

Paskwayak Business Development Corporation CORPORATE PLAN 2019-2023

PROGRESS AND INDEPENDENCE:
Building the Opaskwayak Cree Economy





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Message from the Chair

Tanisi,

On behalf of the Board of Directors for the Paskwayak Business Development Corporation (PBDC), I am proud to present our most ambitious plan yet to support the OCN vision of working together and harnessing our collective energy in order to champion the social and economic vitality of our Nation and invest in our overall Comprehensive Community Plan (CCP).

As leaders, setting plans that focus on what matters most is never easy. It involves making smart choices that will properly allocate our resources and make our business community more competitive, and ultimately more successful.

This plan is about our future and in that, our youth have never been a more important resource. New opportunities will give our young people reasons to dream and bring their innovative ideas to life on their traditional territory instead of elsewhere.

While we choose to adopt modern business practices, we take great care to honour the ways of our ancestors who always worked the land and lived in harmony with it for generations. Guided by our Elders, we weave our culture and traditions into our approach, which means making sure our business focus falls-in-line with our Ininev values.

I want to thank my fellow members on the Board of Directors for their tireless support and wise counsel without which, we would not be on course towards such a bright future. I also want to thank our professional and dedicated team at PBDC for their hard work and commitment to making this new business direction a reality in full cooperation with our Onekanew and Onushekewak, and with the guidance of our Katayak (Elders).



Ekosani,

Glen Ross, Chair
PBDC Board of Directors



Message from the CEO

Tanisi,

Leaving our community alone to navigate the muddy waters of change is not how OCN will prosper. At PBDC, it is our mission to help steer our people and resources on a clear path that will economically benefit our nation and help move its social progress forward.

Like our Board Chair, I am very proud to present our team's new Corporate Plan 2019-2023. Over the next five years, a new focus on being more efficient and competitive is set to grow our community's business and investment revenues to \$33M over the next five years.

Change is always a challenge, which is why we are building a working culture that bravely embraces new opportunities and strives to continuously improve. Only by constantly learning and striving to be better can we possibly hope to realize the full potential our ancestors envisioned.

Inside these pages, you will read about bold new ventures and other ideas whose time has come to take the spotlight. New opportunities in heavy industry, manufacturing, land leasing, aerospace, agriculture and tourism will secure our future in growth industries where OCN can claim a significant competitive advantage. By doing this, we can provide rewarding employment opportunities that will give our people even more reason to stay and take active part in rebuilding our nation.

Our strongest competitive advantage rests in our youth. They are the true source of our future progress and independence. With so many young people looking for opportunity and hungry for change, PBDC will be actively reaching out to schools and to our community with programs that will bring forward a new generation of young entrepreneurs with fresh ideas and new energy.

The entire PBDC team is particularly focused on organizational excellence to make sure we have the best possible people and that we're using their strengths to reach even higher levels of performance. Behind the scenes, we are also working to streamline our operations and focusing on the actions that matter most.

We openly acknowledge that we cannot do this alone. Our journey will involve many experts and supporters from many different walks of life, but most important will be working collaboratively within the OCN family itself to draw from their strength in order to meet the challenges of the day and those we have yet to face in the future.

On behalf of the entire PBDC team, we invite you to become part of that journey.



Ekosani,

Ginger Martin, CEO
PBDC



Opaskwayak Cree Nation

Located less than seven hours drive north of Winnipeg, the Opaskwayak Cree Nation is located beside the Town of the Pas along Highway 10 North.

OCN is situated in Treaty 5 Territory with total treaty lands being spread across 15,002 acres with the main reserve being found on 5,208 acres across from the town of The Pas. Other parcels of land can be found within the town limits of The Pas, north towards Clearwater Lake and Rocky Lake, and even Saskatchewan.

September 7, 1876

The Pas Treaty Band signed Treaty 5 that represented people from The Pas, Birch River, and Pas Mountain.

1968

The Department of Indian Affairs allowed The Pas Band of Indians to take over a very small portion of the financial and administrative services.

Early 1970's

The Pas Indian Band gradually assumes other programs, such as Public Works, Lands Administration, and Economic Development.

Opaskwayak Cree Nation is governed by the Onekanew (Chief), Vice-Onekanew (vice-Chief), and seven Onushekewuk (councilors). Unlike most First Nations in Canada, OCN has its own election code, make it one of the few in Canada. Elections are held every three years, and from the Onekanew to the Onushekewuk, each elected official is given portfolios to oversee on behalf of the community.



Why We Exist

Founded in 1987, the Paskwayak Business Development Corporation (PBDC) is a holding company owned in full by the Opaskwayak Cree Nation (OCN). PBDC's main objectives are to pursue business, investment and economic development opportunities that will grow OCN wealth and help it provide quality social programs that support the local Cree community.

PBDC manages a range of businesses and investments in high-performing sectors such as retail, commercial leasing, energy, hotels, cannabis, and more. Our community owned corporation also provides assistance to members looking to get into business with coaching, business and operations planning, finding startup capital, management training and ongoing support.

Paskwayak Business Development Corporation initiatives, investments and programs provide the Opaskwayak Cree Nation and its members with the most valuable of benefits, specifically the freedom to make their own choices.

Our Vision

Paskwayak Business Development Corporation will be a major economic force in Manitoba and the largest employer in our region.

Our Mission

Paskwayak Business Development Corporation will generate wealth through profitable business management and corporate operations, which will provide increased opportunities for training, employment and private business ownership.



Executive Summary

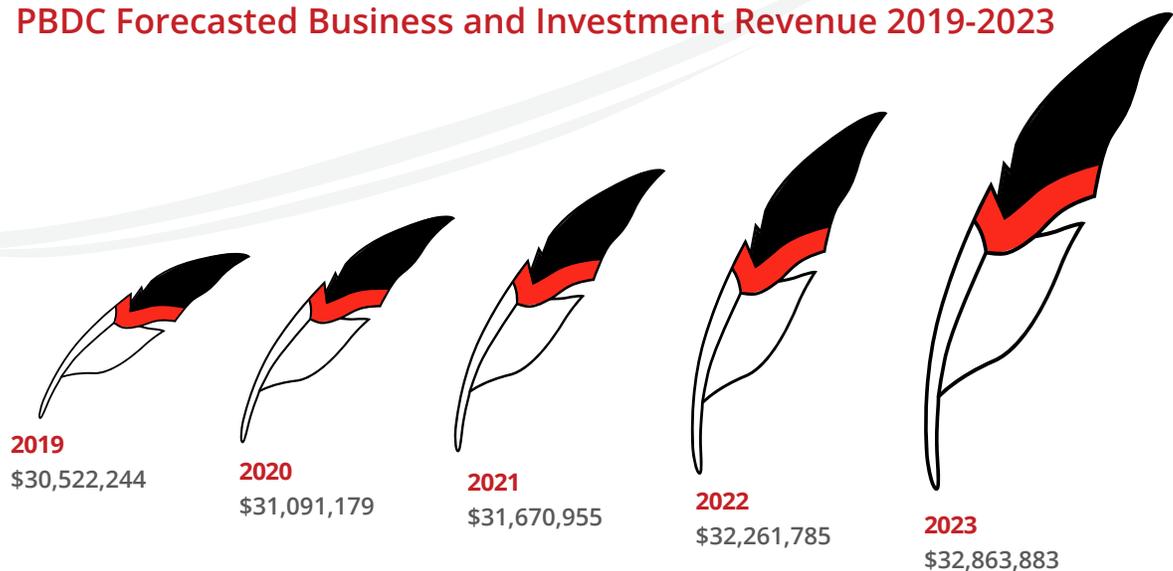
The Opaskwayak Cree Nation believes that *Progress and Independence* are the key to igniting our full potential. For millennia, our people have worked, traded and lived in balance with the earth. Today, our success as business leaders in Canada's North comes from interweaving our culture and traditions into our approach that sees our community leaning forward.

For over three decades, the Paskwayak Business Development Corporation (PBDC) has been the mechanism used to empower our people and ensure their economic independence. PBDC's main objectives are always to pursue business, investment and economic development opportunities that will grow OCN wealth and help it provide quality social programs that support our community.

Today, the Indigenous economy in Manitoba continue to flourish. Spending by Indigenous businesses, governments, and households together with spending on infrastructure amounted to \$9.3B in 2016[†].

Building on this momentum, the new PBDC Corporate Plan 2019-2023 maps out a renewed focus on being more efficient in our operations and more competitive with our choices. Over the next five years, organizational improvements and careful investing in growth industries will grow PBDC revenues to nearly \$33M (+9.6%) by 2023.

PBDC Forecasted Business and Investment Revenue 2019-2023



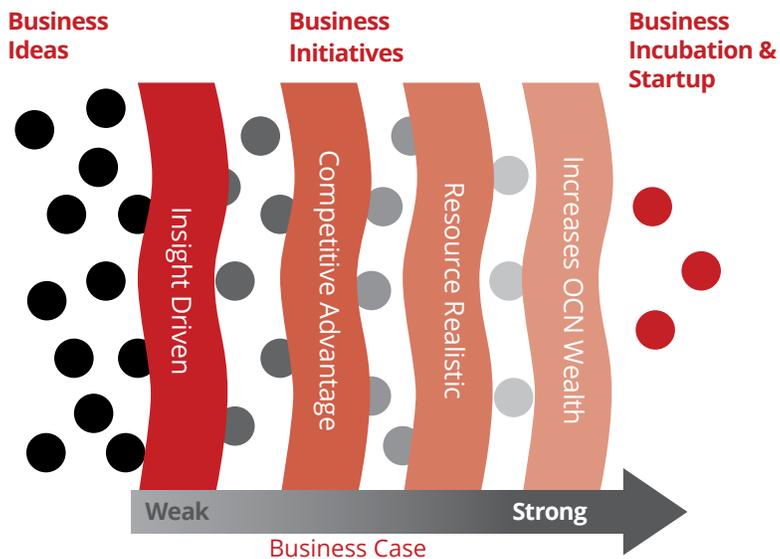
[†]. Indigenous Contributions to the Manitoba Economy, Manitoba Keewatinowi Okimakanak, Southern Chiefs' Organization and Rural Development Institute, Brandon University. January, 2019.

PBDC has decades of business experience to build-on with enterprises in hospitality, retail, fuel service and commercial leasing. Good choices and smart solutions are returning PBDC businesses to profitability across the board, and with proper financial management and close attention to improving operations and customer satisfaction, our managed businesses will continue to drive results and lead the way.

With new high-speed Internet connectivity comes new opportunities to engage with consumers who are most likely to buy from one of our businesses, or reach investors looking for new opportunities. More effective and coordinated digital marketing and communications will allow PBDC to impact these audiences and our own community like never before.

PBDC capital investments should always increase OCN wealth. Investment appraisals are very important given expensive and far-reaching consequences can flow from bad investment decisions. Set criteria that filter opportunities based on market data, their competitive strengths, resource demands and the future cash flows these ideas promise over time are allowing PBDC to analyze and evaluate projects like never before.

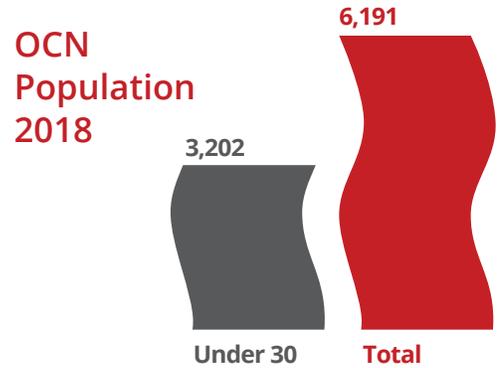
PBDC Business Opportunity Filters



On the road ahead, PBDC is actively engaged in reviewing new opportunities in heavy industry, manufacturing, aerospace, tourism, transportation and logistics and commercial leasing. With projected spending in the billions of dollars annually, PBDC is also continuing to aggressively promote its leadership stake in cannabis retail and financing to win market share.

Our economic future is riding on our ability to foster an entrepreneurial culture that inspires community members early in their education. Our population is growing at a greater rate than the province of Manitoba, and with over half of our people being under the age of 30, PBDC is investing now in programs that build the working culture necessary to ensure the future prosperity of our people and culture.

Our commitment to organizational excellence will see PBDC putting additional resources towards making sure that investment decisions continue to grow OCN wealth. New systems and processes are already improving our risk management and ensuring an appropriate return on business investments.



Growing a healthy workplace culture, especially for OCN youth who are the fastest growing segment of our population, is an absolute must if we want our people to succeed and grow. Investments in training along with more effective and modern recruitment and retention practices will see our people lift themselves up and lead the way for an entirely new generation of high-performing business professionals.

Past Results

Since 2016, PBDC has been engaged in a restructuring process designed to improve its performance. After thirty years in operation, the OCN owned corporation needed to modernize. To ensure a solid base for growth, the first task was a wholesale strategic review aimed at reducing costs and expenses, and re-negotiating agreements whose terms no longer benefited the community. Adjustments also needed to be made to bring financial and operating gearing down to industry standard levels, to reduce risk, and modernize our terms of reference and policies.

By and large, PBDC group of companies have been generating cash from their capital active in the business operations. For example, Otineka Mall posted a hearty cash flow return on investment of 8% in 2017. That same year, Kikiwak Inn delivered nearly a 30 percent return. After some wide swings in profitability, PBDC companies are now positioned for a smoother upward trend in profit margins. With few exceptions, PBDC businesses are using their capital in a profitable and efficient way on average compared to other industries, generating \$176M in total revenue over the past five years.

PBDC Total Business and Investment Revenue 2013-2018

| | 2013 | 2014 | 2015 | 2016 | 2017** | 2018* |
|-------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total | \$30,455,624 | \$30,683,169 | \$27,169,839 | \$27,924,689 | \$35,084,545 | \$29,881,957 |

*estimate **Includes share earnings for Paskawayak NAC LP



CORPORATE PLANS 2019-2023



ORGANIZATIONAL EXCELLENCE



BUSINESS MANAGEMENT



INVESTMENTS



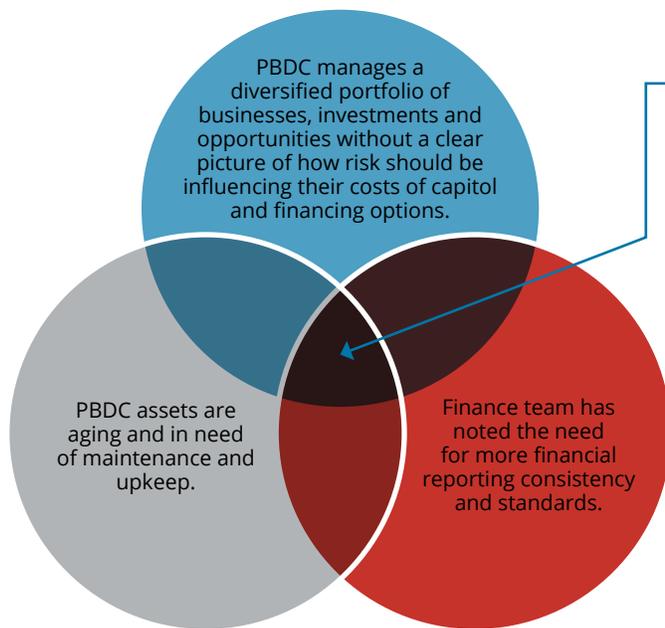
BUSINESS DEVELOPMENT

ORGANIZATIONAL EXCELLENCE

PBDC has set plans to make significant improvements to its departments overseeing finance and human resources, along with a new department and plans to market and communicate to important audiences.

1.0 Finance

Like any firm, the corporate finance team is responsible for advising the senior management team about investment and financing decisions, and managing the firm's cash flows. PBDC is preparing to grow its corporate finance capacity to ensure that OCN wealth grows, risk is properly managed and that PBDC executive and frontline managers have the support they need to properly manage existing and new ventures.



STRATEGIC INSIGHT

Corporate finance improvements will help PBDC better manage risk and demand an appropriate return on investments.



1.1 OBJECTIVE Effectively manage PBDC cash flow

GOAL Finance month end sees less than 2 monthly incidences¹ per business of finance policy and procedure non-compliance

Strategy Make PBDC frontline managers experts in the application of financial policies and procedures by training and regularly updating teams so that the finance department spends less time dealing with issues

1. 'incidence' defined as issue forwarded by accounting clerk to Finance lead requiring more than 2hrs to resolve

GOAL Relevant PBDC department and business year-end capital plan budget variance falls within \pm 10% of forecast

Strategy Manage Capital Assets by making sure they are properly inventoried and life-cycle needs are accurately costed so that PBDC departments and businesses can continue to efficiently service customers without disruption or unplanned capital expenses

1.2 OBJECTIVE Make investment decisions that grow OCN wealth

GOAL Select investments that provide an annual positive Net Present Value based on a minimum 7% cost-of-capital

Strategy Analyze investment opportunities and decide which ones to accept by engaging in a capital budgeting process so that OCN receives an appropriate cost of capital and has a diversified portfolio of investments to manage risk

2.0 Human Resources

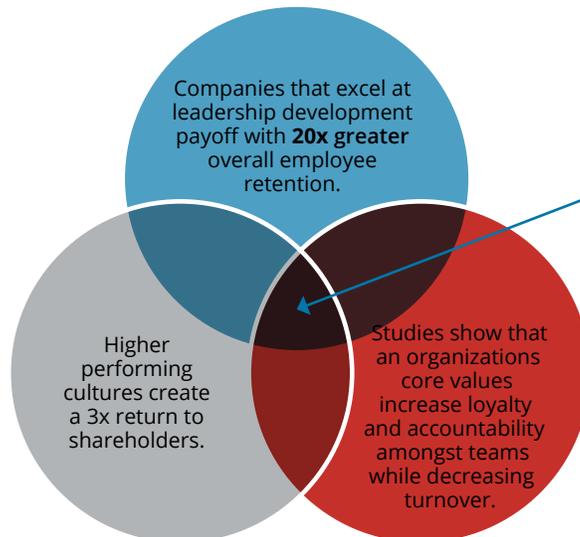
There's never been more of a need for a focused plan on attracting and retaining top talent. Companies excel because they invest in building a fantastic workplace culture, recruiting and retaining top talent, and making sure that positive, forward-moving change is embraced at all levels of the organization.

Workplace Culture

Companies that invest in building a high-performance culture not only retain the best employees, they also provide shareholders with higher returns. Replacing staff is far more expensive than keeping them happy.

“Train people well enough so they can leave, treat them well enough so they don't want to.”

– Sir Richard Branson



STRATEGIC INSIGHT

Growing a healthy workplace culture through leadership development, a high performance base, and genuine core values is the key to excellent results from your people. ²

2. Forbes, 2018. <https://www.forbes.com/sites/williamcraig/2018/07/03/leadership-practices-that-drive-results/#7a4353cebc67>
April, 2018. <https://www.mckinsey.com/business-functions/organization/our-insights/the-organization-blog/6-elements-to-create-a-high-performing-culture>
November, 2017. <https://www.forbes.com/sites/williamcraig/2017/11/21/8-ways-your-company-culture-directly-impacts-your-bottom-line/#25ffcd5067f0>

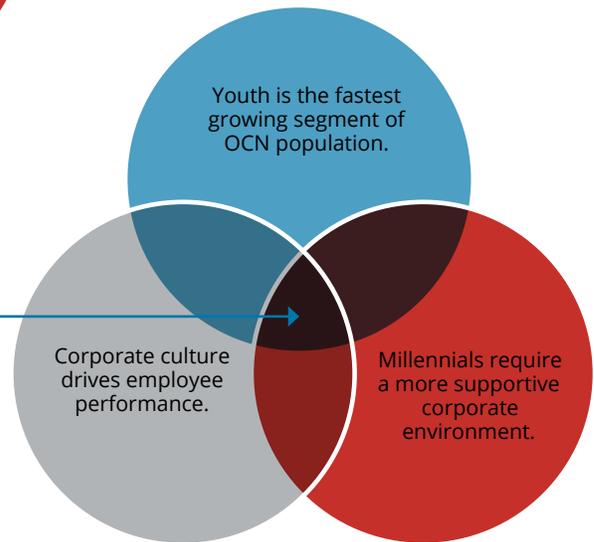


STRATEGIC INSIGHT

PBDC will implement employee programs focused on building job satisfaction in order to retain staff and cut turnover.

STRATEGIC INSIGHT

PBDC businesses need to focus on building the right climate for youth to succeed.



2.1 OBJECTIVE Grow a healthy workplace culture

GOAL To achieve an employee engagement rating of greater than 65% annually³

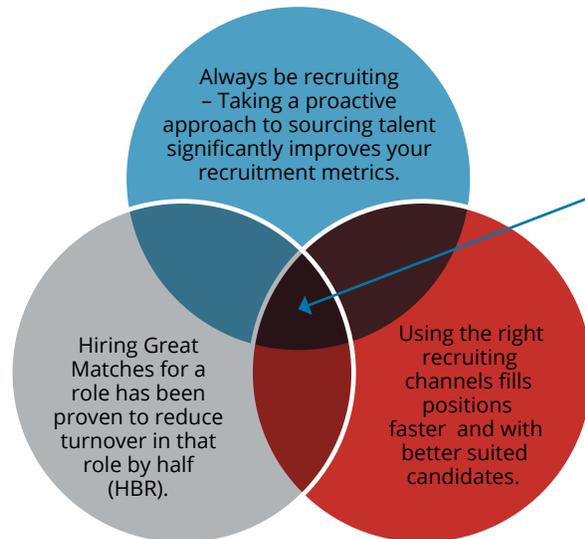
Strategies

1. Developing PBDC leadership through training and mentoring middle management and senior executives to increase team effectiveness, loyalty and engagement
2. Build a high-performance team by setting clear goals, measures and methods of accountability for PBDC leaders and frontline employees resulting in higher returns to the organization
3. Align teams more closely with corporate focus by establishing and implementing PBDC core values that will shape employee attitudes resulting in higher levels of employee engagement
4. Promote team building and celebrating success by implementing programs and making budget available so that frontline staff stay and love their job
5. Build a more supportive corporate environment for younger staff by providing leaders with training that teaches young workers patience, self-confidence, cooperation and the importance of interpersonal relationships

3. source: Harvard Business Review, 2008. <https://hbr.org/2008/01/harvard-business-ideacast-76-t> <https://govleaders.org/gallup-article.htm>

Recruitment and Retention

Life happens, and so no matter how carefully you plan, employee turnover will happen leaving jobs that need to be filled. Proactive organizations never stop looking and attracting great talent and making sure they're the best fit for the organization.



STRATEGIC INSIGHT

AS PBDC looks towards business growth, it is more important than ever to have a strong recruitment and retention plan involving their current leaders and talent.⁴



2.2 OBJECTIVE Recruit and retain great people

GOAL To reduce the rate for employee turnover by half to 30%

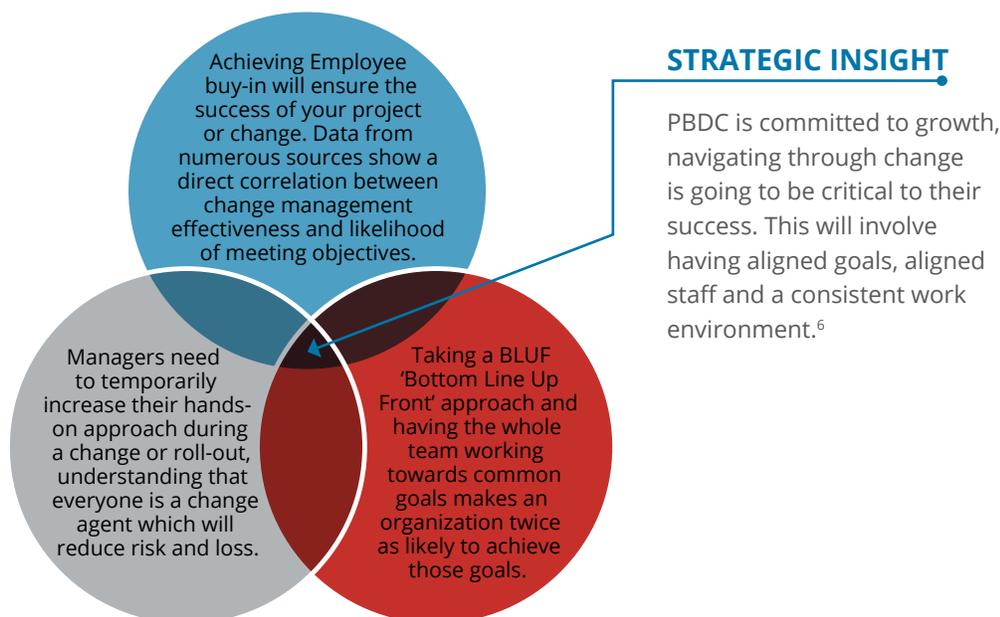
Strategies

1. Fill job vacancies more quickly with the 'right' candidates by anticipating upcoming vacancies and filling the PBDC HR database with pre-screened talent so that the time required to fill roles is reduced
2. Make sure new leadership hires display needed behaviours by working with department staff and senior management to profile the candidate who would be the best match increasing their success in the role, team support and job satisfaction
3. Engage with a greater number of qualified candidates by using the best suited recruiting channels resulting in more targeted and efficient use of the PBDC recruiting budget

4. sources: Harvard Business Review, 2018. <https://hbr.org/2018/01/how-to-hire>
McQuaig Institute, April 2015. <https://blog.mcquaig.com/the-3-recruiting-channels-that-deliver-the-best-candidates>
Entrepreneur, February 5, 2019. <https://www.entrepreneur.com/article/76182>

Change Management

PBDC's renewal and modernization will improve operations and returns, but these changes will impact PBDC staff, customers and partners. Properly managing through big, important changes will ensure that the planned benefits are realized and that PBDC staff morale and performance remains high.



2.3 OBJECTIVE Successfully navigate through change

GOAL To achieve an employee engagement rating of greater than 65% annually

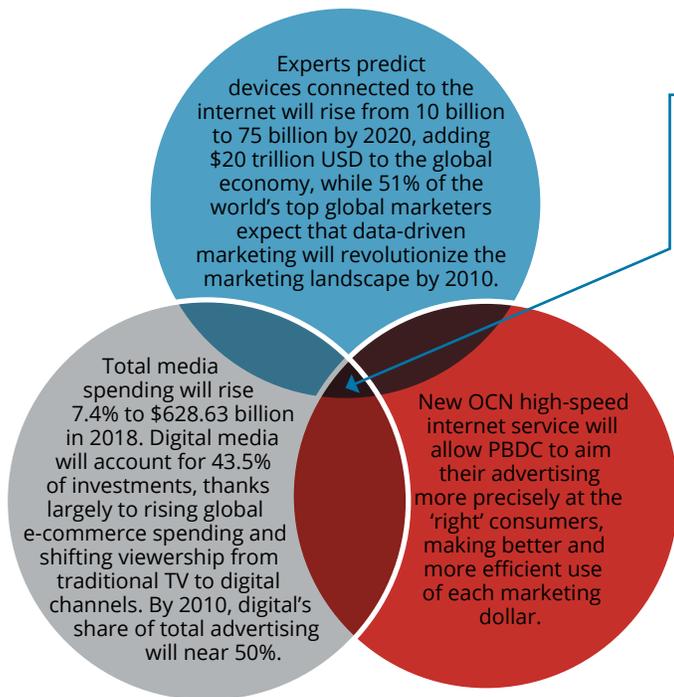
Strategies

1. Ensure important organizational changes are understood by taking a Bottom Line Up Front (BLUF) approach so that all staff support the change and do their part to ensure the changes bring about the desired result(s)
2. Gain stronger employee buy-in for proposed changes by taking time to actively listen to employee concerns and make plans to address their feedback so that employee comfort and support increases
3. Immediately address difficulties arising from implemented changes by embedding a senior management presence in daily operations so employee and guest questions and concerns are more instantly addressed ensuring business continuity

6. sources: Forbes, 2017. <https://www.forbes.com/sites/williamcraig/2017/12/12/successful-tips-for-leading-your-team-through-change/#34aa01f11c4b>
Fortune, 2015. <http://fortune.com/2015/10/22/change-leaders-managers/>
<https://blog.prosci.com/the-bottom-line-of-change-management>

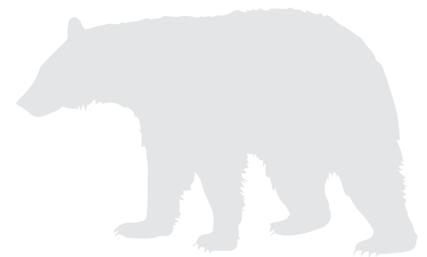
3.0 Marketing

Successful businesses built themselves up on the backs of a great product or service, and marketing that moved consumers to buy. While industry opinions vary widely as to how much sales revenue each marketing dollar will generate, it's accepted that marketing works, provided you take an approach that respects the power and authority of consumers, and caters to their online habits, tastes and preferences. New high-speed internet service on OCN territory opens-up PBDC to new and more effectively digital marketing techniques that when matched with the collective market power and reach of our network, will drive business like never before.



STRATEGIC INSIGHT

PBDC retail facing businesses each have business challenges that better and more coordinated digital marketing can solve.⁷



3.1 OBJECTIVE Increase PBDC retail awareness and sales

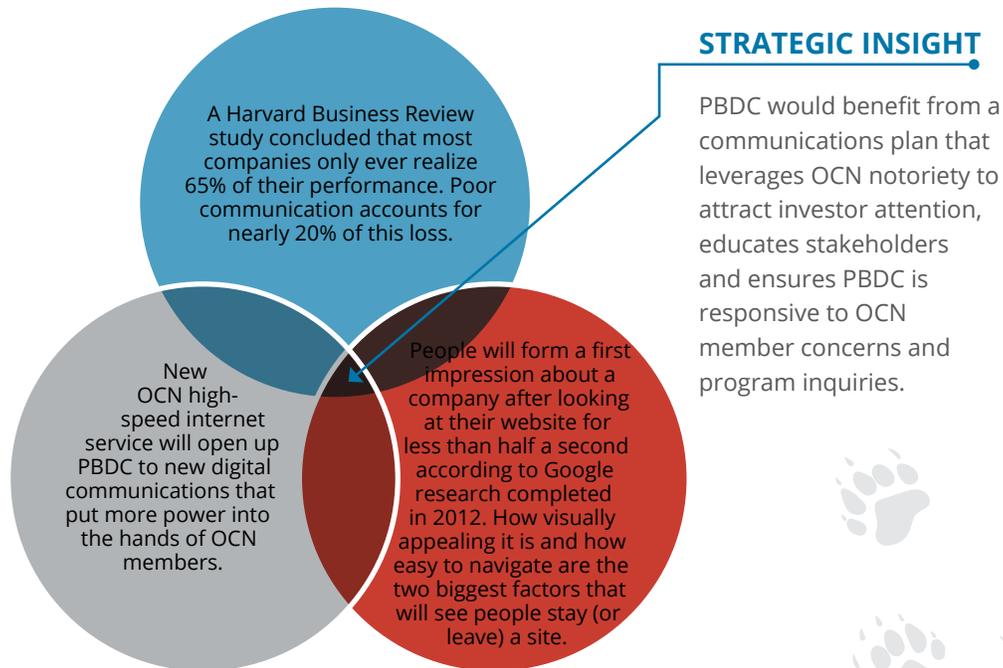
GOAL Launch digital marketing campaigns that increase sales 3% over previous period

Strategy Build a digital marketing campaign approach that reaches and engages PBDC retail target audiences, so they visit and make a purchase

7. Source: Global Ad Spending, eMarketer, May 2018. <https://www.emarketer.com/content/emarketer-total-media-ad-spending-worldwide-will-rise-7-4-in-2018>

4.0 Corporate Communications

OCN has a strong reputation in Canada's North and is seen across the country as a leader in economic development. Harnessing this reputation, or 'brand' as some would call it, will open PBDC up to higher levels of community buy-in and program uptake. It will also fuel new investment interest and reassure funders and stakeholders that PBDC efforts are getting the returns that matter most.



4.1 OBJECTIVE Enhance PBDC corporate reputation

GOAL Increase Net Promoter Score by 5% annually

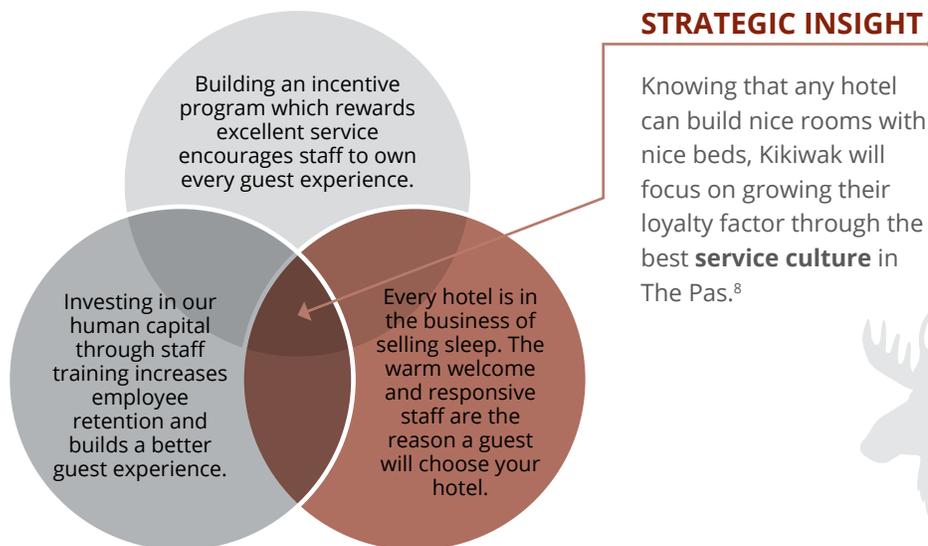
Strategy Manage corporate reputation by proactively engaging with stakeholders on digital channels so that awareness and support for PBDC programs and actions grows

BUSINESS MANAGEMENT

PBDC has decades of business experience to build-on with enterprises in hotels, sports retail, fuel service stations and shopping centre retail. Smart choices and smart solutions are returning PBDC businesses to profitability across the board, and with proper financial management and close attention to improving operations and customer satisfaction, our managed businesses will continue to drive results and lead the way.

1.0 Kikiwak Inn

One of PBDC's most profitable businesses, guest service and marketing will see the Kikiwak Inn post even stronger results. With an average occupancy rate of 88%, the hotel is a smart bet for future expansion investments given its strong revenue potential and efficiency with capital.



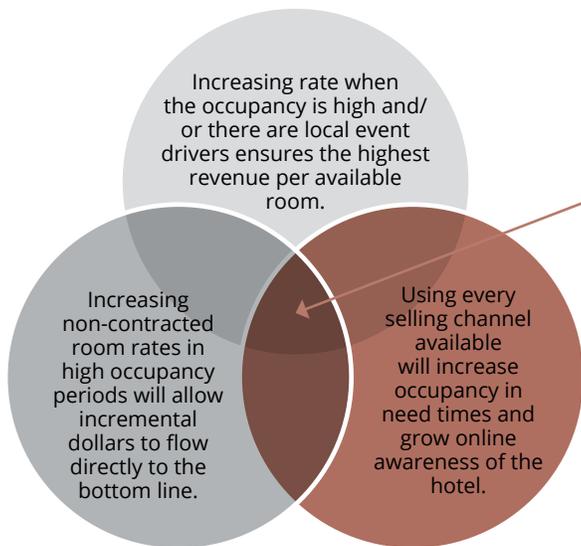
1.1 OBJECTIVE Make Kikiwak Inn the top hotel, meetings and conference business of choice in the North

GOAL Improve profits by 5% year over year

Strategies

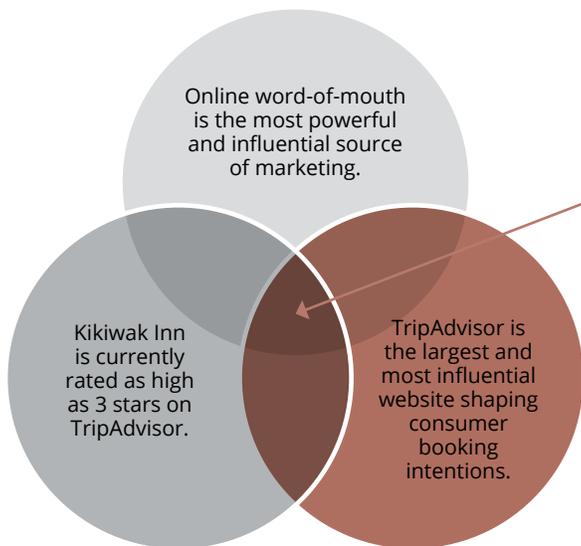
1. Build a *service culture* by training employees on excellent service and putting rewards into place when great guest comments are made for all Kikiwak team members resulting in a culture of accountability, ownership and pride
2. Set hotel rates that better reflect yield and demand by putting the right guests in the right rooms at the right time for the right price resulting in an increase in Revenue per Available Room (RevPar)

8. <https://www.marketingweek.com/2018/09/18/how-customer-experience-impacts-the-bottom-line/>
https://www.hotelexecutive.com/business_review/299/the-battle-of-hotel-brand-standards-and-the-effect-on-the-bottom-line



STRATEGIC INSIGHT

Focusing on growing the hotels **Revenue per Available Room** (RevPar) through focusing on rate flexibility and every available booking channel will directly impact the hotel profits.



STRATEGIC INSIGHT

Engaging with the **online customer reviews** shows guests that we care about their hotel stay. This simple act drives guest loyalty and improves the hotels professional reputation.⁹

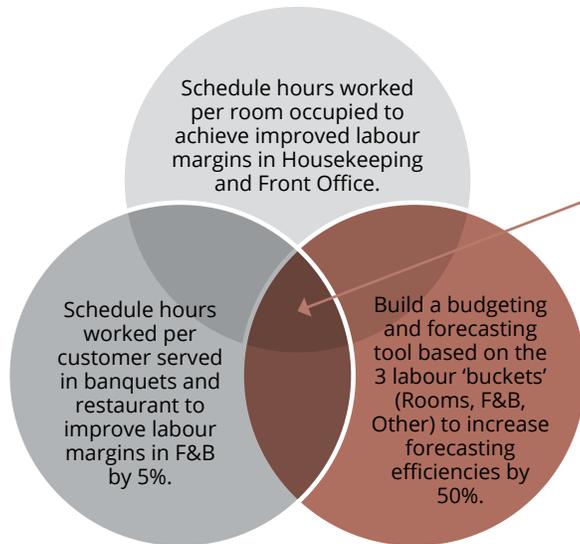
1.2 OBJECTIVE Grow Kikiwak Inn’s reputation as a wonderful place to stay

GOAL Increase the amount of positive comments on TripAdvisor by 12 Four Star comments per year

Strategy Improve online reputation by properly managing TripAdvisor ratings and reviews so that online consumers shopping for local hotel stays are influenced to book with the Kikiwak Inn

9. sources: Travel Weekly, 2014. <https://www.travelweekly.com/Travel-News/Online-Travel/The-growing-influence-of-TripAdvisor>
 Hotel Management, 2018. <https://www.hotelmanagement.net/operate/why-hoteliers-can-t-ignore-tripadvisor>

STRATEGIC INSIGHT



Through building **productivity guidelines** in the 3 labour buckets of the hotel, schedules can be built to service volume and budgets can be built to accurately predict labour dollars.¹⁰

Goal Increase combined labour profit by 7.5%.

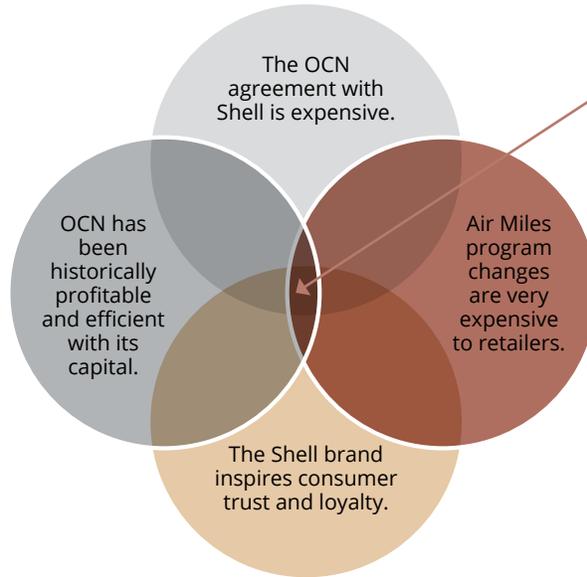
Strategy Improve labour productivity by measuring the labour hours needed per customer so the measures can be used to improve scheduling and budgeting.

10. sources: Economist, 2004. <https://www.economist.com/finance-and-economics/2004/11/04/a-productivity-primer>

Hotel Financial Coach, 2018. <https://hotelfinancialcoach.us3.list-manage.com/track/click?u=434c47086147aea6413abb043&id=c315ea53c4&e=5601ccd974>

2.0 OCN Shell

Historically profitable and efficient, this busy PBDC managed gas station and retail operation has the potential to do even more with the right branding in place and capital improvements to its retail space.



STRATEGIC INSIGHT

OCN could part with Shell but partial savings would need to be spent (at least largely in short- to mid-term) on contract exit, branding and marketing.

2.1 OBJECTIVE Grow OCN Shell business

Goal Increase OCN Shell profits by 2% annually

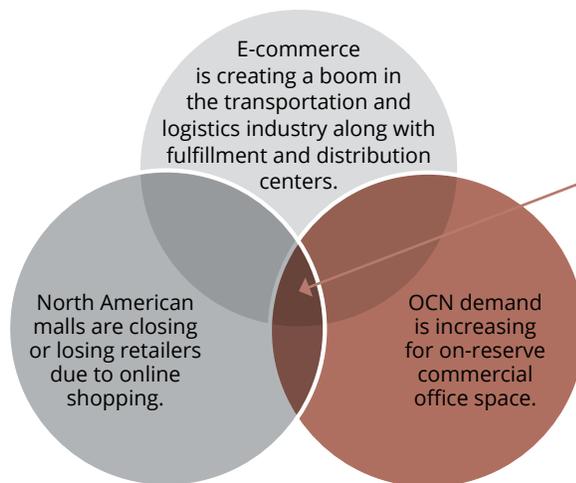
Strategy

1. Improve the customer experience by making capital plans for building and infrastructure upgrades so that OCN Shell can protect and grow market share



3.0 Otineka Mall

The largest mall in The Pas and in Northern Manitoba, Otineka navigates high operation costs and still breaks even due to smart management. Otineka Mall is having difficulty making its business case to attract new retail lease tenants, but it's not alone. Like everyone in this sector, shopping malls are struggling to reinvent themselves as e-commerce continues to shift consumer buying habits online. Otineka Mall is smartly looking to attract new retailers and diversify its offering into new growth industries. Trucking is a strong area, especially with growth in e-commerce and the transportation and logistics industry going hand-in-hand these days.



STRATEGIC INSIGHT

Otineka Mall should develop a strong business case for potential commercial office and retail lease-holders, but should also keep an eye on how e-commerce is presenting new opportunities. While regional demand for new office space seems low, OCN demand for upgraded and expanded office space warrants a closer look.

Amazon raised the bar, and now consumers expect fast shipping and transparency about when they will get their purchases from other e-commerce providers as well.¹¹ In total, Amazon employs more than 6,000 people working at fulfillment centres, corporate offices, development centres, and other facilities throughout Canada in Ontario, British Columbia, Alberta, and Quebec.¹² It would appear that Canada's North may be underserved and an opportunity for Amazon and a motivated Northern jurisdiction or First Nations.¹³

Amazon is busy developing its own logistics network, buying airplanes and trailers and reportedly setting up its own brokerage operations. Until that network reaches the Prairies, common carriers to Winnipeg and surrounding regions will be Purolator, Canada Post and Amazon itself. Still, last-mile parcel delivery and less-than-load (LTL) service will be opportunities for smaller and speciality contract drivers.

3.1 OBJECTIVE Fill retail lease vacancies with high-value tenants

Goal Improve profits by 2% annually

Strategies

1. Attract new commercial office lease holders by conducting market research about commercial office space demand so that potential commercial space lease holders see the opportunity and new companies' set up regional business offices in mall complex
2. Investigate the construction of new office space on Mall property by looking at forecasted market demand and cash flows so that PBDC can determine if new office space could draw-in outside tenants and offset OCN office leasing costs

11. In a 2016 UPS survey, 46% of those surveyed reported they had abandoned an online shopping cart due to a delivery date or time that was too long or not provided.

12. Source: Amazon Canada, News Release, July 25, 2018. <https://www.newswire.ca/news-releases/amazon-expands-footprint-in-ontario-with-new-fulfillment-centre-in-caledon-689108641.html>

13. In September, 2018, online retailer Amazon announced it had secured 450,000 square feet of distribution space within a new business park under lease from the Tsawwassen First Nation.

4.0 Sports Traders

The horizon is looking brighter for the largest sports retailer in the region. Changes to inventory and other costs have improved profitability and efficiency patterns in the last five years. New marketing ideas and playing more strongly to its competitive strengths will continue to move this PBDC managed retailer into even more positive financial territory.

While latest retail sales figures for Manitoba show a downtrend in sales, how people buy is changing. According to StatsCan, on an unadjusted basis, retail e-commerce sales across Canada were \$1.6 billion in October, accounting for 3.0% of total retail trade¹⁴. On a year-over-year basis, retail e-commerce increased 19.3%, while total unadjusted retail sales rose 2.6%. With high-speed internet finally coming to OCN, retail foot traffic at Otineka Mall stands to be impacted as locals take advantage of this closing of the digital divide to shop online for greater selection and better prices.



4.1 OBJECTIVE Increase Top Line Revenue for Sports Traders

GOAL Grow retail revenue by 2% year over year

Strategies

1. Reach consumers in The Pas, surrounding areas of Kelsey and the Swampy Cree Tribal Council (SCTC) by making stronger and more effective use of new digital marketing channels and approaches so that consumers who prefer to shop from home during the cold winter months purchase online which will mitigate in-store sales losses during the winter months
2. Better leverage unique selling points by marketing Sports Traders as the premier store for hockey gear to online consumers in OCN, The Pas, Regional Municipality of Kelsey and SCTC to protect market share
3. Increase in-store sales through a stronger customer service selling culture ensuring that staff are part of the rewards that come from customers leave the store with more purchased than they realized they needed when they arrived

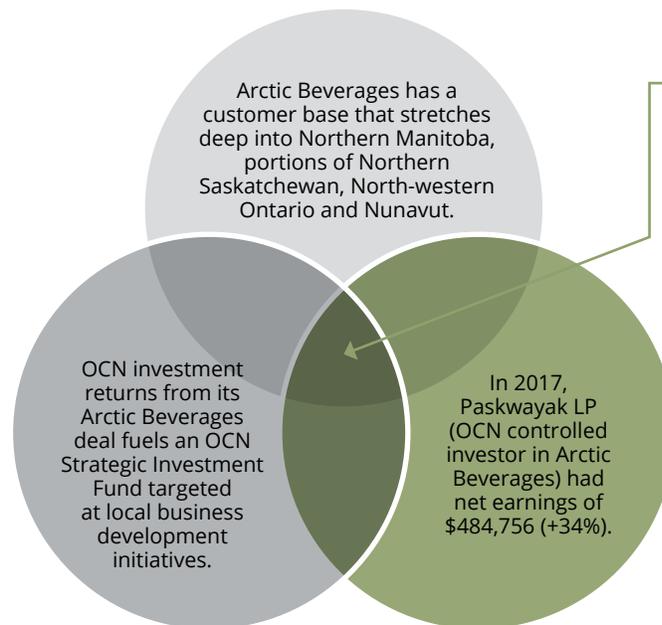
14. Source: Retail Trade: The Daily, Statistics Canada, October 2018. <https://www150.statcan.gc.ca/n1/daily-quotidien/181221/dq181221b-eng.htm>

INVESTMENTS

More and more, PBDC are looking to diversify their holdings into new investment territory. With the support of the corporate finance team, new energy and focus are being funneled into expanding the OCN development corporation's portfolio of investments. An appropriate asset mix will ensure the greatest returns, while managing risk and volatility.

1.0 Arctic Beverages

Paskwayak LP was created for the OCN investment in Arctic Beverages, which started as a Pepsi bottler in 1991, and now has a customer base that stretches deep into Northern Manitoba, portions of Northern Saskatchewan, North-western Ontario and Nunavut. In 2017, the partnership had net earnings of \$484,756 (+34%).



STRATEGIC INSIGHT

Arctic Beverages continues to perform for OCN, and PBDC should continue to carefully manage this investment and its ability to fuel local business development initiatives through the OCN



1.1 OBJECTIVE Invest in growth markets

GOAL Manage a portfolio of investments with acceptable risk that provide a minimum annual return of 7% over the next 5 years

Strategy Offset natural demand for confection and soft drinks in Canada's North by investing in Arctic Beverages so that Paskwayak LP can reinvest sizable and regular earnings into OCN community and economic development programs to improve OCN people's quality of life and standard of living

2.0 Cannabis

With the large players in the producing market set, all eyes are on the cannabis retail market. For the first time, detailed data are available on cannabis users who spent in excess of \$250 on cannabis. In the third quarter, about 14% of cannabis consumers (more than 650,000 Canadians) spent from \$251 to \$500 on cannabis, 7% spent from \$501 to \$1,000, and 3% spent more than \$1,000 in the previous three months (or \$333 per month, on average)¹⁵. National Access Cannabis (NAC), through its retail arm Meta, continues to expand its consumer-direct reach across Canada, thanks in no small part to OCN and PBDC efforts. Our nation is the biggest single shareholder through Paskwayak NAC Investment Limited Partnership, which holds the shares for tax purposes and allows PBDC to enter into any agreements with NAC related to building and operating retail cannabis stores on OCN. In 2017, the Partnership had net earnings of \$4,908,149. Revenue includes unrealized gain on investment of \$5,040,000, due to increased share value of NAC shares owned.

With the help of OCN, NAC signed partnership agreements with 3 First Nations communities to have cannabis retail stores on their urban reserves. Four stores opened in late 2018.



Manitoba's retailing framework allows First Nations to participate directly in the retail market. Retailers who successfully compete in the Manitoba government's competitive processes are authorized to sell cannabis in Manitoba after they have signed retail agreements with the Manitoba government and completed all licensing requirements.

15. Source: National Cannabis Survey – Q4, 2018, Statistics Canada, October 2018. <https://www150.statcan.gc.ca/n1/daily-quotidien/181011/dq181011b-eng.htm>



In February 2018, NAC was one of four successful retail groups who were selected in the Government of Manitoba's first round to operate over 30 retail cannabis licenses. With competition increasing from a handful of heavily-backed players racing to establish top pole position for market share, OCN recently provided NAC with \$9M in debt financing who stated the loan "provides NAC with the capital needed to fund the continued build-out of planned recreational cannabis retail locations across Canada and capture dominant market share throughout 2019."¹⁶ With the help of OCN, NAC also signed partnership agreements with 3 First Nations to have cannabis retail stores on their treaty territories. Four stores opened in late 2018. Momentum is building especially for First Nations like OCN who moved early into the cannabis retail market. In summer 2018, the Government of Manitoba made clear its intent to ensure 90 percent of the province has access to retail marijuana within a "30-minute drive or less." The same government is credited with a hybrid retail supply model that continue to lead the country in First Nations involvement¹⁷.

2.1 OBJECTIVE Invest in growth markets

Goal Manage a portfolio of investments with acceptable risk that provide a minimum annual return of 10% over the next 5 years

Strategies

1. Support growth of National Access Cannabis retail operations by properly managing the Paskwayak NAC Investment Limited Partnership to hold shares for tax purposes and allow PBDC to enter into agreements with NAC related to building and operating a retail cannabis store so that profits flow back to OCN
2. Support growth of National Access Cannabis (NAC) retail operations by helping nurture and broker partnerships with First Nations in Manitoba and across Canada so that NAC is able to open new retail outlets on First Nations partner treaty territories and increase NAC market share
3. Invest early in Trichome Financial which offers credit-based capital solutions to companies operating in the legal cannabis market by using leveraged money so that when Trichome launches its expected Initial Public Offering (IPO) in April 2019, the value of PBDC's current shares will increase

16. Source: NAC Press Release, December 2018 <https://www.newswire.ca/news-releases/national-access-cannabis-corp-announces-9-million-debt-financing-with-opaskwayak-cree-nation-702809612.html>

17. Source: PROVINCE ANNOUNCES FURTHER OPPORTUNITIES FOR CANNABIS RETAIL IN MANITOBA, News Release, Government of Manitoba, July 2018. <https://www.gov.mb.ca/jec/busdev/cannabis/faq.html#6>

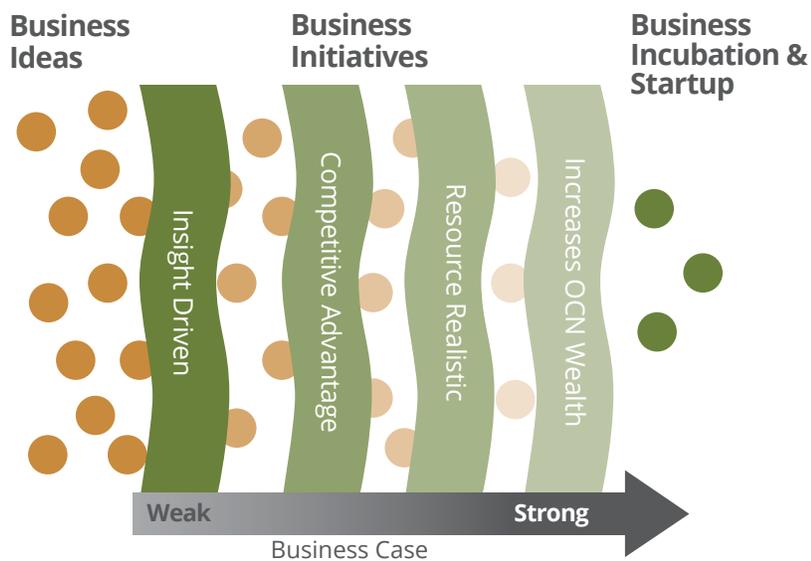
BUSINESS DEVELOPMENT

PBDC capital investments should always increase OCN wealth. Investment appraisals are very important given expensive and far-reaching consequences can flow from bad investment decisions.

Given the large volume of projects that OCN want considered, it's never been more important (or timely) to develop set criteria that will allow PBDC to analyze and evaluate projects. There's a need for increased business analysis capacity, especially filters that will weed out early those ideas with a weak business case and leave PBDC with the time and capacity to treat better ideas more seriously (see Figure 1.0).

First, what are the top line strategic insights that suggest the opportunity has merit? Will it make PBDC more competitive? By investing in companies and ventures that focus on being different from the competition, PBDC stands to generate superior customer benefits and more importantly earn a possible 20-30% more on investment returns. Considering available resources is also critical, and finally, looking honestly at the promised returns and whether or not these compensate PBDC for locking up its money over time. Only when an idea passes through all these hot gates and gain the approval of the PBDC Board, should it be incubated or handed-off for startup.

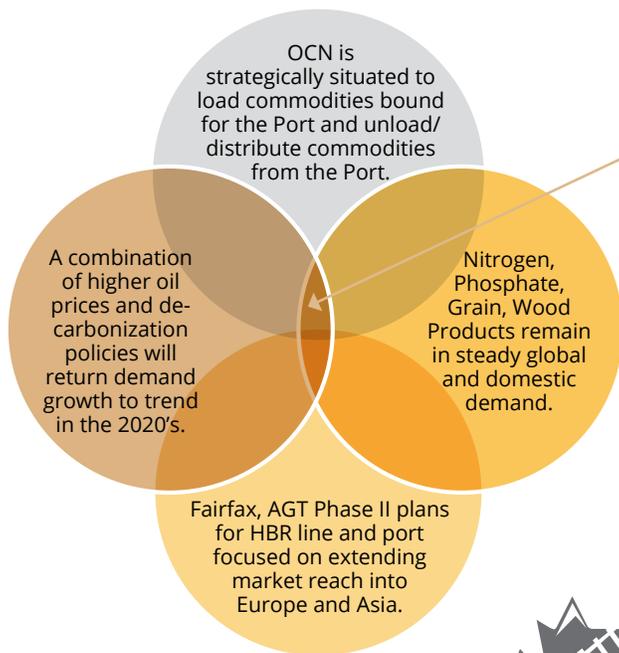
Figure 1.0 PBDC Business Opportunity Filters



PBDC has applied its new business filtering model to a variety of new and existing projects, resulting in the pursuit of new opportunities in heavy industry, manufacturing, aerospace, commercial real estate, and tourism.

1.0 Heavy Industry

OCN is strategically situated to service rail container traffic in all directions. A trans load rail operation on OCN territory could serve hungry global commodity markets, especially with the backing of a committed and forward-thinking Arctic Gateway Group.



STRATEGIC INSIGHT

A transload rail operation on OCN territory could serve global demand for fertilizer and wood pellets in foreign markets, and provide great opportunity to develop a joint partnership with the Arctic Gateway Group.¹⁸



ARCTIC GATEWAY

1.1 OBJECTIVE Create new businesses and employment opportunities

GOAL Launch 3 new business start-ups by 2024

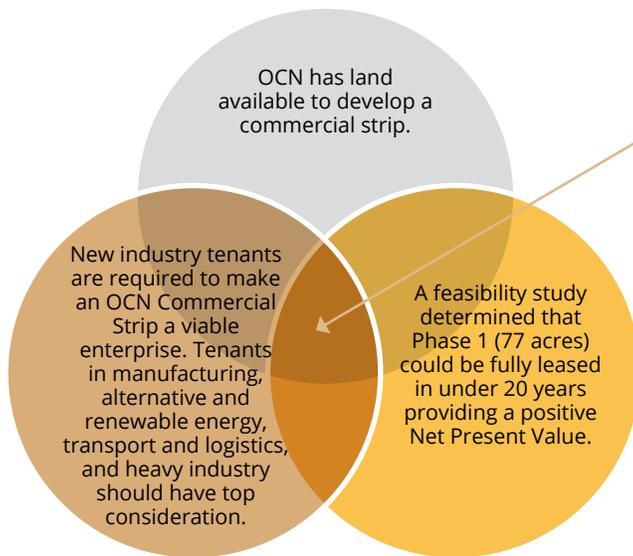
Strategy Determine if a new Transload Rail Interface Operation at OCN can be profitable by developing a business plan together with the Arctic Gateway Group so PBDC can evaluate the Net Present Value of the Business Opportunity

2.0 Land Leasing

OCN intends to spark a fresh wave of investment in Manitoba's north. Just as OCN lands will be put to use in addressing community housing issues, added focus on new businesses, investors and the sectors of tomorrow, will also power demand for new and modern commercial leasing space and supporting infrastructure.



18. Source: Rail Interface Proposal, Churchill Gateway Development Corporation and OmniTRAX, June 30, 2006.
Source: World Fertilizer trends and outlook to 2020, Food and Agriculture Organization of the United Nations, 2017
Source: Global Pellet Market Outlook in 2018, Canadian BioMass, February, 2018.



STRATEGIC INSIGHT

According to an OCN commissioned report, a commercial strip will provide a reasonable rate-of-return provided lots are leased within 20 years and OCN secures a major manufacturing tenant. Leasing focus should also be on growth industries.¹⁹

2.1 OBJECTIVE Create new businesses and employment opportunities

GOAL Launch 3 new business start-ups by 2024

Strategy Develop a commercial strip on OCN territory by initiating the first phase to prepare the land for commercial development so that PBDC can target leaseholders in growth industries in order to lease the inventory in under 20 years resulting in a positive net present value (NPV) on the investment

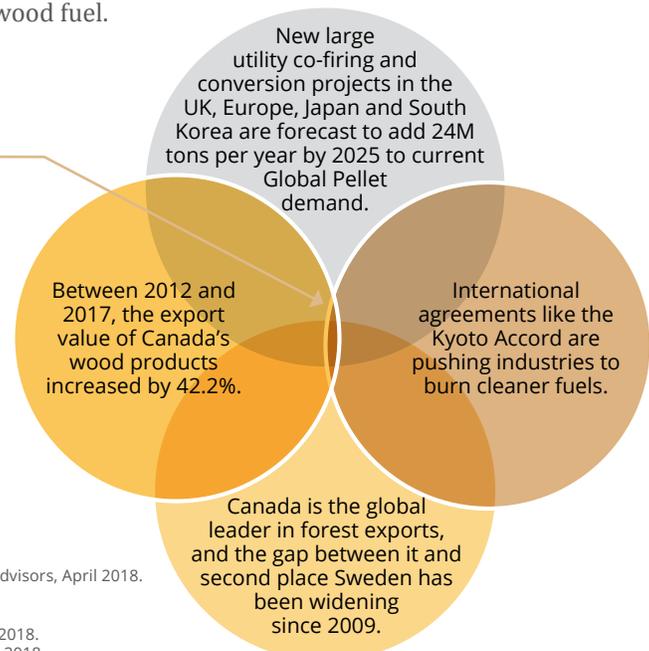
3.0 Manufacturing

Wood Pellets

As the noose tightens around fossil fuel use and supply, industries around the world are looking to alternative fuel sources to power their operations. Canada's leading position in the forest industry together with our region's close proximity to a major port, make OCN a natural for supplying the world with engineered wood fuel.

STRATEGIC INSIGHT

Canada's global market power in the forestry sector, market forces increasing global demand for engineered wood products, and close proximity to a global port, make the concept of producing wood pellets on OCN territory highly desirable, especially now that First Nations in the area have 50% control over the local forest management license.²⁰



19. Source: OCN Commercial Strip Feasibility Study, Beal Business Brokers and Advisors, April 2018. North Region Economic Profile, Government of Manitoba, December 2018 https://www.gov.mb.ca/jec/ecprofiles/pdfs/ecprofiles/north_ep.pdf
 20. Sources: Global Pellet Market Outlook in 2018, Canadian BioMass, February, 2018. Overview of Canada's Forest Industry, Natural Resources Canada, December, 2018. <https://www.nrcan.gc.ca/forests/industry/overview/13311> Indicators, Natural Resources Canada, December 2018. <https://www.nrcan.gc.ca/forests/report/economy/16558>

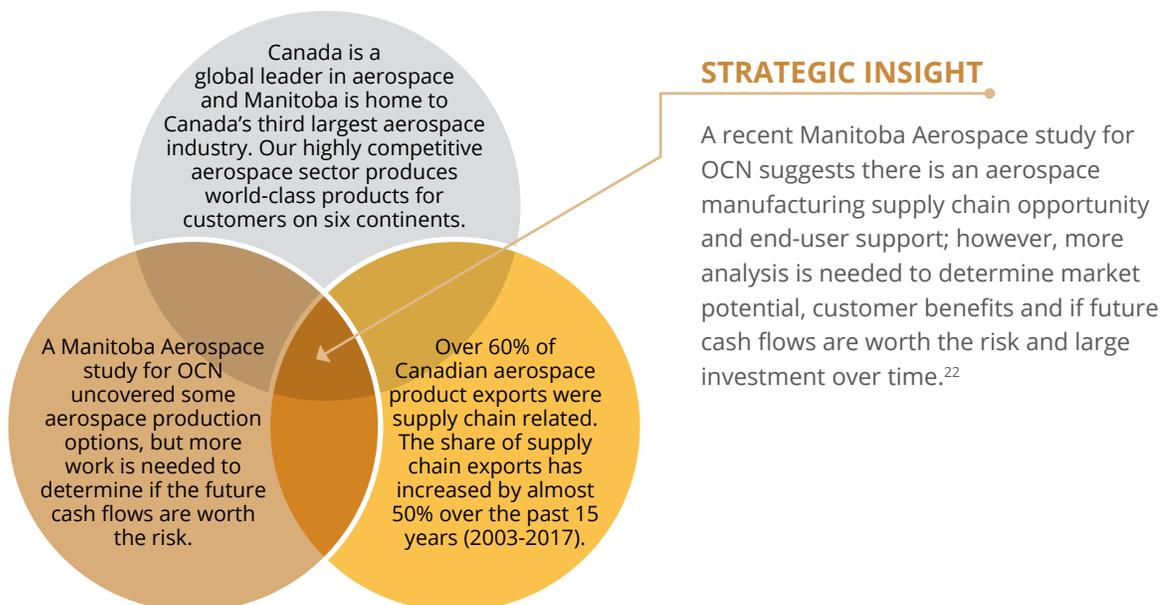
3.1 OBJECTIVE Create new businesses and employment opportunities

GOAL Launch 3 new business start-ups by 2024

Strategy Test concept of producing wood pellets at OCN by developing a business plan with major forest industry partners in Manitoba and Saskatchewan so PBDC can evaluate the business opportunity

4.0 Aerospace

Manitoba has grown its aerospace industry to third-largest in Canada with strongholds in composites, engine repair and testing, and a host of advanced and competitive smaller enterprises feeding the global supply chain. With the aerospace manufacturing sector accounting for 70% of the overall industry's GDP, and over 60% of Canadian aerospace product exports being supply chain related²¹, OCN has partners and momentum on its side giving it ample reason to look at carving out its own niche in aerospace manufacturing.



4.1 OBJECTIVE Create new businesses and employment opportunities

GOAL Launch 3 new business start-ups by 2024

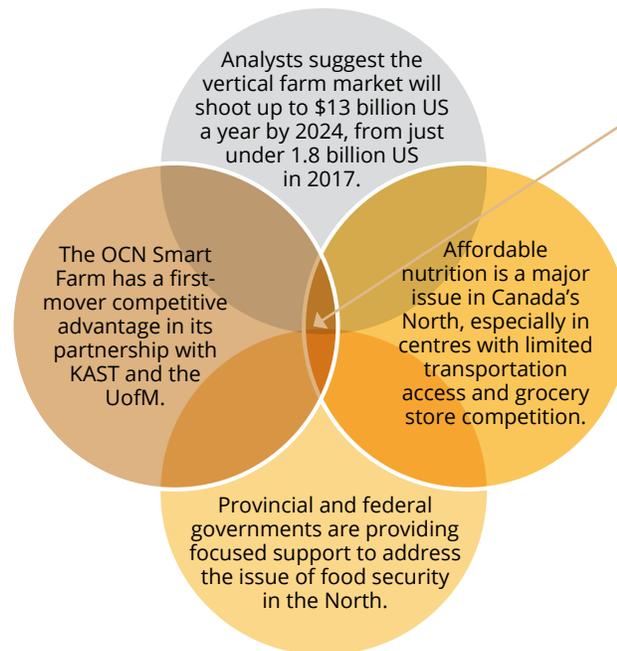
Strategy With funding in place for Phase II, determine the customer value and profitability of manufacturing metallic sheet components and bench assembly by applying market-based management strategies to determine if potential manufacturing sales to upstream supply chain customers will provide a positive net present value (NPV) based on a cost of capital that compensates for the heavy risk involved

21. The share of supply chain exports has increased by almost 50% over the past 15 years (2003-2017).

22. Sources: OPASKWAYAK CREE NATION (OCN) MANUFACTURING ENTERPRISE FEASIBILITY STUDY, Manitoba Aerospace, April 2018. Manitoba Aerospace, January 2019. <http://mbaerospace.ca/> State of Canada's Aerospace Industry, Innovation, Science and Economic Development Canada and AIAC, 2018. https://www.ic.gc.ca/eic/site/ad-ad.nsf/eng/h_ad03964.html

5.0 Vertical Farming

Beyond the market potential, access to nutritious and affordable fresh produce is a matter of food security for northern communities like OCN. With skyrocketing rates of diabetes and healthy food alternatives a top priority for our nation, PBDC is looking to capitalize on its early investments into the vertical farming sector.



STRATEGIC INSIGHT

Demand for affordable nutritional foods in Canada's North is high. OCN's early entry into vertical farming and ability to transport supply by road and rail to a large catchment suggests that an OCN commercial vertical farm would have a competitive advantage in a market segment showing significant growth.²³



5.1 OBJECTIVE Create new businesses and employment opportunities

GOAL Launch 3 new business start-ups by 2024

Strategy Investigate making the OCN Smart Farm a viable business by initiating final product testing by independent agriculture scientists and by partnering with Korea Agriculture Systems and Technology (KAST) and University of Manitoba to develop a market-based business plan to supply grocers and consumers with fresh produce in order to improve nutritional health and food security in areas around OCN territory accessible by road and rail

6.0 Tourism

Attracting visitors to experience our culture brings new money into the community, but there's more to look forward to. It is widely accepted that visiting a place for business or leisure purposes has the spin-off effect of attracting new kinds of business investment²⁴.



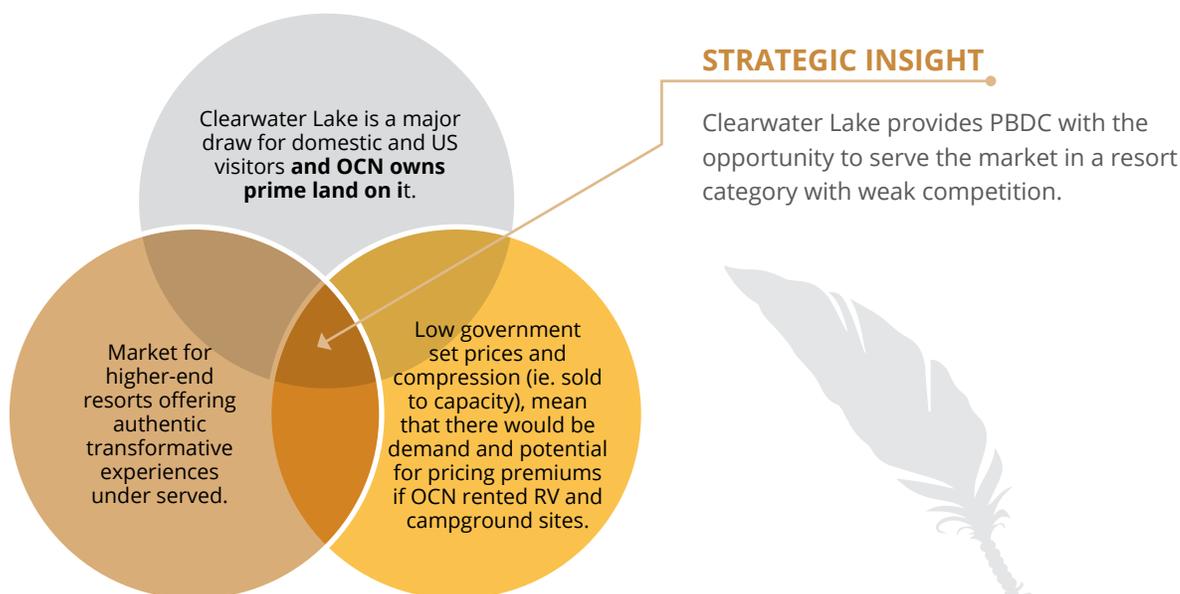
23. Sources: Global Market Insights, September 2018 <https://www.gminsights.com/industry-analysis/vertical-farming>
Northern Food Prices Report, Government of Manitoba, 2018. https://www.gov.mb.ca/inr/food_prices/2003report.html
OCN Vertical Farm presentation, Canadian Green House Conference 2018 <http://www.canadiangreenhouseconference.com/attendee-information/speaker-program/speaker-program-thursday/2018-presentations-thursday/2018%20OCN%20Smart%20Farm.pdf>
24. Source: The Comparative Economic Impact of Travel & Tourism, World Travel & Tourism Council

New tourism businesses on OCN territory are key to realizing the province's plans of increasing visitor spending to \$2.1B by 2021, and demand has never been stronger for Indigenous tourism experiences²⁵. One in three international visitors to Canada are interested in Indigenous tourism experiences²⁶. Closer to home, forty percent of Canadians are interested in learning about aboriginal communities, but only 18% feel that they have a deep understanding today²⁷. This forecasted growth and demand for indigenous travel experiences have led Travel Manitoba to launch a new Indigenous Tourism Strategy that's aiming to bring existing and new experiences to market and focus on supporting product development.

Add to the mix Indigenous Tourism Association of Canada (ITAC) and their new investment focus on culinary experiences, artisan authenticity, and providing micro-grants for marketing and business development, and the table is set for OCN to benefit from a tremendous wave of support.

Resort Development

Clearwater Lake is a gem in the north and a major draw mostly for locals, anglers and hunters, but it could also be so much more. Market research shows strong demand for higher-end resorts that tap into the need for more meaningful exploration and learning.



6.1 OBJECTIVE Create new businesses and employment opportunities

GOAL Launch 3 new business start-ups by 2024

Strategy Investigate the development of a higher-end resort and glamping experience on Clearwater Lake by developing a business plan that looks for support from the Indigenous Tourism Association of Canada and Travel Manitoba so that PBDC can evaluate the business opportunity in hopes of turning OCN territory into a resort destination

25. Source: Exploring Tourism: Opportunities for Entrepreneurs, Travel Manitoba.

26. Source: Destination Canada: 2019 Market Snapshots: Understanding the Opportunity for Indigenous Tourism Business in Canada

27. Source: Environics (2016) . Truth & Reconciliation Report

Cultural Tours

First Nations across Canada have had great success putting their energies and resources behind a small business that would have the best chance of succeeding and acting as a local champion and catalyst for others thinking about starting a venture. For example, the HUU-ay-aht kicked off their small business drive with the focused development and launch of Kiixin Tours, providing an experiential tour through their five-thousand-year-old fishing village. The Ktunaxa Nation is offering *Speaking Earth*, an exclusive First Nations teepee glamping experience and cultural activities in a resort setting in the Canadian Rocky Mountains. With market demand and support currently in abundance, PBDC has an opportunity to work with OCN elders and knowledge keepers to start a cultural tour that would give VIA Rail passengers strong reason to stop on their way to Churchill.



STRATEGIC INSIGHT

VIA Rail's reopening of the Winnipeg to Churchill line along with OCN's efforts to preserve Cree Culture present the opportunity to develop a premier Cree cultural tour.



6.2 OBJECTIVE Create new businesses and employment opportunities

GOAL Launch 3 new business start-ups by 2024

Strategy Develop a new OCN cultural tour by partnering with VIA Rail and Oscar Lathlin Collegiate that would invite domestic and international visitors on the Winnipeg to Churchill passenger rail line to get off in The Pas, stay at the Kikiwak Inn and experience the new cultural tour

Snowmobile Touring

OCN territory is along a recreational corridor that thanks to big spending winter enthusiasts could generate millions in direct economic benefits and millions more in spinoffs. The Ontario Federation of Snowmobile Clubs estimates their snowmobile industry generated \$1.7 billion in economic activity in Ontario²⁸. In Saskatchewan, a 2009 study showed that snowmobile outings by residents generated over \$40 million in annual spending while annual spending on snow machines and ancillary equipment generated an additional \$70 million. Fuel purchases alone for vehicle trips to riding destinations and for snowmobile use generated \$3.7 million²⁹.

28. Source: Harry Cummings & Associates, 2014.

29. Source: Saskatchewan Ministry of Tourism, Parks, Culture and Sport, 2009

When it comes to recreational trail use, snowmobilers are typically one of the larger spending users³⁰. According to the Alberta Snowmobile Association, snowmobilers typically prefer to stay in high quality accommodations where they can enjoy fine meals, hot tubs and a comfortable rest after a day of snowmobiling. Many touring snowmobilers ride into the communities with no truck support and are carrying little more than essential gear. Therefore, they look to spend larger amounts of money in local communities on accommodation, food, and entertainment.

Local snowmobile clubs and supporters have been successful in getting the attention of governments hard pressed to spark economic activity during the off-season winter months. Canada Economic Development recently launched a program to support the acquisition of snowmobile and cross-country ski trail maintenance equipment. The aim of this initiative, which has a budget of \$10M, is to increase the regional benefits generated by tourists from outside Quebec³¹.

6.3 OBJECTIVE Create new businesses and employment opportunities

GOAL Launch 3 new business start-ups by 2024

Strategy Support the development of a recreational snowmobile trail from Swan River through OCN territory by working with Travel Manitoba and local snowmobile clubs so that recreational snowmobilers from across Canada and the US spend large amounts of money in the OCN community on food, accommodations, fuel and support services during the Winter season

Tourism Network

PBDC has the opportunity to leverage the market power and reach of Canada's tourism network. Travel Manitoba, the Indigenous Tourism Association of Canada and Destination Canada are looking for engaging cultural stories to share across their digital direct and travel trade channels.



6.4 OBJECTIVE Create new businesses and employment opportunities

GOAL Launch 3 new business start-ups by 2024

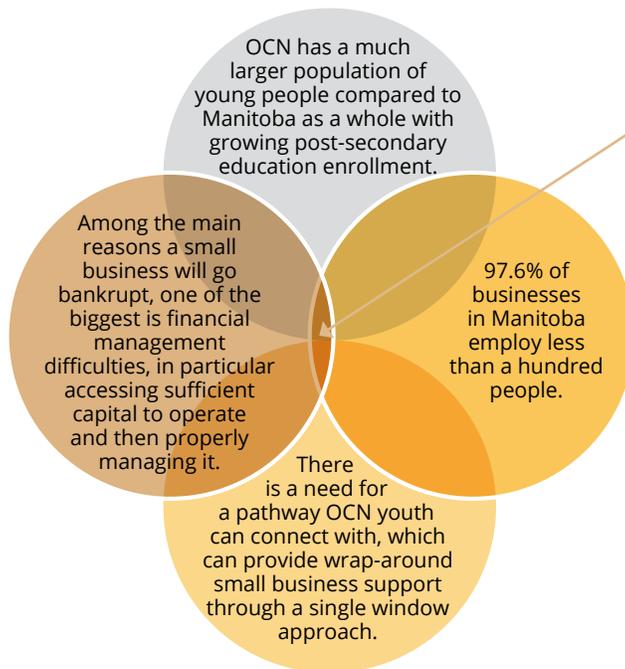
Strategy Reduce duplication with Travel Manitoba and indigenous tourism partners by using their budgets and brands to do the heavy lifting to get people to planned OCN tourism businesses

30. Source: An Economic Impact Analysis of the Proposed Alignment of the Trans Canada Trail in East-Central Alberta, PriceWaterhouseCoopers, Alberta Trailnet Website, January 2019 <http://www.albertatrailnet.com/for-communities/economic-impact-studies/>

31. Source: Canada Economic Development for Quebec Regions, January 2019 <https://www.dec-ced.gc.ca/eng/targeted-support/winter-tourism/index.html>

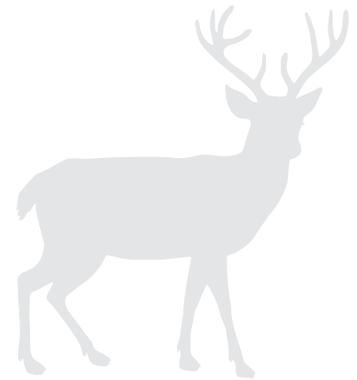
7.0 Youth Entrepreneurship

OCN population is growing at a greater rate than the province of Manitoba. According to latest census data, our Cree population grew 4.7% while the province climbed only 3.6 per cent. With so many young people who will be looking to enter the workforce, it's paramount that PBDC invest now in programs that build the working culture necessary to ensure the future prosperity of our people and ongoing reclamation of our culture. In this effort, education will be key.



STRATEGIC INSIGHT

PBDC should foster an entrepreneurial culture by working in partnership with OCN's education authority and Government of Manitoba's business portal.³²



As a whole, three quarters of Canadian small business entrepreneurs have more than 10+ years of business experience, and nearly 80% graduated high school, college or university³³. Given the link between education and business success, it's promising to see that between 2014-2018, OCN saw full-time and part-time post-secondary enrolment climb eighty percent (80%), driven largely by the part-time segment³⁴. Bachelor degrees are the most popular level of education followed by diplomas and certificates; however, graduate counts in these categories has either fallen slightly or remained flat suggesting that more outreach and recruitment is needed.

32. Sources: Indigenous and Northern Affairs Canada, February 5, 2019.

http://fnppn.aandc-aadnc.gc.ca/fnp/Main/Search/FNPopulation.aspx?BAND_NUMBER=315&lang=eng

Look North: Report and Action Plan for Manitoba's Northern Economy, Look North Economic Task Force, October 2017, pg. 22.

Failing Concerns: Business Bankruptcies in Canada, Statistics Canada, 1997. <http://publications.gc.ca/Collection/Statcan/61-525-X/61-525-XIE1997001.pdf>

33. Source: Key Small Business Statistics, Statistics Canada, June 2016. https://www.ic.gc.ca/eic/site/061.nsf/eng/h_03018.html#point1-1

34. Source: Opaskwayak Education Authority statistics, 2018

7.1 OBJECTIVE Create new businesses and employment opportunities

GOAL Launch 3 new business start-ups by 2024

Strategies

1. Foster an entrepreneurial culture by working in partnership with the Opaskwayak Education Authority and Government of Manitoba's business portal to educate and empower OCN youth so that an increasing number approach PBDC with small business plans for advice and funding support
2. Foster an entrepreneurial culture by making business start-up funds available to OCN youth who approach PBDC with small business plans for advice and funding support
3. Work with a motivated and qualified OCN youth and elders to incubate and launch a small business so its success can inspire other OCN people to start their own small business
4. Promote OCN career opportunities and entrepreneurialism by reaching out to local OCN students on and off-reserve so they get excited about living and working on OCN territory



Performance Targets 2019-2023

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------------|--------------|-------------|--------------|--------------|--------------|
| PBDC Total Revenue | \$30,437,796 | \$31,004,19 | \$31,581,364 | \$32,169,506 | \$32,768,836 |
| PBDC Employee Satisfaction | Baseline | >75% | >75% | >75% | >75% |
| PBDC Employee Turnover | 30% | 28% | 25% | 20% | 16% |

