

Kitikmeot Inuit Association

Board Meeting BD 05/08

Teleconference Call

October 9, 2008

*Present: Charlie Evalik President
Raymond Kayasark Vice President
Jack Kaniak Board Member – Kugluktuk
Bob Aknavigak Board Member – Cambridge Bay
Peter Kapolak Board Member – Bay Chimo/Bathurst
Joseph Aglukkaq Board Member – Gjoa Haven
Teddy Apsaktaun Board Member – Kugaaruk*

*Regrets: Dennis Lyall Vice President of Finance
Bob Lyall Board Member - Taloyoak*

Other Present: Fred Elias Executive Director

Call to Order Vice-President Raymond Kayasark called the meeting to order at 8:54 a.m. with a prayer said by Bob Aknavigak

Oath of Office: Charlie Evalik was sworn into office by a Kugluktuk RCMP member.

Applause

Raymond Kayasark: You may now have the chair Mr. President

Opening Speech President Evalik gave his opening and welcoming remarks.

Charlie Evalik: We have five items that were identified at the Kugaaruk board meeting that should be entertained at this meeting – I would like to thank Raymond Kayasark for filling in the office of the President these past few months.

Charlie Evalik: Geoff can you please brief the board on the “Transfer of Crown Land to Inuit Owned Land at the Tree Rive Lodge” - thank you Geoff – we’re now asked to consider the options opened to us – are there any questions on this matter – please identify yourself for the record before speaking.

Joseph Aglukkaq: What about the NNI policy

Fred Elias: It was not brought up at the Kugaaruk board meeting as an agenda item to be discussed at this meeting.

Joseph Aglukkaq: Oh, I see – okay thanks.

Bob Aknavigak: Maybe, it's something we can bring up at the NTI AGM.

A question and answer followed after Geoff provided a briefing.

Transfer of Crown Land to Inuit Owned Land at the Tree River Lodge

The Tree River is about 80 miles east of Kugluktuk and it has a lodge on it called Tree River Lodge. Tree River Lodge is owned by Great Bear Lake Lodge Ltd. Currently the lodge is on Crown Land which is land owned by the Federal Government. The Crown land that Tree River Lodge is located is entirely surrounded by Inuit Owned Land (Please see Figure 1). The NLCA (Section 19.4.2 part III) dictates that this land will change to Inuit Owned Land starting January 1, 2009.

The Tree River Lodge has been operating for over 40 years, and currently is open for about 6 weeks every year from the start of July until mid-August. The Tree River is world famous for the large Arctic Char that are caught in the river. It used to be more popular decades ago when it was cheaper to travel by air to Tree River. The Lodge is primarily used as a side trip from the main Lodge owned by Great Bear Lake Lodge Ltd., which is on Great Bear Lake. Guests fly in from Great Bear Lake to Tree River, and occasionally, there are flights from down south direct to the Tree River Lodge.

Consultation

Since June of 2007, KIA has been assessing opinions and options for what to do with the Tree River Lodge once the land changes to Inuit ownership. KIA staff asked the Kugluktuk Community Beneficiary Committee (CBC) what should be done with the Tree River Lodge and they could not provide an answer. The CBC suggested that KIA staff survey Inuit in the community of Kugluktuk. KIA asked many Inuit within Kugluktuk what they wanted to see happen with the Tree River Lodge. KIA also talked to the Kugluktuk HTO, the Hamlet of Kugluktuk, and to businesses such as Kitikmeot Corporation and the business arm of the Kugluktuk HTO to determine if there may be any interest in an Inuit firm owning and operating the lodge. KIA also talked to the current lodge ownership about their plans for the future.

Based on discussions with Inuit in Kugluktuk, the opinion was split as to whether to keep the lodge open, or to close it.

Those that supported the lodge noted that the lodge provides seasonal employment for local Inuit, and that at some point in the future it could regain its popularity as an important tourism destination that could benefit Inuit in the future.

The other half of Inuit that wanted to see the lodge closed said that the area may be used more often for harvesting char and for summer camping if a fishing lodge were not at Tree River. If the lodge were to be closed then the federal government would be responsible for assuring Great Bear Lake Lodge Ltd. cleans up the Tree River Lodge buildings and airstrip and returns the site as close to the original state as possible.

Options and Analysis

Based on the results of this research, KIA has come up with two viable options as a landowner and has excluded a third option. The option that is excluded is the purchase and operation of the lodge by an Inuit firm. Both Kitikmeot Corporation and the Kugluktuk HTO have previously assessed the economic potential of the Tree River Lodge, and both agree that it would be difficult to make any profit on the operation of the lodge as a stand-alone business. Also the Hamlet of Kugluktuk does not think that the lodge could be operated successfully if there were other owners. If in the future there was an airplane based in Kugluktuk that could service Tree River, there may be a better opportunity to profitably operate the Tree River Lodge by an Inuit firm.

The two better options for KIA are to either shut down the Tree River Lodge by KIA denying the lodge a lease on Inuit Owned Land, or to grant a lease to the Tree River Lodge subject to Great Bear Lake Lodge Ltd. providing enhanced compensation to KIA for the use of IOL and also subject to improved environment practices.

Of the two viable options the details area as follows:

Option A) Shut down the lodge by denying a lease

The possible benefits of closing the lodge is that there may be more use of the river in the summer by Inuit in July and August, as some Inuit tend to stay away from the lodge when it is operating. Another possible benefit would be having another source for harvesting char for local use and consumption if Char stocks in the Coppermine River were ever to decline.

It is also important to know that the NLCA guarantees Inuit rights to harvest and access lands for traditional use. Inuit can still use the Tree River for traditional activities and harvesting even if a lodge is present at the River.

A disadvantage of closing the lodge is that there are 3-6 seasonal Inuit jobs that will permanently end if the lodge is closed. Also if the lodge closes, it is unlikely that it would ever re-open, as the cost to re-open lodges is very high compared to the current ability to generate profit at fishing lodges.

Another important consideration is that by closing the Tree River Lodge, it does not guarantee that non-Inuit will no longer fish at Tree River. The Tree River Lodge is known around the world for Char fishing. The NLCA allows non-beneficiaries free access to all navigable waters that border IOL, including 100 feet above the high water mark. The NLCA also allows non-Inuit to harvest wildlife within navigable waters as long as they are following government regulations. This means that the Tree River will continue to be visited by non-Inuit for fishing regardless if Tree River Lodge is closed or open.

Option B) KIA negotiates a lease for continued operations of Tree River Lodge subject to improved benefits for KIA.

In this option, KIA would negotiate a lease with the owners of the Tree River Lodge and the lease would have to provide more benefits to Inuit and KIA. Some items that would be included with a lease with KIA include:

- a. Changing the layout of the lodge so that all lodge employees are close to the main lodge for safety reasons.
- b. All lodge buildings would have to be contained within an electric fence to deter Grizzly bears so that fewer bears are destroyed, and employees and guests are safer.
- c. The lodge would have to pay KIA either a fixed lease for use of the KIA lands, and/or pay KIA a fee based on the number of visitors at the lodge.
- d. The Lodge would have to clean up old equipment at the site, and
- e. The Lodge would have to follow KIA environment conditions for camp operations.

The benefits of following this option and negotiating a lease with Great Bear Lake Lodge Ltd. include: maintaining the seasonal employment benefits to several Inuit at the Lodge; better control by KIA as to who is using the Tree River for fishing; KIA will get payment for use of Inuit Owned Land; there will be better environment management at the Lodge, and; if the economic conditions change to make the lodge more profitable, KIA can benefit.

Recommendation to the KIA Board

Based on this analysis, it is recommended that KIA attempt to negotiate a lease with Tree River lodge and that the term of the lease is for 10 years. After this time, the success of the lease can be evaluated, as well as the desire from Inuit from the community of Kugluktuk to keep the lodge open. At that time the lease can be re-evaluated.

Management Plan for Article 41 (Contwoyto Lake Lands).

At the April 2007 KIA board meeting, a motion was passed to develop a management plan for the Contwoyto Lake lands (also called Article 41 Lands) which also specified how benefits from these lands in the NWT would go to Kitikmeot Inuit. The KIA Department of Lands, Environment and Resources promised to return to the KIA Board with options for a management plan after Inuit from the area were consulted and other information was gathered. The purpose of this Briefing note is to provide management options to the KIA Board for the Article 41 Lands, so that the KIA Board can decide how to proceed with managing these lands and so that KIA can complete a management plan.

The Article 41 Lands are unique because they occur outside of Nunavut, south of Contwoyto Lake in the Northwest Territories (Please see figure 1). These lands were provided to Inuit by Government because of a border dispute in southwest Nunavut when the NLCA was being negotiated. Another unique feature of the Article 41 Lands is that both the surface rights and subsurface mineral rights are owned by KIA. This was designated to KIA from NTI in 1998. This means that any company that proposed to start a mine on Article 41 lands would have to negotiate directly with KIA for mining royalties. This is different for KIA because all other mineral rights under IOL in Nunavut are owned by the federal government or NTI.

Until now, there has been no management plan for these Article 41 lands and no activities have taken place on these lands since at least 1988. As a result, these lands have been closed to development even though there has been no directive from KIA about how they should be managed.

Options for the KIA Board regarding management of the Article 41 Lands

KIA Lands, Environment and Resources had identified two options for managing the Article 41 lands. These are outlined below:

Option 1) No development: Leave the lands as they currently are for a set period of time. *Currently, these lands are not open to any kind of development, however, there is mineral exploration occurring around these lands in the NWT. No development would leave these lands in their current state. Wildlife habitat would be undisturbed in these lands, and the Article 41 Lands will be left for future generations of Inuit to decide how they will be managed.*

Option 2) Allow environmentally responsible mineral exploration on the Article 41 Lands. *If this happened KIA would manage these lands like all other surface Inuit Owned Lands in the Kitikmeot. If there were any mineral discoveries that resulted in a mine, Kitikmeot Inuit would benefit significantly more than on regular IOL in Nunavut. As with all Inuit Owned Lands in the Kitikmeot, any company or person doing exploration or mining on this land would have to abide by KIA land and environment conditions, including cleaning up after they are done using the land.*

Inuit Consultation and other Studies related to Article 41 Lands

In order to provide the KIA Board more information about the mineral potential of the Article 41 Lands and what Inuit believe should be done with these lands, KIA consulted the communities and hired a consultant to assess the mineral potential of the lands.

Our first work was to ask Inuit from the affected communities of Kugluktuk, Cambridge Bay, Bathurst Inlet, and Bay Chimo what they thought of these two options. KIA went to Bathurst and Bay Chimo in the summer of 2007, and in the winter of 2007, KIA met with Inuit in Kugluktuk and Cambridge Bay that used to live in the Contwoyto Lake area. The Inuit of Bay Chimo and Bathurst Inlet that we spoke to were all in favor of opening the Contwoyto Lake Lands to exploration providing work is done in accordance with the KIA conditions set out to protect the land and environment. The majority of Inuit consulted from Kugluktuk and Cambridge Bay were also in support of allowing exploration of these lands, however a few felt that there is enough development in the region already. Thus, Inuit from the Contwoyto Lake area were generally in support of environmentally responsible mineral exploration on the Contwoyto Lake Lands.

In addition to consultation with Inuit, the KIA also retained a consultant to conduct a mineral potential assessment of the Contwoyto Lake Lands. The report indicates there is high potential for economic mineral deposits to be found within the Contwoyto Lake Lands because surrounding lands have demonstrated finds of gold, diamonds, and base metals. Also the Article 41 Lands occur in a geologic region that has high

potential for mineral deposits. The Jericho, Lupin, and Ekati mines are all in close proximity to the Contwoyto Lake Lands.

In August of 2008, with the cooperation of the Ekati Diamond Mine, KIA was able to visit and inspect the Article 41 lands. Joseph Niptanatiak, Kenny Algona, Stanley Anablak, and Mona Tiktalek went on this trip. KIA confirmed that the Article 41 Lands are free of development, however, there is evidence of old exploration activity (a few empty barrels) that needs to be cleaned up. This type of mess would not be tolerated by KIA today.

Decision for the KIA Board

A resolution from the KIA Board is required to select an objective for managing Article 41 Lands and then KIA staff will finalize a management plan to meet this objective. **A decision is required to either leave the lands as they are or to allow environmentally responsible exploration on these lands.**

If the KIA Board recommends that the Article 41 Lands remain closed to development for a specific period of time, then the KIA staff recommends that a set time period, such as 10 years, be used for this closure so that the issue can be reassessed in the future. If this option is chosen, then KIA Staff in the Lands, Environment, and Resources Department will work to ensure that there is no development activity on these lands and communicate this desire to the public.

If the KIA Board recommends that the Article 41 Lands are opened for environmentally responsible mineral exploration, then KIA will inform industry and determine if any companies have any interest in exploration on these lands, subject to KIA's environmental conditions. These lands will be managed the same way that all other Inuit Owned Lands in the Kitikmeot are managed. It is uncertain whether companies will be interested in exploring on these lands, as KIA has never notified industry that these lands are open to exploration.

Overall, it was the impression of KIA Lands and Environment Staff that Inuit that have lived near Contwoyto Lake were generally in favor of allowing exploration on the Article 41 Lands as long as the exploration is environmentally responsible. However, the ultimate say over whether these lands are open or closed to exploration is for the KIA Board to decide.

Kugaaruk bowhead whale hunt – early September, 2008.

Charlie Evalik: Read the e-mail from Charlie Lyall to the board. Are there any questions?

Joseph Aglukkaq: I would suggest that we pay the per diem and lodging to the elders who participated in the bowhead whale hunt.

Teddy Apsaktaun: I would suggest that we pay these elders for participating

Moved by: Joseph Aglukkaq

Seconded by: Jack Kaniak

Be it Resolved that KIA pay the per diem and lodging expenses to those elders who participated in the Kugaaruk Bowhead Whale Hunt.

Disposition

Carried

BD 61/08

KIA Surpluses – 2007-2008 Fiscal Year

Charlie Evalik: Are there any questions.

Joseph Aglukkaq: I would like to help the community in some special way; therefore, we should set aside \$200,000 under community initiative – if \$200,000 is not included in the surplus, I will not support the resolution – I would like the community of Gjoa Haven get a boat for community harvesting purposes.

Charlie Evalik: Fred Pedersen can you provide an update on the IIBA conservation area as it relates to the Tourism Provider Fund.

Fred Pedersen provided an update on the “Tourism Provider Fund” to the board.

Charlie Evalik: Thank you Fred – are there any questions to the presentation given by Fred – it’s in the record that KIA intends to work with the communities – I intend to do that Joseph – probably right after the KIA AGM, I would like to visit the community of Gjoa Haven and the other communities in the region.

Resolutions

Tree River Lodge on Inuit Owned Land

WHEREAS, the Board of Directors of the Kitikmeot Inuit Association (KIA) met at a duly constituted meeting via teleconference call October 8, 2008 and,

WHEREAS, the Kitikmeot Inuit Association is the Designated Inuit Organization for management of surface Inuit Owned Lands in the Kitikmeot region, and,

WHEREAS, Section 19.4.2.part III of the Nunavut Land Claim Agreement states that the crown land leased by Great Bear Lake Lodge Ltd. at Tree River for Tree River Lodge will end December 31, 2008 and on January 1, 2009 the land will be owned by the Kitikmeot Inuit Association;

THEREFORE BE IT RESOLVED THAT the Board of Directors of the Kitikmeot Inuit Association hereby approves:

that the KIA attempt to negotiate a lease with Great Bear Lake Lodge Ltd. for continued operation of the Tree River Lodge subject to improved environment management and fair compensation to KIA. The lease is not to exceed a term of greater than 10 years.

Moved by: Joseph Aglukkaq **Seconded by: Bob Aknavigak**

Disposition **Carried** **BD 62/08**

Note to File: Peter Kapolak disconnected at this point

Management of Article 41 Lands

WHEREAS, the Board of Directors of the Kitikmeot Inuit Association (KIA) met at a duly constituted meeting via teleconference call October 9, 2008, and,

WHEREAS, The Kitikmeot Inuit Association is the designated Inuit Organization for management authority of Article 41 Lands (designation KIT-B98/08-04).

THEREFORE BE IT RESOLVED THAT the Board of Directors of the Kitikmeot Inuit Association hereby approves:

that the Article 41 Lands be opened to environmentally responsible mineral exploration that follows all the same KIA conditions used for all other Inuit owned land in the Kitikmeot.

Moved by: Bob Aknavigak **Seconded by: Raymond Kayasark**

Disposition **Carried** **BD 63/08**

Special Reserve Fund

WHEREAS, the Board of Kitikmeot Inuit Association (KIA) met at a duly constituted meeting on September 30 to October 01, 2008 in Kugaaruk and

WHEREAS, the KIA has experienced a surplus for fiscal year ending March 31, 2008 and would like to establish reserves from 2007/2008 income to cover expenses for , and,

WHEREAS, the KIA Board authorized the KIA Executive to consider several different requirements.

THEREFORE BE IT RESOLVED that, the KIA Board approves the establishment of the following reserves from the 2007/2008 surplus:

Severance	\$204,327
KIA Promotional Products	\$ 75,000
Staff Orientation/Retreat	\$ 50,000
Office Furniture	\$100,000

Replacement Equipment	\$150,000
Legal/Consulting Fees	\$100,000
Elder/Youth Initiatives	\$100,000
Emergency Fund	\$ 50,000
15 Year DIO Anniversary	\$ 75,000
Staff Housing Renovations	\$ 50,000
Staff Training	\$100,000
Additional funds for positions	\$100,000
Sabina Hackett River Reserve	\$100,000
Community Initiative	\$100,000
Total reserves	\$1,354,327

Moved by: Bob Aknavigak

Seconded by: Peter Kapolak

Disposition

Carried

BD 64/08

Abstained: Joseph Aglukkaq

Adjournment

Moved by: Joseph Aglukkaq

Seconded by: Jack Kaniak

Be it Resolved that the board meeting teleconference call be adjourned at 10:45 a.m.

Disposition

Carried

BD 65/08

PRESIDENT

EXECUTIVE DIRECTOR

SEAL