



ANNUAL REPORT

Métis Settlements Limited Partnership 2022



METIS SETTLEMENTS
DEVELOPMENT CORPORATION



Contents

Company Overview	3
Message from the Chair	4
Message from the CEO.....	6
Board of Directors and Staff.....	7
Management Discussion and Analysis	8
2022 Business Highlights.....	8
Operations.....	8
Investments.....	9
2023 Future Outlook	10
Financial Statements	Error! Bookmark not defined.

Company Overview

Company Overview

Created for the advancement of the economic interests of the Métis Settlements in Alberta, the Métis Settlements Development Corporation 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.

Mission

To pursue the advancement and prosperity of economic interests for the Métis Settlements of Alberta.

Vision

To bring economic prosperity and independence to the Métis Settlements of Alberta, MSDC aims to support the Métis Settlements in Alberta by building strong mutually beneficial economic relationships, creating more opportunities for the settlements across the province.

Values

Our values guide us in creating economic prosperity and opportunity for the Métis Settlements of Alberta. Our land, our culture, our people, our future.

Honesty - Telling the truth. Leading in reliability, trustworthiness, transparency, loyalty, and sincerity.

Respect - Respecting diverse relationships through understanding, building trust, and creating mutual relationships.

Integrity - Demonstrating strong and sound moral and ethical principles; always doing the right thing.

Collaboration - Working together towards common goals and creating mutually beneficial relationships.

Message from the Chair

Brian Hjlesvold ICD.D PAED

Since November 2021, MSDC has been working to build its operational capacity and establish a trajectory for growth. In April 2022, our board began to work together to establish MSDC's governance structure. Part of this progression was to search for a CEO who was able to support the development of MSDC across both operational and investment priorities.



Our shareholder appointed board undertook several activities in 2022 including establishing and accepting a governance structure, building corporate vision, mission, and values to guide our work, and building a brand and website for MSDC, creating an initial operating structure including banking and accounting systems, building initial connections with financial institutions and industry, and assessing opportunities for investment.

Our board also evolved to seven members, with the addition of one Métis Settlements Representative from the East and West Settlements. Our Board are leaders in their industry and community with experience across Finance, Indigenous Engagement, Mergers and Acquisitions, Governance, Change Management, Renewable Energy and Clean Tech, and Entrepreneurship. In the first year the Chair Position was shared monthly between the Directors, and it was not until March 2023 a permanent Chair was selected to take on these duties, Brian Hjlesvold ICD.D PAED has accepted this position. This board has and continues to work diligently to ensure that MSDC is set up for success.

Following the appointment of our inaugural CEO in September 2022, the MSDC board and CEO engaged in a strategic planning session to set the direction and establish goals for 2023 – 2027 that would allow the CEO to build an operational business plan. 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.

Five Year Strategic Goals

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 for 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 for to our investment partners, limited partners, shareholder, and Métis communities to be seen 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 favorably impact this progress with industry and all our stakeholders.

We look forward to a long and productive future, and in 2023 have established an aggressive business plan that will allow for our growth and financial benefit for the limited partnership.

Finally, I would like to thank the inaugural board members – Alison Thompson, Michelle Swanson and Justin Jimmy for their hard work and diligence in incorporating MSDC and moving it forward over the course of 2022. This was a tremendous effort on their part, and their dedication and diligence have been pivotal in standing up MSDC.

Brian Hjlesvold ICD.D PAED
Board Chair



Message from the CEO

Barbara McKenzie, MBA

It is my distinct pleasure to be able to speak to you from my role as inaugural CEO of Métis Settlements Development Corporation. I am proud to be able to serve in this role and be part of the formation of this organization and the tremendous work we will be doing on economic reconciliation for the Métis settlements of Alberta.

First, I would like to take a moment to introduce myself and share my passion. My career has allowed me to take journeys in entrepreneurship, government, not-for profit, and corporate environments. I have always been passionate about innovation, diversity, and equity. I firmly believe that the only constant in life is change and we need to change and progress. I also am passionate about equal and equitable participation for all in our economy and society and have advocated for women's equitable participation throughout my career.

I am honored to take on this role and be able to work with the Métis Settlements to secure a place at all tables for Métis participation.

As a startup organization, which is deeply in my wheelhouse having started five of my own entrepreneurial ventures throughout my career and having helped build other organizations in the corporate environment, we are innovating and discovering at every step. Since Fall 2022 we have been making diligent and speedy progress towards our goals. In October, we developed our strategic plan, and followed by our 2023 – 27 business plans. An aggressive plan that lays out a trajectory for year over year incremental growth based on our strategic plan goals and principles.

In addition, we have proceeded with making deep, meaningful connections through targeted outreach to industry, community, and multiple stakeholders. This resulted in a deep interest in MSDC and its mission, a consistent and ongoing deal flow, and the ability to explore unique and diverse opportunities across our seven industry verticals.

I want to thank the board, the Métis Settlements Limited Partnership members, NRCAN and all our stakeholders for the ongoing support and commitment to growing MSDC for the long-term benefit of the Métis Settlements of Alberta.



Barbara McKenzie, MBA
CEO



Board of Directors and Staff



Brian Hilesvold
Board Chair



Justin Jimmy
Director



Marc Stachiw
Director



Michelle Swanson
Director



Alison Thompson
Director



Randy Anderson
Settlements West
Representative



Mike Jacknife
Settlements East
Representative



Barbara McKenzie
Chief Executive Officer

Management Discussion and Analysis

2022 Business Highlights

Operations

On November 25, 2021, the board of directors of Settlement Soonyaw Corporation (SSC) convened and passed a resolution, agreeing to take steps to form a new economic development entity for the benefit of the eight Métis Settlements of Alberta, called the Métis Settlements Development Corporation (MSDC).

Created for the advancement of the economic interests of the Métis Settlements in Alberta, the Métis Settlements Development Corporation 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.



The establishment of the MSDC is an important and positive step in the advancement of the economic interests of the Métis Settlements in Alberta, through seeking out assessing and investing in these opportunities on behalf of the Métis Settlements who choose to participate.

Métis Settlements Development Corporation was officially incorporated on January 1, 2022, by its inaugural board. Over the course of 2022, the MSDC board undertook the hard work on forming the organization, building the board, and bringing on the inaugural CEO. The board took on this work as an operational board with an eye to developing a strong governance board as the organization moved forward.

From January to June 2022, the following activities took place:

- ❖ Establish MSDC Mission, Vision and Values
- ❖ Branding and Marketing – developed the MSDC logo, website and Linked In Profile
- ❖ Operational – established email and initial IT infrastructure
- ❖ Established initial bank account to receive funding.
- ❖ Established D&O insurance.
- ❖ Executed CEO search.

In addition to this work, the Métis Settlements Limited Partnership (MSLP) was formed with MSDC as the general partner. The MSLP is funded by the Strategic Partnerships Initiative Program from the Government of Canada. Each limited settlement partner is provided with a \$30,000 allocation to buy into the limited partners, and each organization limited partner is provided a \$15,000 allocation. These allocations will be provided to the Settlements and organizations until March 31, 2024, at which time any additional partnership buy in will be assessed on the current market value of MSLP. The benefit of being a limited partner is that it provides for a

distribution of returns of the investments that MSLP undertakes. By end of 2022, we had five limited partners participating in the MSLP. These include:

- ❖ Gift Lake Métis Settlement
- ❖ Paddle Prairie Métis Settlement
- ❖ Elizabeth Métis Settlement
- ❖ Métis Settlements General Council
- ❖ Métis Settlements Strategic Training Initiatives

The board also brought on two additional board members and two representatives from the Métis Settlements East and West to bring the board to its full seven-member compliment. In fall, 2022 after an extensive search the board appointed its inaugural CEO, Barbara McKenzie. Following her appointment, in October 2022 the MSDC board held a strategic planning session which outlined goals for 2023 – 2027.

Investments

Critically, the MSDC board also undertook efforts to assess potential investment opportunities and building relationships with financial partners, as well as understanding how to work with the Alberta Indigenous Opportunities Corporation. MSDC has established seven industry sectors in which we are seeking opportunities – energy, metals, and minerals, infrastructure, transportation, agriculture, service industry and real estate.

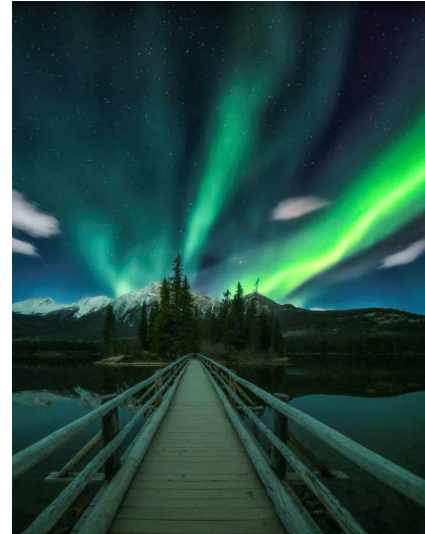
By the end of Q2 MSDC had created a list of 94 connections, companies, and opportunities with 46 outreach discussions conducted with various financial and investment institutions, potential industry partners and economic development organizations. In Q3 and Q4, the CEO undertook secondary connections with these 94 connections as well as outreach to over 200 other stakeholders, companies, and potential opportunities. Key learnings from this were:

- ❖ Overall, there is a strong recognition of the need for indigenous participation in not only major projects, but in all business activity and that business wants to address indigenous economic reconciliation.
- ❖ The challenge is in finding opportunities for the baseline \$20MM project investment with the stable predictable cashflow and low risk that is required by AIOC. AIOC has funded four projects since their formation in 2019.
- ❖ MSDC is not bound to participate with AIOC funding but must find opportunities where the project income supports the debt servicing required.
- ❖ There is no shortage of deal flow, and there are numerous opportunities in the energy transition and agriculture technology space, but this requires investment capital and cannot be supported by debt financing alone.



2023 Future Outlook

MSDC will become an innovative investment fund to create Métis economic opportunities and be a world leader in building indigenous economic equality. MSDC will provide a consistent flow of dividends to its limited partners. We will invest in a variety of economic opportunities that provide both short and long-term investment income. Today, we know that no major project, energy transition project or any project affecting land, environment, climate or touches indigenous lands will be built without concrete and economic indigenous participation. We know that forward looking industries are looking for innovative ways to accelerate indigenous economic participation.



To move this forward, MSDC is working on three pillars of investment:

1. Project Participation – in line with MSDC’s original mandate we will seek out opportunities to participate in major project equity participation with industry and indigenous collaborations and supported through the Alberta Indigenous Opportunities Corporation loan guarantee fund.
2. Business and Real Estate Acquisitions and Equity Participation – to build ongoing operating revenue streams for MSDC, support long term growth and bring indigenous economic participation across industries and organizations, MSDC is assessing opportunities that will allow for 30% - 100% equity participation in companies based on key criteria outlined in the business plan.
3. Métis Investment Fund – a key challenge for MSDC is its limited access to investment capital for smaller investments. The investment funds available at end of 2022 were \$117,030, this is a minimal amount of capital and will not effectively support MSDC in the long term. Therefore, MSDC is currently assessing the development of a \$100M investment fund that would solicit contributions from government, institutional and private investors.

In our strategic plan we identified five strategic objectives.

1. MSDC will have a minimum of \$100M in Assets Under Management
2. Our return on investment in our portfolio will meet a minimum standard of consumer price index plus 6%.
3. We will have a Diverse Asset Portfolio that has investments in multiple verticals, including but not limited to Infrastructure, Transportation, Energy, including traditional and emerging energy sources, Agriculture, Minerals & Mining, Telecommunications, Real Estate, Service Industry and Technology
4. We will endeavour to develop a portfolio comprised of low to medium risk Investments to build a strong operating base and initial investment portfolio.
5. We will develop a structure that enables us to provide a strong payout ratio to partners.

Balanced Scorecard Perspective

MSDC utilizes a balanced scorecard to establish its key performance indicators and cascades these to the business plan, operational unit plans and staff performance plans as the organization evolves.

Financial Perspective (How do we look to shareholders) – this includes our shareholder and limited partners	
<i>Goals</i>	<i>Measures</i>
\$100M in Assets Under Management	\$20M per year minimum
10% (CPI plus 6%) return on investment	Average 10% rate of return per year
Dividend Payout	As per the limited partnership agreement
Operating Costs	10% of overall assets under management to a cap of \$10M per year.

Customer Perspective (How do customers see us) – here we define customers as our investment partners and those companies we invest in.	
<i>Goals</i>	<i>Measures</i>
Accountability – MSDC is seen as highly accountable and responsive.	<ul style="list-style-type: none"> • Maintaining operating costs at cap • Responsive to investment inquiries. • Strong rubric for investment decision making. • Transparent reporting • MSDC is a leader in Indigenous Investment Management
Relationships with Métis Communities	<ul style="list-style-type: none"> • All Métis Settlements become limited partners by Year 2. • Opportunities for investments on Métis Settlements land identified. • MSDC is the trusted investment partner for all Métis Settlements
Relationships with other Indigenous Organizations	<ul style="list-style-type: none"> • MSDC is seen as a valued partner with other indigenous organizations in large investments
Leader in Indigenous Economic Reconciliation	<ul style="list-style-type: none"> • MSDC seen as a leader in Indigenous Investment Management

Innovation and Learning Perspective (Can we continue to improve and create value)	
<i>Goals</i>	<i>Measures</i>
Social Impact – our investments positively impact the Métis Settlements and communities.	<ul style="list-style-type: none"> • MSDC provides dividends as per the limited partnership agreement.
Sustainability – our investments create a sustainable, long-term flow of economic. return for the Métis Settlements	<ul style="list-style-type: none"> • MSDC has a positive rate of return year over year on investment portfolio

Financing Instruments – while managing risk, we undertake a variety of financing alternatives to create an innovative, balanced portfolio.	<ul style="list-style-type: none"> MSDC has a positive rate of return year over year on investment portfolio.
--	--

Internal Business Perspective (What must we excel at)	
<i>Goals</i>	<i>Measures</i>
Technology – MSDC maximizes the use of technology for efficient and effective business practices.	<ul style="list-style-type: none"> Technology stack framework created and deployed by Q3 2023 Utilization rate by team – 99%
Talent – MSDC will develop a diverse team, recruiting the best talent for its requirements, and developing a positive, supportive culture.	<ul style="list-style-type: none"> Key personnel in place to support and advance strategic goals. 90% retention rate for five years
Knowledge Management – MSDC will implement a comprehensive knowledge management system for reporting and relationship management.	<ul style="list-style-type: none"> Knowledge Management platform deployed by Q2 2023 Ability to create effective and efficient reporting. Tracking of deals and opportunities Customer relationship management
Communication – MSDC will have open, honest communication in all its practices, both internal and external.	<ul style="list-style-type: none"> Formal communication plan and practices developed and deployed by end of Q2 2023. Reputation Survey scores