



Business Group Newsletter

January to June 2020

KEL's Executive Management Team. Pictured left to right: Gina Tamm, Hennie Tait, Mirella Trozzo Baillie

Ktunaxa Enterprises Ltd.



KTUNAXA ENTERPRISES LTD.

Business Successes

Ktunaxa Enterprises Ltd. (KEL) has concluded the first full cycle of board reporting in January and April, as per the KHLP Charter, which included all four business units, KEL and NumCo board meetings. Our first financial year end concluded March 31, 2020.

In the past few months, Covid-19 (C-19) presented our group of businesses with a level of uncertainty and challenges. Through the support of BDO, KEL provided guidance and support to all KHLP business subsidiaries on available programs, and Government supports to mitigate the impact of C-19. We are very fortunate that up to now, we have been able to navigate through these times with minimal business interruptions. Some of the supported C-19 programs that were communicated and provided include:

- CRA Wage subsidy programs
- Canada Emergency Response Benefit (CERB)
- Canada Emergency Business Account (CEBA) interest-free loans
- Business Credit Availability Program (BCAP)
- 3month loan payment deferrals

KEL facilitated the asset purchase of Tipi Mountain Native Plants (TMNP) through Nupqu, which supported our objectives to standardize and align our current business capacity. This also leverages these companies' individual capabilities and now provides a more substantial collective offer under Nupqu. KEL is also advancing the asset purchase of Tipi Mountain Eco-Cultural Services (TMECS) through Nupqu, which will further complement our strategic direction and synergies.

During the first quarter of the year, KEL established and created accounting protocols relevant to all KHLP business units. This extends into communication and training to support all staff to ensure alignment with the KHLP Charter and Mandate.

KEL will continue to provide support to maintain accounting standards throughout all KHLP business units.

Other KEL activities and projects concluded:

- Office move and set up
- Logo, business cards and branding guidelines completed
- Presentation on the KHLP organization to subsidiaries
- The quality control program of TMNP
- TMECS and Nupqu accounting and administrative support
- Supporting preferred contracting opportunities for Kettle River
- Renewed MSA agreements with subsidiaries and SEM
- Corporate Governance Policy
- 3 Year Strategic Business Plan



Administrative collaboration with KEL and Nupqu teams. Pictured left to right: Kathy Miles-Boue, Pamela Way, Gina Tamm, Mirella Trozzo Baillie

Upcoming Exciting Project

KEL will be advancing the conclusion of the asset sale of TMECS to Nupqu, planned for June 30th, that will support collective growth through standardized administration and management. We will continue to provide Nupqu with ongoing management capacity to support the optimization of their new broadened mandate.

KEL is currently working on phase two of our branding and marketing project and will be launching a brand-new website over the next few months.

Some upcoming exciting projects we look forward to:

- Building signage
- First 2020-2021 staff professional development/ team building day
- Installation of an Indigenous artist gallery wall in the KEL office

KEL is pleased to be supporting KNC with the Ktunaxa Summer Student Program that is designed to assist students who are 15 years of age and older, who were in school before the summer and returning in the fall, an opportunity to gain valuable work experience in an area related to their employment goals. KEL wishes to welcome Jeffery Sutherland and looks forward to supporting Jeff's learning experience over the Summer months.



Exciting KEL and KNC Economic Sector Summer student collaboration underway, with the project planned through Summer 2020. Pictured left to right: Jeffery Sutherland, Tanis Shedden, Hennie Tait

I want to thank all our business unit managers, staff, board members, and clients who have supported us as we successfully work towards our mandate. Our consolidation and standardization efforts enable more opportunities and economies of scale, thus making KHLP a more robust business unit. – Hennie Tait, CEO

KEL | Hennie Tait, CEO.

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Nupqu

Nupqu Resource Limited Partnership

Successes

Nupqu has been hard at work preparing for a busy 2020 field season, developing modified work procedures, and successfully executing resourcing plans to enable continued operations and growth.

Nupqu has provided company-wide guidance and communication on working through the pandemic, sourcing personal protective equipment, and developing standard work procedures.

Despite the challenges of operating in this new environment, our team of administrators and project managers hired 14 new staff since March to support the project demands of this field season. During the peak operating season, Nupqu anticipates employing upwards of 100 staff.

High Level Activities / Events

Over the past six months, with Ktunaxa Enterprises Ltd. (KEL) 's support, Nupqu has completed the following important strategic objectives:

Accounting and reporting standardization:

This project involved the flow of information to support month-end and quarterly reporting requirements. This includes the development of internal policy and procedures as well as training of key positions. The accounting project focused on the reliability of financial reporting and standardization of accounting procedures that ensures alignment with the KHLP business group.

Name change: "Nupqu Resource Limited Partnership": To better reflect the role that Nupqu plays within the KHLP group, Nupqu's name has become Nupqu Resource Limited Partnership. The initiative has triggered a lot of administrative

Sales Summary



Q3: \$2,235,012

Q4: \$1,211,194

Nupqu |

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work to change over the many places our name appears: legally, financially, and operationally. This name change, along with the updated Mandate, was strategically triggered to make provisions for the planned consolidation of TMNP and TMECS into Nupqu.

See our new logo in this issue of the KHLP newsletter!

Business consolidation: On April 30th, 2020, Nupqu executed the acquisition of Tipi Mountain Native Plants (TMNP) from Ktunaxa Holdings Limited Partnership (KHLP). This acquisition aims to streamline and standardize administrative services, provide economies of scale, and promote synergies in business development, supporting business growth.

To further this standardization and growth strategy, Nupqu will also complete an asset purchase agreement with Tipi Mountain Eco-Cultural Services (TMECS) on June 30th, 2020. Both TMNP and TMECS will become new



divisions under Nupqu. We are excited to bring this capacity under Nupqu to further enhance our capabilities around land reclamation and environmental assessment related work.

For the Native Plants Division, Nupqu has successfully secured a large seed order with Teck Coal, which will support seed inventory and future production opportunities. To further advance the Native Plants Division, Nupqu recently hired a biologist/horticulturist with a passion for seed collection and identification. We welcome Elise onboard.

Upcoming Projects

Nupqu is supporting Teck's Castle Mountain Exploration program with ongoing environmental monitoring and safety attendant services. Castle Mountain is a significant exploration drilling program in an expansion area adjacent to the Fording River mine operations.

Nupqu and Kettle River contracting are collaborating to create access and prepare dozens of construction sites for pipeline digs as part of the FortisBC Inland Gas Upgrade project (IGU). The IGU project will involve construction to straighten bends and joints in the gas pipeline in the areas south of Cranbrook and North of Sparwood. Nupqu anticipates supplying Fortis BC with further environmental and safety services to support the first phase of this multi-year project.

New Staff

Nupqu has welcomed many new staff this spring in anticipation of the 2020 field season and to further bolster our management capacity.

- Chris Ma, Project Manager Safety and Contract Management
- Stefan Wicharuk, Project Manager Environment
- Chris Emslie, Senior Environmental Technician
- Shelby Holden, Junior Environmental Technician
- Connor Zinck, Junior Environmental Technician
- Kaleigh McCallum, Junior Environmental Technician
- Ali Shroeder, Junior Environmental Technician
- Kate Musset, Junior Environmental Technician
- Colby Bracken, Junior Environmental Technician
- Samuel Locke, Junior Forestry Technician
- Claire Lapointe, Junior Forestry Technician
- Francois Bournival-Roy, Safety Technician
- Don Sewell, Safety Technician
- Mike Short, Safety Technician
- Gage Crowell, Safety Technician
- Lisa Birch, Safety Technician
- Rod Signotto, Safety Technician
- Elise Urness, Horticulturist (Native Plants Division)

Other Messages/notes

The Nupqu Fernie office will be undergoing exciting changes this year. Summer 2020 Nupqu will be issuing a Request for Proposal's to complete an interior renovation on the future Fernie facility, in what was once a BC Hydro line yard just off downtown Fernie. We look forward to sharing more on this in the next newsletter.

Kettle River

Contracting Limited Partnership



Successes

Kettle River has been busy over the past six months, wrapping up a few high-profile projects for Teck Coal, including 16 km of piping for a water treatment project at Elkview Operations. As well, Kettle River, as a Ktunaxa business, has been strengthening their relationship with Teck, through the IMBA, to support business growth. This engagement has Kettle River on track to meet our revenue projections for 2020.

This acquisition complements KHLP's strategic focus on developing civil earthworks capacity that aligns with opportunities with Teck Coal through the Ktunaxa Nation and Teck Coal IMBA.

We would like to thank all parties that have supported the development of this Partnership.

High Level Activities / Events

Kettle River is pleased to announce that they have been awarded another contract at the Elkview Operations Saturated Rock Fill (SRF) Full-Scale Trial (FST) Phase 2 Project. This project will expand the water treatment capacity by the end of 2020. KRC has also completed another 6 km of conveyance piping as part of phase two.

Through the beginning of 2020, Kettle River has worked on a half-dozen smaller reclamation and water management projects for the Teck Fording River Operations Team. These projects have involved constructing sumps and conveyance piping to manage water in the mine and contouring soil piles as part of reclamation activities.



Sales Summary



\$9.1 million

Q3 & Q4

Kettle River |

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New Hires/ Staffing Updates

As per the transition and growth plan, Kettle River will be relocating a Senior Project Manager to Cranbrook in the coming months. This person, primarily focused on the Elk Valley and related business opportunity, will support the development of a Cranbrook based Kettle River office.

Kettle River is currently in the process of developing a Payroll and Administration position, which will also be based out of the Cranbrook office; we anticipate filling this position Summer of 2020.

We are pleased to be setting up the satellite Kettle River administration office in Cranbrook BC, located within the Ktunaxa Enterprises Ltd. (KEL) building on Baker Street.

Upcoming Projects

Kettle River is looking forward to collaborating with Nupqu, providing combined services to Fortis BC, who are upgrading their distribution system near Elkford, Sparwood, and Cranbrook. After a successful planning stage, the Kettle River project team is excited to spend the next few months working on-site with Nupqu. This summer's scope is a part of a larger multi-year project and will grow Kettle River's relationship with Fortis BC.



Tipi Mountain

Eco-Cultural Services Ltd



Successes

Over the last 6 months, our team has been busy planning for the 2020 season and completing request for proposals (RFP's) on new service contracts. We have been awarded a 3 year service contract for BC Parks as well as a 3 year service contract with Fortis BC. TMECS would like to thank all the staff that worked to secure these opportunities.

The start of the year brought a lot of changes as the team moved into the new TMECS office, located on Baker Street. We are now settled in and enjoying the new digs!

COVID brought a whole new world of change as we worked together as a team to find ways to continue to complete our work and meet our clients' needs while keeping ourselves safe.

As TMECS continues to grow, our first aid requirements will also increase. To prepare for the next step in WorkSafe requirements, we have put two of our staff through the Occupational Health and Safety (OHS) Level 3 training in preparation for growth and increased need over the coming 2 years.

High Level Activities / Events

This past winter, TMECS participated in the Ktunaxa Nation Economic and Investment Sector event regarding the Kicking Horse Canyon project. This event was hosted by KNC to introduce Ktunaxa businesses to the final proponents of the Kicking Horse Canyon project while also providing the opportunity to collaborate and discuss applicable business opportunities. TMECS had many artifacts on display, and it was a trendy table at the networking event!

Sales Summary



Q3: \$233,695

Q4: \$486,452

TMECS | Kristin Parsons,
Operations Manager

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Other activities:

TMECS hosted a booth at the Selkirk College Career Fair to help share the Summer seasonal opportunities for Field Technicians.

BC Hydro / Ktunaxa Business Development Workshop: meetings and discussions on ways for BC Hydro to better their involvement with Ktunaxa businesses in the region.

Attended the COVID-19 phase into operating re-start plan seminar provided by KABDA.

Strategic planning has been underway and evolved into a strategic transition plan to guide TMECS and our staff through the transition to Nupqu, with the asset purchase concluding June 30, 2020.



Upcoming Projects

Columbia Basin Broadband Corporation (CBBC):
Playmor Junction to Shoreholme Fibre Optic Line
Installation

TMECS will be conducting the archaeological assessments for this project throughout the summer and fall of 2020. Located in the West Kootenays, this proposed fiber optic internet line will extend alongside the Slocan River (via the Slocan Valley Rail Trail), Slocan Lake, Summit Lake, and Highways #6 and #23. The archaeological assessment will include subsurface inspection for precontact materials and monitoring proposed developments within archaeological site boundaries, historical site boundaries, and areas of high potential along the shorelines.

West Kootenay Interests

Interest in TMECS' services has been growing in the West Kootenays. The company has been provided the opportunity to bid on projects from a dam decommissioning to private property subdivision. Currently, TMECS provides cultural resource management services to various industries in the West Kootenays, including but not limited to fiber-optic line installation, forestry, hydroelectricity, and private developers.



New Seasonal Field Technicians

Michael Kennedy

Jenna Koloytuk

Pauline Eugene