained a contract.

The project underwent a community investment review in 2024 and all project related materials are located on the snfuture website:

<https://www.snfuture.com/projects/elora-bess-project/?portfolioCats=14>

The earliest target date for commercial operation is May 2027. Upon financial close, SNGRDC through special purpose entity 15338085 Canada Limited, is expected to hold 25% ownership in the project. Once the project is operational our ownership along with royalty fees are expected to generate ~\$1.2M per year in economic returns for the next 20 years.

Hedley Battery Energy Storage System

On December 12, 2023, SNGRDC and partner Aypa Power submitted a competitive bid on a new battery storage project to the Independent Electricity System Operator (IESO). The project is a 211MW battery storage facility to be located in Haldimand County outside of Hagersville. It will be located on approximately 10 acres within the Hagersville Business Park, plus the interconnection line connecting to the Nanticoke transmission corridor.

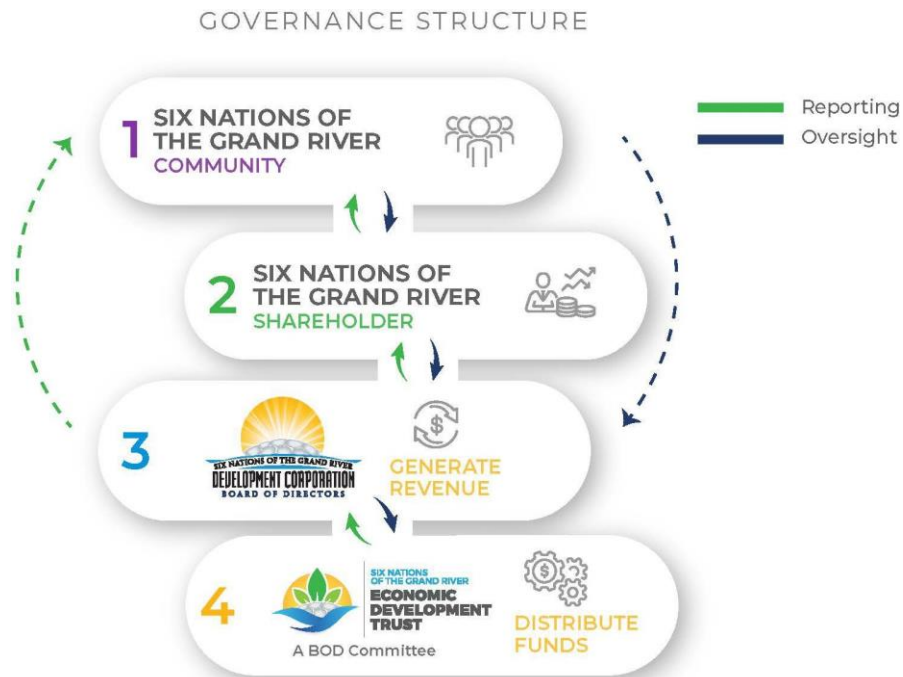
On May 16, 2023, the IESO announced all successful bids to which Hagersville Battery obtained a contract.

The project underwent a community investment review in 2023 and all project related materials are located on the snfuture website:

<https://www.snfuture.com/projects/hedley-bess-project/?portfolioCats=14>

The earliest target date for commercial operation is May 2027. Upon financial close, SNGRDC through special purpose entity 16119867 Canada Limited, is expected to hold 25% ownership in the project. Once the project is operational our ownership along with royalty fees are expected to generate ~\$1.2M per year in economic returns for the next 20 years.

FIGURE 1 – GOVERNANCE OVERVIEW



Board of Directors- ROLES AND RESPONSIBILITIES (Generate Revenue)

- Generate profit
- Oversee the CEO's management of investments and assets
- Ensure that all businesses operate within the guidelines set out in the Guiding Principles of SNGRDC
- Approve the annual business plan and budgets for SNGRDC and all associated entities

Six Nations Elected Council-ROLES AND RESPONSIBILITIES (Sole Shareholder)

- Ex Officio seat on the Board of Directors
- Sole shareholder of SNGRDC (Coordinate through Shareholder Rep- Elected Chief)
- Authorize changes to corporate by-law, charters, principles, and Group Appointments
- Landlords for On-Reserve Buildings (i.e. Bingo Hall, Oneida Business Park)

Note: a list of Board of Director committees and their associated roles are listed on page 4 of this MD&A.