

March 10, 2023

Canada Development Investment Corporation
1240 Bay Street, Suite 302
Toronto, Ontario M5R 2A7

Attention: The Board of Directors of Canada Development Investment Corporation

BMO Nesbitt Burns Inc. (“BMO Capital Markets”) and TD Securities Inc. (“TD Securities”, and, together with BMO Capital Markets, the “Advisors”) were engaged by Canada Development Investment Corporation (“CDEV”) to provide CDEV with various advisory services in connection with certain matters related to Trans Mountain Corporation (“TMC” or the “Company”) and Trans Mountain Expansion Project (“TMEP”), including, among others, value analysis of TMC, assessment of TMC’s capitalization, analysis of financial markets and their impact on the divestment of TMC, and assessment of ability to pay of potential purchasers of TMC.

Based upon the scope of information reviewed and assumptions and limitations outlined in this letter, the Advisors have made the following assessments:

- Upon completion of TMEP, when the Trans Mountain Pipeline is operating with its increased throughput capacity, we understand that the Company is expected to generate earnings before interest, taxes, depreciation and amortization (“EBITDA”) of more than \$2.4 billion per year, underpinned by long-term shipping contracts, and, on that basis and at that time, the Company will be commercially viable;
- Completion of TMEP is expected to result in a net present value of the Company that is significantly higher relative to the net present value of the Company if TMEP is not completed. Consequently, a decision by the Company to complete TMEP would be financially prudent;
- Third-party financing is a feasible option to fund the completion of TMEP. The expected future cash flows generated by TMC, upon completion of TMEP, are of a quality and size sufficient to support an investment grade credit rating of the Company assuming an appropriate capital structure. An investment grade credit rating would enable the Company to access debt financing in the private markets without reliance on government support;
- Assuming current market conditions and the expected future cash flows generated by TMC upon commencement of operations of TMEP, the forecasted net aggregate cash costs invested in TMEP under CDEV’s ownership (including CDEV’s purchase price of TMC) are expected to fall within a range of implied enterprise values of TMC estimated using commonly accepted value methodologies that we would expect prospective purchasers for all or a portion of TMC to consider; and
- There is currently strong interest in high quality, operational infrastructure assets from both strategic and financial investors. We believe investors of this nature would participate in a process involving a sale of all or a portion of TMC.

The Advisors’ assessments did not include or take into consideration any of the potentially significant net ancillary financial benefits of TMEP to the Canadian economy and Canadian taxpayers, including benefits from but not limited to: direct and indirect employment opportunities both during project construction and over long term operations; increased direct and indirect tax and royalty revenues from Canadian energy producers; increased property and income taxes from the ultimate project owner; and financial benefits to Indigenous communities, among others.

ASSUMPTIONS AND LIMITATIONS

We have relied upon and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions, representations and other material obtained by us from public sources or provided to us by or on behalf of the Company, CDEV or Department of Finance Canada or otherwise obtained by us in connection with our engagement (the "Information"). Our assessments are conditional upon such completeness, accuracy and fair presentation. We have not been requested to, and have not assumed any obligation to, independently verify the completeness, accuracy or fair presentation of any such Information. We have relied on forecasts, projections and estimates as provided to the Advisors on January 30, 2023 (including, without limitation, the increased estimate of construction costs for TMEP of \$30.9 billion, the resultant increase in TMC's shipping tolls due to the cost risk sharing methodology that applies under the applicable shipping contracts, and the in service date of TMEP as being January 1, 2024). Further, we have assumed that budgets provided to us and used in our analyses were reasonably prepared on bases reflecting the best currently available assumptions, estimates and judgments of management of the Company, and representatives of CDEV and Department of Finance Canada, having regard to the business, plans, financial condition and prospects of the Company as well as reflecting best currently available information with respect to industry performance, general business, market and economic conditions, transition risks and other matters. With respect to the budgets, forecasts, projections or estimates provided to us and used in our analyses, we note that projecting future results is inherently subject to uncertainty.

We have assumed, and senior officers of TMC, CDEV, and the Department of Finance Canada, on behalf of their respective organizations, have represented to the Advisors in the Certificate that: (i) the Information provided to the Advisors orally by, or in the presence of, an officer or employee of, the Company, CDEV or Department of Finance Canada, or in writing by the Company, CDEV or Department of Finance Canada or any of their respective subsidiaries, affiliates, or representatives in connection with our engagement was, at the date the Information was provided to the Advisors, and is, as of the date hereof, complete, true and correct in all material respects, and did not and does not contain a misrepresentation; (ii) since the dates on which the Information was provided to the Advisors, except as disclosed in writing to the Advisors, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its subsidiaries, and no change has occurred in the Information or any part thereof which would have or which could reasonably be expected to have a material effect on the assessments outlined in this letter; (iii) since the dates on which the Information was provided to the Advisors, except as disclosed publicly or in writing to the Advisors, there has been no material transaction entered into by the Company or any of their respective subsidiaries; (iv) the Company or its subsidiaries do not have any material contingent liabilities and there are no actions, suits, claims, proceedings or inquiries pending or threatened in writing against or affecting the Company or its subsidiaries, at law or in equity or before any federal, provincial, state, municipal or other governmental department, commission, bureau, board agency or instrumentality which may in any way materially adversely affect the Company and its subsidiaries; (v) all financial information about the Company provided to the Advisors was prepared on a basis consistent in all material respects with the accounting policies applied in the Company's most recent audited consolidated financial statements; and (vi) Information shared among the Advisors, TMC, CDEV, and Finance Canada in respect of the Advisor work has been shared in strict confidence. Pursuant to Section 20 of the Access to Information Act, RSC 1985, c.A-1, the Advisors expressly object to the disclosure of any Information prepared or provided by them to TMC, CDEV or Finance Canada in respect of the Advisor work and the assessments in response to any request by any applicant pursuant to the Access to Information Act, RSC 1985, c.A-1, or otherwise.

The assessments reached by Advisors are provided on the basis of securities markets, economic, financial and general business conditions prevailing as of the date hereof, the condition and prospects, financial and otherwise, of the Company as they are reflected in the Information and as they have been represented to the Advisors in discussions with management of the Company, and representatives of CDEV or Department of Finance Canada and their respective representatives, and the conditions and prospects, financial and otherwise, of any potential purchasers of TMC as evidenced by the publicly available information reviewed by the Advisors. In our analyses and in reaching our assessments, the Advisors made numerous judgments

and assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond our control.

These views are provided to the management and Board of Directors of CDEV and the Government of Canada in connection with CDEV's ownership of TMC and may not be used or relied upon by any other person or for any other purpose. These views are not intended to be, and do not constitute, a recommendation to CDEV or any other person. This letter does not address the relative merits of any particular transaction, financing or course of action as compared to other transactions or business strategies that might be available to CDEV, TMC or Department of Finance Canada, nor does it address the underlying business decision to implement any particular transaction or financing. This letter shall not create any obligation or liability of the Advisors to any person or entity (whether by contract, in tort, in equity or otherwise), including, but not limited to, any liability for special, indirect, consequential, exemplary or punitive damages.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of the securities or assets of the Company or any of their respective affiliates, and the views herein should not be construed as such. The Advisors were not engaged to review any legal, tax or regulatory aspects related to TMC and our assessments do not address any such matters. We have relied upon, without independent verification, the assessment by the Company, CDEV and Department of Finance Canada with respect to such matters.

Nothing in this letter shall constitute, or shall be construed as, a commitment or obligation on the part of the Advisors to provide or underwrite any financing for CDEV, TMC, Department of Finance Canada or any of their respective subsidiaries and affiliates.

Our assessments are reached as of the date hereof and the Advisors disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting our assessments which may come or be brought to the attention of the Advisors after the date hereof. Without limiting the foregoing, if we learn that any of the information we relied upon in reaching our assessments was inaccurate, incomplete or misleading in any material respect, the Advisors reserve the right to change our assessments. If that occurs, the Advisors may, but are under no obligation to, modify or withdraw this letter

Yours truly,

BMO Nesbitt Burns Inc.

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