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Makivik Corporation
Activity Report

Economic Development Report

Since the 2020 Annual General Meeting that was held virtually in July of 2020, the Economic Development Department entered into a new fiscal year starting October 1st, 2020 and has accomplished key objectives despite challenges surrounding the COVID-19 pandemic. I will report on the changes that have happened in my department staff changes and new staff, as well as two new policies that were adopted at the Fall 2020 Makivik Board meeting, and a progress report on active files.

Administrative / Staff Changes

- March 2020 – Nancy White was hired as the Nunavik Inuit Business Registry Coordinator and is based out of the Kuujjuaq Office
- March 2020 – Jackie Marchand was hired as the Senior Strategic Investments Manager and is based out of the St-Laurent office.
- March 2020 – Tony Wright was hired as the Fisheries Manager and is based out of Sept-Îles
- November 2020 – Lynn Moorhouse changed roles and is now the Socioeconomic Development Officer and is based out of the St-Laurent office
- Jeannie Sam Annanack was hired as the Tannery Coordinator and is based out of Kuujjuaq
- February 2021 – Jason Annahatak was hired as the Business Development Associate and is based out of the St-Laurent office
- April 2021 – Andrew Epoo was hired as the Socioeconomic Development Manager and is based out of the St-Laurent office

Subsidiary Governance Policy

The Policy

- This Subsidiary Governance Policy has been established to create oversight of the Makivik subsidiaries and joint venture corporations and determines the decision-making process regarding new development.

Role of the EDD

- be responsible for coordinating information among Subsidiaries
- assist management of the Junior Subsidiaries
- seek and develop potential active business investments such as wholly owned Subsidiaries and Joint Venture Corporations in-line with the vision and goals of Makivik, both inside and outside the Nunavik region.

New Entities

- Ensure that the New Entities created inside or for the Nunavik Region support Makivik's objectives through job creation and employment opportunities for Beneficiaries and contribute to improving the quality of life in Nunavimmiut
- Ensure that the New Entities have a reasonable expectation of profit
- Make reasonable efforts to collaborate with local and regional entities that are seeking to invest
- Ensure that New Entities respect the needs and quality of life of Nunavik Inuit and their communities
- The EDD shall also be responsible for developing socio-economic development projects using Sanarrutik funding that may be done through New Entities that will not necessarily have an expectation of profit as an objective

Subsidiary Review Committee (SRC)

- the SRC shall be responsible for monitoring the progress, status and viability of the Subsidiaries and Joint Venture Corporations based on reports obtained and make recommendations to the Executive Directors

Reporting Obligations

- The Subsidiaries and Makivik appointees on the Joint Venture Corporations shall provide to the SRC summaries of financial and operating reports given to the respective BODs.
- The content of such summaries shall be determined by the SRC in consultation with the management of the Subsidiaries and Joint Venture Corporations.
- The SRC shall review and highlight issues raised by such reports with the Executive Directors of Makivik.
- The SRC shall provide the Investment Review Committee with copies of the financial summaries given to them by the subsidiaries and joint ventures.
- The President and/or Chairperson of each of the Principal subsidiaries or Joint ventures shall liaise on a regular basis with the Executive Directors.
- Upon request by the Executive Directors, the person named as the Chairperson of a Principal Subsidiary shall be available to provide in person to the Board of Directors of Makivik a complete report on the operations of their company.

Governance Principles

Composition of Boards of Directors:

- **Principal Subs:** mostly External Directors (not related to Makivik nor an employee of one of its subsidiaries) but may include Internal Directors (an employee of Makivik but excluding Makivik BOD members);
- **Junior Subs:** mostly Internal Directors but may include External Directors;
- **Joint Ventures:** in accordance with the related Shareholders Agreement, it may comprise External Directors and Internal Directors and may also include any Executive Director in special circumstances (example: Pan Arctic Inuit Logistics Corporation (PAIL)).
- Directors to have one of the following qualifications:
 - (i) Have a good understanding of Nunavik.
 - (ii) Success in business activity.
 - (iii) be strategic thinker.
 - (iv) be creative problem solver.
 - (v) have experience in the company's industry.
 - (vi) have financial experience.
 - (vii) have sales/marketing experience.
 - (viii) have human resources experience.
 - (ix) have a professional designation; and,
 - (x) have an advanced education.
- Appointees to Subs and JVCs Bods to be made by the Makivik BOD based on recommendations of the Executive Directors in consultation with the SRC

Procurement Policy

- Collaborate with the KRG to seek changes to Quebec's Procurement Policies to allow the equal opportunities to Nunavik contractors
 - Negotiate with Quebec Government on Nunavik procurement for Inuit business
 - Identify needs and criteria, develop a strategy for all aspect of the procurement strategy process (example: Having Fair bidding processes to reflect high cost of operation a business in Nunavik)
 - Technical table now established between Nunavik and Quebec
 - Makivik and KRG are in the process of hiring a joint contractor to help manage this project and perform ongoing research and analysis
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Mining

1) Nunavik Nickel Agreement – New Development Annex 7.1 COMPLETED

- This file was concluded as all Nunavik Nickel Agreement parties did the Environmental and Social Impact Assessment (ESIA) review, completed and accepted in the Fall of 2020.

Update on Nunavik Nickel

- Nunavik Nickel mine's Initial Investment was re-captured in 2021: Financial allocations are now based on Gross Revenue sharing (2021 payment to Signatory parties of \$9.6M).
- New Inuit Parties Agreement on financial allocations distribution are being negotiated between Makivik, Salluit, Kangiqsujuaq and Puvirnitug
- New development projects planned by Canadian Royalties on their claim – Establishment of review sub-committee is in process with Inuit parties
- The creation of a Nunavik Nickel Mine Closure plan sub-committee is in progress

2) Makivik Mining Strategy Development, and Conference

- The EDD is currently planning a virtual conference for the Fall season of 2021
- Federal financial contributions are set and approved for this conference

3) Makivik IBA Preparedness/ESIA review (linked to strategy above)

- Companies with advanced exploration projects are willing to engage with Makivik.
- Makivik needs to develop a process to interact with these companies longing to develop eventual Impact and Benefit Agreements.

4) IBA Workshop in Aupaluk

- Continuous communication and relationship building between Makivik and the community of Aupaluk
- "Activity signals" from Oceanic Iron Ore project with updated 43-101 technical report and new PEA Study resulting in community concerns and expectations
 - ATAUSIRMIK NIPIQALURTA – AUPALUK WORKING GROUP
 - Proposed Memorandum of Understanding currently being discussed

5) Asbestos Hill site reclamation monitoring

- Continuation and dialogue with Ministry of Energy and Natural Resources.

6) Salluit / Kangiqsujaq Inuit Business Development Hub

- Fully Inuit owned by Nuvumiut Developments (consortium between the 2 Landholding Corporations)
- This is one of the Raglan-Sivumut agreed initiatives (2017): to create more business development in Salluit and Kangiqsujaq aligned with a regional Makivik initiatives.

7) Land Use and Traditional Knowledge Study project (Kangiqsualujjuaq)

- Secured INAC financial contribution (\$150,000) since 2019, was to be completed by March 2021.
- Project has been postponed due to the Pandemic.
- Land-Use Study will be instrumental to coming Torngat Metals project ESIA review.

8) TATA STEEL MINERALS CANADA (TSMC) – PROJECT 2A

- Iron project in Schefferville (one is located just above 55 parallel).
- Had to appoint Makivik and KRG, Makivik has an advocacy role (Air Inuit is involved with contracts with partnership in Naskinnuk – Air Inuit, FCNQ Petro & Naskapis)
- TSMC – wants to continue improving contract procurement with Inuit businesses.
- **Barriers / Challenges:**
 - Limited and punctual communication with TSMC.

9) Active File: COMMERCE RESOURCES – ASHRAM RARE EARTH ELEMENT PROJECT

- **Reminder:** *May 1st 2019 resulted in the Signature of Letter of Intent between Makivik, Nayumivik LHC and Commerce Resources*
- Continued joint strategy with Nayumivik Landholding Corporation.
- Implementation of a Joint Monitoring Committee (completed and continuing)

Small Business Support / Business Mentorship & Sustainability

- goal is to jointly make efforts in the creation of a Small Business Association with the KRG.
- Identify what is needed by the business community.

- Engage with small-medium sized enterprises (private business owners)
 - Jointly work with the KRG to consult and build a plan to create an instrument to adequately support businesses
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Nunavik Inuit Business Registry

The Nunavik Inuit Business (NIB) Policy

Purpose

- To establish and maintain, through the Nunavik Inuit Business Registry, a unified and standardized list of Nunavik Inuit Businesses (NIBs) for the purpose of contract procurement in Nunavik, including with respect to contracts for goods, services, and construction.
- To promote economic development that benefits Inuit beneficiaries including by developing a permanent business base in Nunavik and a self-sufficient Nunavik economy.
- To help give effect to the provisions of any agreements, including land claim agreements, that provide certain preferences to Inuit businesses.
- To ensure that Businesses registered in the NIB Registry have genuine participation from Nunavik Inuit.
- To provide guidance on the application process to be registered as a NIB and the ongoing administration and monitoring of the NIB Registry to be overseen by Makivik Corporation.

The NIB Registry Coordinator's mandate

- To maintain the NIB Registry and keep it updated.
- To approve or reject applications for registration in the NIB Registry and to revoke the registration of Businesses that cease to meet the eligibility criteria for registration as a NIB.
- To issue written notices to the applicant(s) on decisions made with respect to each application, with written reasons in the case of a rejection or revocation of NIB status.
- To conduct periodic reviews to ensure that Businesses in the NIB Registry continue to meet eligibility requirements for registration.
- To respond to general enquiries related to this Policy.
- To coordinate, monitor, and report on this Policy and to publicize it among Nunavik Inuit.

Eligibility Criteria

- To be eligible for registration in the NIB Registry under this Policy, a business must be:
 - a sole proprietorship owned by a Nunavik Inuk
 - a partnership, including a joint venture, at least fifty percent (50%) owned by Nunavik Inuit or by one or more Businesses that are themselves registered as NIBs: in the case of a limited partnership, the general partner(s) must also be registered as a NIB
 - a cooperative with a majority of the voting members being Nunavik Inuit
 - a not-for-profit corporation with at least fifty-one percent (51%) of the voting members being Nunavik Inuit or Businesses that are themselves registered as NIBs
 - a share-capital corporation with at least fifty-one percent (51%) of the company's voting shares beneficially owned by one or more Nunavik Inuit

NIB Website and Mobile Application

- The website and mobile application are being developed by Design Shopp out of Montreal since Fall of 2020
 - The website and mobile application are almost complete and will be tested during April 2020
 - The website and mobile application will be launched at the beginning of May 2020
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Renewable Energy

March 30, 2021

- The shareholders of Tarquti Energy (Tarquti), represented by their respective executive committees (Makivik and Ilagiisaq), met on March 24 in Kuujjuaq to discuss the start-up strategy, on-going and future activities of this new entity.
- Its mission is to carry out renewable energy projects in Nunavik and contribute to the carbon emissions' reduction and actions on climate change. This unprecedented initiative is the result of collaboration between the region's two main economic development organizations.
- The approach for the community projects is to develop, implement and operate them through solid and meaningful business partnerships with the concerned local entities, namely the landholding corporations and local cooperatives.

- The priority objective is to ensure that the transition from fossil fuels to renewable energy remains an activity that is 100% owned and operated by collective, local and regional, Nunavik entities and to maximize the returns and benefits for the communities.
- The first Tarquti projects implemented this year are in the area of analysis and research.
 - Weather masts (towers) will be installed in five Nunavik communities to collect wind data relevant to the development of renewable energy. At the same time, Tarquti is collaborating with research centers, including Nergica and Hydro Québec, to assess the feasibility of clean energy solutions, like wind and solar power energy, in the region.
- Current Tarquti Board of Directors appointed by Makivik are:
 - Andrew Epoo – Indigenous Clean Energy Catalyst
 - Tiivi Dupuis – Indigenous Clean Energy Catalyst
 - Maxime Ladouceur – Engineer and Kautaq Construction General Manager

Tourism

- Align regional priorities with partners, specifically the Nunavik Tourism Association and its members
- Assist increasing resources capacity and implementing development into Nunavik Tourism Association's mandate.
- Prioritize and Plan for Tourism Development in Nunavik through the Nunavik Tourism Association
- Hire a consultant for Nunavik Tourism Association to make a funding proposal to Tourism Quebec.
- Develop a strategic plan for Tourism in Nunavik

Sewing Machine Repairs

- The continued goal is to provide a repair service to the seamstresses of Nunavik
 - Explore how to help sewing centers to become self-sustaining in repairing sewing machines
 - Due to the COVID-19 Pandemic, we have not been able to provide this service to the region as our contractor is based in Montreal
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Pirursiivik Project

- Pituvik Landholding Corporation agreed to own the hydroponic container received in Inukjuak on the last ship of the year 2020.
- Pirursiivik is also working several partners for the year-round greenhouse, namely Sirivik Food Centre for the operations, Kautaq Construction to oversee the construction plans and meet the community expectations identified from the community consultations with EVOQ in 2018.
- Furthermore, the Pirursiivik team travelled to Umiujaq, Kangiqsujuaq and Kangiqsualujuaq to support their local greenhouse initiatives.
- A Digital Project with Design Shopp was also initiated in order to maximize the outreach: With external consultants, a working group, focus groups, and Pirursiivik developed “Pirursiiniq Nunavimmi”, a prototype for an online hub of information for gardeners and greenhouse workers in the northern context. Interest in continuing the work will be decided in 2021.
- During the COVID-19 pandemic, the Pirursiivik team joined the food delivery program initiated by Sirivik and took the lead on organizing the local food box delivery program. Between April 6 and September 11 (2020 for 22 weeks), 2,994 boxes were delivered once a week by bus and truck.
- Sirivik received funding from the Pirursiivik Project, Canadian Food Centres Canada, and the Nunavik Regional Board of Health and Social Services. Several activities for Inukjuamiut encouraged the community to learn more about local plants, growing vegetables at home, making baskets of grass and twig mattress, and identification of the largest aqpik berry.
- The Tupiq ACT produced three short video clips on composting, safety measures for Covid-19 and cooking country food. They also filmed their performance “Tupiqtuqaq” that will eventually be shared with Inukjuamiut in a safe time and space.
- Funding for the Pirursiivik Project from the One Drop Foundation has been extended to October 31, 2021 and we continue making all efforts to make this project a highlight for Inukjuak and Nunavik!

Pan Arctic Inuit Logistics / Nasittuq

- Restructuring of the Pan Arctic Inuit Logistics (PAIL) and Nasittuq Corporation was restructured in 2020
 - PAIL is jointly owned by the Inuit Development Corporations of Canada
 - Makivik Corporation
 - Nunatsiavut Group of Companies
 - Qikiqtaaluk Corporation

- Kitikmeot Corporation
- Sakku Investments Corporation
- Inuvialuit Development Corporation
- Nasittuq Corporation is jointly owned by PAIL and ATCO Structures and Logistics
- Nasittuq Corporation was completed in the Fall of 2020. Nasittuq is owned by
- Get Nasittuq Corp. to be recognized on the Nunavut Tunngavik Inc.'s Inuit Business Registry and will compete on the North Warning System contract

Fisheries

Operations

- Newfoundland Resources Limited conducts shrimp fishing in the Northern region of the Atlantic Ocean as well as Ungava Bay
- Maintain or increase existing shrimp quotas in the short and medium term.
- Improve our presence within the industry (partners, association etc.)
- Increase the number of Nunavik beneficiaries working on boat
- Transfer to a commercial communal license

Recruitment and Training

- Development of a continuous training program (adapted from Innu program and Ecole des pêches du Quebec).

Business Development

- Expand and develop fisheries activities (species, in-shore fleet, offshore as well as integration of harvest, processing, marketing and sales activities, including capacity building
- Research how to develop small scale fisheries/processing industry in the North (based on experience with Innu)
- Find opportunities to develop local commercial fisheries
- Work on local distribution of Nunavik community seafood to urban center
- Develop new partnership (example: Clearwater, Ocean Choice Inc., Royal Greenland)
- Increase our involvement with our partners (management, operation, marketing)
- Improve our access to other offshore fisheries (example: arctic surf clam, scallops)
- Continue Christmas Shrimp allocations to Nunavik communities

Ivakkak 2021

The teams left Salluit on February 24th, making their way through the communities of Ivujivik, Akulivik, and finally finishing the race in Puvirnituk. Soft snow conditions along with frequent blizzards made for a particularly tough first half of the race this year, forcing it to be put on hold on multiple occasions.

- 9 out of 12 teams made it into the final community of Puvirnituk officially bringing the Ivakkak 2021 race to a close after travelling approximately 450 km over 8 race days.
- This year's edition started in Salluit and travelled through the communities of Ivujivik, Akulivik before making it to the finish line in Puvirnituk.
- Team #2 – Aisa Surusilak and partner Paulusi Amarualik were the first to cross the finish line and took first place with the shortest overall time of 39H:30M:03S.
- Second place went to Team #11 – Jani-Marik Beaulne and partner Jackusie Amamatuak, with a total time of 42H:03M:25S
- Third place went to Team #10 – Kulu Tukulak and partner Peter Qinuajuak with a total time of 43H:32M:12S.
- The first 230 km was the toughest distance to travel, steep hills mixed with soft snow made for slower than normal travelling speeds for all teams. In addition to the soft snow making it harder for the sleds, it was also hard on the dogs' paws.
- Team #3 Matthew Arngak and partner Padlayat Kaitak, Team 8 – Alec Aupaluk and partner Tiivi Kulula, along with Team 5 – Paulusie Jason Irnik and partner Jamie Kiatainaq, were also pulled from the race due to difficulties with fatigued dogs.