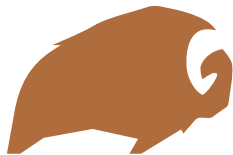


KITIKMEOT CORPORATION'S

# PRESIDENT'S REPORT

Annual General Meeting of the Kitikmeot Inuit Association



KITIKMEOT  
CORPORATION

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SEPTEMBER 16, 2022



Thank-you  
KIA board of  
directors for the  
opportunity to  
provide my report.

**DAVID OMILGOITOK**

KC PRESIDENT AND CEO



I'm pleased to inform the board that the multi-use buildings have seen significant progress...

### Kitikmeot Property Developments

The Board will recall that in the last update, KC's subsidiary Kitikmeot Region Properties Inc. (KRPI) had multiple projects underway. The multi-use buildings in Taloyoak and Kugaaruk, the two duplex builds in Cambridge Bay and the renovation of the old Lands Office in Kugluktuk.

I'm pleased to inform the board that the multi-use buildings have seen significant progress, remain on budget and are expected to be completed by November 2022. The exteriors of the building are nearly fully complete and currently mechanical and electrical systems are being installed. Final materials for completion will arrive on sealift along with the office furniture and furniture for the Aboriginal Head Start Space in the Taloyoak multi-use building.

The two duplex builds in Cambridge Bay are scheduled to begin in late September. Materials have arrived on the NSSI sealift and have been moved to the laydown area. Pilings have been installed and the build is scheduled for a March 31, 2023 completion date. All units will be leased to Kitikmeot Inuit Association (KIA) for staff housing.

The old Lands Office renovation plans have been completed. A detailed design has been agreed upon with the future tenants and sources of funding were identified to cover the renovations costs. KRPI is currently actively working with NCCD to finalize the costing of sub trades for mechanical and electrical upgrades to the building. The majority of building materials have been secured and have arrived on the 2022 sealift.

## North Warning System Maintenance Contract

Earlier this year, the Government of Canada awarded a seven-year contract to operate and maintain the Northern Warning System to Nasittuq Corporation. This contract is valued at \$592M and could be extended by up to four additional two-year option periods.

As the Board is aware, Nasittuq Corporation is a majority Inuit owned corporation with Kitikmeot Corporation a shareholder through its minority shareholding of the Pan-Arctic Inuit Logistics Corporation. The proposal submitted by Nasittuq through the bid process was several years in development with Inuit development corporation participation. This proposal clearly defined commitment and mechanisms to flow material economic benefits from Nasittuq to Nunavut beneficiaries was a deciding factor in the award of this contract.

We are pleased to inform the Board that Nasittuq assumed operational responsibility for the NWS in April of this year and the transition from the previous contract holder has been ongoing over the summer months. We at Kitikmeot Corporation have been working closely with our counterparts at Nasittuq and are already seeing the commitment to leverage KC affiliated businesses to support Kitikmeot NWS operations. The latest and best example is Nasittuq's contracting with Kitikmeot BBE Expediting ("KBX") to provide expediting and shipping services with expanded requirements that we anticipate will result in a 30% increase in revenues. We anticipate additional business activity to result from our engagement with Nasittuq as the transition process continues.

# 7 YEAR

**NAITTUQ CORPORATION  
MAINTAINANCE CONTRACT**

# \$592M

**CONTRACT VALUE**

# 30% ↑

**KBX CONTRACT INCREASE**



Our intention at the time was to modernize and update KC's brand.

## Marketing Strategy

During the second half of 2021, KC began efforts to refresh our logo and website. Our intention at the time was to modernize and update KC's brand. As this effort progressed we recognized that this effort could have a more practical and business focused purpose. What began as an effort to improve our website became a strategic marketing initiative with three objectives:

1. To position Kitikmeot Corporation as the priority partner to connect businesses North
2. To promote our partnerships and do what we can to drive business their way
3. To attract potential business opportunities/partners and encourage them to connect with KC

## Expanding Digitally

Over the course of this year we have successfully met these objectives by focusing on KC's digital media presence. Our website is now more dynamic, with regular blog posts, information on our partners and affiliated businesses, and job postings. The website is mobile friendly and our content is available in Inuinnaqtun and Inuktitut. Since launching, we've seen a 186% increase in website visits.

KC has also improved its presence on LinkedIn.com, the largest and most active business focused social media platform. We post weekly updates on our activities and spotlight our partner's announcements and hiring requirements. As a result of these efforts the business community has a better understanding of what we are capable of and our engagement and visibility to other businesses is steadily increasing. We are already seeing results - over the course of only the past few months we have been approached by others in the business community to consider revenue generating opportunities and partnerships that might not have otherwise been brought to our attention.

In addition KC will begin to publish a quarterly newsletter with business highlights. This newsletter will be translated into both Inuinnaqtun and Inuktitut and copies will be printed and distributed to KIA offices in all of the Kitikmeot communities. With this newsletter we hope to develop a more direct communication channel to the communities that we can use to update our beneficiaries on KC activities and employment opportunities. We expect the first version of this newsletter to be available for the KIA AGM in October.

# 3.1M

PAID OUT TO THE  
NUNASI TRUSTEES

# 20%

TO BE ALLOCATED  
TO KIA

# \$600K

IN TOTAL DISTRIBUTED  
TO KIA

## Nunasi Trust

Prior to 2021, the Nunasi Trust owned 100% of the Common Shares and 50% of the Class G Preferred Shares in Nunasi Corporation. The Board will recall that efforts have been underway since late 2020 to wind up the Nunasi Trust and distribute the Trust share capital and cash assets to the shareholders of Nunasi.

In a series of transactions that took place in December of 2020, the Nunasi Trust common shares were distributed to shareholders QIA, Kivalliq IA and KC. As a result, the Nunasi Trust is no longer a shareholder of Nunasi and Nunasi is now indebted to the Trust in the amount of approximately \$3.1 million. The Trust property now consists of this debt (the “promissory note”) and any working capital held on its balance sheet.

As the wind down process proceeds, the intent is to distribute the Trust property to the RIAs in proportion to the percentage of each region’s beneficiaries based on the Inuit Enrollment List maintained by NTI. In

other words, 20% of the payout of the approximately \$3.1M would be distributed to the Kitikmeot Inuit Association, with 29% going to the Kivalliq IA and the remaining 51% to the Qikiqtani IA.

To date, the appropriate applications to the Nunavut Court of Justice to wind down the Nunasi Trust have been completed. The accounting firm of KPMG is in the process of preparing the final income tax return for the Trust. Prior to the end of this month the Trustees will assign the balance of the promissory note, less a reasonable holdback, to the RIAs. The KIA assignment will be approximately \$600k.

The payouts will be tabled for approval by the Nunasi Board at its next meeting in October. Holdback monies less any expenses will be distributed to the beneficiaries following receipt of the Notice of Assessment and Clearance Certificate from the CRA.

Koana.