



Nelson House

DEVELOPMENT CORPORATION

August 2010 Newsletter

Message From Chief Jim Moore and Councillor Marcel Moody

Economic Development Portfolio Holders Responsible for the Nelson House Development Corporation

Tansi. As members of Chief & Council and joint Portfolio Holders for Economic Development, we are pleased to provide an update to NCN Members on initiatives the corporation has pursued.

Economic Development is important for fulfilling NCN's vision: "to exercise sovereignty that sustains a prosperous socio-economic future for the Nisichawayasihk Cree Nation".



The corporation is a key economic development engine for operating NCN businesses, including high-profile organizations like Meetah Building Supplies and OT Gas. It is also a crucial instrument for actively pursuing opportunities that become available to NCN and exploring and developing new ventures – ultimately aimed at generating employment for our Members and revenue to fund our programs.

We firmly believe that for NCN to thrive, we must continue to create our own wealth and build a strong, sustainable economy. Although NCN currently has several financial resources and opportunities, additional funding is still required to cover the growing needs of our more than 4,000 Members. We must ensure a positive future for our First Nation, and one way of accomplishing our vision is to be proactive with economic development in the mainstream economy, which is the approach we are actively taking.

We also understand that developing economic opportunities and projects often seems slow, but pursuing joint business ventures, and participating in venture capital is typically a detailed and lengthy process that must be done carefully to ensure accuracy and the greatest benefits for our Members.

We hope you find this newsletter informative and useful in bringing you up to date on Development Corporation accomplishments.

– Chief Jim Moore & Councillor Marcel Moody



Meetah Building Supplies – A Shining NCN Success

Meetah Building Supplies, which operates as a Nelson House Development Corporation Company, was originally established in 1997 as a local building supply company to serve the needs of Nelson House residents. Over the years, Meetah has been a shining light of success for the First Nation which is diversifying in many directions. It currently employs 14, mainly NCN Members, with annual revenue of \$2-4 million.

Housing Development Initiative in Thompson

One of Meetah's most ambitious projects has been to enter the home-construction field. In response to the high demand and high prices for housing in Thompson, the decision was made for Meetah to acquire building lots and construct five homes in Thompson for commercial sale. NCN provided a loan guarantee of approximately \$1 million to construct the homes and Meetah will pay NCN interest at the rate of 10 percent annually in exchange for the loan guarantee. All five homes are complete, with one selling for \$320,000 and the remaining four still on the market.

Since construction went ahead, uncertainty related to contract negotiations at INCO combined with the global economic downturn have slowed the Thompson market. However, in spite of that, the Development Corporation is optimistic all units will be sold in due course.

In anticipation of the recovering market, Meetah has made refundable deposits on additional lots in Thompson to construct more homes for sale, but will only proceed once all the existing units are sold.

Meetah's aim has been to employ NCN Members and other First Nations Members on construction as much as possible and to use qualified tradespersons where needed.



NCN Chief Jim Moore, Onion Lake Chief Wallace Fox and Councillors sign the Meetah franchise agreement at the opening of the new store.

Meetah Opens First Franchise in Onion Lake and Explores More Expansion Options

The Development Corporation is pleased to announce that Meetah successfully launched its first franchise operation earlier this summer in Onion Lake, Saskatchewan near Lloydminster.

As part of the agreement, Meetah will get 25 percent of supplier rebates and two percent from purchases, plus two percent for Meetah to provide technical support to ensure the business runs successfully. Meetah franchises allow First Nations to purchase directly from the manufacturers.

The Development Corporation is currently in discussions with other First Nations in Manitoba, British Columbia and Ontario to establish Meetah franchises. If successful in establishing franchises on other First Nation's across the country, this could prove to be one of the most successful businesses NCN has developed.

Meetah is an Important Supplier to the Wuskwatim Project

Meetah is currently supplying most of the building materials for the Wuskwatim project and fully expects to continue supplying to the project's contractors throughout the remaining construction.



Gert Wilzer, Manager of Meetah Building Supplies oversees all Meetah operations.

Meetah Operates Door and Cabinet Manufacturing Facility

As part of its diversification initiatives, Meetah operates its own door and cabinet manufacturing facility that employs four NCN Members to produce doors and kitchen cabinets for sale in the retail store as well as supplying to its housebuilding operations and for repairs to homes in the community. The Development Corporation recognized that these items are costly, and determined enough demand was available to operate the facility which would save expense and create jobs.



Stacey Hunter, is one of four NCN Members working in Meetah's door and cabinet manufacturing shop.

Meetah Window Manufacturing Shop to Open in Fall 2010

Meetah will set up and operate a window and glass replacement shop in fall 2010 to supply Meetah and NCN with windows for new housing projects and window replacements in existing housing. The shop will be capable of manufacturing both window frames and dual-pane and triple-pane sealed glass units. Onion Lake First Nation, which already operates a window manufacturing facility will supply two instructors to train five local NCN Members. The shop will be located in Meetah's existing retail building once its new retail space is complete.

OT Gas Bar Continues To Succeed

Otohowin Gas Station has been in business since 1997, starting as a small outlet to serve community needs. In 2008, after 11 years of successful operation, the Development Corporation with funding obtained through OT equity, grants and Royal Bank loans, relocated and built a new and expanded Otohowin Gas facility to better service our customers. This project doubled both the operation's employment and size with the installation of six additional gas pumps to meet customer demand from both inside and outside of the community. All development phases are now complete.

High-quality dedicated employees are a major reason for its ongoing success and without them the operation would not continue to succeed and thrive.

Otohowin Gas represents a window of opportunity for NCN youth by providing jobs that give valuable work experience. This job experience teaches business practices and demonstrates the importance of hard work, ethics and interpersonal skills in the workplace.



OT Gas Bar demonstrates the company's ongoing success and better meets the needs of customers.

As part of the company's commitment of giving back to the community, Otohowin Gas has provided numerous donations to organizations and community events since it began operating.

Otohowin Gas' managers and staff extend sincere thanks to all customers for their loyal support, which is a major factor in the company's ongoing success.

Partnership With Northern Laundry Services For Wuskwatim Contract

Nelson House Development Corporation and NCN negotiated with Sodexo to provide a laundry-services contract for the Wuskwatim Project, subject to demonstrating the capability to deliver the service. In anticipation of this arrangement, in 2009 the Development Corporation successfully negotiated a partnership arrangement with Northern Laundry Services of Thompson to provide the service, and has since demonstrated

its capability to Sodexo's satisfaction. The Northern Laundry partnership gives NCN part of the profits from the Wuskwatim contract, which has generated approximately four to six thousand dollars a month in revenue that goes directly to NCN. In addition, the partnership provides employment for two NCN Members living in Thompson.

High Speed Internet Now Available In Nelson House

As NCN Members undoubtedly know by now, affordable high speed Internet is now available in our community using advanced WiMax wireless broadband technology. The WiMax signal covers an area extending about 10 kilometres from the transmission tower in Nelson House.

With Internet download speeds up to 45 times faster than dial-up Internet, introduction of this quality service gives Nisichawayasihk Cree Nation a direct connection to the information superhighway and opportunities from the knowledge economy that span the globe.

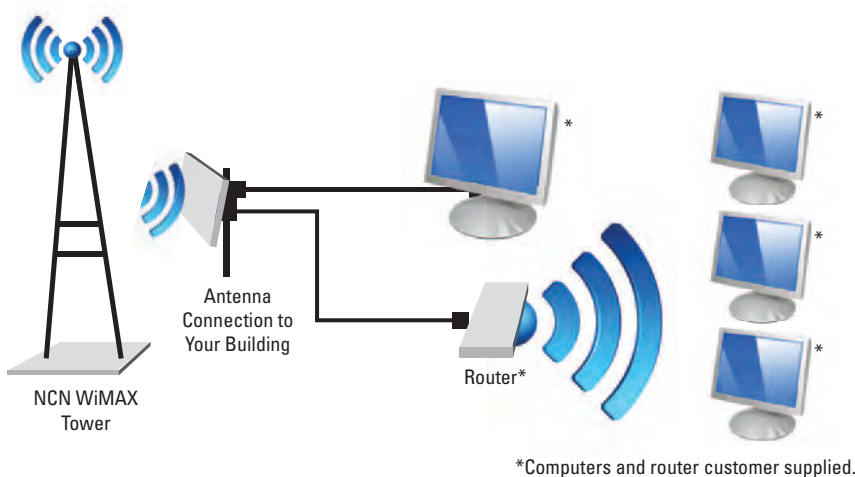
The service is managed through the Development Corporation and provided through an arrangement with Broadband Communications North, a company with extensive experience in setting up and operating Internet services for First Nations

and remote communities in Manitoba. Pricing is comparable to services available in other towns, municipalities and cities. Three home-service packages (based on connection speeds) are available starting at \$35 per month with discounts available if customers prepay the cost of the WiMax receiver. Free installation is available for those signing up by the end of 2010.

Two commercial services packages are also available.

An information brochure has been prepared and distributed to all households in Nelson House. Residents interested in subscribing should contact the Nelson House Development Corporation office.

Connect to one or Multiple Computers with a LAN or Wireless Network



Restaurant Under New Management

The Development Corporation has operated a community restaurant for about 10 years and had rented it for two years to the Youth Initiative and ATEC to provide employment, training and management experience to our youth and other community Members.

As of June 11, 2010, Christy Spence, a successful ATEC training-program graduate, now operates and manages the restaurant as her own business which will employ between four and eight NCN Members. The Development Corporation wishes her every success in the future.

Other Proposals Under Consideration

In addition to the Development Corporation's current operations, it is always looking for new business opportunities and joint ventures to pursue that will generate income and employment for NCN.

PROPOSAL TO PURCHASE AND OPERATE THE NORTHERN STORE IN NELSON HOUSE

The Northern Store has been operating in Nelson House at its' existing location since 1933. The Northwest Company of Winnipeg owns and operates the store, which is the major retailer of groceries and dry goods in Nelson House. Most of the store's employees are NCN Members who have demonstrated the skills and knowledge to operate and manage this type of business.

The store generates significant economic activity, with all profits currently going outside the community. The Development Corporation and Chief and Council concluded if NCN acquired ownership of the store, it could provide significant benefits by ensuring the profits and employment benefits stay within our First Nation.

This approach is consistent with NCN's initiatives to be a self-governing and self-sufficient First Nation. To move forward with this initiative, the Development Corporation and Chief and Council are in discussions with The Northwest Company to explore potential options for acquiring the store with a goal to be 100% owners. NCN has asked the Northwest Company for a proposed selling price and is currently examining the Nelson House store's financial statements to assess the scale and value of the business.

PROPOSAL TO CONVERT WUSKWATIM CONSTRUCTION CAMP TO A CORRECTIONS CANADA HEALING LODGE FACILITY

Once the Wuskwatim Project is completed, the well-equipped construction camp that houses over 700 project workers will no longer be needed and will be decommissioned. No decision has been made regarding disposal or use of the assets. The Nelson House Development Corporation has proposed to NCN, Chief and Council, Manitoba Hydro, and Corrections *(Continued on page 6)*



The Wuskwatim construction camp has potential for converting the existing facilities into a Corrections Canada Healing Lodge, once Wuskwatim construction is complete.

Canada that the Wuskwatim camp site facility and infrastructure be converted into a Healing Lodge once Wuskwatim construction ends.

The facility's potential residents would be offenders sentenced by the courts. The camp already provides similar accommodations and services needed for a healing lodge. It's relative isolation provides natural security, far from the distractions of facilities located near cities.

Some programs and services would be based on the Cree culture. From an overall perspective, all parties view this as a positive potential opportunity to create economic activity and employment in the area.

Through the Nelson House Development Corporation, Nisichawayasihk Cree Nation representatives visited the PeSakastew Center, a Corrections Canada Healing Lodge in Hobema, Alberta, on March 31, 2010, to learn about the operational and employment possibilities of owning and operating a similar facility.

During preliminary discussions with Corrections Canada, a joint provincial/federal facility was identified as a possible future use for the site, and a joint meeting with provincial Justice Minister Andrew Swan along with Corrections Canada representatives has been scheduled for August, 12, 2010. A meeting with Federal Minister

Vic Toews to provide a project overview and input at an early stage is still to be confirmed.

Although the project is still in an early assessment process, the employment opportunities for NCN would be significant, and other opportunities could exist to use the skills of Elders, trappers and fishermen. The Medicine Lodge and Wellness Center could also provide teachings and programs for this facility.

EXPLORING A JOINT VENTURE WITH GREAT SLAVE LAKE HELICOPTERS

The Development Corporation held preliminary discussions about a possible joint venture with Great Slave Helicopters, a multi-national company based in Thompson. Instead of having to contribute any equity capital, NCN's proposal was to bring guaranteed business to the company in terms of flying hours in exchange for a percentage of the profits. To acquire those hours, NCN would have to arrange contacts with trappers, fishers and companies like Manitoba Hydro. To proceed with this proposal, Great Slave needed a guarantee of 500 hours per year. Since those discussions, Great Slave has restructured and the contact person involved in discussions has left the company so this initiative has not proceeded.

Subsequent discussions were held with another company based in Winnipeg. In the end, NCN determined the proposal is no longer valid, since it's profitably is based on NCN securing firm contracts for helicopter flying hours, which is difficult in the current economic climate. NCN will keep its options open, but is not convinced this is a good economic project to pursue, especially if it requires venture capital.

BUILDING A GAS STATION AT SPLIT LAKE JUNCTION (BIRCHTREE BROOK)

The Development Corporation is currently exploring the possibility of building the Birchtree Brook gas station at the Split Lake junction. Before any activity occurs on this site, NCN's Treaty Land Entitlement advisors must deal with easement and mining interests.



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