

UPDATE ON ECONOMIC DEVELOPMENT

November 2011

Economic Development has been a topic that has received a significant amount of discussion in the community for a number of years. Talking about economic development is easy, making something happen and being successful at it is difficult.

One of the keys to success is to ensure that you start with a solid foundation. Towards this end Mistawasis aggressively pursued entry into the BRIDG program. BRIDG is an acronym for "Business Ready Investment Development Gateway. BRIDG, financed by INAC and delivered by Westcap Management Ltd., is a unique program designed to assist First Nation and Metis Communities to make their communities business ready and improve their probability of success.

The first step in the readiness program is the development of a Business Charter. This Charter is intended to provide the membership with a basic understanding of the economic development system. It will clarify the roles and relationships between the Membership, Chief and Council, and the Economic Development Entity (Corporation). It further defines the mandate of the Economic Development Entity as well as the roles and responsibilities and the working relationship between the Chief and Council (as Shareholder/Membership Representatives), and the Board of Directors and the Chief Executive Officer of the Economic Development Entity. The Business Charter has been given formal approval by the passing of a BCR by Chief and Council. It is currently posted on the web site under the Economic Development section.

The second step in the process was to put together the appropriate legal structure. We have created Misty Ventures Inc. (MVI) and Misty Ventures Limited Partnership as our economic development entities. The purposes of this structure is to protect Mistawasis from legal liability associated with the inherent risks of economic development and also to ensure that any profits created by MVI will be returned to Mistawasis on a tax free basis. An outline of this structure is currently posted on the web site under the Economic Development section.

The final step in the structure process was putting together the Board of Directors of MVI. These are the people who will make the organization successful. The Board is responsible for fulfilling the mandate of MVI as outlined in the Business Charter. This includes strategic planning, reviewing investment options and reporting on the activities of the Corporation. It is extremely important that these individuals possess business experience and are sincerely dedicated to helping MVI be successful. The following individuals are the inaugural Board for MVI. Biographies of the Board members are posted on the web site under the Economic Development section.

- Rob Daniels - Director of Marketing, SIIT
- Gene Ouellette - President / Owner, Iron Buffalo Consulting

- Doug Finnie – Retired Banking Executive, Canadian Western Bank & RBC
- Kelly Lutz, CA – Partner, Virtus Group
- Joe Ehr – President / Owner, Ehrenburg Homes

Since the Board's inception in April 2011 there has been three Board Meetings, several planning sessions with Chief and Council as well as communication with the Specific Land Claims Trust (SLCT). The Board will meet at least quarterly, most likely more often in its formative stages.

MVI has developed an investment development process that allows for the efficient and objective analysis and review of all opportunities that are brought to MVI. To date 10 opportunities have been identified.

- Two opportunities are being pursued
- Seven opportunities continue to be analyzed and are at various stages of assessment
- One opportunity will not be pursued any further

Confidentiality requirements do not allow us to provide any specific details on the opportunities, however, at the appropriate time communication will be made.

One of the major issues facing MVI is access to capital. Currently MVI does not have immediate access to any significant funds for investment purposes. There are a number of sources available, however most of them can only be accessed once specific uses have been identified. At this point there is always the risk that the opportunity may be lost before the appropriate investment capital can be secured.

In an attempt to overcome the lack of capital, MVI will be working closely with the SLCT to attempt to develop economic opportunities that take advantage of the SLCT's ability to purchase land. The majority of the opportunities that MVI has currently identified involve the SLCT.

It may appear to the Membership that progress with economic development is slow. We are following a process, which to date has been primarily focused on building structure, that will enhance our probability of long-term success in the economic ventures that we do eventually enter into. There is never a guarantee in business that your investments will be successful, but careful planning and structuring before you act, will improve your chances of success.

"Vision without action is a day dream. Action without vision is a nightmare" Japanese Proverb