

LAC DES MILLE LACS FIRST NATION
THE COMMUNITY OF NEZAADIKAANG
The Place of Poplars



**ECONOMIC DEVELOPMENT STRATEGIC PLAN
2011 - 2016**

Lac Des Mille Lacs First Nation Contact:

Chief and Council c/o
Quentin Snider, Band Manager
Lac Des Mille Lacs First Nation
Thunder Bay, ON P7B 4A3

MNP Contacts:

Joseph Fregeau, Partner
Meyers Norris Penny LLP
315 Main Street South
Kenora, ON P9N 1T4
807.468.1202
Joseph.Fregeau@mnp.ca

Kathryn Graham, Partner
MNP Consulting Services
2500 – 201 Portage Avenue
Winnipeg, MB R3B 3K6
204.336.6243
Kathryn.Graham@mnp.ca

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EXECUTIVE SUMMARY

Over five years ago, Lac des Mille Lacs First Nation (LDMLFN) started its journey towards re-establishing the community and Nation through the development of a five year strategic plan (2004-2008) by Chief and Council. Since that time, we have made considerable progress socially, politically, economically and culturally. To maintain this momentum, LDMLFN identified the need for strategic community plan to address the next five year period.

LDMLFN has also become increasingly involved in economic development activity in recent years, evidenced by the purchase of the Savanne River Resort and signing of Memorandums of Understandings with companies operating within our traditional territory. Accordingly, an economic development plan has been developed as part of the strategic community planning process.

In May 2010, the LDMLFN issued a Terms of Reference and Request for Proposal to consultants to assist in the development of a Community Strategic Plan and Economic Development Plan to support and guide the progress of the community. Meyers Norris Penny LLP was the consulting firm engaged by Chief and Council.

The outcomes of the economic development planning process included:

- Assessing the current state of our community and the external environment;
- Developing our economic development vision, mission, and values;
- Identifying areas of opportunity for Lac des Mille Lacs First Nation;
- Identifying four major strategic directions and associated objectives and activities; and
- Developing a roadmap to support implementation and communication.

Our economic development vision describes where we want to be.

Economic Development Vision

Lac des Mille Lacs First Nation will have a diversified and sustainable economic base, active workforce, and structure that supports community and individual self sufficiency in keeping with community values.

Our economic development mission describes how we intend to achieve our vision.

Economic Development Mission

To fulfill our purpose and in our journey toward our vision the Lac des Mille Lacs First Nation is committed to supporting community and individual prosperity by providing economic infrastructure, pursuing business opportunities, and developing its workforce while respecting Mother Earth.

We have identified the following economic development opportunities to pursue.

Economic Development Opportunities Identified in the North-western Ontario Region

- To capture more domestic market share for the Savanne River Resort
- Heavy construction services and equipment for the development of logging roads
- Skilled labour for heavy construction
- Supply of fibre allocation to sub-contractors
- Supply of labour for pellet plant operation
- Heavy construction services and equipment for site preparation and camp construction

- Skilled labour for construction and diamond drilling
- Supply of aggregate to area cottages and for development of 22A1
- Supply of services and equipment for dam construction
- Supply of skilled labour for dam construction and operations

We have identified four strategic directions that will guide economic development programs, activities and operations for the next five years.

Strategic Directions

- Towards Economic Self-Sufficiency
- Towards an Active Workforce
- Towards Developing a Foundation for Economic Development
- Towards the Survival of and Respect for Our Culture, Teachings and Traditional Knowledge

This Economic Development Plan outlines priorities and areas of focus for LDMLFN over the next five years. It is intended to be a living document that is regularly revisited and updated to reflect changes in the internal and external environment.

The next and final stages in the process involves reviewing the draft plans, finalizing the plans, and presenting the plans to the funding agencies.



INTRODUCTION

HISTORY

Lac des Mille Lacs First Nation (LDMLFN) is a signatory to Treaty #3 under the Shebandowan-Adhesion in 1873¹. Lac des Mille Lacs First Nation lands are comprised of two reserves:

- 22A1 is 1,518 hectares and located 135km west of Thunder Bay on Lac des Mille Lacs; and
- 22A2 is 3,430 hectares and located 155km west of Thunder Bay on the banks of the Firesteel River.

In 2006, an access road was constructed to 22A1. Access to 22A2 is currently limited due to a condemned bridge. The community is currently negotiating with the MNR for a new bridge.

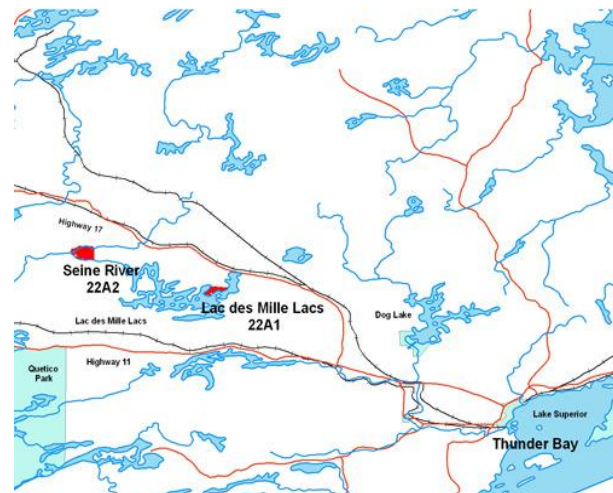
Beginning in 1873 and ending in 1956, dams were built to support projects such as the Red River route, hydro-electricity, power generation and timber projects. The dams created flooding that left the land of Lac des Mille Lacs First Nation uninhabitable. As a result members of the First Nation have been separated from their lands for more than 50 years.

There are currently 538 band members who are registered to the Lac des Mille Lacs First Nation². The absence of an established community on reserve has resulted in the dispersion of Lac des Mille Lacs First Nation citizens and a loss of a sense of community. This also creates financial challenges for the First Nation as Indian and Northern Affairs Canada (INAC) funding formulas are typically driven by on-reserve populations. Accordingly, LDMLFN has limited access to government funding to support community development or to capitalize on any future opportunities.

The displacement of LDMLFN members has resulted in an urbanization of the population. More than 60% of members are reported to be unfamiliar with living on reserve. Younger members may be two generations removed from living on reserve. Approximately 65% of LDMLFN citizens live in the Thunder Bay area and greater North-western Ontario. The balance of citizens reside in Southern Ontario, Quebec, throughout the Western Provinces and even the United States³.

The dispersion of citizens has created communication and governance challenges for leadership and membership. It has also caused LDMLFN members to begin to lose their physical/spiritual connection to the land and lose their fundamental rights to use the land and water. Over 70% of the First Nation members have very little knowledge of their heritage and historical ties to their land⁴.

Figure 1: Map Outlining the Two Reserves



¹ Lac des Mille Lacs First Nation website. <http://www.lacdesmillelacsfirstnation.ca/default.aspx?l=,1,250>

² Indian and Northern Affairs Canada. Instat. Care of Hilderman Thomas Frank Cram.

³ Lac des Mille Lacs First Nation. Preliminary Report of Land and Resettlement Issues. 1984.

⁴ Lac des Mille Lacs First Nation website. <http://www.lacdesmillelacsfirstnation.ca>

CONTEXT FOR ECONOMIC DEVELOPMENT PLANNING

This economic development plan has been developed as part of a larger community planning process⁵. This planning process took a holistic view of the community to ensure that all key planning areas, shown in Figure 2, were addressed. These key areas are both interdependent and inter-related.

This economic development plan flows from and supports the overall goals of the Strategic Community Plan.

Figure 2: Community Planning Wheel

PLANNING APPROACH

The approach to the development of this plan included assessing the community and the external environment as well as obtaining direct input from the community. Chief and Council and members of the Elders Council provided initial direction for the project and were each interviewed to identify questions and issues to be addressed in a survey for distribution to community members. A total of 43 responses to the survey were received and results are included in Appendix A.



A current state assessment was developed based on community reports and information, consultation with Chief and Council, LDMLFN staff and community members, and interviews with industry and government representatives.

This current state assessment then informed a planning session with Chief and Council, staff, and Elders. As a result of this planning session, the group:

- Identified values to guide community economic development;
- Developed an economic development vision and mission;
- Identified key issues and barriers to achieving the vision and mission; and
- Developed strategic directions and objectives for the next 5 years.

The economic development opportunities were combined with the strategic directions and objectives to create a five year economic development plan.

⁵ Indian and Northern Affairs Canada. Comprehensive Community Planning for First Nations in British Columbia. August 2006. Catalogue: R2-443/2006E-PDF

ECONOMIC DEVELOPMENT PRINCIPLES

Lac des Mille Lacs First Nation has four principles that guide our activities and the developments within the traditional territory. The LDMLFN is open for business and seeks business arrangements and developments that meet the following principles:

- Our culture, values and ways of life shall be protected.
- Our aboriginal, constitutional and treaty rights shall be protected.
- Developments in our traditional territory must benefit our people.
- The environment shall be protected.

ECONOMIC DEVELOPMENT VALUES

The following values have been identified to guide economic development activities and programs for Lac des Mille Lacs First Nation.

Hard Work

We value hard work and diligence, believing it strengthens the character of our nation and members.

Respect for Mother Earth

All our ventures, businesses, and practices will be respectful of Mother Earth.

Reputable

We are a proud and honest nation and our economic activities and practices will reflect this.

Professionalism

We will demonstrate professionalism and excellence in all that we do and our ventures will be based on sound business practices.

Equality

Our economic development activities and programs will provide business and employment opportunities for all members.

Skill Development

We value the development of skills to enable members to achieve their dreams, goals, and potential.

Sustainability

Economic activity conducted and supported by Lac des Mille Lacs First Nation will support community, financial, cultural, and environmental sustainability.

ECONOMIC DEVELOPMENT VISION

Lac des Mille Lacs First Nation will have a diversified and sustainable economic base, active workforce, and structure that supports community and individual self sufficiency in keeping with community values.

ECONOMIC DEVELOPMENT MISSION

To fulfill our purpose and in our journey toward our vision the Lac des Mille Lacs First Nation is committed to supporting community and individual prosperity by providing economic infrastructure, pursuing business opportunities, and developing its workforce while respecting Mother Earth.

INDUSTRY OPPORTUNITIES

The external environment was examined to identify potential market sectors that present opportunities for the community, specifically forestry, tourism, mining, and energy. This was achieved by conducting secondary research and interviews with sector experts to identify and confirm trends and issues to be addressed. Detail of the analysis are included in the Current State Report (Appendix B).

Forestry

The forestry sector has been in decline for the past number of years, which has led to the closing or idling of many regional mills. AbitibiBowater, Canada's largest employer in the forestry sector, is currently in bankruptcy protection. Overall, the forestry industry is not perceived by industry and government stakeholders to be an area for immediate investment.

There has been a push within the industry towards value-added products, such as engineered wood, specialty papers, and pre-fabricated building materials in response to market declines and price pressure from lower-cost producers. The US is Canada's largest export market for forest products. The downturn in the US housing market has had a significant impact on wood product exports.

There has been increasing involvement from First Nation communities in the forestry industry from direct forest management to joint ventures with private industry to support access to fibre and new labour markets. LDMLFN has significant forest resources within our traditional territory, including five provincial forest management units: English River; Spruce River; Dog River - Matawin; Cross Route; and Sapawe.

Spruce, pine, and fir are currently the most sought after species in the region, particularly by the Sustainable Forest Licence (SFL) holders. Thus, LDMLFN may encounter challenges pursuing opportunities that require these species. However, SFL holders are expected to be very supportive of any opportunities that utilize species such as cedar, birch, poplar, or larch. Unfortunately, there are limited markets in the Thunder Bay area for hardwoods.

Small harvesting operations are estimated to harvest approximately 100,000m³ per year, employ between 3 to 4 people, and require approximately \$750,000 in equipment. Harvesting is very price competitive and margins are becoming very tight as a result of significant downward price pressure from paper manufacturers and saw mills.

Opportunities for Lac des Mille Lacs First Nation

- Heavy construction services and equipment for the development of logging roads
- Skilled labour for heavy construction
- Supply of fibre allocation to sub-contractors
- Supply of labour for pellet plant operation

Tourism

The Ontario Tourism industry is expected to decline by 0.8% in 2010, with small gains in each of 2011 – 2014.⁶ Ontario travellers are becoming an increasingly important segment, accounting for 69% of travellers in 2001 and growing to an estimated 84% by 2014. In contrast, the share of US visits has

⁶ Ministry of Tourism - Ontario Tourism Outlook 2010 – 2014
<http://www.tourism.gov.on.ca/english/research/forecasts/forecast.pdf>

decreased from 20% in 2005; a trend estimated to continue to fall to 10% by 2014. This presents a challenge as many operators have traditionally been very, almost exclusively, dependent on visitors from the US. The industry is highly fragmented with 788 resource based operators in the Northwestern Ontario area⁷.

Current industry issues and challenges include:

- High exchange rates are reducing revenues for camps and relatively increasing the prices of Canadian resorts.
- A poor US economy is impacting the affordability and frequency of vacations. The US mid-west, the key market for NWO, has been particularly affected.
- Changes to provincial land use permits have increased costs to outfitters.



The North of Superior Tourism Association (NOSTA) reported that operators focusing on Ontario travellers (Thunder Bay, Sault Ste. Marie, and Toronto) appear to be doing well. Aggressive, coordinated, and thought-out marketing plans are becoming of increasing importance for outfitters. Focusing on the traditional US market or relying on existing travellers is not expected to generate growth for operators.

Key segments and activities for operators include:

- Higher end market with family incomes over \$100,000;
- Packaged vacations to attract market segments (families, professionals); and
- Cultural and eco-tourism opportunities for couples, families.

Opportunities for Lac des Mille Lacs First Nation

- To capture more domestic market share for the Savanne River Resort by concentrating on the local market.

Mining

Mineral Exploration

There has been increasing exploration activity in NWO over the last decade. Exploration companies are usually very small and outsource most aspects of operations, such as site clearing, road and camp construction, and drilling. Exploration is typically a 7 to 10 year process. The Osisko / Brett Resources operation at Hammond Reef is the closest operation in the area to mine development. Production is estimated to begin in approximately 5 years.

There is a high demand for diamond drillers in the region. Contractors from Manitoba and Quebec are currently bolstering local supply. The outlook for exploration in the region is positive as North-western Ontario is less explored than North-eastern Ontario. Joint ventures have recently been announced by private drilling companies and First Nations in Northwestern Ontario. Rainy Lake Tribal Contracting used a joint venture strategy with Cabo Drilling to enter the drilling market when they secured the contract with Brett Resources on the Hammond Reef Gold Deposit.

⁷ North-western Ontario Tourism Association http://nwota.com/files/u2/KDCA-NWOTA_policy_document.pdf

There are 14 companies currently engaged in exploration activity within Lac des Mille Lacs First Nation traditional territory. LDMLFN has MOU's signed with several of these exploration companies, including Alto Ventures, Excalibur, and Brett Resources.

Drilling operations require experienced personnel with technical expertise as well as specialized equipment. Equipment can be very costly - a single diamond drill can be \$500,000. Diamond drilling companies are subject to the cyclical nature of the mining industry and the ability of exploration companies to raise capital to conduct drilling programs. Drillers must also be prepared to travel to where the work is and work in extreme conditions.

Opportunities for Lac des Mille Lacs

- Heavy construction services and equipment for site preparation and camp construction
- Skilled labour for construction and diamond drilling

Aggregate

The Thunder Bay area is rich with aggregate and LDMLFN has access to aggregate deposits on reserve. Aggregate prices are typically between \$.50 and \$1 per tonne. The cost of delivered aggregate price is largely driven by the cost of transportation. Thus, proximity to customers is very important. There are approximately six gravel businesses within the immediate area and a number of larger commercial sources in the greater area. Industrial demand is believed to be met currently by existing supply and the Ministry of Transportation has reserves set-aside for large scale road work. Given our location, LDMLFN is expected to have limited access to the cottage market.

Opportunities for Lac des Mille Lacs

- Supply of aggregate to area cottages and for development of 22A1

Energy

North-western Ontario is a net generator of power. Current demand on capacity is reduced with the number of forestry-based industrial operations that are currently idle. Unfortunately, a lack of capacity in the transmission system restricts 'regional exports' of power to Southern Ontario.

The province is planning to reduce its use of coal-fired generating stations which will de-commission two stations: one in Atikokan; and one in Thunder Bay. The region could become a net zero producer of power if these two stations go offline. However, the Atikokan plant is planning to be retrofitted to burn wood pellets, which will maintain its output. In addition, Ontario Power Generation has proposed to develop 100 megawatts of power through two generating stations on the Little Jackfish River (250 km North East of Thunder Bay). Field work to support the environmental assessment was initiated in 2008 and dam construction is estimated to be completed by the end of 2014.

Plans have also been developed to reduce the transmission barrier between Northern and Southern Ontario. Projects include a new single circuit 230,000 volt (230 kV) transmission line that will travel approximately 430 kilometres from the Nipigon area to the Pickle Lake area on a new 40-metre wide transmission corridor⁸.

⁸ Hydro One. The Northwest Connection. <http://www.hydroone.com/Projects/Northwest/Pages/Default.aspx>

While scalable, power generation projects are typically very capital intensive, have long development timelines, and require a wide range of technical expertise to plan, construct, and operate. They are also subject to significant legislation.

Opportunities for Lac des Mille Lacs

- Supply of services and equipment for regional dam construction and transmission lines
- Supply of skilled labour for regional transmission line construction and dam construction and operations

Land Development

Membership has identified a desire to establish a community site on Lac des Mille Lacs 22A1. A study is currently being conducted by JR Cousins and Hilderman Thomas Frank Cram to evaluate the lands of 22A1, to:

- Quantify the amount of land needed to sustain current and future development needs;
- Determine the short, intermediate, and long range goals of the First Nation members in terms of the social, economic, and educational requirements;
- Determine the most suitable and cost effective site or sites for development;
- Identify infrastructure alternatives and develop Class 'D' estimates (i.e. water, sewer, roads, hydro); and
- Identify potential for cottage development by members and non-members.

The development plan, as determined by LDMLFN, has the potential for a significant amount of heavy construction work. It may also include the development of cottage lots.

There are more than 20 lakes in the Thunder Bay area used by cottagers. Cottage prices in the Thunder Bay area typically range between \$75,000 and \$400,000⁹. Lac des Mille Lacs is a popular lake in the Thunder Bay area. There are no lots currently available on the lake and the Ministry of Natural Resources has stopped opening up land for development. There are no leased land developments in the region. The marketability of lots in the region is significantly improved with electrical service and year round road access¹⁰.

Opportunities for Lac des Mille Lacs First Nation

- Heavy construction equipment and operators to clear land, maintain road.
- Cottage lot development (long term land leases).

⁹ Money Sense. Thunder Bay/Lake Superior Region, Ontario. June 25, 2010.
<http://www.moneysense.ca/2010/06/25/thunder-baylake-superior-region-ontario/>

¹⁰ Interview with Thunder Bay area real estate agent.

SUMMARY OF OPPORTUNITIES

Table 1: Summary of Opportunities

Industry	Opportunity	Revenue Potential	Employment Potential	Value/Net Return to LDMLFN
Tourism	Increase market share for Savanne River Resort	✓	✓	Employment, long-term profit
Forestry	Heavy construction services and equipment for the development of logging roads	✓	✓	Profit
	Skilled labour for heavy construction	✓	✓	Employment
	Supply of fibre allocation to sub-contractors	✓		Profit
	Supply of labour for pellet plant operation	✓	✓	Employment, profit, spin-off opportunities
Mining	Heavy construction services and equipment for site preparation and camp construction	✓	✓	Employment, long-term profit
	Skilled labour for construction and diamond drilling	✓	✓	Employment, profit (drilling)
	Supply of aggregate to area cottages and for development of 22A1 (assumes construction equipment and operators already in place)	✓		Own use, limited external market
Lands	Heavy construction equipment and operators to clear land, maintain road	✓	✓	Employment, profit
	Cottage lot development (long term land leases)	✓	✓	Profit, short term employment
Energy	Services and equipment for regional dam/transmission construction	✓	✓	Employment, long-term profit
	Skilled labour for regional dam/transmission construction and operations		✓	Employment

ECONOMIC DEVELOPMENT ASSETS

FINANCIAL POSITION AND ECONOMIC DEVELOPMENT RESOURCES

LDMLFN achieved a small operating surplus in 2009 and 2010, and currently has a healthy financial position with \$1.5 million in net assets¹¹. Overall revenues increased between 2009 and 2010 by 26%, largely due to significant funding increases from Indian and Northern Affairs. LDMLFN is also to receive \$80,000 per year for the next four years from the New Relationship Fund.

In addition to annual INAC economic development funding of \$42,000, LDMLFN receives a share of Casino Rama & Gaming Revenue Sharing funds¹²: \$630,000 and \$320,000 in 2009 and 2010 respectively. The Ontario First Nations Limited Partnership states that the funds are to be used for capital or operating expenditures for: community development, health, education, economic development, and cultural development.

The use of gaming revenues for economic development is designed to create and retain jobs and provide a return on investment for our First Nation. Specifically, funds may be used to support the financing of existing or new business for the First Nation or support small businesses and entrepreneurs from our community. The guidelines, including specific conditions, are provided in Appendix C.

HUMAN RESOURCES

LDMLFN has been delivering post-secondary education funding to members since 2005. Funding and the number of graduates have increased proportionately over this time period. Fields of study of recent graduates include: law, photography; personal support workers; early childhood education; addictions counselling; medical administration; diamond drilling; and heavy equipment operation.

Additional funding of approximately \$36,000 was also accessed in 2010 through Shooniya Wa Biitoong for training initiatives, such as hospitality and maintenance training at the Savanne River Resort. The community has also offered training and workshops on: mining common core and WHMIS; diamond driller training; chainsaw safe handling and safety awareness; babysitting; and resume and cover letter writing.

Other than the participants of direct training initiatives, LDMLFN has limited information on the specific education, certifications and qualifications of community members. Such information would be useful to have to inform economic development decision making and assessing opportunities.

UPPER SEINE FOREST CORPORATION

The Upper Seine Forest Corporation was registered in 2003 and is wholly owned by LDMLFN. The company was initially formed to enable LDMLFN to enter into negotiations with other companies such as Bowater Canadian Forest Products and Buchanen Forest Products, however it has come to serve as our community's economic development corporation.

¹¹ Lac des Mille Lacs First Nation Financial Statements for the year ended March 31, 2010.

¹² Lac des Mille Lacs First Nation Casino Ram & Gaming Revenue Expenditure Guidelines. Provided by Lac des Mille Lacs First Nation.

In 2006, LDMLFN drafted policy to define the relationship of the corporation to Council¹³, which states that:

- The corporation should be a sustainable, profit-making business in line with the strategic direction of the First Nation and for the benefit of members;
- For clarity, the corporation will not be able to provide sustainable benefits to the First Nation should it become primarily an employment vehicle; and
- The corporation should operate at arms length on a day-to-day basis but remain accountable to Council and ultimately citizens of the First Nation.

It is the holding company and sole shareholder of D. Coates Holdings, which operates as Savanne River Resort.

The Board of Directors governing the corporation has four members, who are appointed by Chief and Council based on qualifications and areas of expertise. The Board of Directors is responsible for ensuring the corporation is managed on a sustainable, profit-making basis and providing recommendations to the Chief. The Chief is the corporation's shareholder in trust for the First Nation. Council is responsible for approving changes in legal structure, approving Board plans, approving any major acquisitions or capital expenditures, and ensuring accountability to members. Currently two of the four Board positions are vacant and have not been filled, as Chief and Council intend to idle or restructure this corporation. Chief and Council have identified several challenges with the current economic development corporation and made a commitment to members at the Annual General Meeting in October 2010 to address them.

The Upper Seine Forest Corporation was set-up as a for-profit corporation. This has hindered the ability of the First Nation to access funding through the corporation. It has also resulted in the community paying higher rates of tax than would be applicable with other structures. Further, challenges have been experienced in the past reporting to membership on corporate activities, particularly those that require feedback from the community, such as the recent purchase of the Savanne River Resort. Based on these challenges, Chief and Council have engaged legal and professional services firms to identify a new corporate structure that will enable the community to access funding, minimize taxes, and provide strong governance.

SAVANNE RIVER RESORT

The Savanne River Resort is located on 5 ha of land near the entrance to Lac des Mille Lacs Reserve 22A1. It is 19 Km east of the village of Upsala and 113 Km Northeast of Thunder Bay¹⁴. The resort was purchased in 2006 by the First Nation to support economic development and the movement towards self-reliance. The resort is envisioned to provide financial benefit and employment opportunities for members.

The full-season resort includes a selection of cabins (5), campground sites (45), restaurants and a marina. Facility condition, amenities, and operations were perceived positively by North of Superior Tourism Association.



¹³ Lac des Mille Lacs First Nation. Governance Policy 1003 – 06 Relationship of Council to the Upper Seine Forest Corporation.

¹⁴ Savanne River Resort website. <http://www.savanneriver.com>

Sales in 2010 were \$161,151, a 23% increase from 2009. However, these sales are up only slightly from 2007 figures. Further, while the resort generated a profit in 2010, revenues included a transfer from the First Nation, which was critical to profitability. The Band Administrator has assumed the general manager responsibilities for the resort as the business is not able to support a full-time general manager yet.

A business plan for the resort was completed in 2007 by The Tourism Company. The community continues to see the plan as the way forward for the resort, however we are proceeding on a longer development timeline.

The business plan includes a redevelopment plan that consists of two projects:

- Project 1 – consists of three phases.
 - Phase 1A, construction of three new cabins is complete.
 - 6 new seasonal campsites were constructed in 2010.
 - Phases 1B and 1C consist of new campsites, ice fishing huts, road and infrastructure work, and shower house.
- Project 2 – consists of a new lodge and site amenities at an estimated cost of \$1 million.

The business plan also identified the long-term opportunity to develop an eco-lodge and / or outpost cabins and campsites on Lac des Mille Lacs at an estimated cost of \$1.2 million. This opportunity was noted to be subject to the financial sustainability of the existing resort.

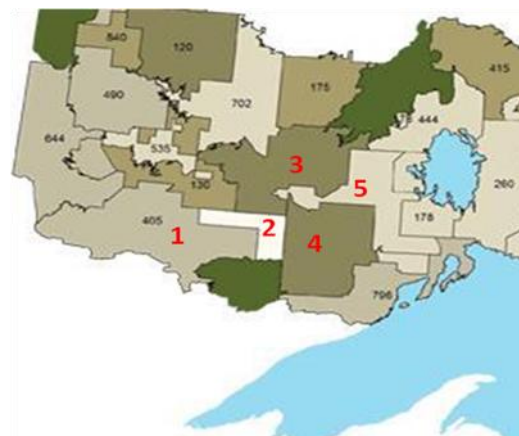
FORESTRY RESOURCES

There are significant forest resources within LDMLFN traditional territory, which includes five provincial forest management units (FMU):

Table 2: Forest Management Units

Reference #	FMU	Annual Harvest (ha)
1	Cross Route	15,332
2	Sapawe	2,130
3	English River	13,588
4	Dog River - Matawin	11,551
5	Spruce River	4,996

Figure 3: Map of Forest Management Units



A very positive working relationship is reported by both LDMLFN management and Ministry of Natural Resources staff. LDMLFN has established an ‘enhanced’ consultation area with the MNR within the Dog River Matawin Forest.

LDMLFN currently has an Overlapping Forest Resource Licence Agreement¹⁵ for approximately 20,000m³ of spruce, pine, and fir and 20,000m³ of hardwood. This allocation will be sub-contracted to a qualified company that employs LDMLFN members. This allocation of 40,000m³ is not sufficient to

¹⁵ Overlapping Forest Resource Licence Agreement with Bowater Canadian Forest Products Inc. August 20, 2010.

support a harvesting operation on its own. The sub-contracting arrangement with the contractor does present an opportunity for the First Nation to generate revenues and member employment. The current allocation expires March 31, 2011.

The community has signed an MOU with Wagoner Ontario Forest Management Limited (Wagoner) to operate a proposed wood pellet processing plant and associated woodlands operations within LDMLFN traditional territory. A proposal has been submitted to the Province of Ontario as part of the current wood supply competition to secure the required fibre for the plant. Results of the competition are expected to be available in the spring 2011. The plant is proposed to have approximately a dozen total employees, with spin off employment and business opportunities related to harvesting and hauling.

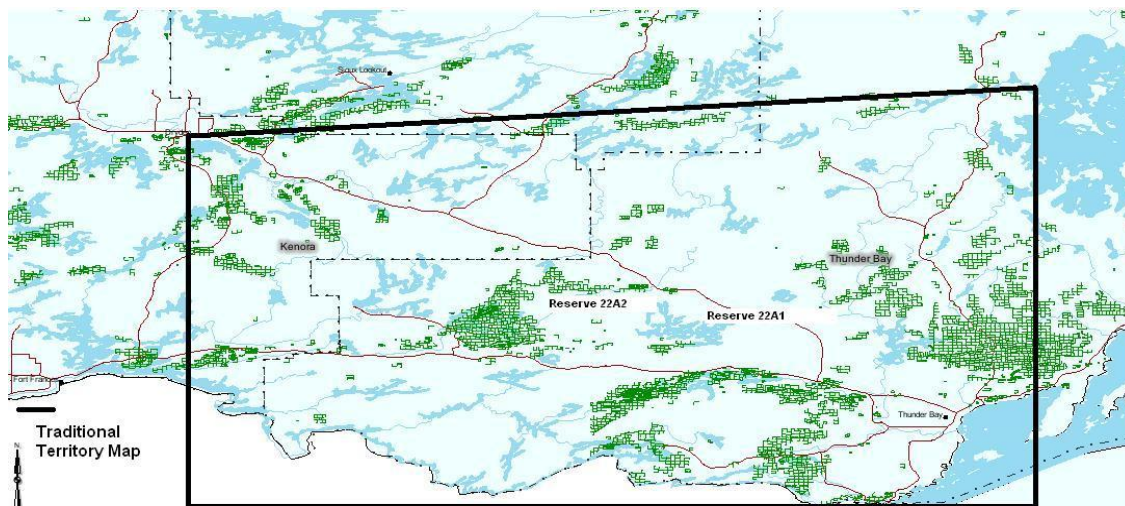
Spin-off opportunities for the First Nation include: harvesting to support pellet manufacturing operations; employment; training, and potential preparation of a sustainable forest management plan. LDMLFN may also have an opportunity to obtain an equity investment in the venture.

LDMLFN and AbitibiBowater have recently signed a MOU to upgrade the access road to Reserve 22A1. As the SFL holder, AbitibiBowater has government funding for access roads to harvesting areas. AbitibiBowater will control the road during the life of the Forest Management Plan (2009 to 2019).

MINERAL RESOURCES

There are 14 companies currently working mining claims within LDMLFN traditional territory. Most exploration is for gold, but there is also activity related to silver, copper, zinc, and nickel. The figure below highlights the active mining claims (in green) within our traditional territory.

Figure 4: Active Mining Claims within Lac des Mille Lacs First Nation Traditional Territory



LDMLFN has developed a MOU template to use with mining companies exploring in our traditional territory. This document, qualified before LDMLFN members, will guide both parties towards an Impacts Benefits Agreement. It includes a provision for the mining company to commit to employment opportunities for LDMLFN members and to contract services from LDMLFN and its businesses.

In addition to precious metals, there are significant aggregate (gravel) deposits on reserve lands.

ISSUES AND BARRIERS TO ECONOMIC DEVELOPMENT

Incomplete Traditional Ecological Knowledge

LDMLFN has initiated some traditional ecological knowledge (TEK) collection and mapping activities. More information is needed to understand areas of historical, cultural and spiritual importance to protect them from development, such as mineral exploration. Further, greater knowledge regarding the natural resources with the traditional territory may also inform development activity. The First Nation has recently submitted a proposal for funding to support this activity.

Limited Capacity and Human Resources Information

Due to lack of funding, LDMLFN has limited personnel to pursue opportunities solely focusing on economic development.

The First Nation also has limited information on the education levels, qualifications, career aspirations of members, and employment rates. Such information would inform the type and number of opportunities the community should pursue.

Ineffective and Lengthy Communication Process with Community Members

LDMLFN has experienced challenges communicating with members regarding economic development activities. The communication process with members regarding investment decisions is very lengthy. Further, the First Nation typically receives limited feedback from members. A more effective communication process is needed with members to support economic development decision-making.

Limited Financial Resources

Limited financial resources restrict the First Nation from pursuing opportunities for the community and to support individual members. The current funding level of \$42,000 per year is inadequate for a dedicated position and associated programming. There is a need for additional financial resources to support economic development. Long-term, LDMLFN aspires for financial independence for its economic development corporation. In the short-term, outside funding support will be needed.

Economic Development Corporation Structure

The current structure of the economic development corporation is not maximizing the financial returns available to the First Nation. The corporation has also experienced challenges making timely business decisions due to the time it takes to communicate with members for feedback. A governance structure is needed that enables faster decision-making while maintaining accountability to members. A new structure is currently being explored by the community to address tax implications and governance.

Issues and Barriers Shared with Community Development

Past Experiences, Misinformation, and Negative Behaviours Discourages Participation.

Participation in First Nation activities, governance processes, and community building efforts is limited due to past practices, misinformation and misunderstanding. We need to work together and communicate effectively as a community so as not to hinder community building efforts.

Social, Economic, and Geographic Factors Challenge our Communications and Progress.

Social, economic, and geographic factors challenge communications between leadership, membership and staff. We need to identify ways to improve our communications and processes to ensure inclusion, progress, understanding, and effective decision-making.

Government Funding Restricts and Challenges us at Every Level.

Government funding restricts and challenges the First Nation at every level because there is no settlement on reserve and funding formulas are typically driven by on-reserve populations. Accordingly LDMLFN has limited access to government funding generally available to other First Nations. We need to be innovative, creative and strive for financial independence.

Geographic Location of Members Inhibits Sense of Community, Culture and Involvement.

The urbanization of our members has resulted in a significant loss of traditional knowledge, language and diminished cultural awareness among our members. Over 70% of our membership has very little knowledge of our Anishinaabe heritage and historical ties to our land¹⁶. More than 60% of our members are reported to be unfamiliar with living on reserve. Younger members may be two generations removed from living on reserve. Presently, we have limited use, access and benefit of our traditional lands but are working hard to regain our rightful ownership.

¹⁶ Lac des Mille Lacs First Nation website. <http://www.lacdesmillelacsfirstnation.ca>

STRATEGIC DIRECTIONS

Four (4) strategic directions have been identified that will guide LDMLFN economic development programs, activities and operations for the next five years and help us deal with and overcome economic development obstacles and barriers. These strategic directions will assist LDMLFN in determining priorities and measuring progress over the next five years.

- Towards Economic Self-Sufficiency
- Towards an Active Workforce
- Towards Developing a Foundation for Economic Development
- Towards the Survival of and Respect for Our Culture, Teachings and Traditional Knowledge

STRATEGIC OBJECTIVES

Strategic objectives have been identified for each of the four (4) economic development strategic directions for LDMLFN. These strategic objectives are meant to identify annual priorities to be acted upon based on the strategic direction and priorities of membership. Objectives are intended to follow the SMART principles, meaning, that they are specific, measureable, achievable, relevant and time bound. The objectives developed by LDMLFN take into account both existing and new initiatives and priorities. The time and duration of action steps have been identified on an annual basis to inform priority. Resource allocation for annual priorities will be determined as part of annual planning and budgeting exercises.



Strategic Direction #1
 Towards Economic Self-Sufficiency

- Success Indicators**
- Increase in employment rate
 - Increase in self-generated revenue
 - Increase in self-generated revenue as a % of total revenue

Objectives	Major Action Steps	Annual Priority				
		Y1	Y2	Y3	Y4	Y5
a) Create revenue opportunities for the First Nation and its members	Monitor and evaluate sub-contracting of fibre allocation to determine future revenue potential					
	Conduct feasibility study on cottage lot development					
b) Create financially sustainable businesses	Develop plan to achieve financial sustainability for Savanne River Resort					
	Obtain financial resources to determine feasibility of band-owned construction company					
	Develop an annual budget for all economic development entities					
c) Identify and access new funding sources to support community initiatives	Identify available funding sources for personnel, capital, and operating expenses					
	Identify internal resources available from Casino Rama, New Relationship Fund, etc. to fund initiatives and to support funding applications (i.e. required contributions, matching programs)					
d) Identify and engage in relationships with governments, industry, neighbouring communities, and First Nations that support opportunity development	Identify and approach drilling companies in the region regarding joint venture					
	Monitor wood supply competition for outcome on Wagoner OFP submission					
	Engage Hydro One and Ontario Power Generation in discussions regarding activity within traditional territory and greater NWO to identify employment opportunities for members					
	Develop MOU's with companies operating within traditional territory					
	Participate in industry events and activities to promote Lac des Mille Lacs First Nation is 'open for business' and identify opportunities					

Strategic Direction #2

Towards an Active Workforce

Success Indicators

- Increase employment rate
- Increase in average income
- Number of members receiving employment through economic development initiatives
- Number of members receiving training

Objectives	Major Action Steps	Annual Priority				
		Y1	Y2	Y3	Y4	Y5
a) Provide training for members to help ensure individual success and workforce participation	Communicate training offerings to members through newsletters and website					
	Identify and monitor the number of members actively seeking employment					
	Obtain information from members on training needs to inform the development of programs					
	Organize and/or arrange training in line with member needs					
	Identify potential funding sources (internal and external) for members					
b) Create job opportunities for First Nation members	Communicate internal and related (i.e. Tribal Council, agencies) job postings to members through newsletters and website					
	Create Economic Development Officer position					
	Create positions for traditional knowledge collection and mapping					
	Identify opportunities related for skilled labour for energy projects (generation and transmission) within region, including Aboriginal procurement initiatives					
c) Provide referrals to agencies, organizations, and employment supports	Develop a resource directory of external service providers accessible by members					
	Develop and maintain relationships with referral organizations					

Strategic Direction #3

Towards Effective Economic Development Infrastructure

Success Indicators

- Creation of a new legal entity to oversee economic development for Lac des Mille Lacs First Nation
- Development of policies and guidelines
- Hiring of dedicated resource
- Surplus generated by economic development infrastructure

Objectives	Major Action Steps	Annual Priority				
		Y1	Y2	Y3	Y4	Y5
a) Develop and implement an economic development structure to maximize community benefits	Secure funding to support restructuring initiative	■				
	Review structure options for tax implications	■	■			
	Review options for a governance structure that supports effective decision making while maintaining accountability to members	■	■			
	Communicate findings to membership		■			
b) Develop a skills database aligned with the member database to inform opportunity development	Enhance member database to capture skills / experience information			■		
	Analyze skills inventory to identify individuals suitable for existing and proposed initiatives (heavy construction, drilling, energy generation/transmission, pellet manufacturing)			■		
	Analyze skills inventory to identify direction for economic development opportunity				■	
c) Increase economic development capacity	Examine method and means to funding an Economic Development Officer	■	■			
	Hire an Economic Development Officer	■	■			
d) Acquire additional reserve lands to support economic development initiatives	Acquire land adjacent to Savanne River Resort			■		
	Convert land to reserve status				■	
e) Increase community input on economic development activity	Include updates on economic development activity in newsletters and on website for members	■	■	■	■	■
	Develop policies related to when and how economic development opportunities should be ratified with membership		■			
	Develop annual report for distribution to membership		■			

Strategic Direction #4

Towards the Survival of and Respect for Our Culture, Teachings and Traditional Knowledge

Success Indicators

- Number of traditional knowledge values collected and mapped
- Number of individuals trained in traditional knowledge collection and mapping
- Procurement of required hardware and software

Objectives	Major Action Steps	Annual Priority				
		Y1	Y2	Y3	Y4	Y5
a) Collect, document, and protect historical and traditional knowledge	Engage Elders Council to provide oversight and direction to traditional knowledge collection, use, and protection					
	Develop and implement a policy to guide the collection, documentation, protection and sharing of historical and traditional knowledge					
	Secure financial resources to support the collection and documentation of TEK					
	Identify LDMLFN members, including youth and students, in traditional knowledge gathering					
	Obtain necessary traditional knowledge training for personnel (data collection, GIS, GPS)					
	Collect traditional knowledge					
b) Preserve traditional knowledge	Obtain hardware and software required for traditional knowledge collection and storage					
	Identify and obtain long-term storage solution for traditional knowledge					
	Map traditional knowledge					
	Develop reference maps, charts, and documentation to support community initiatives					
c) Identify areas of economic significance for development	Incorporate traditional knowledge in programming at Savanne River Resort (guided tours, excursions etc)					
d) Protect culture and traditional knowledge	Review traditional knowledge relative to mining claims and exploration					
	Review traditional knowledge relative to forest management unit					
	Identify areas requiring preservation					
	Use traditional knowledge to support LDMLFN during consultations with external parties (industry, government duty to consult etc.)					

APPENDIX A
MEMBER SURVEY RESULTS

APPENDIX B
CURRENT STATE REPORT

APPENDIX C
CASINO RAMA EXPENDITURE GUIDELINES

APPENDIX D
ECONOMIC DEVELOPMENT STRATEGIC PLAN ROAD MAP