



2023 ANNUAL REPORT

MOVING FORWARD TOWARDS THE LIGHT

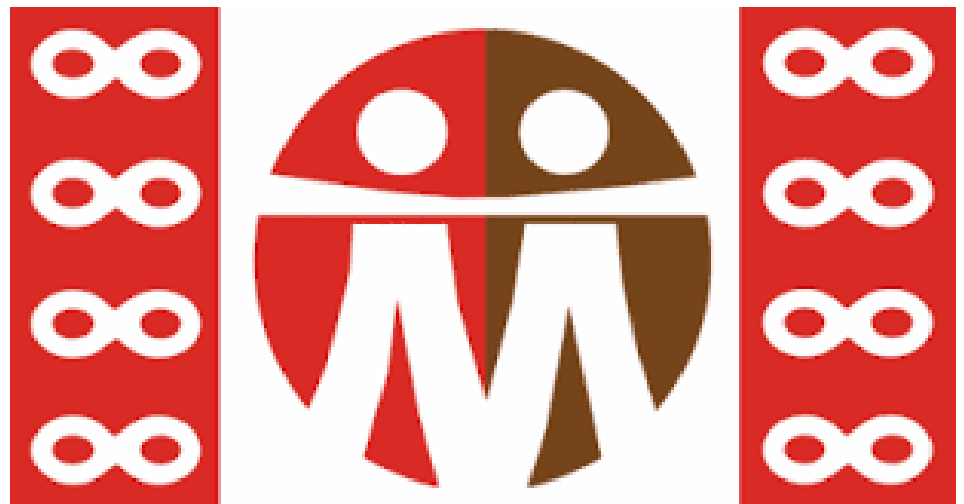
MÉTIS SETTLEMENTS DEVELOPMENT CORPORATION INFO@MSDCORP.CA



COMPANY OVERVIEW

Created for the advancement of the economic interests of the Métis Settlements in Alberta, the Métis Settlements Development Corporation (MSDC) will foster economic prosperity for the future through the formation of the Métis Settlements Limited Partnership (MSLP), with the purpose to connect those with like-minded interests participating in various large-scale investment opportunities that are mutually beneficial. MSDC is a certified Aboriginal business with the Canadian Council for Aboriginal Business.

MSDC is a social purpose investment management firm that will make strategic investments to build long term financial benefit for the Métis settlements as members of the MSLP using the principles outlined in our strategic plan. We focus on building an investment portfolio that is diverse and builds on key principles for generational economic prosperity, social good and environmental stewardship. We are built on a foundation of Métis values, knowledge, and culture.



MESSAGE FROM THE CHAIR



Tânsi,

I want to thank my fellow Board Members and our leadership team of Barbara McKenzie (CEO) and Anders Kruus (CFO) for all that has been achieved this year.

Métis Settlements Development Corporation was founded to build an organization that would secure investment opportunities that would generate revenues that could be shared with our Limited Partners. Our partners include the eight Métis Settlements as Limited Partners along with Métis Settlements General Council and Métis Settlements Strategic Initiatives.

We continue to work with the individual settlements to ensure we are working in a collaborative fashion and not infringing on their individual areas of interest.

Despite not having any investment capital to start, and thanks to Barbara McKenzie's networking and solicitation efforts we, to date, have entered into a Joint Venture agreement on a residential project in St. Albert expected to be generating returns as early as 2025 and a carbon credits venture.

We have announced the creation of an Investment Fund that we hope to have up and running in 2024 and have received capital to aid in the development, marketing, and initial startup costs.

In total MSDC has reviewed over fifty-eight opportunities and has thirteen in our active pipeline that we are reviewing with good potential to move forward on a minimum of three of them in 2024.

All this work by our management team has garnered MSDC a place on the prestigious [Indigenomics Top 10 to Watch](#) list which is an annual list demonstrating excellence and leadership in the emerging \$100-billion-dollar Indigenous economy. Started in 2019, the annual list recognizes business leadership in building economic reconciliation, inclusion and designing business relationships to support the growth of the Indigenous economy.

The MSDC strategic plan sets the direction and establishes goals for 2023 – 2027. We established six key strategic goals that will guide our growth and how we build an innovative investment fund that benefits the Métis Settlements of Alberta. These are:

- 1) Accountability – MSDC is accountable to its shareholders for a positive investment return. We are accountable to our investment partners and limited partners for effective and ethical decision making. We are accountable for the next seven generations to make investments that will build indigenous economic equality of the people of the Métis Settlements of Alberta.
- 2) Partnerships – MSDC will build long lasting, strategic, values aligned partnerships with industry, Indigenous communities, government, and all stakeholders to further indigenous economic equality.
- 3) Reputation – MSDC will uphold the highest standards to ensure it is well positioned as an investor and partner for all stakeholders. We will carefully manage our reputation and are responsible to our investment partners, limited partners, shareholder, and Métis communities as reputable, collaborative, and ethical in all our activities.

4) Social Purpose – MSDC is formed based on building indigenous economic equality. Our focus is on building economic opportunities that will benefit all Métis communities for the next seven generations. We will use environmental, social and governance (ESG) principles to guide our activities.

5) Economic Prosperity – The economic prosperity of MSDC is the economic prosperity of the Métis Settlements and our investment partners. We will build this economic prosperity utilizing strong decision-making principles, due diligence, and innovative approaches to building indigenous economic equality.

6) Indigenous Progress – We are a leader in Indigenous economic progress. We are an advocate for this progress and will position ourselves to favourably impact this progress with industry and all our stakeholders.

Finally, we are looking forward to a successful 2024 we expect to be recognized in Alberta as one of the leading Indigenous Investment Funds and establish true revenue generating investments that will allow for our growth and financial benefit for the Limited Partnership.

Brian Hjesvold
Board Chair

MESSAGE FROM THE CEO



Tânisi and Hello,

2023 was a year of fantastic opportunity and great challenges. 2023 was our first full year in operation under the direction of a CEO, with a permanent board chair and a strategic plan in place. We implemented our first business plan which provided operating guidance for three years so we can achieve the goal of generating economic returns for the Métis Settlements Limited Partnership.

MSDC, as a start up organization, requires a runway to build up its capacity, gain traction and grow a financial foundation. In 2023, despite our limited financial capacity both in operating and investment funds, MSDC was able to leverage unique joint venture structures and its internal capacity to build a reputation and create traction towards our goal of \$100M in assets under management by 2027.

Key challenges for MSDC, and myself as the CEO, was where we would access capital while developing a strong reputation and presence for MSDC, as well as building additional resource capacity. We are rich in opportunities as we see that economic reconciliation is high on the agenda of corporate Canada and there is a great deal of interest in organizations that can help create a path for them to meet their reconciliation action plans. Our impact and social focus provide a way for us to work with businesses, financial institutions, and investors on ways to access capital for our investments, including building the first Métis led impact investment fund which will launch in 2024. Finally, there is no lack of opportunity for MSDC to find investments and build a strong diversified portfolio across numerous industries, including bringing indigenous ownership to areas where there is a lack of representation.

I was proud in 2023 to bring on Anders Kruus as our fractional CFO and to work with Asokan Generational Developments, KastX and ATB Financial as we built our capacity to deliver on the many opportunities we are reviewing.

I have been privileged to lead this organization and work with so many outstanding leaders in building a strategy for MSDC. From our amazing board of Indigenous leaders, our growing team, our supporters and especially to the Métis Settlements, Métis Settlements General Council, and all the Métis Settlements leadership, the work is hard, but rewarding and together we will grow an amazing future.

Please review our annual report and see all that our small, mighty team has been able to accomplish in 2023.

Barbara McKenzie, EMBA
Chief Executive Officer

BOARD OF DIRECTORS

Brian Hjesvold – Board Chair

Justin Jimmy – Director, Finance and Audit Committee, Investment Committee

Michelle Swanson – Director

Marc Stachiw – Director

Alison Thompson – Director, Finance and Audit Committee, Investment Committee

Randy Anderson – West Settlement Representative

Mike Jacknife – East Settlement Representative



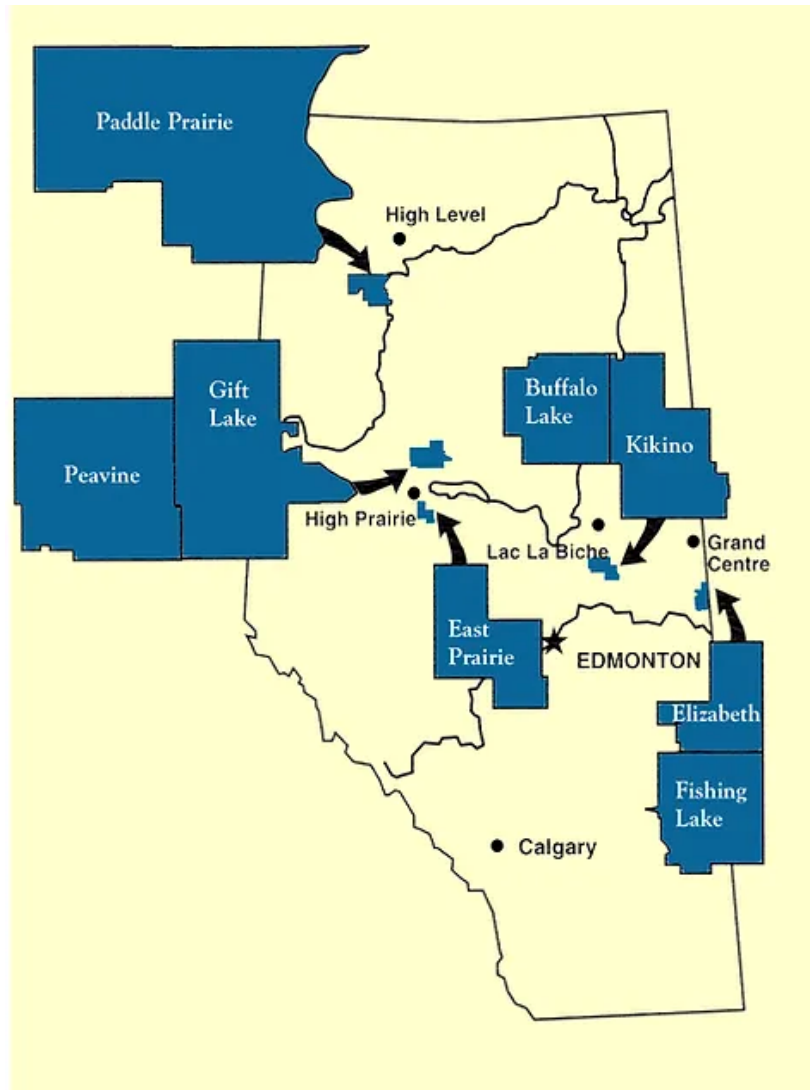
STAFF

Barbara McKenzie – CEO

Anders Kruus – CFO

MÉTIS SETTLEMENTS LIMITED PARTNERS

Gift Lake Métis Settlement
Paddle Prairie Métis Settlement
Elizabeth Métis Settlement
East Prairie Métis Settlement
Kikino Métis Settlements
Fishing Lake Métis Settlement
Buffalo Lake Métis Settlement
Peavine Métis Settlement
Métis Settlements General Council
Métis Settlements Strategic Training Initiatives





- Signed two joint venture agreements.



- Reviewed 58 opportunities.
- Secured \$100K in operational funding.



- Hired Fractional Chief Financial Officer
- Three Additional Settlements became MSLP Partners



- Won Prestigious Top Ten to Watch Award for 2023 from the Indigenomics Institute

CERTIFIED
Aboriginal Business



- Became a Certified Aboriginal Business with the Canadian Council for Aboriginal Business (CCAB)
- CEO, Barbara McKenzie joined CCAB Board

2023 HIGHLIGHTS

INVESTMENTS

- Acorn Developments – signed first joint venture agreement
- Aksiy Karbon Ltd – signed second joint venture agreement

OPERATIONS

- Welcomed Kikino, East Prairie and Fishing Lake Métis Settlements into the limited partnership.
- Appointed permanent board chair – Brian Hjesevold
- Chief Financial Officer onboard in July 2024
- Developed and approved 2023 – 2027 business plan in alignment with strategic plan developed in 2022.
- Métis Settlements Opportunities Fund – developed the Investment Policy Statement and fund documents for our first Impact Investment Fund
- Attended three Métis Settlements General Council Meetings

TRACTION

- Leads Generated: 101
- Reviewed 58 deal opportunities
 - Moved forward on fifteen opportunities
- Created awareness of MSDC at 14 conferences and 19 events
- Spoke at two conferences
- Increased social media and website presence

FUNDING

- Secured additional \$100K in funding from the Government of Alberta Indigenous Reconciliation grant





MANAGEMENT DISCUSSION AND ANALYSIS

2023 was MSDC's first full year of operations with a CEO and CFO. This has enabled MSDC to make considerable progress in establishing operational procedures, evaluating deal flow, and working towards gaining financial support from various investments. We were also able to sign our first two joint venture agreements.

As a startup organization MSDC recognizes that there is a four-to-five-year growth pattern to build out our operational team and our business growth.

- Year One – stand up board and bring in key executives
- Year Two – build out strategy, fill out leadership team, start exploration for initial opportunities
- Year Three – finalize team, expand opportunities search, close some smaller deals
- Year Four – positive revenue realization and dividends issued

The environment for MSDC continues to be a positive with significant opportunity for MSDC to build equity participation in projects and business. Currently, Indigenous economic reconciliation is in the general consciousness and corporate reconciliation action plans are looking for new ways to materially impact their relationships with Indigenous people. Our impact focus resonates with portfolio companies and investment partners.

There are increasing opportunities in energy transition, agriculture, and other industry segments that allow MSDC to bring Indigenous participation at lower valuations earlier on in the business lifecycle. There is an openness to developing unique structures that do not require significant upfront capital but will provide long term consistent returns for limited partnership. We have had the incredible opportunity to introduce people to MSDC and the Métis Settlements.

In 2023, we faced the biggest challenges that we will have as MSDC, access to capital. Taking a unique and creative approach we are beginning to build out investment structures and partnerships that will allow us to advance investment opportunities and enable MSDC to remain an operating concern. MSDC started with a very limited capital pool, not allowing for large scale investments to be made that would generate immediate returns in the first years of operation. Additionally, through our engagements with industry and Métis Settlements, we found that we would be best not to engage in activities that were competitive to the Settlements or that were on Settlement lands, therefore MSDC did not participate in any major project transactions through the AIOC. We sought out opportunities to add to our portfolio and where we could engage with AIOC that would benefit the Métis Settlements that were not located on Settlement land.

We were able to develop a joint venture structure where the MSLP was not required to put up any initial capital and would still be a significant joint venture partner. These partnerships are based on values aligned principles where all the partners want to advance economic reconciliation and partnering with MSDC brings a benefit to everyone. This joint venture structure created two joint Ventures – Acorn Developments and Askiy Karbon Ltd. Overall, these two opportunities provide us with a base of over \$100M of assets under management once they are launched and the first projects are funded. We are excited about these partnerships and more to come under this joint venture structure.

We worked diligently to fill our deal flow pipeline and found that companies are very engaged in looking at opportunities to partner with Indigenous organizations. In our first year of operation, we generated over 100 potential opportunities within our assessment framework. This led to 51 deals that we reviewed within our deal framework with

fifteen opportunities making it through to active due diligence. Of these we signed two joint ventures and continue to work on thirteen potential opportunities in 2024.

In addition, with the support of the board we undertook the development of an investment policy statement to develop our first investment fund. Collectively, we knew we needed to increase our access to capital beyond current debt financing channels. In conversations with investors, it became apparent that they are looking for a path to support indigenous economic reconciliation. The success of the Raven Capital Venture fund and the Go Parity loan programs show that there is interest by Canadian investors. There is a significant opportunity to build MSDCs investment capacity and its returns to the Settlements through our own impact investment fund, funded by private and institutional investors. Therefore, in November the board approved the Investment Policy Statement for the Métis Settlements Opportunity Fund. In 2024 we will launch the fund and begin to raise \$100M in capital to support investments that will benefit the Métis Settlements of Alberta.

We also accelerated our communications efforts to build out our network. Utilizing our CEO's strong network we were able to build opportunities for engagement with a broad audience and build a deal flow pipeline. In 2023 we spent a great deal of effort in understanding the environment in economic reconciliation and indigenous equity participation attending several key events such as the Indigenous Resource Council Conference, the First Nations Major Projects Coalition Conference, and the Indigenomics on Bay Street Conference. Additionally, we worked to access the network of investors and investment professionals through various engagements including moderating a panel on Indigenous Equity Participation at the invitation only Institutional Connect Conference. Finally, we worked to attend various industry events and spoke at the Edmonton Hydrogen Convention on a panel on how to access financing for Hydrogen projects.

We built up our website and Linked In presence and expanded our network to include 558 followers on Linked In and 1564 unique visitors on the website. We worked to engage with our limited partnership and presented to the Métis Settlements General Council three times during 2023 to update them on our progress. We also had the opportunity to meet with the Fishing Lake Métis Settlement Council and welcomed them into the limited partnership. We also built the opportunity to engage with the Métis Settlements General Council Economic Development and look for ways to work together for the benefit of the Settlements.

With our first operational year closed, MSDC is on a track to strong progress and worked diligently to move forward opportunities in 2024. We look forward to further expanding our investment portfolio, our ongoing engagement with the Métis Settlements and creating greater benefit for our limited partners.

PORTFOLIO COMPANIES



Acorn Developments is a joint venture with TLA Developments, based in Edmonton, Alberta, Canada to develop affordable housing options through purpose built rental housing projects that incorporate Indigenous, environmental, and social considerations. The first project in St. Albert, Alberta at Erin Ridge and is a \$100M multifamily affordable rental housing project. This single project will generate revenue year over year in rental income for at least 25 years. We are pursuing other affordable housing opportunities under this banner in other jurisdictions across Alberta. This partnership is long term with the opportunity for many multi-family affordable housing projects. We focus on integrated design, environmental and energy efficiency, and climate related building envelopes.

Askiy Karbon Ltd.

Askiy is a joint venture with Kabon-X Corporation and Âsokan Generational Developments to address critical environmental challenges while promoting the economic interests of Indigenous communities. Askiy pursues projects that will generate carbon credits for off sales to major emitters, generating income from credit sales as well as advancing projects that will contribute to the net-zero economy. This will have long term benefits for the Settlements with consistent credit trading to industry emitters as well as opportunities for Settlements to leverage carbon credit trading and creating additional income sources.





2024 OUTLOOK

- Launch Métis Settlements Opportunity Fund

INVESTMENTS

Business Investment

The development of a non-capital joint venture structure will allow us to increase participation and revenue generation without a capital requirement. This structure will include the reinvestment of capital into the joint venture once revenue has been generated and following disbursements to limited partners. We are exploring several opportunities that lend themselves to this strategy which will help us realize returns and issue dividends in 2024.



- Close three deals by end of June 2024

We will also explore the development of a real estate investment trust to maximize real estate returns. This may include working with private and Indigenous partners to explore the potential to establish an all-Indigenous real estate investment trust.

We anticipate closing on at least three of the investment opportunities in the active pipeline by end Q2 2024 with 50% of those generating revenue in 2024. As of January 2024, there are thirteen deals in the active pipeline that we continue to explore.



- Onboard Fractional Chief Investment Officer

Investment Fund

The Métis Settlements Opportunities Fund will launch in April 2024, with the announcement of MSDC Chief Investment Officer. In 2024, our goal is to obtain \$30M in inaugural funding for the total \$100M fund. This will allow us to review several opportunities for equity investment into seven potential portfolio companies and complete our first round of investments by end of 2024. MSDC will manage the fund and ensure that we have appropriate internal capacity for investor confidence and fund oversight.

Major Project Investment

There continues to be major project opportunities across key value chains in Critical Minerals, Agriculture, Infrastructure, and Energy Transition. MSDC will see out these opportunities and work with major project funders to find opportunities to invest in these projects. We see great opportunity in other potential projects in many areas of Alberta and Canada across the critical minerals value chain in the battery market, as well as technology developments across multiple clean technology projects.

OPERATIONS

Growing our operational team is a critical success factor. As we build our deal flow, we will continue to assess our operational capacity and build our team. In 2024 we will recruit a CIO, as well as bringing in investment analysis and communications support. We will also focus on using technology to keep MSDC a small and nimble team by considering automated due diligence systems. The MSDC board has capped MSDC operating costs, and we intend to ensure that we never exceed that cap.

OPPORTUNITIES

In 2024, we will continue to ensure we have a strong and consistent source of deal flow. Our criteria allow us to do accurate and efficient assessments of deals with potential. MSDC currently looks at opportunities in companies with robust growth or current positive cashflows. We engage with opportunities in seven key industry verticals – Energy (conventional and transition), Agriculture, Metals and Minerals, Infrastructure, Transportation, Real Estate, and the Services Industry. Our investment fund will also look at opportunities for equity investments in energy transition, agriculture, health, and indigenous led companies.

MSDC wants to collaborate with companies that are not only strong operating companies, but that will provide long term benefit to our communities and address some of the most challenging problems that we are experiencing today including climate change, food security and access to health care.

We are actively pursuing four joint ventures, two acquisitions and three equity opportunities across many industries including hydrogen, infrastructure, construction, service and supply, agriculture, labour, and health, in addition to reviewing due diligence information on the other opportunities in our pipeline. These opportunities total over \$150 million in potential assets under management.



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METIS SETTLEMENTS
DEVELOPMENT CORPORATION