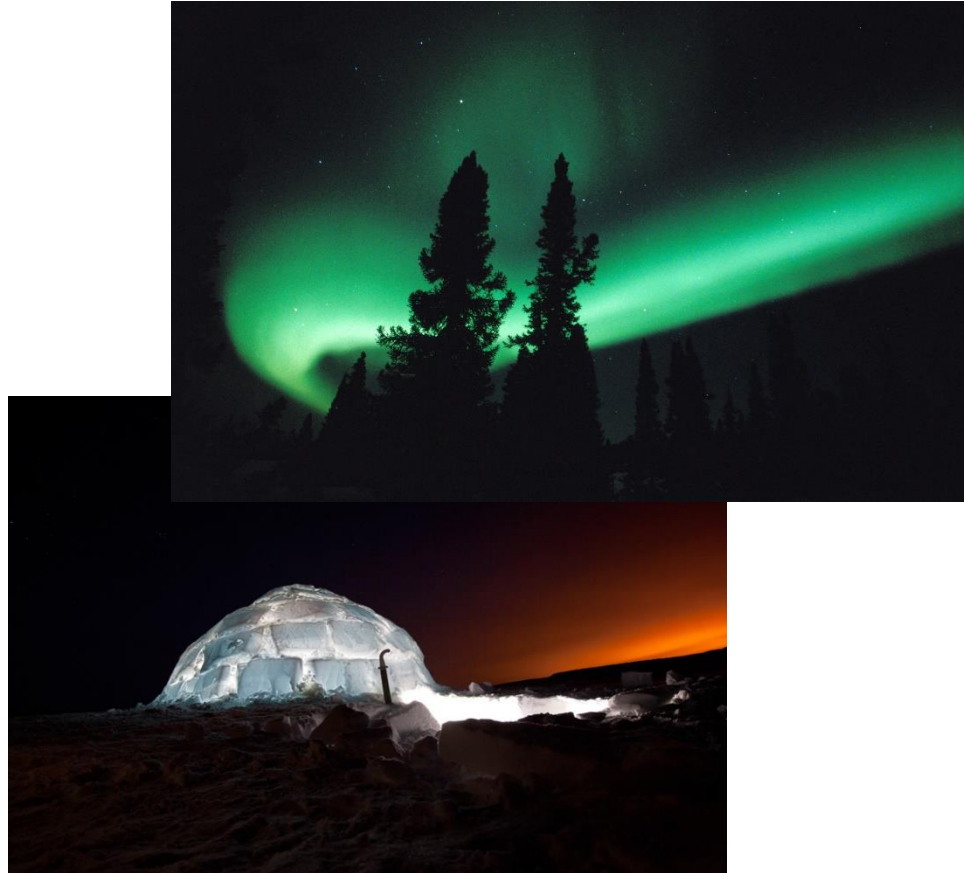


Makivik Corporation

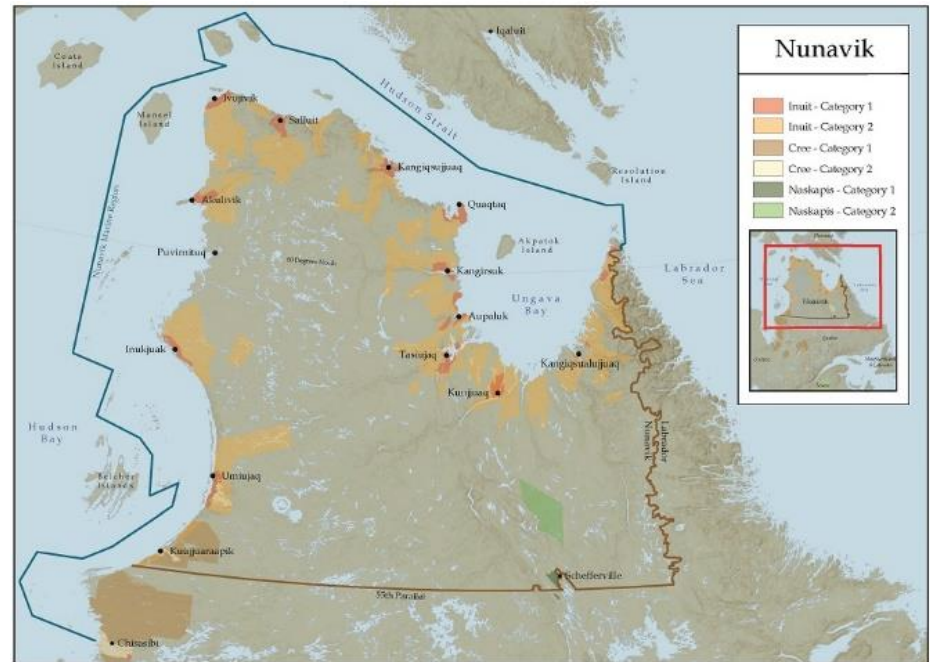
The Nunavik Region



Adam Lewis, Director of Economic Development, Economic Development Department, Makivik Corporation

Nunavik

- Comprises the northern third of the province of Quebec, north of the 55th parallel (36% of the total area covering over 500,000 square km)
- Approximately 12,000 inhabitants, mostly Inuit live in 14 Inuit villages spanning all major coasts, Hudson Bay, Hudson Strait and Ungava Bay



Nunavik

- None of the 14 Inuit communities are inter-connected by road and there is no road connection to the south
- The region has a wealth of mineral and wildlife resources and possesses some of the most picturesque natural attractions
- Population growth is 2.3% per year with 65% of the population under 29 years of age
- Still a heavy reliance on subsistence activities including hunting, fishing and trapping



George River

Makivik Corporation

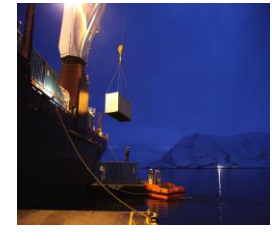
- Inuit birthright established in 1975 pursuant to the JBNQA, the first modern land claim agreement in Canada
- Not-for profit ethnic organization
- Mandated to protect Nunavik Inuit rights, interests and financial compensation received through the JBNQA
- Mandates
 - Owning and operating profitable business enterprises
 - Generating employment
 - Social economic development
 - Improving housing conditions
 - Protection of Inuktitut, culture and the natural environment

Responsibilities / Active Files

- Presidents Department
 - Political, Legal, Inuit rights & interests
- Economic Development Department
 - Economic development opportunities, job creation, generate revenues
- Resource Development Department
 - Wildlife research, wildlife management, harvesting rights, environmental monitoring, environmental policy, food safety
 - Nunavik Research Centre
- Finance Department
 - Finance/investment, Accounting, Insurance, Auditing
- Corporation Secretary
 - Company assets, elections, education, youth, elders, social issues, corporate archiving
- Construction Division
 - Construction of social housing

Subsidiary Companies

- Makivik operates various wholly owned and Joint Venture companies
- Wholly Owned
 - First Air, Air Inuit, Nunavik Creations, Nunavik Furs, Halutik Enterprises, Kautaq Construction, Nunavik Geomatics
- Joint Venture
 - Nunavut Eastern Arctic Shipping (NEAS), UNAAQ Fisheries, Pan Arctic Inuit Logistics (PAIL)




Nunavik Geomatics


Kautaq Construction

JBNQA

- The first modern day Canadian comprehensive land claim (includes compensation, lands, education, health, etc.)
- Settled by the Cree and Inuit in 1975
- Provided \$225 million in compensation to the James Bay Cree and the Inuit to be paid by Canada & Quebec
- Upon Signing, several institutions were created including the Kativik Regional Government (KRG), Kativik School Board (KSB), Nunavik Regional Board of Health and Social Services and Landholding Corporations

NILCA

- Came into effect on July 10, 2008 and applies to the offshore region around Quebec, northern Labrador and Offshore northern Labrador
- Includes overlap (jointly owned) regions with the Cree of Eeyou Itschee, Nunavut Inuit, and Labrador Inuit
- Included ownership of lands, capital transfers, the creation of Institutions of public government
 - Nunavik Inuit own 80% of the islands, including both surface and subsurface in the Nunavik Marine Region (approximately 5,300 square km)
 - \$86 Million in capital transfers and associated funds
 - Wildlife compensation regime
 - Institutions of Public Government (NMRWB, NMRIRB, NMRPC)

PlanNord



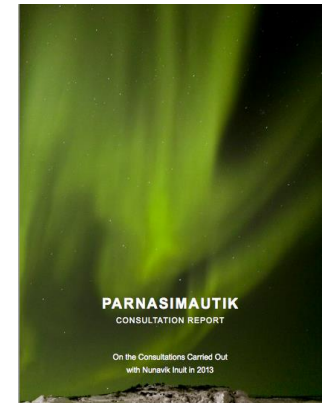
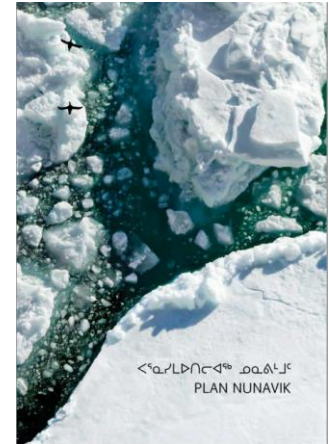
- An ambitious sustainable development program for the development of resources in Northern Quebec
- Promote the potential for mining, energy, tourism and social and cultural development in Quebec north of the 49th parallel
- Create jobs and wealth for northern communities and for Quebec as a whole
- Priorities:
 - Development of the North's Economic Potential
 - Mining, forestry, energy, wildlife, tourism, bio-food sector
 - Development and well being of local Aboriginal Communities
 - Community and municipal infrastructure development, labour force development, education, health and social services & justice, housing, cultural development, public security
 - Protection of the Environment and biodiversity conservation
 - Conditions for Success
 - Transportation, telecommunication infrastructure, scientific knowledge and PlanNord Promotion

Parnasimautik

- As a response from the Inuit to PlanNord, a comprehensive consultation was conducted in Nunavik called “Parnasimautik”
- In the report, several priority areas of concern were identified, many mirroring PlanNord priority sectors, but accompanying an Inuit perspective and recommendations

Inuit Priority Areas

- Housing
- Health
- Education
- Access to Territory
- Mining
- Energy
- Tourism
- Biofood
- Wildlife
- Culture and Identity
- Telecommunications
- Community Development



Economic Development

- At minimum requires
 - Accessibility to markets & raw materials
- Left far behind due to lack of transportation and communication links & absence of sufficient, reliable power
- Suffers from a regional cost of living much higher than anywhere else in Quebec
 - Food 57% higher
 - Household items 97% higher
 - Personal care products 40% higher
- Unemployment rate of 25-30% in the region

Opportunities

- From the Nunavik Inuit Enterprise perspective, there are a number of companies competing in the construction and mining services industry
- From the Makivik perspective, current focus is on the mining sector and renewable energy sector
- Further work is required to look into the biofood sector (commercial greenhouse for example) and developing the tourism potential

Inuit Priority Areas

- Housing
- Health
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Our Priorities

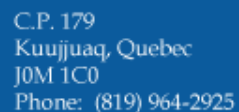
- Benefit the Nunavik Region
- Priority of Inuit employment, training, skills/knowledge transfer
- Priority of Inuit contracting and procurement opportunities
- Develop sustainable, long-term partnerships with existing business, where/when necessary
- Develop the region in a sustainable way that promotes the protection of the environment, and the protection of the natural and cultural heritage of the region

Procurement Policy

- Unlike the Federal Government, the Province of Quebec and the Kativik Regional Government do not have a procurement strategy for Aboriginal business
- Sanarrutik Agreement – Partnership Agreement on Economic and Community Development in Nunavik
- “....Quebec undertakes to evaluate the possibility of modifying the law in order to allow KRG, the KSB, the Katutjinik Regional Development Council and the Nunavik Regional Board of Health and Social Services to set up a process for awarding contracts for goods and services that gives priority to the businesses of Nunavik Inuit”

What could it look like?

- NIE Database – Makivik has an obligation
 - Looking at automating, complex issue (3 lists?)
- Build upon existing procurement strategies and tailor for the Nunavik region
- Concept of Enhanced Inuit Firm
- Break-down larger contracts to manageable pieces of work, limit inflated requirements
- Standardization of procurement documents & processes
- Expand to municipalities, other regional stakeholders – an “all for one” approach
- Most Importantly, adhere to a four pillar approach on which any well functioning and effective procurement system is built: Fairness, transparency, accountability and consistency in treatment



Impact & Benefits Agreements (IBAs)

1- Raglan Agreement (1995)
First modern *IBA* in Canada

**2- Nunavik Nickel
Agreement (2008)**



Mine Contracts (2015)

- Raglan Mine
 - 8 Nunavik Inuit companies awarded contracts
 - \$43,471,000 (which is less than 30% of total contract values awarded)
- Nunavik Nickel
 - 8 Nunavik Inuit companies awarded contracts
 - \$75,750,000 (based on 16 month period)



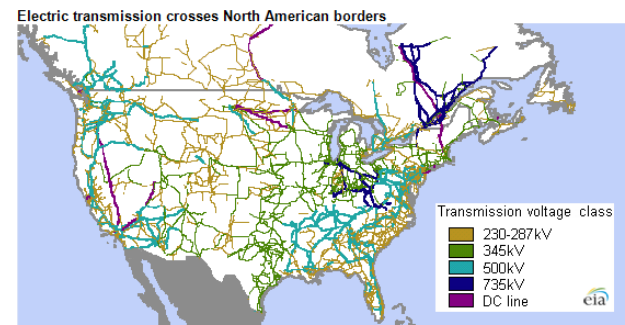
“Growing Nunavik Enterprises”

Baseline Assessment



- Understand the status of entrepreneurial activity and potential activity in Nunavik;
- Assess the support network (programs, services, consultants, institutions) available to support and build entrepreneurship in Nunavik;
- Focus on the current and potential relationship between entrepreneurial enterprises and the mining sector;
- Make recommendations for supporting this sector should it prove to be viable.

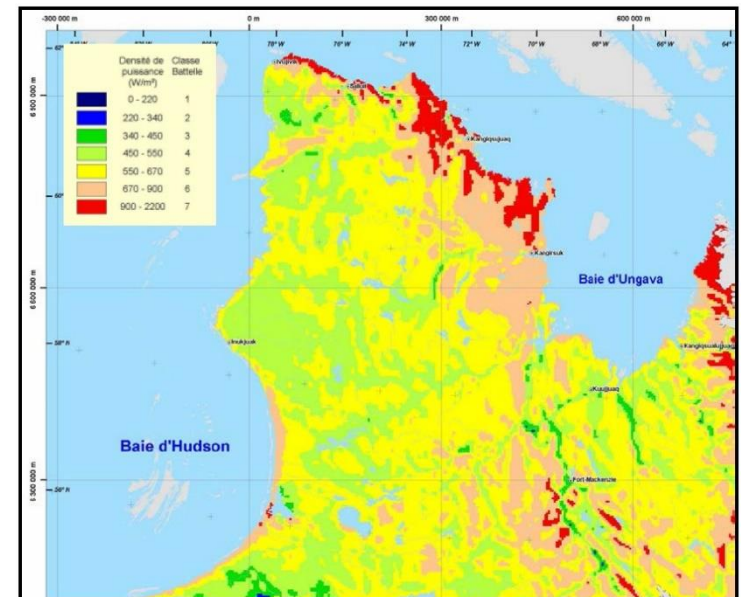
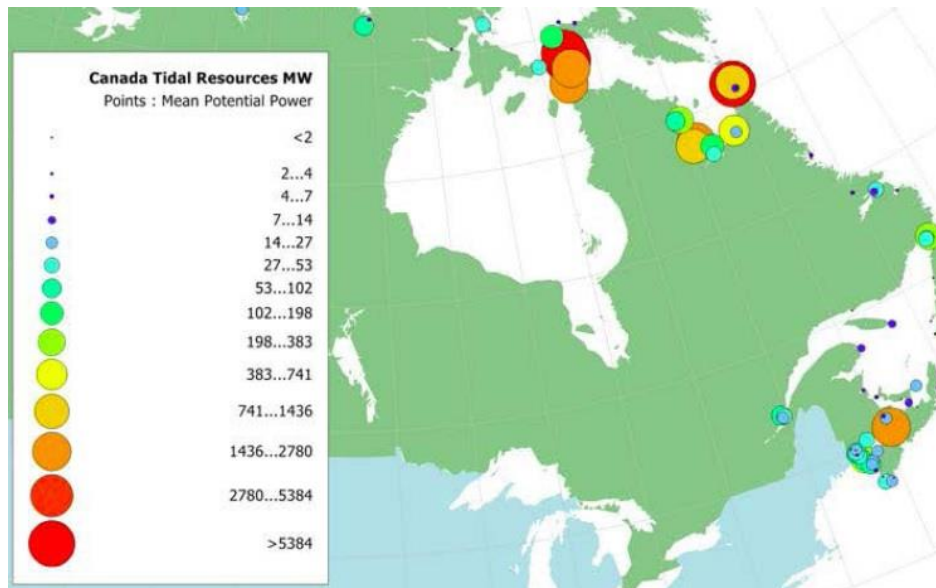
Energy Production



- James Bay hydroelectric project has a total installed capacity of approximately 11,000 MW (LG1, LG2, LG3 and LG4)
- The main rivers of the territory and their watersheds represent a potential of approximately 8,000 MW
 - the equivalent to 25% of Quebec's current installed power capacity
- Despite the vast actual and potential hydroelectric power from the Nunavik region, all 14 Inuit communities north of the 55th parallel employ diesel power plants for electricity
 - Annual fuel consumption is approximately 25 million L of oil just to supply basic electricity needs
 - An additional 28 million L of oil is consumed annually for heating houses and other buildings

Potential

- Vast potential for several forms of renewable energy options



Short Term Opportunities – Energy Sector

- Pilot projects regarding renewable energy with a focus on not only providing alternate sources of electricity, but to test and evaluate the feasibility of these alternate sources for the Nunavik region
 - Connection of Kuujjuaraapik and Kuujjuaq to the Quebec electrical power grid
 - Construction of small scale hydro-electric project in the community of Inukjuak
 - Construction of wind power facilities
 - Development of hydrokinetic energy (Hydro Quebec has shown early interest in evaluating the possibility of using hydrokinetic facilities to exploit tidal power or currents (Hydro-Quebec Strategic Plan 2009-2013, p. 72)

Makivik Energy Initiatives

- Development and implementation of an internal Energy Committee
 - Keeping informed with potential developments in Nunavik and other Arctic / Inuit regions in Canada
 - Technology evaluation
- Research
 - Hydrokinetic resource capability (ADCP measurements)
 - Further research required
 - Determine the effects of an Arctic environment on current technologies (for example, the effect of frazil ice on an underwater turbine)
 - Effects of the technology on the environment, for example, how will an underwater turbine affect fish stocks and marine mammals?
- Participation in the POLAR Alternate and Renewable Energy Expert Group
- Potential to become an investment opportunity, perhaps a project developer / owner

Questions?

Thank-you!

