

Financial Statements of
(In thousands of Canadian dollars)

**ROBINSON HURON
TREATY LITIGATION
FUND**

And Independent Auditor's Report thereon
Year ended March 31, 2025



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INDEPENDENT AUDITOR'S REPORT

To the Trustees of Robinson Huron Treaty Litigation Fund

Opinion

We have audited the financial statements of Robinson Huron Treaty Litigation Fund (the Entity), which comprise:

- the statement of financial position as at March 31, 2025
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2025 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that tapers at both ends, serving as a decorative underline.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

November 17, 2025

ROBINSON HURON TREATY LITIGATION FUND

Statement of Financial Position
(In thousands of Canadian dollars)

March 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 86,019	\$ 9,989,160
Interest receivable	-	16,387
Investments (note 2)	837,360	-
Prepaid expenses	266	275
Account receivable (note 3)	840	2,734
	<u>924,485</u>	<u>10,008,556</u>
Property, plant and equipment (note 4)	35	49
	<u>\$ 924,520</u>	<u>\$ 10,008,605</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 37,802	\$ 1,304
Contributions payable (note 5)	2	6,819
Deferred revenue	507	-
	<u>38,311</u>	<u>8,123</u>
Contingent legal fee	-	255,000
	<u>38,311</u>	<u>263,123</u>
Net assets	886,209	9,745,482
Subsequent events (note 6)		
	<u>\$ 924,520</u>	<u>\$ 10,008,605</u>

See accompanying notes to financial statements.

On behalf of the Trustees:


_____ Chair


_____ Vice Chair

ROBINSON HURON TREATY LITIGATION FUND

Statement of Operations and Changes in Net Assets
(In thousands of Canadian dollars)

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Past compensation: Canada	\$ -	\$ 5,000,000
Past compensation: Ontario	-	5,000,000
Investment income	229,849	16,471
Government grants	877	3,150
Claims	-	183
	<u>230,726</u>	<u>10,019,804</u>
Expenses:		
Settlements	9,072,295	-
RH Waawiindamaagewin	6,000	-
Legal fees, travel and disbursements	4,711	3,259
Investment management fees	2,649	-
Community engagement and settlement implementation	2,646	3,552
Litigation management committee expenditures	705	535
Insurance	368	96
Chiefs and Trustees meetings and honorariums	291	507
Professional fees	278	20
Rent	19	30
Depreciation	14	15
Administration fees	12	183
Interest and bank charges	11	906
Contingency fee	-	255,000
	<u>9,089,999</u>	<u>264,103</u>
(Deficiency) excess of revenue over expenses	(8,859,273)	9,755,701
Net assets (deficiency), beginning of year	9,745,482	(10,219)
Net assets, end of year	\$ 886,209	\$ 9,745,482

See accompanying notes to financial statements.

ROBINSON HURON TREATY LITIGATION FUND

Statement of Cash Flows
(In thousands of Canadian dollars)

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
(Deficiency) excess of revenue over expenses	\$ (8,859,273)	\$ 9,755,701
Items not involving cash:		
Depreciation	14	15
Accrued interest on investments	(8,879)	-
	<u>(8,868,138)</u>	<u>9,755,716</u>
Changes in non-cash operating working capital:		
Decrease (increase) in interest receivable	16,387	(16,387)
Decrease (increase) in prepaid expenses	9	(275)
Decrease (increase) in account receivable	1,894	(1,158)
Increase in accounts payable and accrued liabilities	36,498	539
Increase in deferred revenue	507	-
(Decrease) increase in contingent liability	(255,000)	255,000
	<u>(9,067,843)</u>	<u>9,993,435</u>
Financing:		
(Decrease) increase in contributions payable	(6,817)	1,340
Investing:		
Repayment of demand loan	-	(10,142)
Purchase of investments	(10,912,200)	-
Proceeds on maturity of investments	10,083,719	-
	<u>(828,481)</u>	<u>(10,142)</u>
(Decrease) increase in cash	(9,903,141)	9,984,633
Cash, beginning of year	9,989,160	4,527
Cash, end of year	<u>\$ 86,019</u>	<u>\$ 9,989,160</u>

See accompanying notes to financial statements.

ROBINSON HURON TREATY LITIGATION FUND

Notes to Financial Statements
(In thousands of Canadian dollars)

Year ended March 31, 2025

Nature of operations:

Robinson Huron Treaty Litigation Fund (the "Trust") was created under an agreement dated August 23, 2010 to undertake and pursue litigation and/or negotiations related to the Robinson Huron Treaty of 1850 on behalf of the Lake Huron First Nations and their members.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Trust's significant accounting policies are as follows:

(a) Revenue recognition:

Revenue is recorded when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(b) Property, plant and equipment:

Property, plant and equipment are stated at cost, less accumulated amortization. Depreciation is provided using the straight-line method and following annual rate:

Asset	Rate
Vehicles	5 years

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Trust has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

ROBINSON HURON TREATY LITIGATION FUND

Notes to Financial Statements (continued)

(In thousands of Canadian dollars)

Year ended March 31, 2025

1. Significant accounting policies (continued):

(c) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Trust determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Trust expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(d) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. Investments:

	2025	2024
Treasury bills	\$ 661,320	\$ -
Term deposits	167,161	-
	828,481	-
Accrued interest	8,879	-
	\$ 837,360	\$ -

ROBINSON HURON TREATY LITIGATION FUND

Notes to Financial Statements (continued)

(In thousands of Canadian dollars)

Year ended March 31, 2025

3. Account receivable:

	2025		2024	
CIRNAC	\$	-	\$	1,832
Indigenous affairs		-		725
Robinson superior annuity		-		177
Ministry of the Attorney General		840		-
	\$	840	\$	2,734

4. Property, plant and equipment:

	2025		2024	
	Cost	Accumulated depreciation	Net book value	Net book value
Vehicles	\$ 70	\$ 35	\$ 35	\$ 49

5. Contributions payable:

Contributions payable represent funds advanced by the member First Nations. Funds are payable back to the First Nations on the ultimate settlement of the Treaty negotiations.

6. Subsequent events:

Subsequent to year end on October 28, 2025, a judge ruled that the legal fees previously paid were excessive and ordered a reduction of \$232 million to be repaid to the Trust. The repayment has not been recorded in the financial statements as the transaction does not relate to conditions that existed at the date of the financial statements. At this time, the Trust expects the ruling will be appealed creating a material uncertainty regarding what amount, if any, will ultimately be retained by the Trust.

ROBINSON HURON TREATY LITIGATION FUND

Notes to Financial Statements (continued)

(In thousands of Canadian dollars)

Year ended March 31, 2025

7. Financial risks and concentration of risk:

Liquidity risk:

Liquidity risk is the risk that the Trust will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Trust manages its liquidity risk by monitoring its operating requirements. The Trust prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2024.

8. Comparative information:

Certain comparative information has been reclassified, where applicable, to conform to the presentation adopted in the current period. The changes do not affect the prior year excess of revenue over expenses.