

THE FIRST NATIONS
MAJOR PROJECTS
COALITION



FNMPC ANNUAL REPORT 2020



DEDICATION

This Annual Report of the First Nations Major Projects Coalition is dedicated to the organization's members who have chosen to come together in unity concerning their business interests. It is through the action of working together that we will continue to better the economic and social standing for our communities and our people.

ACKNOWLEDGMENTS

The First Nations Major Projects Coalition would like to acknowledge the continued support of the First Nations Financial Management Board, in particular the Board's Executive Chair Harold Calla. The Coalition would also like to recognize the continued volunteer efforts of the Hon. Gerry St. Germain, P.C., for his assistance in helping to promote the values and objectives of the Coalition and its members.

Funding to support the Coalition's activities has been received from Natural Resources Canada Indigenous Partnerships West Office, as well as, the Province of British Columbia's Ministry of Indigenous Relations and Reconciliation and the Impact Assessment Agency of Canada.

CONTRIBUTIONS

The FNMPC would like to acknowledge the work of Four Directions Management Services as represented by Dan George and Kelly Mortimer for their assistance with the creation of this annual report. We also extend appreciation to Topshelf Creative for their graphic design and layout contributions to this report.

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MESSAGE *from the* CHAIR



FNMPc CHAIR
Sharleen Gale

Dear FNMPc members,

The Coalition has undergone a remarkable evolution in the past five years as our members work towards our vision to work collaboratively, cooperatively and cohesively with industry, governments and other like-minded partners. Providing the tools and resources our communities need to make informed business decisions. This is what drives the FNMPc. From where I stand, I can see the advancements our members are making. FNMPc is pleased to be able to provide support and guidance on our collective journey toward self-reliance.

One of the most profound changes over this time is the richer understanding we are receiving by working together. It is clear, that we cannot achieve success if we choose to pursue these goals independently. We are stronger together and understand no investments is as vital to our future success as the investment we make in our communities. It is our peoples resiliency, vision and commitment that make it possible for us to find the answers to tomorrow challenges.

I commend all of you for your desire and drive to ensure we enhancement the economic well-being of our Nations and foster our relationships by coming together to find solutions. Throughout the past year, our Board of Directors and I have been able to engage with our members and develop a shared vision around the tools and supports that we all need in order to succeed. As we all our having to adapt to the new realities of society during the COVID-19 pandemic, it is our mission to ensure the level of service FNMPc can provide remains strong. We have adapted our services to meet this new reality.

While there have been challenges with the pandemic, there have also been opportunities. This year, I was pleased to serve as a member of the BC Premier's Task Force on Economic Recovery. This opportunity has enabled FNMPc to advance our members concerns and needs directly with decision makers and has provided us with a platform upon which FNMPc can address historical barriers to the economic inclusion of First Nations in the economy.

We look forward to continuing this work with our members to create paths of prosperity for our Nations and those that live among us in our territories. To be successful it will require all of us to consistently work to achieve our goals. Your guidance in this work to ensure the foundations and principals for economic recovery includes our people are important as we walk together towards this common path.

Our Board of Directors and I remain committed to making sure FNMPc does everything it can to ensure our communities are included in the economic activity taking place within our traditional territories, while also making sure we have the tools to help broaden our influence and decision making about the things we want protected for future generations.

It is by working together that we can achieve our vision. Over the past year, FNMPc has been able to support our members desires to work together on a number of significant projects right across Canada. This vision of working together is foundational not only to our economic and social futures as Nations, but to the influence we hold on what happens on our lands.

In closing, I want to express how proud I am of this organization that our members have built. Through the FNMPc, we are empowering ourselves to succeed.

Mussi cho.

Chief Sharleen Gale
Fort Nelson First Nation
Chair, First Nations Major Projects Coalition



EXECUTIVE DIRECTOR
Niilo Edwards

MESSAGE *from the* EXECUTIVE DIRECTOR

The past year has been full of advancements and progress for the FNMPc technical team. Our team has been able to serve our members in a variety of ways designed to help them advance their business opportunities.

Significant efforts have FNMPc focused on providing advice and guidance concerning corporate structures and benefit sharing models as well as commercial advice necessary to advance our members business interests effectively with government and proponents.

FNMPc's economic research continues to advance innovative concepts designed to increase First Nation decision-making and direct economic participation in Canada's economy. We continue to network and pursue relationships with corporate Canada in a manner designed to help our members foster mutually beneficial business relationships on projects of shared interest.

It is the mission of FNMPc's technical team to continue to play a key role in assisting our members in building their business capacity and expertise at home. Our approach to this work will continue to be community driven, ensuring that our members are able to maximize and retain benefits in the community now and into the future.

Sincerely,

Niilo Edwards
Executive Director



DIRECTOR OF OPERATIONS
Angel Ransom

MESSAGE *from the* DIRECTOR OF OPERATIONS

FNMPc continues to move forward with the understanding that a strong economy is reliant upon a healthy environment supported by vibrant cultures, languages and expressions of traditional laws and knowledge.

Members have said gone are the days of doing business as usual with outdated and inadequate environmental frameworks, regulations, policies and processes. FNMPc has focused efforts on providing an understanding to its Members, of the benefits and challenges regarding the implementation of The United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), particularly the principles of Free, Prior, and Informed Consent.

The Environmental Stewardship Technical Team and Environmental Technical Advisory Committee (comprised of community technicians) have worked together through the direction and input from Members to develop a First Nation designed Major Project Assessment Standard and supporting Guidance Tools that are rooted in the application of traditional knowledge.

We aim to work with our Members in increasing their knowledge on the use and application of these tools for the benefit of increasing their community's environmental stewardship capacity.

Sincerely,

Angel Ransom
Director of Operations and Impact Assessment Lead

About the FIRST NATIONS MAJOR PROJECTS COALITION

Initiated as a concept by First Nations leadership in 2015, the First Nations Major Projects Coalition (FNMPC) was established as a not-for-profit society in January 2017. FNMPC members mandated the organization to be non-political and business focused. FNMPC's primary function is to provide capacity tools and support to its members in order to assist them in making informed business decisions about major projects planned or occurring within traditional territories.

FNMPC'S CONSTITUTION STATES:

The purposes of the Society are to work collaboratively, cooperatively and cohesively towards the enhancement of the economic well-being of its members, understanding that a strong economy is reliant upon a healthy environment supported by vibrant cultures, languages and expressions of traditional laws, and in particular to:

- » Safeguard our air, land, water and medicine sources from the impacts of resource development by asserting its members' influence and traditional laws on environmental, regulatory and negotiation processes;
- » Ensure members receive a fair share of benefits from projects undertaken in the traditional territories of its members; and
- » Explore ownership opportunities of projects proposed in the traditional territories of its members.

FNMPC OPERATING PRINCIPLES

- » To provide independent, trusted, and unbiased advice and support to its members
- » Remain project and industry agnostic. FNMPC will not advocate for or against a particular industry or project
- » FNMPC member First Nations retain decision making authority on all matters. FNMPC provides support and advice only
- » FNMPC will not take a financial interest in the outcome of projects for which it becomes involved in at the request of its member



THE FIRST NATIONS
MAJOR PROJECTS
COALITION



OUR MEMBERS

BRITISH COLUMBIA

- » Burns Lake Band
- » Chee Xial Taaiioux
- » Cheslatta Carrier Nation
- » Fort Nelson First Nation
- » Gitanyow Band Council
- » Gitsegukla Band Council
- » Gitsegukla Hereditary Chiefs (2)
- » Gitxaala First Nation
- » Gitxsan Government Commission
- » House of Delgamuukw (2)
- » Kaska Dene Council
- » Kispiox Band Council
- » Kitselas First Nation
- » Kitwanga Band Council
- » Kwadacha First Nation
- » Lake Babine Nation
- » Lax'kw'alaams Band
- » Lheidli T'enneh
- » Nadleh Whut'en
- » Nak'azdli Whut'en
- » Nazko First Nation
- » Nee Tahi Buhn Indian Band
- » Nooaitch Indian Band
- » Okanagan Indian Band
- » Saik'uz First Nation
- » Skin Tyee Nation
- » Stelat'en First Nation
- » Suskwa Hereditary Chiefs (8)
- » Takla First Nation
- » Tk'emlups te Secwepemc
- » Tsideldel First Nation
- » Wet'suwet'en First Nation
- » Wet'suwet'en Matrilineal Coalition (5)
- » Xat'sull Development Corporation
- » Yekooche First Nation

NORTHWEST TERRITORIES

- » Acho Dene Koe Development Corporation

ALBERTA

- » Chipewyan Prairie First Nation
- » Samson Cree First Nation

SASKATCHEWAN

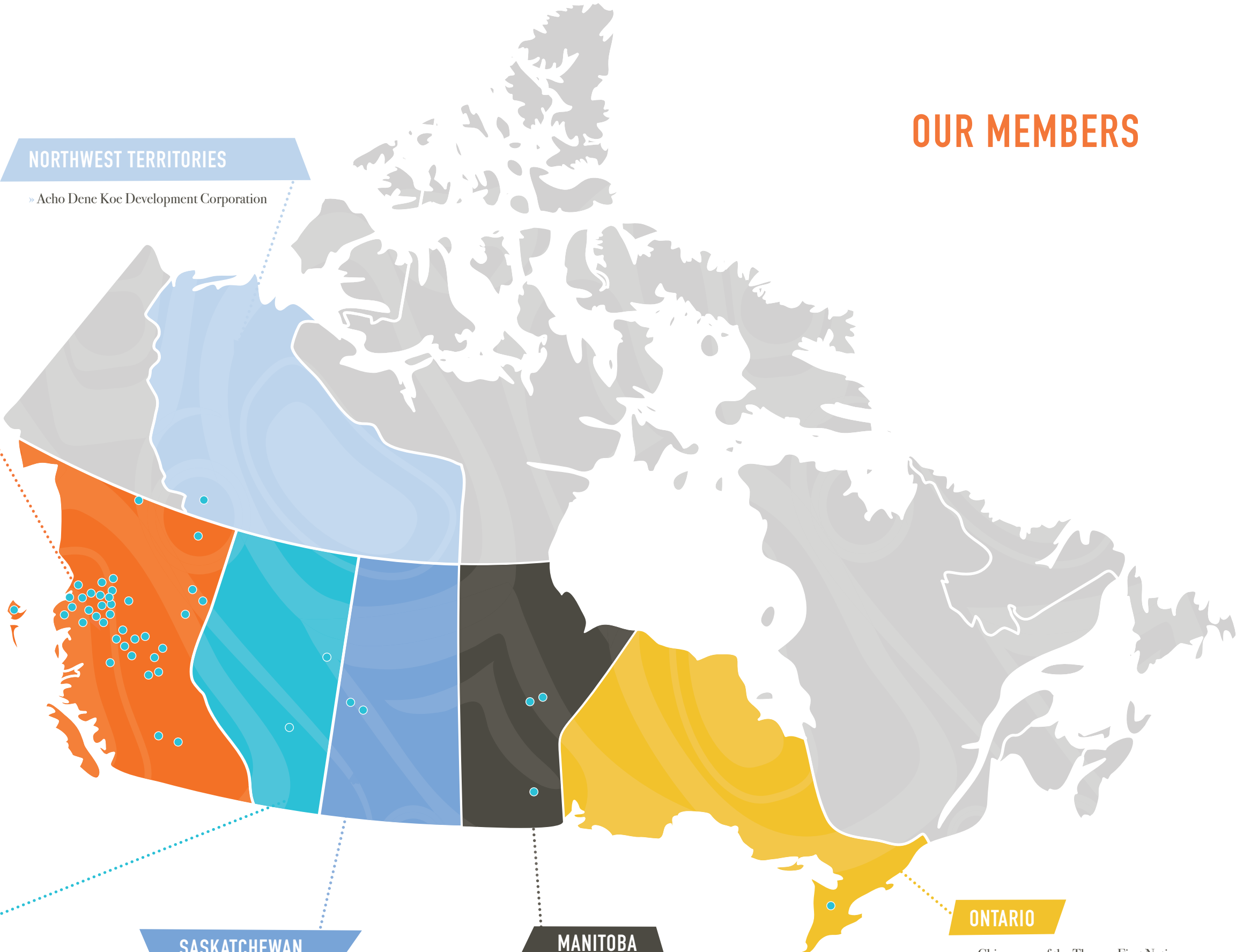
- » Moosomin First Nation
- » Thunderchild First Nation

MANITOBA

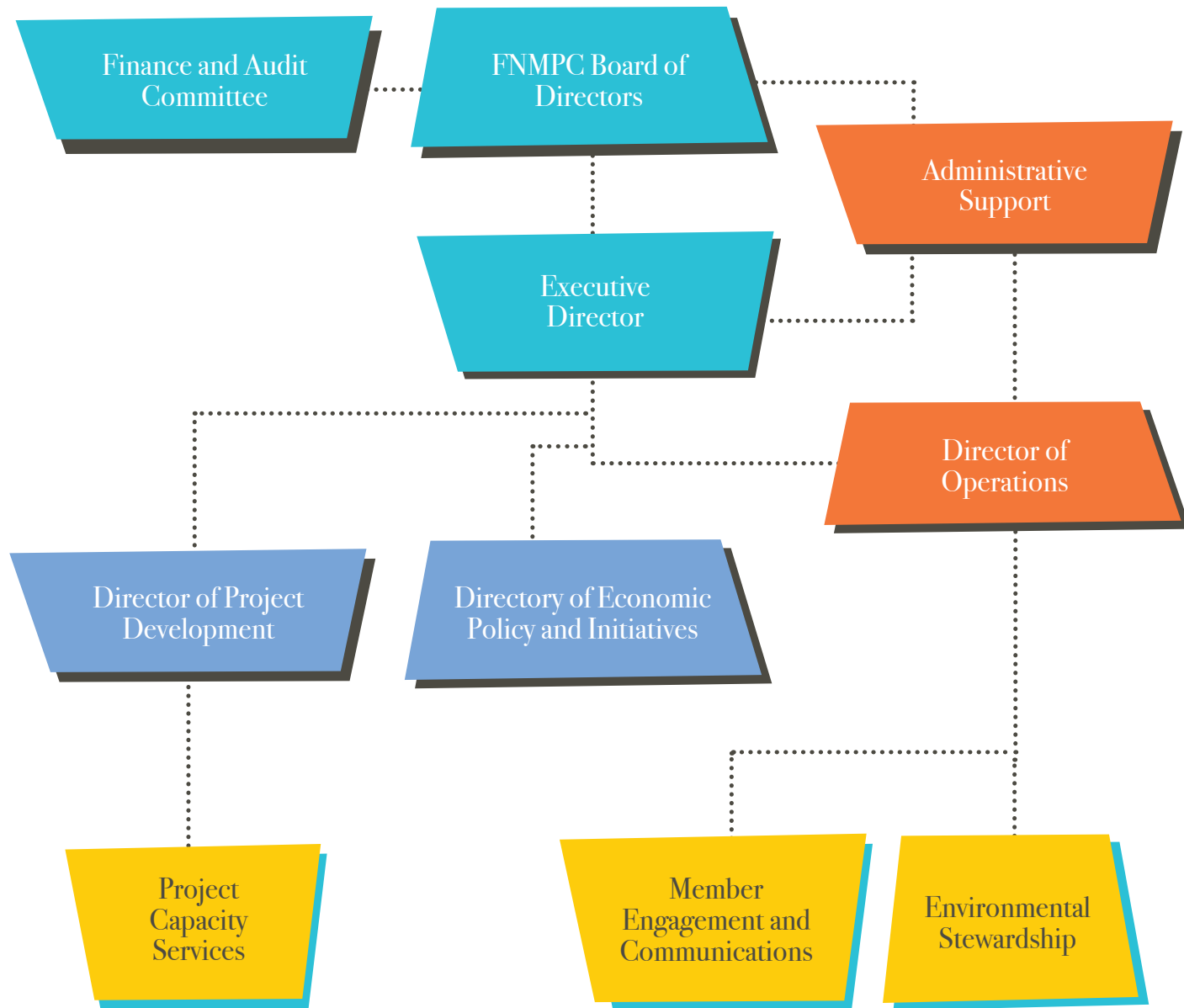
- » Bunibonibee Cree Nation (Oxford House)
- » Fox Lake Cree Nation
- » Norway House Cree Nation

ONTARIO

- » Chippewas of the Thames First Nation



2020/2021 FNMPC INTERNAL ORGANIZATIONAL CHART



BOARD of DIRECTORS

The FNMPC Board of Directors are appointed to serve by FNMPC members. Terms are staggered on 4, 3, and 2 year intervals. The terms of the appointment are outlined in the Bylaws. The Board of Directors are responsible for the governance of the FNMPC, including the approval of annual work plans and budgets.



CHIEF SHARLEEN GALE
Chair of the Board of Directors
(Fort Nelson First Nation)



CHIEF CORRINA LEWEEN
Vice Chair of the Board of Directors
(Cheslatta Carrier Nation)



CHIEF WILLIE BLACKWATER
Member of the Board of Directors
Chair of the Finance and Audit Committee
(Gitsegukla Band Council)



CHIEF PRISCILLA MUELLER
Member of the Board of Directors
(Saiik'iz First Nation)



COUNCILLOR SAVANA WALKINGBEAR
Member of the Board of Directors
(Thunderchild First Nation)



MAXWELL STEVENS
Member of the Board of Directors
(Upper Skeena Watershed Chiefs – Gitksan Nation)

THE MANAGEMENT TEAM

FNMPC's Management Team is responsible for the oversight and execution of the organization's strategy, objectives, and services to members.



NIILO EDWARDS Executive Director

Niilo is responsible for implementing the work plans and overall strategy of the FNMPC, and advice to the Board of Directors. He provides direction to the technical team and is responsible for leading the engagements FNMPC has with its members on major projects as well as acting as the primary contact for stakeholders and other external interests looking to engage with FNMPC.



ANGEL RANSOM Director of Operations and Impact Assessment Lead
(Member of Nak'azdli Whut'en)

Angel leads FNMPC's member-driven approach to the organization's environmental stewardship and impact assessment technical work. In this role, she provides tools and guidance to FNMPC members concerning provincial and federal environmental assessments of major projects. She also provides support to the Executive Director concerning the administrative and day-to-day functions of FNMPC.



BARRY VICKERS Director of Project Development
(Member of Saik'uz First Nation)

Barry leads FNMPC's project capacity services. He focuses on providing direct support to FNMPC members on large scale natural resource and infrastructure projects. Barry works with FNMPC members to help design an approach to project development that protects community interests while maximizing value for communities.



MARK PODLASLY Director of Economic Policy and Initiatives
(Member of Nlaka'pamux Nation)

Mark leads FNMPC's policy and research initiatives. In addition, he plays a dual role in supporting the Executive Director with engagements with external stakeholders and other interests, and he supports the Director of Project Development with project capacity support to FNMPC members.

TECHNICAL SUPPORT TEAM MEMBERS

- » JP Gladu, *Strategic Advisor*
- » Theresa Tait-Day, *Community Engagement*
- » Kelly Mortimer, *Communications (Four Directions Management Services)*
- » Dan George, *Facilitation (Four Directions Management Services)*
- » Scott Smith, *(Gowling WLG)*
- » Jason Calla and Dillon Johnson, *(Temixw Planning)*
- » Stephen Lidington, *(PwC - PricewaterhouseCoopers)*
- » Vinny Minett, *(Ernst & Young)*
- » Alistair MacDonald and Trefor Smith, *(Firelight Group)*

2020 ACTIVITIES

FNMPC follows an internal planning process and timeline for the development of its work plans. Each work plan is developed with high level guidance from the Board of Directors and is reviewed by FNMPC membership during the Annual General Meeting.

For 2020, FNMPC's Board of Directors instructed management to make adjustments to planned activities in light of the impacts of the COVID-19 pandemic. These adjustments include:

- » Expanded online communications and outreach presence.
- » Convening FNMPC Board meetings and member meetings virtually.
- » Project delivery services facilitated by small groups and through the establishment of Community Advisory Committees.

MAIN ACTIVITIES FOR 2020

ADVANCING MAJOR PROJECTS

The activities under this priority area include:

1. Addressing barriers to accessing capital and advancing discussions on options for Indigenous equity participation in projects;
2. Investigating best practices for indigenous engagement in project development and opportunities concerning indigenous ownership models, developing case studies on national and international examples of project governance and benefit sharing models that could be applied to major projects in Canada; identifying areas of need and opportunity, and providing recommendations to government;
3. Socialize benefits of equity ownership so that FNMPC members have a full understanding of the benefits of participation in major project development; and,
4. Deliver support services to FNMPC member communities to advance major projects in their territories.

ENVIRONMENTAL STEWARDSHIP AND LAND BASED PLANNING

The initiatives under this activity area include:

1. Capacity development for land use planning;
2. Training at the community level to support project readiness and participation in environmental assessment processes.

GOVERNANCE AND SOLUTION DEVELOPMENT

Initiatives under this activity area include:

1. Enabling First Nations to come together to discuss their business interests as a group;
2. Continuously improve FNMPC bylaws and support processes to meet the needs of the expanding FNMPC national membership.
3. Conduct consultative process with FNMPC members on revisions to the Project Identification and Capacity Support Guidelines.

STRATEGIC PARTNERSHIPS, BEST PRACTICES, AND ENGAGEMENT

Initiatives under this activity include:

1. Build relationships and awareness with industry around the work of the FNMPC, its business models, and services;
2. Work with government to build literacy within FNMPC member communities about changing policy frameworks and initiatives that may impact and enhance indigenous participation in projects and the economy overall;
3. Support FNMPC members in building effective relationships with industry to advance business interests;
4. Support effective communication between First Nations and proponents and provide tools for engaging communities. This includes FNMPC developing and implementing an enhanced communications strategy and online presence in the wake of the impacts of COVID-19 and,
5. Provide advice to government on policy, initiatives or other matters generally relating to major project development and economic inclusion of indigenous interests, including engagement with NRCAN and other federal departments on the establishment of the national benefits sharing framework for major projects on Indigenous territory.



ADVANCING MAJOR PROJECTS

Advancing major projects is the core of FNMPC's service delivery. FNMPC's technical team is active in supporting our member communities with tools, capacity supports, and advice related to corporate structures and benefit sharing models. We have assisted First Nations with developing creative financing solutions that help to break down some of the common barriers facing the financing of First Nation participation in major projects where capital costs can be in the millions of dollars. FNMPC also provides strategic advice to help our members position themselves to maximize benefits from their participation in projects for their communities.

Project Profile

NETOO HYDROPOWER PROJECT AT KENNEY DAM

The FNMPC first received a request for capacity support on the NeToo Hydropower Project in August 2017. Today, FNMPC is assisting Cheslatta Carrier Nation in exploring this project in collaboration with Rio Tinto. The vision is for a spillway and hydroelectric powerhouse to be built at the Kenney Dam site located southwest of Vanderhoof, BC. NeToo means “our water” in the Carrier dialect.

For Cheslatta, the NeToo Hydropower Project is more than just an economic development endeavour. It is also about reclamation and environmental improvement. Should the project be found to be commercially viable, it will assist in regulating the flows in the Nechako Reservoir which comprises part of Cheslatta’s traditional territory. Currently, without the NeToo Hydropower Project in place, the occurrence of flooding makes core parts of Cheslatta territory unusable.

This project is in the investigative study phase. FNMPC is providing a range of services to Cheslatta to support their engagement on the project, including the use of FNMPC’s member developed Major Projects Assessment Standards, which are helping to guide the terms of the environmental and habitat studies being carried out jointly between Rio Tinto and Cheslatta.

The project study phase will continue through 2021.

“Cheslatta Carrier Nation appreciates the capacity support being provided by FNMPC to our efforts on the NeToo Hydropower Project (Kenney Dam Water Release Facility). Cheslatta is a very small community and thanks to the support provided by FNMPC, we now have access to professional capacity and project coordination to help us make decisions that we would not have otherwise. The Ne Too Project is a landmark initiative between First Nations and Industry and would ultimately bring large scale and far-reaching environmental and economic benefits to many communities for generations to come.”

– **Mike Robertson,**
*Senior Policy Advisor, Cheslatta Carrier Nation
(British Columbia)*



Kenney Dam

Project Profile

COASTAL GAS LINK FIRST NATION EQUITY TRANSACTION

The First Nations Major Projects Coalition (FNMPC) involvement in the Coastal Gas Link Equity Transaction (CGL) represents the most complex and intensive capacity development undertaking by the FNMPC to date.

In the spring of 2019, TC Energy announced that it would sell up to 75% of the CGL project and that the sale would be conducted in two parts: 1) a commercial auction, and 2) a First Nation Set-Aside where the First Nations impacted by the project’s routing would be eligible to purchase equity in the project on commercial terms.

In May 2019, FNMPC members requested capacity support to participate in both the commercial process and the set-aside process. Within one month of receiving the mandate, FNMPC assisted 12 First Nations in establishing a Limited Partnership under which they have participated in both sale processes, referred to as CGL First Nation Limited Partnership (FNLP).

While FNLP made it to the final round of bidding during the commercial process, a competitive cost of capital necessary to complete the purchase of the equity could not be sourced, and FNLP was forced to leave the process. While disappointing, this result has provided FNMPC with a real time example of the challenges First Nations face in raising financing in the capital markets for equity investment in major projects. FNMPC has used this experience to further its work in assisting First Nations in breaking down these barriers for future major project opportunities.

Currently, FNMPC continues to provide advice and support to FNLP for their participation in the First Nations set-aside component of the equity transaction.

FNMPC has assisted FNLP First Nations in designing the project governance in a manner that has put community leadership in direct control of the day-to-day decision-making through a management committee. This was specifically designed to help FNLP communities build business capacity.

FNMPC’s support in the CGL Equity Transaction demonstrates the organization’s abilities to support its members with capacity and coordination services on large, complex, and commercially competitive transactions.



CGL First Nations Limited Partnership Board Meeting August 2019

With the help of FNMPC, the community driven approach to establishing the governance of CGLFNLP has ensured that community leaders are in control of the decision making. FNMPC has played a critical role in helping us execute a business strategy that places a focus on maximizing benefits for the communities involved while ensuring we are able to keep pace with the speed of the transaction.”

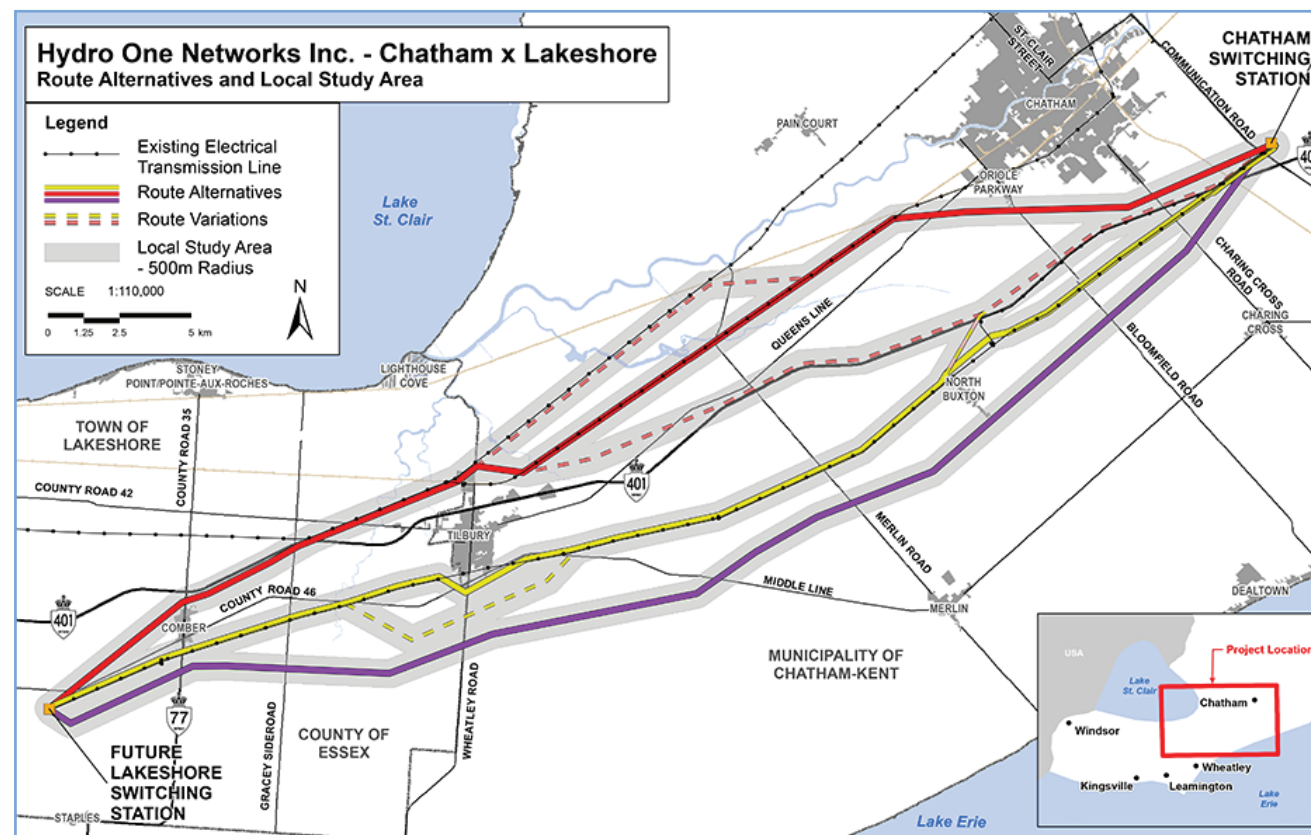
– **Chief Clayton Pountney,**
Lhiedli T’enneh First Nation, British Columbia

Project Profile

CHATHAM-KENT TO LAKESHORE TRANSMISSION LINE

In late 2019, FNMPC received a request from Chippewas of the Thames First Nation (COTTFN) concerning the Chatham-Kent to Lakeshore Transmission Line Project proposed to impact their territory along with other First Nations in the region.

In 2020, FNMPC has commenced work to support COTTFN in their engagement on this project and has deployed capacity support to help the community engage with the proponent on both the economic and environmental considerations of the project.



“As a leader, it is reassuring to know that we have access to the services of FNMPC and can bring in additional capacity support to help us make informed decisions on the projects that impact our lands and our people. Chippewas of the Thames First Nation is looking forward to having FNMPC assistance with the Chatham-Kent to Lakeshore Transmission Line Project.”

– Chief Jacqueline French,
Chippewas of the Thames First Nation
(Ontario)

A Case Study

INDIGENOUS OWNERSHIP OF ELECTRICITY INFRASTRUCTURE

In May 2020, FNMPC released *The Role of Indigenous People in Major Project Development - Part II - Indigenous Ownership of Electricity Infrastructure: A Case Study*, a sequel to the 2019 report *The Role of Indigenous People in Major Project Development: Paths for Indigenous Participation*.

These two reports detail how Indigenous and communities around the world are taking equity positions in energy generation, transmission and distribution projects. Yet despite this global phenomenon, BC progress in this area has been slow and challenging. The 2020 follow-up report details a detailed case study focused on the Kitimat Transmission Line, a hypothetical 16 BC First Nations-initiated 530 km 500kv direct current electricity transmission line from Prince George to Kitimat to service a Liquefied Natural Gas (LNG) liquefaction plant.

The report also details how the principles of the 2007 United Nations Declaration on Indigenous People (UNDRIP) can be leveraged to guide this equity ownership arrangement as well as provide First Nations with important “own source” revenues to enable ongoing advances in Indigenous self-determination and reconciliation for the betterment of all British Columbians.



ENVIRONMENT, SOCIAL AND GOVERNANCE STANDARDS

In early 2021, FNMPC will be releasing a report detailing the importance of direct Indigenous involvement in defining Environment, Social and Governance (ESG) standards.

Traditionally, project proponents and investors choose to invest in major projects based largely on financial performance factors like earnings, profit margins and debt levels. But in recent years, there has been a growing focus on considering additional ESG factors in evaluating projects. These factors include environmental impacts, social license with local and Indigenous communities, and governance questions around rights and responsibilities of project stakeholders. By using both financial and ESG criteria, decision-makers can more accurately assess the benefits and risks for a proposed venture.

Many project proponents and investors integrate ESG principles into their investment decisions. However, for the most part, the ESG standards they use are individually decided without Indigenous involvement. Without direct participation of Indigenous people in the formation of mutually acceptable ESG standards, overall project risk increases.

The FNMPC paper will present an overview of current ESG criteria currently in use in selected world and national contexts, as well as a discussion of how Indigenous-informed ESG standards could be implemented in Canada.



ENVIRONMENTAL STEWARDSHIP & LAND BASE PLANNING

The FNMPC Environmental Stewardship Technical Team (ESTT) continues to provide the Coalition and its members with support in all things environmental. Through the implementation of the Coalition's Environmental Stewardship Framework, the ESTT provides tools, resources, communication, networking, and feedback to government on how best to protect the air, waters, lands, wildlife and other resources that our members rely upon to practice their way of life and Aboriginal and Treaty rights.

In 2019-20, the ESTT built on our existing Major Project Assessment Standard, a ground-breaking set of principles and criteria with which to gauge whether a specific environmental assessment is being conducted to best practices required by Indigenous Nations, by adding five topic-specific environmental assessment Guidance Appendices on topics critical to our members.

Members also have access on demand to the ESTT's technical expertise. This expertise was utilized in 2019-20, for example, in the conduct of a workshop on Indigenous Land Use Planning, and in support for Cheslatta Nation in scoping their proposed impact assessment for the Ne Too Hydroelectric Project.

In conjunction with the Impact Assessment Agency of Canada's (IAAC) Indigenous Capacity Support Program (ICSP), the ESTT undertook a major 8-month project to develop an Indigenous-focussed guidance package to support Indigenous involvement in the new federal impact assessment process.

The new FNMPC guidance package is comprised of a 150-page technical Guide to Effective Indigenous Involvement in Federal Impact Assessment (the Guide) for FNMPC member Nations (and other First Nations), together with eight (8) companion videos that introduce key themes that are central to the Guide. Important aspects of this guidance package include:

- » Themes specially selected through consultation with the FNMPC's Environmental Advisory Technical Committee
- » Videos featuring FNMPC technical advisors, board members, staff and ESTT experts
- » Narration for each of the videos is provided by Angel Ransom, FNMPC Director of Operations and Environmental Lead
- » In September 2020, the Guide and the videos will be posted on the FNMPC website and made available to all Indigenous Nations across Canada
- » Over the next few years, the content in the Guide will be used to support the development of FNMPC training modules to be deployed in peer-to-peer training and regional workshops across Canada as part of the three-year strategic work plan that will be implemented by the ESTT with funding from the IAAC ICSP.



ENVIRONMENTAL STEWARDSHIP ADVISORY COMMITTEE MEMBERS

Tina Erickson - *Nak'azdli Whut'en*
Betty Patrick - *Lake Babine Nation*
James Rakochoy - *Cheslatta Carrier Nation*
Chris Apps - *Kitselas First Nation*

COMMUNITY ADVISORY COMMITTEES

A core principle of FNMPC's work is to build lasting business capacity within its member First Nation communities. Building off the success of establishing a "Management Committee" on the Coastal Gas Link Equity Transaction, FNMPC proposes to implement Community Advisory Committees on each of its identified projects where FNMPC is providing capacity support.

Community Advisory Committees will operate on terms of reference developed by FNMPC in collaboration with the impacted communities. Each terms of reference will be specific to individual project requirements, but promote the following common objectives a) to build community capacity around commercial business decisions b) to ensure the communities involved have a direct line of sight on project decision making c) to ensure all strategies used on a project are consistent with local community values and objectives.

FNMPC will facilitate each Committee's functions and provide resourcing and support to those functions as necessary.



GOVERNANCE & SOLUTION DEVELOPMENT

As a grass roots and member driven organization, the manner in which FNMPC interacts with and serves its members is at the core of who we are.

Up until the COVID-19 pandemic, members of FNMPC would gather at minimum twice a year for members meetings. These meetings are designed to not only inform members of the goings-on within the FNMPC, but to act as a key forum that brings First Nations together from different parts of the country to talk about shared interest in business, highlight best practices, and to form relationships.

Meetings are usually a two-day event with agendas focused on technical presentations and networking.

INTERNAL GOVERNANCE AND POLICY DEVELOPMENT

The governance and administration of the FNMPC follows a policy and process-based approach to decision making. FNMPC's Board of Directors take an active role in providing governance and direction to FNMPC's Executive Director, ensuring the vision and mandate of the organization continues to align with membership expectations.

TRANSPARENCY AND ACCOUNTABILITY

Transparency and accountability are important values to FNMPC. These values are exercised through processed-based decision making, sound financial management practices, and by providing regular updates to FNMPC members about the business of the organization.

FNMPC's Board of Directors have implemented controls and safeguards to ensure that organizational integrity remains on an ongoing basis. Some of these features include:

- » Establishing a Finance and Audit Committee to review financial and internal policy matters and make recommendations to the Board of Directors
- » Implementing a review policy for the performance of the Executive Director to be completed on an annual basis
- » Releasing audited financial statements and annual reports to membership

FNMPC FUNDING SOURCES

In keeping with the direction of membership when the FNMPC was first established, funding is sourced from provincial and federal government partners. This enables FNMPC to provide its services to its members free of charge. FNMPC develops work plans, based on members priorities, that outline each funding ask. The use of funds are reported annually in the audited financial statements.

STRATEGIC PARTNERSHIPS, BEST PRACTICES, & ENGAGEMENT

FNMPC continues to build a broad network of contacts across many sectors of Canada for the benefit of its members. In order to advance work in this area, FNMPC regularly engages with industry, government, and the academic sectors concerning its work.

Some highlights of this work over the past year include public presentations at the following events:

- › Canadian Council for Public-Private Partnerships annual conference
- › National Bank Financial Energy Investor Forum
- › Association of Consulting Engineers of Canada annual conference
- › Forum on Project Finance and P-3's
- › CPA Canada Oil and Gas annual conference
- › Indian Resource Council Major Projects Conference

In addition to these outreach and engagement activities, FNMPC representatives are regularly attending meetings with member communities, industry, and governments. FNMPC representatives can be found at major gatherings such as the Assembly of First Nations annual gathering BC AFN Business Forum, and many others.

ENGAGEMENT WITH GOVERNMENT

FNMPC regularly engages with governments at the federal and provincial level. Current FNMPC advocacy with government includes:

- › Access to capital concerning major projects
- › Developing an approach to project development that is inclusive to Indigenous interests
- › Working with government to design approaches to project impact assessment and environmental stewardship that reflect community values and interests



INDUSTRY ENGAGEMENT

On March 3 and 4, 2020 FNMPC held its largest ever Industry Engagement Event with over 250 delegates from First Nations, government, and industry in attendance. Participants gathered to engaged in presentations from keynote speakers and panels, as well as engage in constructive dialogue through facilitated roundtable sessions.

With Rio Tinto as the presenting sponsor of the event, the agenda highlighted success stories and best practices in Indigenous infrastructure and major projects while bringing multiple sectors together for an informed business conversation:

SOME OF THE HIGHLIGHTS INCLUDE:

- » Keynote presentation from National Bank Financial on the interplay between Canada’s financial sector and Indigenous infrastructure projects
- » A panel presentation on success in Indigenous led electricity infrastructure projects featuring Margaret Kenequanash of Watay Power
- » A legal panel discussing the implications of the United Nations Declaration on the Rights of Indigenous Peoples on major project development



Cultural performances were made by FNMPC’s own member of the Board Councillor Savana Walkingbear and his drum group from Treaty 6 territory as well as a hoop dance presentation by Kassandra Turbide of Saik’uz First Nation.

THE FIRST NATIONS MAJOR PROJECTS COALITION | 3RD ANNUAL INDUSTRY ENGAGEMENT EVENT

THANK YOU TO OUR 2020 SPONSORS

PRESENTING SPONSOR

RioTinto

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During the Industry Engagement Event, FNMPC held a press conference to release recommendations to the federal government on Indigenous led interests that should be considered as part of the federal government's efforts to establish a National Benefits Sharing Framework for major projects on Indigenous territory. FNMPC was joined at the news conference by Mark Romoff, President and CEO of the Canadian Council for Public-Private Partnerships, and by John Gamble, President and CEO of the Association of Consulting Engineers of Canada.



Discussion Panel at the 3rd Annual Industry Engagement Event



FNMPC IN THE COMMUNITY



Industry Engagement Event 2020



Angel Ransom



Financial Statements of

FIRST NATIONS MAJOR PROJECTS COALITION SOCIETY

And Independent Auditors' Report thereon
Year ended March 31, 2020



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INDEPENDENT AUDITORS' REPORT

To the Members of First Nations Major Projects Coalition Society

Report on the Financial Statements

Opinion

We have audited the financial statements of First Nations Major Projects Coalition Society (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2020
- the statement of operations and change in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Entity requires additional funding operate for the foreseeable future and there is currently no commitment from for any further funding. This condition raises substantial doubt about the Entity's ability to continue as a going concern.

As stated in Note 1 in the financial statements, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Reporting on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia) we report that, in our opinion, the accounting policies applied in preparing and presenting financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding period.



Chartered Professional Accountants

Vancouver, Canada
June 24, 2020

STATEMENT of FINANCIAL POSITION

March 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets:		
Cash	\$92,351	\$158,422
Accounts receivable	\$401,609	\$236,594
	\$493,960	\$395,016
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$342,233	\$248,528
Deferred revenue (note 3)	\$151,727	\$146,488
	\$493,960	\$395,016
Net assets	-	-
Economic dependence and going concern (note 1)		
Impact of COVID-19 (note 7)		
	\$493,960	\$395,016

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

STATEMENT of OPERATIONS AND CHANGE IN NET ASSETS

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Revenue (note 3):		
Indigenous Services Canada ("ISC") funding	\$ -	\$751,111
Province of British Columbia: environmental assessment and revitalization process funding	\$299,350	\$372,904
Ministry of Indigenous Relations and Reconciliation funding	\$100,000	\$400,000
Canadian Environmental Assessment Agency funding	\$352,271	\$138,512
Natural Resources Canada funding	\$1,350,000	\$62,500
Other revenue	\$429,731	\$52,025
	\$2,531,352	\$1,777,052
Expenses:		
Administration	\$239,372	\$173,715
Board of director meetings	\$150,980	\$138,405
Economic participation	\$699,784	\$436,387
Environmental stewardship	\$689,983	\$502,794
Outreach	\$520,823	\$154,289
Structure and governance	\$230,410	\$371,462
	\$2,531,352	\$1,777,052
Excess of revenue over expenses	-	-
Net assets, beginning of year	-	-
Net assets, end of year	\$ -	\$ -

See accompanying notes to financial statements.

STATEMENT of CASH FLOWS

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ –	\$ –
Changes in non-cash operating working capital:		
Accounts receivable	(\$165,015)	(\$79,467)
Accounts payable and accrued liabilities	\$93,705	(\$14,716)
Deferred revenues	\$5,239	\$4,918
Decrease in cash	(\$66,071)	(\$89,265)
Cash, beginning of year	\$158,422	\$247,687
Cash, end of year	\$ 92,351	\$ 158,422

See accompanying notes to financial statements.

NOTES to FINANCIAL STATEMENTS

Year ended March 31, 2020

1. Nature of operations, economic dependence and going concern:

(a) Nature of operations and economic dependence:

First Nations Major Projects Coalition Society (“FNMPC”) is a not-for-profit organization incorporated on March 8, 2017 under the Societies Act (British Columbia) and commenced operations on April 1, 2017. The purpose of FNMPC is to work collaboratively, cooperatively and cohesively towards the enhancement of the economic well-being of its members, understanding that a strong economy is reliant upon a healthy environment supported by vibrant cultures, languages and expressions of traditional laws.

FNMPC’s ongoing operations are dependent on continued funding from Natural Resources Canada and other British Columbia Provincial Agencies to carry out its programs.

(b) Going concern:

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations in Part III of the CPA Canada Handbook – *Accounting*, on a going concern basis, which presumes that FNMPC will be able to realize assets and discharge liabilities in the normal course of business for the foreseeable future.

FNMPC requires additional funding to carry out its business plan and there are currently no commitment from any funders to provide such funding. This condition raises substantial doubt about the FNMPC’s ability to continue as a going concern. FNMPC’s ability to continue as a going concern is dependent upon many factors, including the ability to obtain additional grants to enable it to generate sufficient cash flows from operations to fund its ongoing business. Directors continue to develop the operational plans in order to achieve further funding. The decision to fund FNMPC is ultimately at the funder’s discretion, and there is no guarantee that grant will be provided.

These financial statements do not give effect to adjustments, if any, which would be necessary should FNMPC be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the financial statements.

2. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

(a) Revenue recognition:

FNMPC follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred or the restrictions have been met.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(b) Contributed services:

Contributed services are recognized when a fair value can be reasonably estimated and when the services are used in the normal course of FNMPC's operations and would otherwise have been purchased.

(c) Contribution receivable:

FNMPC recognizes contributions receivable as an asset when the amount to be received can be reasonably estimated and the ultimate collection is reasonably assured.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. FNMPC has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, FNMPC determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount FNMPC expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Use of estimates:

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(f) Due to related party and related party transactions:

Related parties exist when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or common significant influence. Related parties also include management and immediate family members.

A related party transaction is a transfer of economic resources or obligations between related parties, or the provision of services by one party to a related party, regardless of whether any consideration is exchanged. The parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties.

3. Deferred revenue:

Deferred revenue represents funding received for programs to be carried out in the following fiscal year:

	BALANCE, BEGINNING OF YEAR	FUNDING RECEIVED OR RECEIVABLE	AMOUNTS RECOGNIZED AS REVENUE IN THE YEAR	BALANCE, END OF YEAR
Province of British Columbia: environmental and revitalization process funding	\$ -	\$299,350	(\$299,350)	\$ -
Ministry of Indigenous Relations and Reconciliation funding	\$ -	\$100,000	(\$100,000)	\$ -
Canadian Environmental Assessment Agency funding	\$146,488	\$308,296	(\$352,271)	\$102,513
Natural Resources Canada funding	\$ -	\$1,350,000	(\$1,350,000)	\$ -
Rio Tinto	\$ -	\$80,000	(\$31,106)	\$48,894
Corporate sponsorship & event registration	\$ -	\$134,420	(\$134,100)	\$320
Other funding	\$ -	\$264,525	(\$264,525)	\$ -
	\$146,488	\$2,536,591	(\$2,531,352)	\$151,727

4. Director remuneration:

For the year ended March 31, 2020, FNMPC paid total remuneration, including honorariums and reimbursement of expenses, to the following individuals in their capacity as directors of FNMPC:

	RENUMERATION	EXPENSES
Chair	\$29,400	\$12,721
Vice-chair	\$16,000	\$2,001
Treasurer	\$16,000	\$4,608
Director #1	\$18,000	\$971
Director #2	\$16,000	\$4,270
Director #3	\$19,000	\$4,831
	\$114,400	\$29,402

5. Employee and contractor remuneration:

For the year ended March 31, 2020, FNMPC paid total remuneration of \$1,281,704 (2019 - \$787,925) to nine (2019 - seven) contractors for services, each of whom received total annual remuneration of \$75,000 or greater.

6. Financial risks and concentration of risk:

FNMPC believes that it is not exposed to significant foreign currency, interest rate, market or credit risks arising from its financial instruments.

Liquidity risk is the risk that FNMPC will be unable to fulfill its obligations on a timely basis or at a reasonable cost. FNMPC manages its liquidity risk by monitoring its operating requirements. Refer to Note 1(b) for the going concern considerations.

7. COVID-19 and impact on operations:

During March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and the Province of British Columbia declared a state of emergency. The situation presents uncertainty over the FNMPC's future cash flows and may have a significant impact on the FNMPC's future operations. Potential impact on its business could include increases in expenses and/or reduction in revenue. As the situation is dynamic and the ultimate duration and magnitude of the impact on the economy are not known, an estimate on the financial effect on FNMPC is not determinable at this time.

