

June 19, 2014

**First Nations Finance Authority  
ISSUER TERM SHEET**

|                            |   |             |
|----------------------------|---|-------------|
| <b>Issuer:</b>             | First Nations Finance Authority ("the Authority")   |             |
| <b>Issue:</b>              | Unsecured, Unsubordinated Bonds, Series 2014-1 (the "Bonds")  |             |
| <b>Rating:</b>             | Moody's: A3   |             |
| <b>Rank:</b>               | The Bonds will be direct, unsecured, unsubordinated, general obligations of the Authority, and will rank <i>pari passu</i> with all other unsubordinated and unsecured bonds and other like securities issued by the Authority and outstanding from time to time. |             |
| <b>Principal Amount:</b>   | C\$90,000,000   |             |
| <b>Trade Date:</b>         | June 19, 2014   |             |
| <b>Settlement Date:</b>    | June 26, 2014 (T+5)   |             |
| <b>Maturity Date:</b>      | June 26, 2024   |             |
| <b>Coupon Dates:</b>       | June 26 and December 26 each year   |             |
| <b>Coupon:</b>             | 3.40%   |             |
| <b>Offering Spread:</b>    | +121 bps  |             |
| <b>Canada Benchmark:</b>   | 2.50% due June 1, 2024, priced at \$102.20 to yield 2.252%  |             |
| <b>Offering Yield:</b>     | 3.462%  |             |
| <b>Issue Price:</b>        | \$99.4800   |             |
| <b>Drawdown Price:</b>     | \$99.1300 (-35c)  |             |
| <b>Banking Group Cost:</b> | \$98.8425 (-28.75c)   |             |
| <b>Cost of Issue:</b>      | \$98.7300 (-11.25c)   |             |
| <b>Proceeds to Issuer:</b> | C\$88,857,000.00  |             |
| <b>Form:</b>               | Book entry only through participants in CDS.  |             |
| <b>Redemption:</b>         | The Bonds are not redeemable prior to the maturity date.  |             |
| <b>CUSIP / ISIN:</b>       | 32117DAA2 / CA32117DAA24  |             |
| <b>Syndicate:</b>          | <b><u>Management Group</u></b>  |             |
|                            | National Bank Financial (Lead and Sole Bookrunner)  | 36%         |
|                            | RBC Capital Markets (Co-Lead)   | 30%         |
|                            | <b><u>Banking Group</u></b>   |             |
|                            | BMO Capital Markets   | 12%         |
|                            | Scotia Capital  | 10%         |
|                            | CIBC World Markets  | 8%          |
|                            | Casgrain & Company  | 4%          |
|                            | <b>Total</b>  | <b>100%</b> |

BY: NATIONAL BANK FINANCIAL INC.  
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