

Manadjiton Aki: Protecting Mother Earth

Background, Overview and Current Status

Report submitted to the BAP Hearing on Falco Horne 5 Project

October 3, 2024

Summary

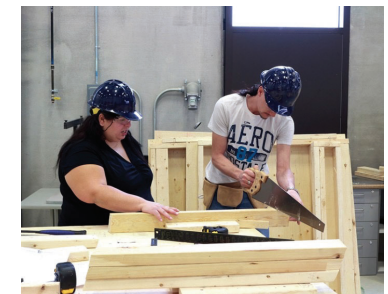
- ◆ Long Point First Nation and a team of investment bankers have jointly developed a vision for the Anishinabe Nation to participate in large opportunities for economic participation: Manijdton Aki – protecting Mother Earth
- ◆ For there to be any successful pursuits of collective participation, there needs to be some form of governance structure to allow multiple communities to make decisions and hold investments together– the Unity Agreement
- ◆ The Unity Agreement is intended to be developed at the grass roots level through multiple workshops among leaders of each participating community's Women, Youth, Elder, and Land-user/Trapper Groups while keeping elected leaders fully-informed of proceedings
 - All 11 communities are being invited to participate
- ◆ The ultimate objective of the process is to ensure that Anishinabe communities avoid being being played off against each other:
 - To achieve this, developers must be made to work through the nation through this new governance process and not with individual communities by way of multiple negotiating tables
- ◆ In pursuit of this objective, LPFN has invited all participating communities to join them at current negotiating tables, most recently with Agnico Eagle Mines (AEM).

Background

- ◆ Over the past 15 years, Long Point's investment bankers have pursued a vision of economic participation with indigenous groups across the country:
 - *In exchange for access to indigenous lands and the resources on them or under them, indigenous nations should be offered material opportunities to share in the rewards generated by all developers' activities*
- ◆ The pursuit of this vision has been supported by an increasing trend among Indigenous groups to pursue material ownership positions and for governments to financially support this pursuit
- ◆ Communities of the Anishinabe Nation need to work together to create the required leverage and critical mass to collectively pursue these sorts of multi-million-dollar opportunities for economic participation
 - The investment bankers know that most opportunities can be financed by other people's money: governments, corporations and capital markets
 - **Access to other people's money in material amounts can now be supported by a recently announced program from the federal government that guarantees loans borrowed to finance equity investments by indigenous groups**

Forms of Economic Participation

- ◆ Economic Participation means material involvement in the economic performance of a project or operation over its entire life
- ◆ Our Investment Bankers have identified a few forms of Economic Participation worth considering:
 - **Ownership (nation level):**
 - Shares in companies
 - Key operating assets that may have value after a project is done
 - Infrastructure that should have value after a project is done (roads, bridges, power plants, water/waste-water treatment, etc.)
 - **Revenue Streams (nation level):**
 - Lease or Rent Payments
 - Royalty payments
 - **Contracting Opportunities (community level seeking nation-wide mobility)**
 - Meaningful partnerships that create businesses that can serve other projects and survive beyond a project's life
 - **Employment Opportunities (community level seeking nation-wide mobility)**
 - Targeted skills and training programs funded by government to produce skilled workers who can develop careers working across projects



Why Target Indigenous Ownership?

Rationale for Indigenous Groups

- ◆ Long term, steady and stable source of cash flow to enhance community budgeting processes
 - Independent, unencumbered and discretionary source of funding for community programs and initiatives that aim to address the community's priorities – no external approvals (i.e. government) for spending required
- ◆ Decision-making authority in majority ownership situations and decision-making capacity building in minority ownership situations
- ◆ Opportunity for a role as joint proponent in Impact Assessment processes



Rationale for Project Developers

- ◆ Can significantly improve project economics
 - ◆ Reduces project risk by creating certainty of greater community support
 - ◆ Significantly improves profile among investors focused on Environmental, Social and Governance (ESG) factors in assessing the merits of a resource company to expand a company's investor base.
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Feasibility of Achieving Ownership?

- ◆ The past 15 years have seen a sea change in broadening awareness among Canadians of appalling Indigenous experiences and issues that have promoted significant re-thinking in attitudes and approaches of people, institutions and governments
- ◆ High-Profile Catalysts:
 - United Nations Declaration on the Rights of Indigenous Peoples
 - The Truth & Reconciliation Commission
 - Inquiry into Missing and Murdered Indigenous Women and Girls
 - Every Child Matters
- ◆ This increasing awareness produced through public institutions coupled with ESG investment criteria that pressure developers to behave better have resulted in a tidal wave of indigenous ownership opportunities being pursued across the country

Feasibility of Achieving Ownership: A Reality in Resource and Energy Projects

- As of the Sept 2023, there were at least 35 projects representing \$52.9 billion in total cost and including \$9.5 billion in indigenous equity
- In 3 of the projects, Indigenous ownership stakes are greater than \$1.0 billion
- There are 8 other projects in which Indigenous ownership stakes are greater than \$500 million
- Sectors involved include:
 - Carbon Capture & Storage
 - Coal storage
 - Potash Mining
 - Natural gas pipelines
 - Hydro facilities
 - Natural Gas-powered Electricity generation plants
 - LNG Terminals
 - Solar and Wind Farms
 - Electricity Transmission



Source: "Indigenous Equity and its growing role in Canadian Resource development", Heather Exner-Perot, MacDonald Laurier Institute: September 2023

Long Point First Nation's Vision

- ◆ The Communities of the Anishinabe Nation have strength only if we work together and will be weaker if we work separately
- ◆ In order to work together, we need to build trust in each other through the creation of a governance process and structure for collective decision-making
- ◆ The focus needs to be on how to create leverage required to be offered material opportunities for economic participation by ALL developers operating on our lands
- ◆ A process to develop a governance structure for the communities of the Nation to work together should originate at the grass roots level while being supported by fully-informed elected leaders

The Joint Vision of LPFN and its Investment Bankers: Manadjiton Aki

- ◆ Manadjiton Aki is the name of the means developed by LPFN and its Investment Bankers through which the Anishinabe Nation creates the collective leverage to make Developers offer opportunities for economic participation in all their activities
 - The leverage comes from communities working together and pooling resources to speak with one voice rather than having separate and distinct negotiations on their own
 - The foundation of this process is developing a governance structure that allows all communities to collectively make decisions about participating in economic opportunities
 - **Not all communities need to participate in all opportunities**
 - An entity will need to be created to hold and manage all participation opportunities

The Joint Vision of LPFN and its Investment Bankers: Manadjiton Aki

- ◆ Manadjiton Aki is also called the “Master” Plan because it seeks to engage with ALL current and future Developers (Mining, Forestry, Power transmission and generation, Real Estate, etc.) operating or seeking to operate on Anishinabe lands
 - ultimate objective is to ensure no community pursues any economic participation opportunities unless they are at least tabled with the Nation
 - The success of Manadjiton Aki will be complete when Developers know that they have to initially engage with the Nation and do not engage with individual communities as a means to play communities off against each other

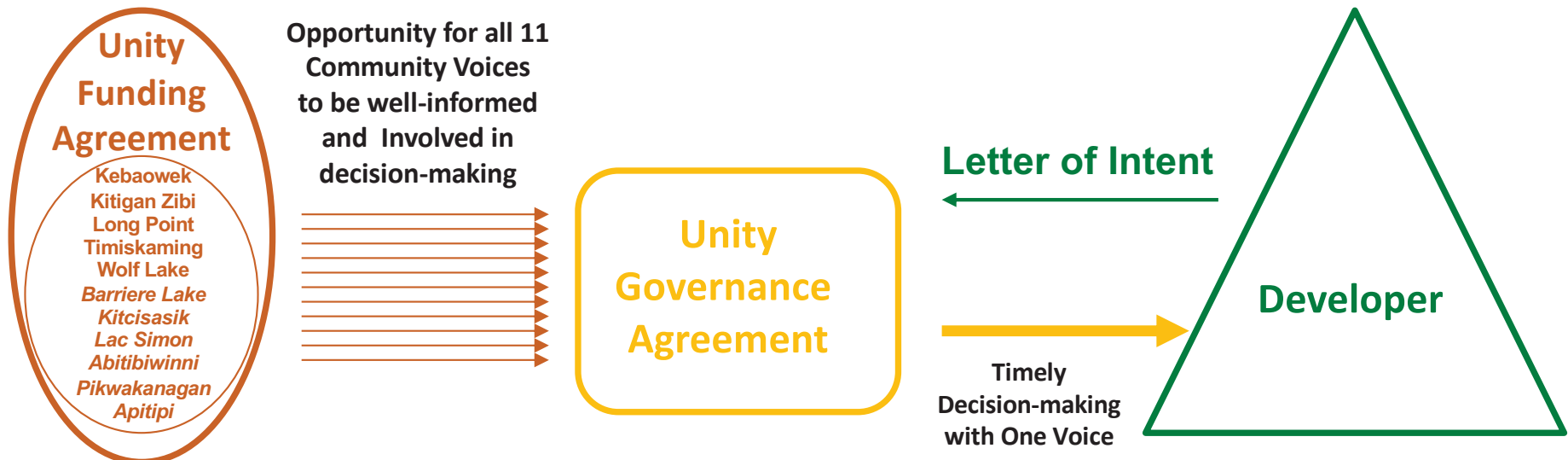
Components of the Process

- ◆ LPFN and its Investment Bankers have conceived 2 over-arching components necessary to create economic participation opportunities for the Nation.
 - 1. Grass roots creation of a Governance Structure and entity (Unity Agreement):
 - 1. allows any communities to work together on economic participation opportunities
 - 2. Establishment of the means to hold ownership interests and manage all participation opportunities collectively
 - 2. Creation of Letters of Intent from each developer operating on Anishinabe lands
 - 1. Will outline the initial range of economic participation opportunities the developer is willing to table with the nation and a process to identify future opportunities
 - 2. Will address the extent of the role of the Nation in any Impact Assessment process
 - 3. Will act as a negotiated substitute for an IBA and/or any other form of collaboration agreement

Master Plan Documentation

➤ Three Initial Documents Are Required:

1. **The Unity Funding Agreement (complete):**
 - Terms under which Agnico Eagle Mines will initially advance up to \$1.0 million subject to the achievement of milestones
2. **The Unity Governance Agreement:**
 - How collective decisions will be made with respect to identifying, considering and executing opportunities economic participation
3. **Letters of Intent:**
 - Each Letter is a statement of each Developer's commitment to the process to identify, consider and execute opportunities that have been identified as being of interest by the participating communities



Step 1 – Anishinabe Unity Governance Agreement Development: Activities to Date

- ◆ Four meetings among Chiefs and members of some councils:
 - North Bay May 1st
 - 5 Chiefs attended along with some members of their councils and confirmed that Long Point would lead the process with the Investment Bankers continuing to provide lead advice in accordance with the costing provided
 - Long Point offered to include all 5 communities at tables with Agnico Eagle and Hydro Quebec and jointly sign 3 letters
 - Ottawa June 4th
 - 10 Chiefs and members of some councils were present
 - Reviewed the Manadjiton Aki and invited comments
 - Interest in joining expressed from a sixth Chief
 - Lac Simon August 21st
 - The Lead team met with Chief & Council who confirmed their interest in participating
 - Temiskaming September 26th
 - The Lead team met with Chief & Council who confirmed their interest in participating

Step 1 – Anishinabe Unity Governance Agreement Development: Next Action Items at the Nation Level

- ◆ Participating communities are Kebaowek, Kitigan Zibi, Lac Simon, Long Point, Temiskaming, and Wolf Lake
 - ◆ Intention of the Lead team to visit and meet with Chiefs and Councils of each community:
 - Talk through a 2-hour presentation
 - Opportunity to ask questions and seek clarification of any aspects of the plan
 - ◆ Presentations have been lined up for Kitigan Zibi and Kebaowek and have been offered without response yet to Kitcisakik, Abitibiwinni, Barriere Lake, Pikwakanagan and Apitipi
 - ◆ Identify and engage candidates for Lead Team:
 - Nation Coordinator (DONE – Lynn Whiteduck)
 - Traditional Knowledge Expert (DONE – Jimmy Hunter)
 - Need to identify Nation Elder, Workshop Leader(s) and Legal Counsel
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