

NEWSLETTER TO THE “MEET THE NORTH” TRADE SHOW 2009



KITIKMEOT CORPORATION SPANS A WIDE VARIETY OF INDUSTRY SECTORS



Charlie Lyall
President & CEO

Welcome

I would like to welcome you to “Meet the North” 2009. It’s a pleasure to be attending the show, and we look forward to renewing our acquaintance with you – or it we haven’t met yet, making that acquaintance.

This Newsletter provides a summary of our joint venture partnerships, as well as introducing our Board and Staff Members to you.

Who Are We?

Kitikmeot Corporation (KC) is the business development arm of the Kitikmeot Inuit Association (KIA). We are 100% Inuit-owned, by KIA, but more importantly are working on behalf of all Inuit of our Region. This is one of the key factors that distinguishes KC from other Inuit-owned firms.

Our primary purpose, therefore,

is business development. We achieve this objective by developing and acquiring sound, profitable and sustainable businesses that will create business and employment opportunities, and contribute to the personal, economic, social and cultural wealth of the Region.

Our Joint Venture Companies

KC tends to structure, at most, only one or two joint venture companies per year.

This is because we take into account various factors before formally structuring a business relationship including industry potential, business potential, the ability of the company to generate training and employment for Inuit, asking whether it’s an opportunity that better suits a smaller Inuit-owned firm, and judging whether there seems to be good working ‘chemistry’ among the partners.

We have a number of success stories that have resulted from this approach. **Nuna Logistics** was one of our first, our partners being Nuna Logistics and Pilot Shipping.



Originally its focus was ice road construction, but it has since

expanded into such areas as open pit mining, earthworks, dike and dam construction, and large diameter drilling.

Another early entry in the mining sector was **Toromont Arctic Ltd.**, the Caterpillar dealer for much of the NWT and Nunavut.



Caterpillar provides sales and service from offices in Iqaluit, Rankin Inlet, and Cambridge Bay. More recently they have benefited from mining developments such as Hope Bay, Meadowbank, and Baffinland, and this success is continuing.

Camp catering and housekeeping are basic services that are required right from the exploration phase through to mine operation. For this reason we established **Kitikmeot Caterers**. This company has done extremely well since its inception. More recently, Horizon North Ltd. bought out our previous partner, and has now expanded the business into camp sales and rentals.

The Kitikmeot Inuit Association (KIA) has a Participation Agreement (PA) with Diavik Diamond Mine (Diavik is actually located outside our Region, however

negotiated the PA due to potential environmental impacts, and labour-force benefits). This PA has fostered various business development within KC.

For example, **I&D Management** was established in partnership with the Tlicho, Deton’ Cho, and Denesoline development corporations. It provides manpower services (recruitment and training) to Diavik.

Kitikmeot Cementation Mining & Development (KCMD) is also active at Diavik, providing underground mining services. Our Shareholders Agreement was signed with Cementation Canada in 2005. KCMD has an



excellent reputation with Diavik, and looks forward to a strong future as Diavik’s underground mine production gets underway.

Explosives is a major expense for any developing mine, and one of the better known suppliers in Western Canada is Explosives Ltd. out of Calgary. **Kitikmeot Explosives Ltd** is a joint venture with Explosives Ltd. A Shareholders Agreement was recently signed. This company is participating at Hope Bay.

Kitnuna Corporation is a joint venture between Kitikmeot Corporation and Nunasi Corporation, and was established with the purchase of Fred H.



Ross Ltd, an existing contractor and fuel distributor located in Cambridge Bay. Activities range from fuel distribution, to CAT trains, to environmental clean-ups and expediting. They are also a partner in Kitnuna Pharmacy, in Cambridge Bay.



With the discovery of diamonds in the NWT, and the establishment of Ekati (BHP) and Diavik (Rio Tinto) the company **Diamonds International Canada (DICAN)** was founded, with KC as a partner. DICAN is the Canadian Government diamond valuator for NWT and Nunavut.

A more recent introduction to the KC family of companies, also mining-related, is **Medic North Nunavut Ltd.** which provides emergency medical personnel to remote sites. We are quite proud of this new company, which is doing very well, and has a great reputation.

Another recent introduction to our family is **Ryfan Nunavut Inc.** This is a joint venture with Ryfan Electric of Yellowknife. They provide services in industrial electrical and mechanical contracting, and were active on the Hope Bay site this past season.

While the last two joint ventures mentioned are new introductions, **NCC Investment Group** was actually established prior to the official formation of Nunavut, it's mandate being to build the "foundational" infrastructure that would be required to house the new Government.

NCC's partners include ourselves, Nunasi Corporation, Qikiqtaaluk Corporation, and Sakku Investments. More recently its focus has been real estate management., as opposed to construction and development. This refocus has worked quite well.



While many of our joint ventures are mining-related, others, including NCC noted above, might be classed as "other services". Another example is **Top of the World 2000 Travel**, a full services travel agency located in Yellowknife. Our partnership is with Nunasi Corporation and the founding partners.

Making inroads in the northern property and casualty insurance market is **Nunavut Insurance Brokers**. This partnership with Nunasi, Sakku and Leipsic Insurance continues to grow, as great service pays off.

Kitikmeot Corporation is also a partner in two medical residences, these being **Larga Edmonton** and (currently under construction) **Larga Kitikmeot**.



These residences provide patients who are traveling from Nunavut (and in the case of Larga Edmonton, from Yellowknife) with a place to stay during medical treatment. We hope to have Larga Kitikmeot open later this fall.

And finally, **Nasittuq Corporation** is a partnership between ATCO Frontec and Pan Arctic Inuit Logistics, the latter consisting of seven development corporations (KC, Qikiqtaaluk, Sakku, Nunasi, Makivik, IDC and Labrador Inuit). Operates the North Warning System, formerly known as the DEW Line.



Kitikmeot Corporation has come a long way since it was established in 1990. It's successful expansion stems from solid Board direction, and the expertise and hard work of key staff members, and of its President, Charlie Lyall,

Our strengths are our strong organizational structure, business planning that is based on solid business principles, a strict due diligence process, and not being afraid to think and act in an innovate manner. At the same time, we seek to invest conservatively, safeguarding the capital with which we've been entrusted.

We look forward to a strong future, and to the many benefits that we will continue to generate for the Inuit of the Kitikmeot Region of Nunavut.







Kitikmeot communities, and more recently is a partner in Nunavut Broadband Corporation, which provides internet service on a pan-Nunavut basis. Darrell Ohokannoak and Richard Evalik manage PolarNet.



A MEETING WITH THE BOARD COMMITTED TO THE FUTURE OF THE KITIKMEOT







The structure of Kitikmeot Corporation's Board was recently improved. As opposed to having only community-based representation, the Kitikmeot Inuit Association (our sole shareholder) agreed to a structure that would include 1 appointee from the Kitikmeot Inuit Association, 2 Regional representatives (Constituency East and Constituency West) and 2 members that are elected based on business competency. This competency is obviously important on the KC Board given the business issues that arise on a regular basis, each requiring resolution based on sound business judgement. We welcome Wilf Wilcox and Kristine Lyall to our Board, in this capacity.

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AND THE EVER-SO-LOYAL STAFF MEMBERS ~ IT'S ALL IN A DAY'S WORK ~

Kitikmeot Corporation (KC) is staffed by an efficient complement of only six individuals (two of which are fully allocated to PolarNet). And given the number of joint ventures that KC oversees, combined with the important need to coordinate training and employment requirements for these joint ventures, along with various other duties, it often leads to some very busy times.

However each staff member comes to KC with a number of years of experience working with Inuit organizations. This experience, combined the group's expertise in basic business and economic development principles, has led to the establishment of joint venture partnerships that are diverse, well-structured, and strategically-positioned. Congratulations to the staff of KC.

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BATHURST INLET PORT & ROAD (BIPAR) A CORNERSTONE PROJECT FOR KITIKMEOT CORPORATION

The Bathurst Inlet Port & Road project is a development promoted by Kitikmeot Corporation and Nuna Logistics. The \$270 million project would include the construction of a dock, 18 large fuel storage tanks, a 211 km road to Contwoyto Lake, a 1,200 metre airstrip and two camps for about 200 workers.

During 2008/09 the BIPAR project received a severe blow, when OZ Minerals, owner of the Izok project (a massive zinc deposit that is land-locked) announced it would build its own road north to Gray's Bay on the Coronation Gulf.

However, more recently, with the slump in base metal prices, they announced their support for BIPAR, since without it the Izok project makes little financial sense. This puts BIPAR back on the table, and looking ahead to a bright future.



KITIKMEOT CORPORATION: A WIDE ARRAY OF JOINT VENTURES

Kitikmeot Corporation is a participant in a range of different business partnerships including:

- Nuna Group of Companies—open pit mining, earthworks, construction, large diameter drilling
- Kitikmeot Caterers—camp catering and housekeeping; sales and rentals of camps
- Kitnuna Corporation—site reclamation, fuel supply, maintenance, and the Kitnuna Pharmacy
- Kitikmeot Cementation Mining and Development—underground mining services
- Kitikmeot Explosives—provision of explosives products and services to the mining sector
- Toromont Arctic Ltd—Caterpillar dealer for Nunavut; heavy equipment sales and service
- I & D Management Services—provision of manpower to the mining industry in NWT & Nunavut
- Diamonds International Canada—Canadian Government diamond valuator for NWT & Nunavut
- Top of the World 2000 Travel—corporate, conference and pleasure travel
- Nunavut Insurance Brokers—provision of property and casualty insurance
- Larga Edmonton—medical residence in Edmonton for patients living in Nunavut & NWT
- Larga Kitikmeot—medical residence in Yellowknife for patients living in Nunavut (under construction)
- NCC Investment Group—real estate development & management
- Medic North Nunavut—emergency medical services to remote sites
- Ryfan Nunavut Inc.- industrial electrical and mechanical services to the mining industry
- Nasittuq Corporation—operating the North Warning System (also known as the DEW line)
- PolarNet—internet services to the Kitikmeot Region; partner in Nunavut Broadband Corporation

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