

Matawa First Nations Annual General Report 2010 - 2011

Prepared for the 23rd Annual General Meeting July 26th - July 28th, 2011 Hosted By Constance Lake First Nation























Contents

1.0	Message From The Board Of Directors President				
2.0	Chiefs Council 2010/2011				
3.0	Board of Directors 2010/2011				
4.0	Message From The CEO				
5.0	Matawa Departments & News Stories From 2010/2011				
	5.1	Communications Report	09		
	5.2	Education Report	12		
	5.3	Admin, Finance & Information Technology Report	18		
	5.4	Ring Of Fire Office Report	20		
	5.5	Financial Advisory Services Report	23		
	5.6	Quality Assurance Report	25		
	5.7	Matawa Membership Services Report	27		
	5.8	Technical Advisory Services Report	28		
	5.9	Four Rivers Environmental Services Group Report	35		
	5.10	Health & Social Services Report	39		
	5.11	Matawa Employment & Training Report	42		
	5.12	Matawa Management Group Report	46		
3.0	Consolidated Financial Statements				



Matawa First Nations

Vision

Matawa First Nations will be prosperous and enriched First Nations both individually and collectively. By creating enhanced social and economic opportunities for everyone, the Matawa First Nations will reach their maximum potential and have confidence in the future.

Matawa First Nations

Mission

Matawa First Nations are committed to supporting each other and focusing our collective efforts on core strategic priorities. By working together as a regional community, we will use our combined knowledge and resources in order to champion the social and economic vitality of our First Nations and invest in community and people building.



Matawa First Nations

Values

Matawa First Nations Work Together

We have opportunities to grow and reach our maximum potential as a regional group. The diversity within our regional communities is valued and a source of local and regional pride. We are proactively involved in the economic, social, cultural and political development of the Matawa territory.

Matawa First Nations are Dynamic and Sustainable Communities

We integrate modern social and economic development practices with our traditional culture and heritage. We build capacity and economic wealth for present and future generations and are well positioned to succeed in the national economy.

Matawa First Nations Uphold Quality of Life

We invest and protect our quality of life - socially, economically, culturally and environmentally and ensure that the Matawa First Nations are prosperous and healthy communities in which to live, work and raise a family.

Message from the Board President



As the President of the Matawa First Nations Board of Directors, I have the privilege of working with a very dedicated group of individuals representing each of the nine Matawa First Nations.

The role of the Board of Directors is to provide leadership and governance to the Matawa First Nations Corporation. This is achieved by working together on key organizational issues and building a strong corporate foundation to support the needs of our communities today and in the future.

Over the last year, I was very proud to see the stories of our First Nations people being told in newspapers, radio and television. Our stories not only tell of our past and present but they also speak to where we are headed as people and nations.

As we look at the year ahead, the Matawa Board of Directors will continue to support every Matawa First Nation and member to realize their goals and potential. We will do this by ensuring that the Matawa Corporation always puts community needs first. We will also do this through our ongoing commitment to integrity, fiscal responsibility, accountability and most importantly, to working together for the people we serve; the Matawa people.

Miigwech,

Wayne Moonias
President of the Board of Directors

2.0

Chiefs' Council 2010/2011

Chief Sonny Gagnon Aroland First Nation

Chief Arthur Moore Constance Lake First Nation

Chief Harry Papah Eabametoong First Nation

Chief Celia Echum Ginoogaming First Nation

Chief Veronica Waboose Long Lake #58 First Nation

Chief Elijah Moonias Marten Falls First Nation

Chief Peter Moonias Neskantaga First Nation

Chief Roger Oskineegish Nininamik First Nation

Chief Cornelius Wabasse Webequie First Nation

3.0

Board Of Directors 2010/2011

Samson Meshake
Ron Wesley
Charlie O'Keese
Morris Waboose
Frank Onabigon- Secretary/Treasurer
Wayne Moonias- President of the Board
Stanley Oskineegish
Paul Achneepineskum
Roy Spence ■

Message From The CEO

ver the past year, the Matawa First Nations have made news headlines many times. Our communities have gained the attention of people across the country, and in some cases, across the world through news stories that showcase our people, our successes and our challenges.

This 2010-2011 Annual Report focuses on the news stories that show who we are as a Nation; they speak to the social, economic and political issues we face and they celebrate our successes. There were many news stories to choose from when we reviewed the past year. The ones included in the report were selected for different reasons; some speak to specific community issues, some address regional projects and others speak to very real concerns that affect all our people. Whatever the topic, every story has shaped Matawa First Nations over the past year and made an impression that will last a life time.

It's amazing to think that our ancestors had no formal writing system to record or share information. Traditionally, we shared collectively through circles, storytelling, songs and dance. Our knowledge was passed down generation to generation through our Elders our wisdom keepers.

I encourage our people to talk to youth, to continue to share stories of the past and to teach them the ways of the land and the Creator. This is most important in safekeeping the Anishnawbe way of life. At the same time, I also tell our people to share our stories with the rest of the world... talk about our challenges and struggles, and be proud to talk about our accomplishments. Only through understanding, communication and relationship building can we gain respect around the world and have a voice.



Matawa First Nations can be proud about how far we have come over the last year. Our stories speak about a new learning centre for our youth, a new training program, lobbying for a voice in the Ring of Fire development, and a story of tragedy but ultimately unity as we came together to help one of our communities rise above a state of emergency.

At the end of the past year, many of our stories were left unfinished and the Matawa leadership, managers and staff are committed to working together to see the best possible outcomes.

I would like to extend our thanks to our host community of Constance Lake First Nation for their sincere hospitality and wish everyone a productive and successful 2011 Annual General Meeting.

Gichi Miigwech David Paul Achneepineskum CEO, Matawa First Nations Management





Matawa First Nations Communications Report

The Communications Department of Matawa First Nations is provided by Firedog Communications. Firedog is responsible for communications planning and management, media relations, branding and creative, and the development of communications material.

Continued communication practices are needed to help Matawa First Nations achieve its mission and continue to overcome previously identified critical issues in the field of Communications. Tactics and Deliverables determined each year compliment the long-term communications strategy, while supporting priorities and key messaging of the organization, and responds to the changing priorities and needs of Matawa First Nations.

Successes And Accomplishments

Minerals Communications Strategy/Training:

- At the beginning of November
 Firedog submitted the first working
 draft document of the Matawa
 Regional Minerals Communications
 Strategy to the mining development
 group and technical committee.
- The purpose of this document is to provide a strategy for how Matawa First Nations will communicate as a regional group with priority stakeholders on minerals issues and activities.
- Implementation has started on the strategy with the training of communications officers for each individual First Nation.

Media Relations- Eabametoong FN Crisis/ Constance Lake FN Water Woes

- The Matawa communications department continues to communicate Matawa's key messages to the public in a consistent and credible manner.
- Over the last year, 23 media releases have been issued by Matawa. The releases have been proactive and reactive, but both effectively managing how Matawa is portrayed in the media and ensuring it is as favourable/beneficial as possible.
- In particular there has been a lot of media coordination in relation to the Eabametoong First Nation State of Emergency and the Constance Lake First Nation Water Crisis.
- Media relations for both of these issues were very successful attracting national and regional media attention.
- Coverage ranged from Global Television News, CBC, the National Post, the Ottawa Citizen, Turtle Island News, a four-part series on APTN news, and full reports on CTV and the National.

Learning Centre Branding and Grand Opening



- Following several consultation sessions Firedog created the new logo and slogan for the Matawa Learning Centre: "Learn to Dream".
- To unveil the Matawa Learning Centre to the public, a media event will be held that was planned and coordinated by Firedog. The event featured the introduction of the first Principal of the Matawa Learning Centre, the grand unveiling of the new Matawa Learning Centre logo and slogan, the announcement of the Learning Centre's very first graduate, along with a tour of the new facility.



5 1

Matawa First Nations Communications Report

PDAC Video/Booth

- For the fourth consecutive year, a Matawa First Nations delegation took part in the Prospectors and Developers Association Convention. For this year's convention Firedog created a new booth that was modern and inviting.
- An eleven minute video was produced (shot, written, edited) that focuses on the Ring of Fire and Matawa First Nations. It features Matawa First Nations membership, management and leadership speaking about the Ring of Fire and what it means to them. The video was played at PDAC 2011 and is also available on the Matawa First Nations website.



Matawa News Radio

- Matawa News Radio broadcasts live from the Matawa First Nations office in Thunder Bay every second Monday of every month.
- The one-hour show has evolved over the last year, to not only include Matawa Staff as guests, but now organization representatives, role models, and leadership to inform and inspire the membership of Matawa First Nations.

Challenges

- No identified communication contact in each First Nation
- 2. Slow response times from the First Nations on important issues
- 3. Lack of uptake/usage of existing communication tools and channels at the First Nation level
- 4. Lack of direct contact with Matawa memberships due to geography
- First Nations not informing the Matawa Tribal Council or other representatives prior to news announcements ■

Water Woes Continue in Constance Lake First Nation: Community Outraged with INAC Decision to Reduce Drinking Water Supply

Constance Lake First Nation, November 19th, 2010

eadership of Constance Lake First Nation were outraged following what they call a very "unacceptable move" by Indian and Northern Affairs Canada (INAC). For more than three months, the community has been without a water source as membership relies on bottled water. However, the Northern First Nation has recently learned that the amount of water being supplied is being reduced tremendously.

As of November 15th, INAC has reduced the amount of bottled water supplied from six litres per person, per day, to 1.5 litres. Chief Arthur Moore of Constance Lake First Nation says; "I am absolutely outraged with this decision. Access to a safe and useable water supply is the right of every person living in this country. Each province and territory has legislation to provide clean, safe and reliable drinking water to its citizens. Why should it be different for my community?"

A letter from Health Canada addressed to the Constance Lake First Nation dated October 20, 2010, recommended that the following water supply guidelines be followed in the community: Adult- 1.5 L per day for drinking water purposes, Child- 1.0 L per day for drinking water purposes, and additional water need for personal hygiene - 4.5 L per day

Chief Moore says; "The recent reduction, doesn't even follow the health guidelines provided to my community just last month, with additional water



needed for personal hygiene. In general, doctors recommend a healthy adult consume 2.2 litres of water per day; that doesn't include those that are active, have poor health conditions, and pregnant women. I continue to fear that the lack of clean water will lead to despair and ill health for the people of Constance Lake First Nation."

In late July, Constance Lake First Nation declared a state of emergency as 900 residents in the Northern community had been without water for more than a week. A thick layer of algae formed over the lake that was the main water supply for the community.

Update:

In June of 2011, Constance Lake Council and the First Nation applied for Minor Capital funding for an additional two wells to be drilled in the community.

There are visual signs of the blue-green algae in the lake and the First Nation has informed the community that there should be no swimming in the lake. The lake water continues to be the main water source in Constance Lake First Nation. The first well is not being utilized yet and one well does not provide adequate water for the whole community on its own.



Education Report

The Matawa Education Department provides support and advisory services to Matawa community schools and Education Authorities. The Matawa Education Department supports educational initiatives that result in school improvements and to positively impact the quality of students' learning. Supporting the local education authorities, and networking with Aboriginal organizations, Indian and Northern Affairs Canada, the Provincial Ministry of Education, School Boards, and Post Secondary and Secondary/Elementary Institutions, are important responsibilities of the Matawa Education Advisor. The Department operates the Matawa Learning Centre; an alternative secondary school approved under the Ontario Ministry of Education, and is also developing the capacity to provide some second level services under the Pathways to Achieve Student Success (PASS!) program. Adult education, upgrading and training are a strong focus of the department. The Matawa Post Secondary Program has responsibility for Post Secondary Administration for five Matawa First Nations; Aroland, Ginoogaming, Long Lake # 58, Neskantaga, and Webequie. Support Services are available to other Matawa First Nation students upon request. E-learning and the use of new technologies in education continue to be a focus for the Department in order to enhance the quality of educational programs and services and to increase learning opportunities for all Matawa community members.

Successes & Accomplishments

Advisory Services

In 2009, the Matawa Chiefs in Assembly approved the 5-year Matawa Education Strategic Plan and the creation of a Regional Committee on Education. Since then, the Strategic Plan has been utilized to support funding applications and with input from the Regional Committee, has guided the activities of the Matawa Education Department, On February 3-4, 2011, the Matawa Regional Advisory Committee on Education met in Thunder Bay to review the Strategic Plan and identify strategic priorities for 2011-2012. The Committee identified progress that has been made toward several goals and objectives, as well as key success indicators in the First Nations. In addition, current key challenges and barriers to First Nation success in education were discussed. Strategic priorities for 2011-2012 were identified, along with strategies to measure our success in achieving these shorter-term goals.

Members of the Regional Committee on Education:

Patricia Magiskan Aroland First Nation

Sharon Allen Eabametoong First Nation

David Charles Ginoogaming First Nation

Claire O'Nabigon Long Lake #58 First Nation

Maria Baxter Marten Falls First Nation

Tony Sakanee Neskantaga First Nation

Harvey Yellowhead Nibinamik First Nation

Ennis Jacob Webequie First Nation

Education Report

Matawa Learning Centre



"Learn to Dream" - this is the motto of the new Matawa Learning Centre. Located in the Matawa First Nations Management office in Thunder Bay, the new facility opened in September 2010 and has been designated as a Private School under the Ontario Ministry of Education. The Learning Centre provides recognized secondary courses and its graduates receive an Ontario Secondary School Diploma. The Matawa Learning Centre covers approximately 3000 squarefeet and features classrooms, a computer lab, boardroom, and office space for staff.

The Matawa Learning Centre offers accredited secondary courses designed to meet the academic needs of the students. English, math and science courses are required for the secondary school diploma, and optional courses in Health and Physical Education, Native Studies and Guidance and Career Studies are also offered through the Centre. Cooperative Education opportunities are available to students who are ready to learn new skills in real work environments, which have included an automotive shop, a local school board, an administrative office and an assayer's lab.

Over the last year a total of 25 students between the ages of 15 and 21 years were enrolled at the Matawa Learning Centre, three of whom received their secondary school graduation diplomas in June.

"It's never too late to come back, there is always something out there. For me it was the Matawa Learning Centre...My siblings motivated me to come back to school. I want to be a better role model for them. I want them to look up to me and be proud. At the Matawa Learning Centre I get a lot of support from the teachers and Principal and it is a very friendly environment. Now when I look back it just makes me a stronger person." (from a current Learning Centre student)

Pathways to Achieve Student Success - PASS!



With funding provided through the federal First Nation Student Success Program (FNSSP), the Education Department has begun to develop some additional support services for Matawa schools and Education Authorities. In addition to hosting the annual Teacher Orientation and winter Education Conferences, the department has hired coordinators to work with schools in the areas of literacy, numeracy and school success to help improve student achievement. A key component of this initiative is the implementation of a database to track student information and assist teachers, principals and directors in their short- and long-range planning. New, dedicated servers have been installed in all Matawa First Nation schools and a new Database Coordinator has been recruited to oversee the implementation and use of the new system. As with other Education Department activities, community consultations were critical in the development of the PASS! Program which were facilitated in the communities and in Thunder Bay with different groups. On-going communication will continue to ensure students; parents and community members are informed and have opportunities to provide feedback to the PASS! staff members.



Education Report

Post-Secondary Education

Matawa First Nations Education Department administers post-secondary funding for five Matawa First Nations. This year, there were 25 post-secondary graduates from the five Matawa communities whose post-secondary support services are provided through Matawa First Nations. A graduation dinner was held June 16 at the Da Vinci Centre in Thunder Bay and among there were four representatives from the Rotary Clubs of Bowmanville and Port Hope, Ontario, Since 2009, the Bowmanville Rotary Club has provided bursaries and awards to recognize Matawa students from Kindergarten to post-secondary. This year, the Port Hope Rotary Club joined this partnership and the post-secondary bursary was expanded to include recognition for training in Trades/ Apprenticeship programs in addition to the university and college awards.

Special Projects Initiative

Education and training will play a key role in realizing the benefits associated with development activities such as those associated with the Ring of Fire. To assist all Matawa community members so they are able to participate in the new employment opportunities, The Education Department has recruited a Curriculum Developer who has prepared curriculum related to the General Educational Development (GED) program that provides an alternative to individuals who do not have their Grade 12 diploma. Preliminary work has been completed to determine the options for delivering this program in the Matawa communities through on-site and distance education.

Challenges

Post-Secondary Education

Questions about the future of post-secondary education funding have persisted over the past year. Matawa Education Department staff members were involved in the preparation of a national strategy to raise awareness of postsecondary issues and concerns that included the Post-Secondary Rally held on September 23, 2010, on Parliament Hill in Ottawa. The Matawa Chiefs Spokesperson on Education, Chief Arthur Moore, was one of the speakers at this rally, calling for increased support for post-secondary education. The 2% annual cap on post-secondary funding continues despite significant increases in the number of eligible post-secondary students, tuition, travel and living expenses.

Information Technology

Lack of infrastructure to support information technology in the schools and communities continues to hinder the development of online and digital resources available to schools in the provincial education system. A study was commissioned to examine possible options for the development of improved internet connectivity and will support the next steps in identifying how best to address growing communities needs for increased connectivity and accessibility to online resources.

Education Report

FNSSP Funding

In the initial presentations on the First Nation Student Success Program (FNSSP), Indian and Northern Affairs Canada (INAC) indicated funding for the program would increase in the second year of the program, and then again in the third. Matawa submitted an application for more than \$4 million for the second year of its program, with over half the funding to go directly to Matawa First Nation schools for resources and staff. This Spring, INAC indicated funding for the Matawa FNSSP would be reduced by 24%. Similar cuts in FNSSP funding have been experienced by other program providers across the country. As a result, some activities planned for the second year of the program will be delayed, and the longrange planning for the development and delivery of support services to Matawa schools will be revisited.

Secondary Student Support Services

The Matawa Learning Centre provides a unique, supportive learning environment for Matawa youth. At the same time, however, non-academic support services are a critical component in the academic success of secondary school students who are attending high schools outside of their communities, whether at the Learning Centre or provincial secondary schools. While this need is acknowledged, funding for these services remains minimal and too many students are unable to complete their courses and programs because of issues and problems that are primarily outside of the school. Increased funding for secondary student support services would provide resources to assist these students who attend schools outside of their communities. As well, alternative mechanisms for delivering secondary school courses and programs in the Matawa communities would provide additional options to students who wish to obtain their Grade 12 diploma.

Special Education

Lack of resources for special education continues to interfere with the provision of appropriate services and programming for Matawa children and youth. Funding for special education is based on a regional formula used to distribute limited INAC funds, and is focused on the provision of services for "high needs" students. Often, these "high needs" students do not include children and youth whose behaviour requires them to have special programming, and the number of children with challenging behaviours continues to rise, due to some extent to the increased abuse of prescription drugs. The need for adequate levels of funding for special education services, resources and programming in Matawa First Nation schools continues.

Matawa First Nations Officially Opens the Matawa Learning Centre:

First graduate of the new Centre is recognized during opening ceremony

Thunder Bay, Ontario, February 10th, 2010-

atawa First Nations is teaching its students to "Learn to Dream". This is the motto of the new Matawa Learning Centre which was officially introduced to the rest of the world today, during a special Grand Opening Ceremony. The new facility located in the Matawa First Nations Management office in Thunder Bay Ontario, is a student-focused learning environment that has been specifically designed to help First Nations students successfully complete their secondary education.

The secondary school graduation rate for Aboriginal students is far below that of non-aboriginal students and according to Matawa Learning Centre Principal, Denise Baxter, this is because the mainstream education system does not provide for the specific needs of some First Nation students.

Says Baxter; "The statistics show that the traditional high school learning environment is failing our First Nation students. High schools are too large and very intimidating for First Nations students, many of whom come from small, remote communities. The Matawa Learning Centre offers students a holistic education- one that considers their learning needs but also the personal and social issues that they may be facing. We ensure that our students don't fall through the cracks and we are all accountable to each other to ensure that our students succeed."

The Matawa Learning Centre is approximately 3000 square-feet and features classrooms, a computer lab, boardroom, and office space for staff.



Today, the Matawa Learning Centre celebrated its very first graduate. Eighteen year old Curtis Sugarhead of Eabametoong First Nation was presented with a plaque acknowledging his student success. Sugarhead says; "I was finally able to complete high school thanks to the Matawa Learning Centre. With the support of the staff, students and my family- I did it." Sugarhead hopes to get a job within his community and dreams of one day running his own business.



UPDATE:

The Matawa Learning Centre is proud to announce three graduates for the 2010-2011 school year. They are:

Leroy Moonias- Neskantaga First Nation Curtis Sugarhead- Eabametoong First Nation Aaron Yellowhead- Eabametoong First Nation

Matawa First Nations Rejects Any Transfer of Control or Administration over Post-Secondary Education: Chief speaks during demonstration at Parliament Hill.



Ottawa Ontario, September 23rd, 2010

In support of National Week of Action for First Nations Education, Matawa First Nations representatives participated in a demonstration taking place on Parliament Hill, joining more than five-hundred people from across the province.

Constance Lake First Nation Chief and Matawa First Nations Education Spokesperson Chief Arthur Moore spoke to the crowd speaking about what he said should be the number one priority for First Nations and all communities right across Canada.

Chief Moore stated; "This country's workforce and leaders of tomorrow are growing up today and it is a national tragedy that so many of our young people are not getting the education or academic experience they rightfully deserve and need to succeed in a modern and increasingly demanding world."

Currently Indian and Northern Affairs is in the process of planning and securing Cabinet approval to take back the Post Secondary Student Support Program from the control of First Nations. These recent proposals from the government go against everything that Matawa First Nations and many other communities are trying to promote in education.

Matawa First Nations rejects any transfer of control or administration over post-secondary education or post secondary student support programs and leadership demands that Indian and Northern Affairs Canada takes immediate action to consult with First Nations and based upon their recommendations, implement strategies to address outstanding issues related to the management and administrative practices of the Post-Secondary Student Support Program.

53

Administration, Finance & Information Technology Report

Administration, Finance and Information Technology (I/T) departments provide a broad range of corporate support services to our programs, projects and subsidiary companies. Sarah Moonias and Sabrina Sutherland, our Receptionists, direct mail, guests and callers; Rob Wesley, our System Administrator, maintains our computer equipment and servers while Celine Echum, June Gordon, Tina Gordon and Diane Dunford fulfill the financial accounting and control functions

There has been significant growth across all areas of Matawa during 10/11

- Overall dollars managed increased from \$8.5 million for 09/10 to \$10.0 million for 10/11 – an increase of almost 20% in a single year
- Our personnel complement increased from 37 full time employees at March 31, 2010 to 48 at March 31, 2011 -- another year over year increase of almost 30%
- Capital assets of \$1.0 million were acquired during 10/11
- Project contributions and flow through funding provided directly to benefit First Nations increased from \$1.6 million to \$2.2 million as well.

This level of major growth presents exciting opportunities but also brings challenges to manage the new responsibilities and change effectively. Matawa has been and continues to make adjustments in its Administrative, Financial and I/T systems to address our changing needs. Areas where we are addressing new risks to improve stewardship as the organization continues to change include:

- I/T services work underway to develop properly documented policies and operating procedures to safeguard and leverage both existing and new I/T assets and data
- In collaboration with the ISO certification process, our administrative, human resources and financial procedures that are already in place are also being updated and better documented so, where growth occurs and new subsidiaries emerge, it is within a stable, clear and consistent corporate operating framework.

Matawa's audited consolidated financial statements are presented separately in this report to provide a more detailed look at our overall operations.

Government & Industry steam ahead on Ring of Fire developments, while First Nations are left waiting on the Platform

Thunder Bay, Ontario, January 13th, 2011 -

With daily news releases being issued by Ontario, the mining industry and regional municipalities about developments in the Ring of Fire, the local Matawa First Nations seriously question why they have not been consulted about decisions that directly impact their people, communities and way of life.

The nine Matawa First Nations Chiefs, including Marten Falls, Webequie and Neskantaga First Nations, recently held an emergency meeting to discuss the lack of government and industry consultation in the planning and development processes taking place in the Ring of Fire. "To our knowledge, there is not one single advanced exploration or mining agreement in place between any of our First Nations and any mining company that is exploring in the Ring of Fire area." says Chief Roy Moonias.

Continues Chief Sonny Gagnon of Aroland First Nation; "While regional municipalities from Thunder Bay to Sudbury compete for site selection for the smelter facility and construction route of a transportation corridor into our traditional territory, our First Nations who actually live in the Ring of Fire, have not yet been invited to the table to even initiate discussions over community impacts."

Currently Aroland First Nation is lobbying to get the smelter near the First Nation community, signing a Memorandum of Understanding with Greenstone. Chief Gagnon says; "It only makes sense to build a smelter near our community and to benefit the immediate region from where the minerals are being taken out of. It is viable to generate electricity to run this mining facility in the area, but we need the Government's support to make it a reality."

Close to 100 mining companies have staked claims in the Ring of Fire, home of the world's largest chromite deposit, and several companies are reporting that they are in advanced stages

of exploration. The Ring of Fire is located in the traditional territories of several Matawa First Nations who have been raising concerns about the impacts of exploration and mining on their communities for a number of years. Concerns are based on the escalating impacts of a wide range of issues including socioeconomic impacts, environmental impacts such as water quality, clear cutting and impacts to wildlife populations. More recently, the concerns have also focused on potential benefits such as employment, new business and training opportunities for local people.

"Consultation means coming to our communities to talk to local people - youth, Elders, trappers, about how a mining development or railway could affect our ways of life or community. Our people only learn about what is happening in their backyards through the media or when they see it with their own eyes when they are out on the lands. They are demanding explanations about how they will be accommodated or benefit from these developments. We as leaders do not have the resources and funding to get the answers and this lack of community engagement by the Government and the mining industry is simply insulting;" says Chief Cornelius Wabasse of Webequie First Nation.

Matawa First Nations have continually asserted that they do not oppose responsible development in their territory and that they recognize the potential benefits for their communities and the Northern Ontario region as a whole. What the Matawa Chiefs are demanding is that exploration agreements be negotiated with each impacted First Nation individually or collectively and that process be properly funded by the government and industry. These agreements must be in place before any development proceeds.

Chief Gagnon says; "This activity in the Ring of Fire cannot continue to move forward without First Nations consent and meaningful participation. We all want to benefit from these potential mining developments and negotiate employment and business opportunities for our people. I am not willing to let history repeat itself by watching this train leave the station without us and have my grand-children ask me in 20 years why we were left behind with nothing while everyone else got rich."

Continues Chief Roy Moonias; "Today our concerns are manifesting themselves as formal resolutions to the Government of Ontario and Industry to properly consult with us and to accommodate our concerns, but if they continue to ignore us, we are willing and prepared to intervene and take this to the highest level of accountability as First Nations and as a regional group."

54

Ring Of Fire Office Report



The Ring of Fire office opened in March of 2011 and is located on the lower level of the Matawa First Nations Office in Thunder Bay. Raymond Ferris was appointed the Ring of Fire Coordinator as of January 25, 2011. Kevin Wabasse started employment as the Ring of Fire assistant within the office on February 28, 2011 and Fred Jacob began in March of 2011, as Mining Advisor.

At this point in time, the Ring of Fire office has been coordinating and facilitating the political and technical activities with the First Nations, and dialogue with governments and outside interests.

Exploration activities within the Ring of Fire are happening at an accelerated pace and the First Nations cannot keep up with the progress being made. Currently, Cliffs Natural Resources and Noront have submitted Project Descriptions to the Canadian Environmental Assessment Agency without any consultations with the First Nations. The next stage is to begin accessing permits to conduct the advanced stages of explorations.

The companies and the governments have a very narrow view of how consultations should be conducted. It would seem that their view is the viable way for processes to occur. Government ideals and processes contravene First Nations policies/protocols and also contradict their own judicial system. Marten Falls has initiated the actions of protection of Treaty and Aboriginal Rights by writing letters that will commit the government to:

1. that there will be no decision on the registration document filed for this Project or any other exploration, mining or infrastructure proposal until there is a comprehensive agreement concluded between Canada, Ontario, Marten Falls First Nation and, if they choose to participate, with other affected First Nations communities on how the environmental assessment and regulatory permit review process within the Ring of Fire will ensure shared decision-making between jurisdiction and appropriate consultation with our communities

54

Ring Of Fire Office Report

- 2. that Canada will establish a table for the negotiation of such a comprehensive environmental agreement on a government to government basis, involving Ontario, Marten Falls First Nation, and other affected First Nations communities if they choose to participate; and
- 3. that Canada and Ontario will jointly provide sufficient funding for Marten Falls First Nations to fully participate in the negotiation of the environmental agreement.

All of the nine Matawa First Nations reached an agreement on June 8, 2011 to move forward on creating a unified approach with respect to the Unity Declaration. The Chiefs agree to meet and formulate directions on the following issues:

- 1. Finalize the Unity Declaration,
- 2. Finalize the Vision and Mission Statements,
- 3. Categorize all the key themes from the small group working sessions of the Matawa Summit.
- 4. Develop a Communications Strategy,
- 5. Plan for the next gathering of the nine(9) First Nations to ratify the Declaration, Vision and Mission Statements and Communication Strategy

Once the collective approach has been agreed upon, it will be announced to the outside interests how First Nations will exercise their jurisdiction and governance in developments following through with First Nations policies, protocols and community decision-making processes.



Matawa First Nations introduces Ring of Fire Coordinator

Thunder Bay, Ontario, January 25th, 2010-

Raymond Ferris, of Constance Lake
First Nation, as the new Matawa First
Nations Ring of Fire Coordinator. Effective
immediately, Ferris will be working on behalf
of the nine Matawa First Nations to ensure
the communities and their members have the
opportunity to participate and benefit from
developments in the area.

Ferris has a wealth of experience in the land and resource sector, serving as a former deputy Grand Chief for Nishnawbe Aski Nation, and as Chief of Constance Lake First Nation. Most recently, Ferris worked for Matawa First Nations as the Mining Exploration Advisor and has previously served as the Matawa Board of Director's President for three years.

CEO David Paul Achneepineskum says; "Matawa congratulates Raymond on his new role. This position will be vital to the future of our people and is desperately needed to help coordinate relationships between our First Nations, Government, and Industry. Matawa First Nations are committed to building economic strength and sustainable development in their traditional territory for the benefit of current and future generations, and Raymond will ensure our best interests are put at the forefront during the entire process."

Currently the Ring of Fire area is said to hold some of the richest minerals in Canada. These natural resources are attracting the interest of hundreds of companies who want to explore the land that includes the traditional hunting trapping and fishing territories of Matawa communities. Ferris says; "My first step will be to work with those communities that are most impacted by the possible development- Marten Falls, Neskantaga, and Webequie First Nations. Working together as a group will ensure that necessary policies, protocols and resources are implemented to protect our traditional



lands, our land use rights and our way of life."

Close to 100 mining companies have staked claims in the Ring of Fire, but to date there is not one single advanced exploration or mining agreement in place between any of the First Nations and any mining company. Ferris says; "One of my main goals is to get better agreements for the communities. We need to let the industry know that before they advance any activity they need to have an agreement in place with us. Issues like revenue sharing, environmental monitoring- these all need to be included in agreements, and they need to be drafted at the very beginning. I have spent most of my life ensuring the land that my people call home is protected and used for the benefit of First Nations people—I will continue to do so, as the new Matawa First Nations Ring of Fire Coordinator."

In his new role as Ring of Fire Coordinator, Ferris will develop a comprehensive strategy that will respond to short-, medium- and long-term goals. In cooperation with Matawa, Ferris will also implement policies that ensure continuous and effective communication between the communities, government and industry.

Matawa First Nations announced the need for a Ring of Fire Coordinator in October of 2010. ■

Financial Advisory Services Report

The Financial Advisory Department is available to help enhance member First Nation management, operations and life by delivering community finance, management and governance advisory services upon request.

These services may include working with the Band and Program Managers along with various administration staff members to address financial and personnel management capacity development. The Financial Advisory staff can work with the community finance personnel in the areas of computerized accounting and bookkeeping, financial planning, policy development, internal reporting and audit preparation. Communities can also access support for preparation of funding proposals for a variety of community driven initiatives.

The Financial Advisory office has compiled resources on management practices, policies and procedures and governance codes to assist First Nations with community, administrative and project governance and management development.

Successes & Accomplishments

- MFN Financial Advisory Services played a role with the comprehensive update of the Neskantaga First Nation Personnel Policies. The policy manual is in the final legal review stage as is almost ready for final adoption and implementation.
- 2. The third annual Matawa First Nations
 Community Governance and Economic
 Development Conference was hosted on
 March 1-2, 2011, at Thunder Bay's Valhalla
 Inn. Matawa and other First Nation
 delegates participated, as did participants
 from government and varying industries.
 Workshops were held on Governance,
 Business and Youth Leadership. There

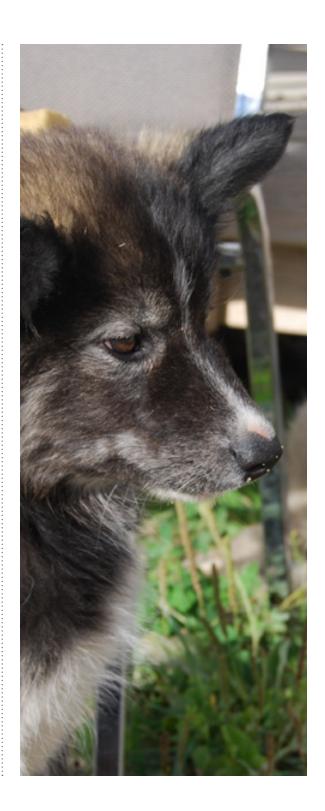
- were also numerous speaking sessions featuring successes from other First Nations, perspectives from government and presentations from industry.
- 3. Band Managers meetings were held in February and March 2011 and will be the foundation for future meetings and the development of the MFN Band Managers Committee. This committee will act as a forum for Band and Program managers from the member First Nations to plan, prioritize and implement projects and build capacity. A terms-of-reference document has been drafted for the MFN Band Managers Committee for the Chiefs' review and approval.
- 4. Comprehensive library of up-to-date information on personnel, accounting, not-for-profit and IT policies and procedures. This subscription is maintained with this department and member First Nation managers can find information on specific policies via e-mail or visiting the office.
- 5. Advisory support for member First Nations updating or creating new positions many managers have requested and received samples, templates and draft documents for items such as job descriptions, job interview formats and interview questions. Similar advisory support has been given for items such as committee member reporting a tool to ensure that reports and information are given to Band Managers from staff and community members who participate on various boards and committees.

55

Financial Advisory Services Report

Challenges

- Keeping up with the growing need for capacity development and human resources with the potential impacts from the regional mining, energy and infrastructure development in the region.
- 2. Dealing with restrictions imposed by the federal and provincial governments, INAC Intervention and general lack of resources for building capacity, education and more.
- 3. Obstacles with development and maintenance of the newly established Band Managers Committee funds for meetings, project funding and other issues.
- 4. Communications is a growing issue for Band Managers lines of communication need to be developed and strengthened between the local Band Manager's office and the elected leadership, government, employees, committees and committee members and Matawa First Nations.
- 5. Accounting policies, procedures and systems differ between all First Nations (and within each First Nation) and a regional plan must be considered to encourage regionally scoped training projects, encourage peer-to-peer support and communication and building technological infrastructure to support the regional plan.



Quality Assurance Report

To coordinate the enhancement of Matawa First Nation's Quality Management Systems to ISO 9001:2008 compliance. For the QMS Project, which will run from September 2010 to August 2012, this department will communicate and work with a QMS Consultant to develop, monitor and evaluate departmental and organizational Action Items for QMS development.

ISO 9001:2008 Quality Management Systems:

ISO 9001:2008 is a generic standard and is applicable to a product or service. The structure or format of the standard is compatible to any type of business or organization and is recognized worldwide. The International Organization for Standardization governs all ISO-based standards.

Every business or organization is different and unique when implementing ISO 9001. It is left up to the individual business or organization as to how they will meet compliance of the ISO 9001 standard. Compliance can therefore be achieved and still maintain Matawa's identity and cultural direction. Implementation of the ISO 9001:2008 standard makes good sense for those organizations that want to run their business efficiently.

This QMS development project is described in the Matawa First Nations Quality Management Systems plan as developed by David Paul Achneepineskum (CEO) and Consultant Darlene McCulloch. This plan, which was approved by the Board of Directors, contains the following four phases:

Phase One:

Consultant Orientation and Awareness of existing Management Systems and Documentation at Matawa;

Management and Staff training and orientation on ISO 9001:2008-compliant QMS (this portion is on-going throughout the Project);

Phase Two:

Documentation – writing of manuals, policies and procedures;

Phase Three:

Implementation of new QMS and Monitoring of all Documentation;

Phase Four:

Preparation for Certification.

Successes & Accomplishments:

- 1. All personnel have received orientation on ISO-compliant Quality Management Systems each department has begun activity and development through their respective Departmental Action Items.
- 2. One-time funding was secured for Phases 1 and 2 from Nishnawbe Aski Development Fund's Local Initiatives Contribution fund.
- 3. Project funding has been secured from the Ontario Trillium Foundation for Phases 2, 3 and 4 (February 2011 to August 2012).

Quality Assurance Report

- 4. Education has been the leader in QMS development since the project was initiated the following are examples of achievement in QMS development:
 - Departmental Binder with governance and QMS documentation;
 - Regular staff meetings that are formally recorded;
 - · Functioning QA Logbook; and,
 - Updated Forms, Job Descriptions and Employee Evaluations.
- 5. Finance/Administration and Technical Services has made has also moved the project forward with such successes as the following:
 - Functioning Logbooks;
 - "Customer" input mechanisms;
 - · Staff Meetings; and,
 - Forms and Work Instruction development.

Challenges

Matawa has faced challenges throughout the project's implementation – challenges that other First Nations and First Nation organizations have faced and overcome in recent years throughout Canada. QMS development is a significant undertaking that will result in enhanced services from Matawa to the member First Nations and also a heightened corporate profile with various industries who acknowledge ISO 9001:2008 as the QMS standard and the norm for doing business. In summary here are some of the challenges Matawa faces while implementing QMS development:

 This initiative is new to many including the CEO, Managers, QA Coordinator and QA Representatives – it will take time for

- all the managers and staff to develop and acclimate to the new QMS. Ensuring that QMS is part of everyone's day this is brand new to the corporate culture at Matawa. Only time, dedication and action will make the new QMS "second-nature", which is key to the success of the project and QMS at Matawa in the long-term.
- 2. Staff and Management are being asked to find time within their busy schedules QMS development, implementation and maintenance is something that must be incorporated and will become a part of everyone's work routine. Time commitment is especially high during the documentation and development phase Phase 2.
- 3. Staff and management require training this is something that will be addressed on an on-going basis through the Consultant, the QA Department and QA Reps.
- 4. Some departments find the task more difficult than others; however, as the "lead" departments achieve QMS development, peer assistance will grow as well. The vehicle that will aid in addressing this challenge are the QA Representatives meetings these will happen monthly and encourage peer assistance.
- 5. QMS will become part of all aspects of Matawa First Nations and all forums such as Board and Chiefs meetings. Forms, Policies and Procedures will need to be developed to link Chiefs and Board of Directors with MFNM QMS. ■

Membership Report

The mandate for the Membership program is to provide Membership services to the six First Nations communities of the Matawa Tribal unit. The communities consist of Aroland, Eabametoong, Martin Falls, Neskantaga, Nibinamik and Webequie.

Aboriginal Birth Registration Initiative – Ambassador Networking

On the last report that was presented, the initiative of Ambassador Networking has been growing steadily with more First Nations representatives joining in. Since the time of its conception, the Ambassador Networking consisted of Membership Clerks, Healthy Baby/ Healthy Children Coordinators, Chiefs and Leadership and has had periodic monthly teleconference calls to address issues and concerns about birth registration.

The Ambassador Networking is continuing to develop ways to improve and educate early birth registrations to new mothers/fathers. There are similar issues and concerns that each First Nation faces in regards to trying to promote early registration.

As of this year, we now have 75 Ambassadors that are providing assistance to 55 First Nations.

Bill C-3 Gender Equity

"The changes introduced by Bill C-3 allow eligible grandchildren of women who lost Indian Status as a result of marrying non-Indian men to become entitled to registration (Indian Status) in accordance with the Indian Act." As per INAC Pamphlet handout.

Since the passing of this bill Matawa Membership has had meetings with several Matawa people and has had many phone calls. While most issues were addressed, some people were referred to INAC – Thunder Bay.

New Secure Certificate of Indian Status Card

The NCIS card will be effective sometime this year. There is no definite date release, but Indian Affairs will send notice.

AGR

5.8

Matawa Advisory Technical Services Report

Matawa Technical Services assists member communities in the development and maintenance of community infrastructure. This includes assisting communities with all aspects including the environmental component and Aboriginal Affairs capital approvals process.

Matawa First Nations responds to First Nation requests and services provided vary according to individual community needs, levels of individual capacity, technical proficiency, and management expertise. Consequently, the services we provide may vary and could include:

- Project Planning, Development and Reporting
- Operation and Maintenance of Water and Wastewater infrastructure
- Coordination of Water and Wastewater Operator Training
- Environmental Remediation Project support
- Housing Inspection and Programming
- · Fire Safety and Protection
- ACRS and CAIS reporting
- Additional programs as available (i.e. Fuel Tank Registration, Go Green, LEAF, etc)

Successes

1. Eabametoong Remedial Investigations and Options Analysis (RIOA)

Project started in September 2009 and work was awarded to True Grit Consulting through a competitive process. 11 sites were identified under the RIOA:

Site A: Former DGS Site

Site B: Current DGS Compound

Site C: DGS Dump Site D1: School USTs Site D2: Teacherages

Site E1, 2 &3: Former Sawmills Site F: Former Co-op Store Site G: Oily Water Trenches

Site H: Abandoned Storage Tanks Site

Objectives:

- to assess and/or re-assess the sites using current criteria, to identify the degree & extent of impact
- to assess the risk to human health and the environment by conducting a PQRA
- · to develop options for remediation

Results:

- Soil impact by petroleum hydrocarbons was identified at 7 sites
- Impact on the lake sediment was identified at 1 site
- Approximately 20,000 cubic metres impacted soil

Matawa Advisory Technical Services Report

Remediation Options:

- Bioremediation cell to dispose & treat of contaminated soil
- Site A: Interceptor trench could be installed along the lakeshore to collect impacted groundwater as it migrates towards the lake, and/or to inject ORC amendments
 - Not approved for priority funding under FCSAP; to date
 - INAC approved funding for interim measures (ie: fencing & signs to deter access and disturbance)
- Site B: Current DGS Compound
 - · Requires remediation
 - Will affect the Load Forecast and Upgrade Projects
- Site D1: Underground Storage Tanks
 - Will be removed as per Environment Canada regulations
 - INAC to fund project

Neskantaga RIOA

- Project started in August 2010 and work was awarded to True Grit Consulting through a competitive process.
- 17 sites were identified under the RIOA:
 - · Site A: Neskantaga O&M Garage
 - Site B: Neskantaga Water Treatment Plant
 - Site C: Neskantaga Former Band Offices
 - Site D: Neskantaga Trapper's Coop
 - Site E: Neskantaga Bunkhouse and Residence
 - Site F: Neskantaga Arena Bulk Fuel Storage
 - Site G1: Mid-Community Vehicle Graveyard, Yard 1
 - Site G2: Mid-Community Vehicle Graveyard, Yard 2
 - · Site H: Mid-Community Drum Graveyard
 - Site I: Lansdowne Teachers' Residence
 - Site J: Neskantaga Education Centre Teacherages
 - Site K: Neskantaga Former School Portables
 - Site L1: Mid-Community Waste Disposal Site, Active
 - Site L2: Mid-Community Waste Disposal Site, Inactive
 - · Site M: Airport Storage Tank
 - · Site N: Lansdowne School
 - Site O: Lansdowne Municipal Facilities
 - Site P: Lansdowne Sawmill
 - Site Q: Lansdowne General Store Gas Sales



58

Matawa Advisory Technical Services Report

Objectives:

- to assess and/or re-assess the sites using current criteria, to identify the degree & extent of impact
- to assess the risk to human health and the environment by conducting a PQRA
- to develop options for remediation

Results:

- Soil impact by petroleum hydrocarbons was identified at 13 sites
- Approximately 15,588 cubic metres impacted soil

Remediation Options:

- Bioremediation cell to dispose & treat of contaminated soil
- Class 1 Priority 7 Sites:
- Site A: O&M
- · Site C: Former Band Office
- · Site F: Arena Fuel Storage
- Site I: Lansdowne Teacherages
- · Site M: Airport Tanks
- · Site N: Lansdowne School
- Site O: Lansdowne Municipal Facilities

Webequie RIOA

Project began in 2009 and was awarded to True Grit Consulting Ltd through a competitive process No results have been shared to date. Final Report is expected by end of June.

2. Marten Falls Soil Remediation

Anebeaaki Environmental Inc., completed an RIOA for MFFN in 2006 at the following five sites:

Site A: Former School Site B: Old Sawmill

Site C: Former General Store

Site D: DGS Site E: MTO

Results:

 Approximately 12,285 cubic metres of petroleum hydrocarbon impacted soil

Remediation Options:

- Bioremediation facility to dispose & treat contaminated soil
- Remediation Project was approved, and Feherty and Associates Ltd., were retained as Professional Project Manager. Anebeaaki submitted a proposal September, 2009 for the Design of Environmental Remedial Actions.
- In November 2010, design process and additional investigations were initiated and completed to obtain supplemental information required to complete the design
- Draft Design Report was submitted to the Project Team in February 2011, and after comments and revisions, the finalized Design Report was submitted in May, 2011.
- Prior to project tendering, Feherty & Associates Ltd will prepare an Effective Project Approval (EPA) submission to INAC to implement the soil remediation project.

Matawa Advisory Technical Services Report



3. Matawa Environmental Conference for Northern Ontario (MENCO)

For the first time in Northwestern Ontario, an Environmental Conference focusing on First Nations communities and hands-on workshops was held it the region. MECNO was hosted in the city of Thunder Bay from October 26th until October 28th at Fort William Historical Park.

MECNO offered remote and road access First Nation communities with an opportunity to participate in hands-on environmental workshops designed by experts.

Major environmental issues and topics were discussed over the three day event, including environmental assessments, land and water management, source water protection, food security, mining and exploration, fuel handling and contaminated sites. Workshops were also conducted at MECNO that

specifically focused on the Ring of Fire, an area that holds some of the wealthiest mineral potential in Canada.

MECNO Coordinators were frequently approached by participants who clearly expressed interest in Matawa hosting another conference in 2011; the event was viewed as a colossal success. In follow up to the requests, recently northern Tribal Councils and INAC representatives met to discuss organizing an annual conference in a similar fashion as the Northern Housing Conference. By pooling human resources, the Committee (unconfirmed as: Northern Ontario Environmental Committee) would work together to gather financial contributions for hosting an annual event. Preparations for this year's conference will include monthly video/teleconference meetings until July at which point they will increase to twice a month.

It is the intent of the Committee to reapply for LEAF Funding in 2011, and return to

Matawa AGR

58

Matawa Advisory Technical Services Report

Fort William Historical Park the third week in September (20-22). The objectives of MECNO would remain the same – to provide hands-on learning experiences for participants, by orienting workshops towards training initiatives in the environmental field. Some preliminary ideas are: benthic biomonitoring, local food & sustainability, waste management & recycling, fuel systems upgrades & spill response, & renewable energy installations.

4. Contaminated Sites

In collaboration with Eabametoong First Nation's Community Knowledge Collection, Xavier Sagutch, Matawa is engaging government agencies in discussion about legacy exploration contaminated sites off-reserve. During earlier decades mining exploration was not regulated, allowing companies were able to move about freely on the land, leaving behind waste materials. Since access to these sites is remote there was a significant demand for fuel to power machines and vehicles, heat tents, and prepare food. Today there are an extensive number of 45 gallon drums still left on the land, discarded, without regard for the potential impact its contents could have on the immediate and surrounding environment. Many areas that show evidence of leaking or spills and subsequently, petroleum hydrocarbon contaminated soil.

The intention is to work cooperatively with Government and Industry to overcome these legacy issues that continue to plague the health and prosperity of First Nation traditional territories where hunting, trapping, and fishing is still a very active part of the culture. We are applying for funding next year, with hopes of project approval for five consecutive years. The project would involve hiring a Matawa member full time and a Matawa youth part time during the summer, who would be responsible for gathering legacy site locations, visiting these sites, sampling soil and surface water, and perhaps participate in removal activities.

What we really would like to see is more active involvement from other Matawa communities because there is strength in numbers, and this cannot be an isolated problem unique to the Eabametoong area.

5. Canadian Economic Action Plan (CEAP)

Through the additional monies available through CEAP the following projects were completed over the past two fiscal years:

- Aroland renovation on 5 units & 6-plex, lot servicing on 10 lots (INAC)
- Ginoogaming renovations on 11 units, lot servicing on 20 lots (INAC)
- Eabametoong construction of 3 new units (CMHC)
- LL#58 construction of 6-plex (INAC), renovations on 7 units (INAC), lot servicing on 3 units (INAC), renovations on 21 units (CMHC)
- Nibinamik renovations on 4 units, minor renovations on 13 units (INAC)
- Neskantaga minor renovations complete on 43 units (INAC)

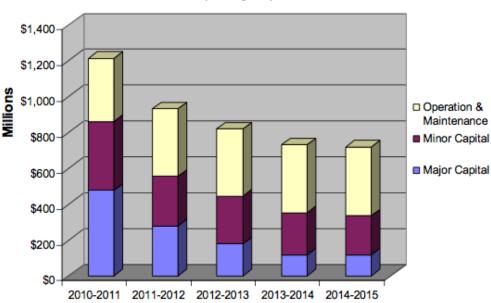
Matawa Advisory Technical Services Report

CHALLENGES

- 1. Graph 1 contained in 2010/2011 INAC's National Infrastructure Investment Plan graphically illustrates the anticipated dramatic decrease in major capital projects and increased O&M cost for aging infrastructure. There will be increased difficulty in advancing major infrastructure projects for the next 4 years unless more monies are identified.
- 2. Decreased lobbing by Chief and Councils to get their projects on the capital plan. If a major project is not already on the major capital plan, it is doubtful that it will be initiated within the next four (4) years. There has been a notable decrease in meetings with INAC to address capital needs.
- 3. There are often delays lengthy delays encountered between when information for programs is requested and response from some First Nations.
- 4. INAC dictating project direction and development despite concerns and thoughts of the communities.
- 5. There is a growing scope of work outside of the existing provided by technical services. Enhanced funding for these services would be beneficial. ■

Graph 1: National Breakdown by Funding Type

2010-2011 to 2014-2015 Planned Funding by Major, Minor Capital and O&M (All Regions)



First Nations Environmental issues take the stage in Northern Ontario (MECNO)

Thunder Bay, Ontario, October 6th, 2010-

experts.

For the first time in Northwestern
Ontario, an Environmental Conference
focusing on First Nations communities
and hands-on workshops will be held in
the region. The Matawa Environmental
Conference for Northern Ontario
(MECNO) will be hosted in the city
of Thunder Bay from October 26th
through till October 28th at Fort William
Historical Park. MECNO will offer
remote and road access First Nation
communities with an opportunity to participate in

The major topics to be discussed over the three day event, includes environmental assessments, land and water management, source water protection, mining and exploration, fuel handling and contaminated sites.

hands-on environmental workshops designed by

Matawa First Nations Environmental Technologist Sarah Cockerton says; "There are many common environmental concerns facing Northern Ontario First Nation communities that will be addressed and discussed at this regional event. With the recent increase of mineral exploration and activity in First Nations territory- environmental issues surrounding industrial development is a major concern for First Nations."

Workshops will be conducted at MECNO that specifically focus on the Ring of Fire, an area that holds some of the wealthiest mineral potential in Canada.

Cockerton continues; "Workshops were specifically designed to provide delegates with information that will assist them to better prepare their



communities for development in the Ring of Fire. One workshop in particular, takes participants through the process of environmental assessment- a process used to mitigate negative impacts associated with proposed projects."

More than 150 delegates are expected to participate in MECNO.

UPDATE:

A larger version of MECNO will be held in Thunder Bay this fall. With the success of last year's conference, partners have joined the Matawa team to host the event. MECNO will now be incorporated into the Northern Ontario First Nation's Enviornment Conference. This event will be held for the very first time on October 3 − 7, 2011, in Thunder Bay, Ontario. It will take place at the Fort William Historical Park and Victoria Inn. ■

Four Rivers Environmental Services Group Report



Four Rivers provides environmental advisory and technical services to support the Matawa First Nation communities in land, water and resource management. Four Rivers will support Matawa First Nation communities through (1) environmental training, education and outreach, (2) the development and maintenance of a regional database and programs relating to collecting and storing lands and resource information; (3) environmental advisory services.

Established in January of 2011, Four Rivers works to develop tools and resources that will empower Matawa First Nation communities. These tools and resources may be used by the communities to assist in a variety of initiatives including, but not limited to, the following:

- Developing land use plans for their traditional territory;
- Developing source water protection plans and managing their regional watersheds;
- Negotiating with organizations seeking to use or impact land and water resources within their traditional territory; and
- Participating in the environmental assessment process relating to developments within their traditional territory.



Successes & Accomplishments

1. Establishment of Four Rivers

Four Rivers was established in January of 2011 following the Matawa Environmental Management Unit concept that was presented for the first time at the 2010 Matawa First Nations Annual General Meeting. To establish the Four Rivers environmental services group a large amount of activities occurred in a very short period of time (between December 2010 and March 2011).

During this period of time five professionals were hired and trained. They had to undergo a rapid learning curve to become familiar with the Matawa First Nation communities and external groups affecting the Matawa First Nation communities. Also, during this period of time a large amount of work occurred to establish the Four Rivers brand including the development of the Four Rivers logo, and website (www. fourriversmatawa.ca).



AGR

59

Four Rivers Environmental Services Group Report

Huge foundational pieces relating to the future operations of Four Rivers were also developed between January 2011 and March 2011, including the design of the regional GIS system, acquiring environmental funding, the development of environmental training programs, relationship building and the purchase of program specific equipment and resources for both Four Rivers and lands and resource staff within the Matawa First Nation communities.

2. Design of Regional GIS System

Four Rivers designed and purchased the equipment necessary for a regional lands and resource database for the Matawa First Nation communities as part of the GIS and Land Analysis Program.

The Geographic Information Systems (GIS) and Land Analysis were established to assist the Matawa First Nation communities in mapping their traditional territories to support land use planning and other community initiatives. The goal of this program is to provide the training and equipment needed to gather, store, analyze and display land and resource data. GIS technology supports the collection of environmental baseline data (natural resources, species at risk, etc.) and traditional values (sacred sites, medicine gathering sites, etc) which can be used by the community for all environmental initiatives.

Between January and March of 2011 Four Rivers designed, determined and purchased the necessary components of the regional GIS system. This was not an easy task as the system itself is complex consisting of many technical components such as computers, software, servers,

back-up servers and data storage devises, GPS units, internet access portals. Design of the regional GIS system had to consider things like access to internet, privacy and protection of data, amount of users, and ease of user interfaces. A series of technical training modules had to be developed to aid Matawa First Nation communities to use the system.

3. Freshwater Habitat Program

Four Rivers was successful in receiving funding from the Department of Fisheries and Oceans (DFO) to operate the Matawa Freshwater Habitat Program. Following the development and submission of proposal to DFO, Four Rivers received funding in the order of \$70,000 to develop regional baseline data collection programs targeting aquatic ecosystems.

Water covers an enormous area of the Matawa First Nations traditional territory and the lands, rivers and their tributaries provide the land with the capacity to support the Matawa people and all other natural life in the region. Given its importance to the Matawa First Nations, a major focus of the Freshwater Habitat Program is to collect information relating to the current health of the lakes and rivers and to develop training programs that will allow Matawa First Nation community members to monitor changes over time.

5.9

Four Rivers Environmental Services Group Report

4. Initiation of Training

Following the development of training modules relating to the regional GIS system, introductory system training was initiated in two Matawa First Nation communities. The Four River's GIS/Data Specialist travelled to Webequie First Nation and Eabametoong First Nation in March of 2011 to provide the first of the regional GIS system equipment to those communities and introduce the regional GIS system to active land use planning staff. This was only the start as there is much more training to come, but represented a significant accomplishment for the Four Rivers Group.

5. Building Relationships

In order to effectively establish Four Rivers a lot of effort was directed toward getting the new environmental staff out to meet Matawa First Nations membership and external individuals/ groups affecting the Matawa First Nation communities. To accomplish this, the Four Rivers team completed an extensive travel and event circuit that included six of the Matawa First Nation communities (Webequie First Nation, Eabametoong First Nation, Aroland First Nation, Constance Lake First Nation, Long Lake #58 First Nation and Ginoogaming First Nation), and a number of high-profile conferences and workshops (PDAC; Science for a Changing North Conference; Far North Land Use Planning Brainstorming Session). In all, over 28 meetings occurred between Four Rivers and Matawa First Nations communities or external groups between January and March 2011.

Challenges

1. Playing Catch-up

Four Rivers was established to assist the Matawa First Nation communities in a very fast pas environment. While the findings in the Ring of Fire area are relatively recent, the mineral exploration and development companies are always driving past passed development. Upon start up of the Four Rivers group in January of 2011, staff had to work extra hard to not only keep pace with current project developments (that were consistently advancing), but also had to learn the complex histories of the activities in the area.

2. Pressures on Communities

It was the goal of Four Rivers group to visit all Matawa First Nation communities and to initiate regional GIS system training in all communities by March 31, 2011. While trying to contact communities and arrange visits it was found that community contacts were consistently tied up with other meetings and a huge number of other matters/initiatives which made it difficult to coordinate Four Rivers activities.

3. Recognition

As a completely new group, Four Rivers consistently had difficulty when working with outside groups which did not understand Four Rivers program areas. In some cases, these groups were pushing communities to seek external environmental advisory services (at unnecessary cost to the communities) because they were not aware that new services were available to the Matawa First Nation communities (for free).

59

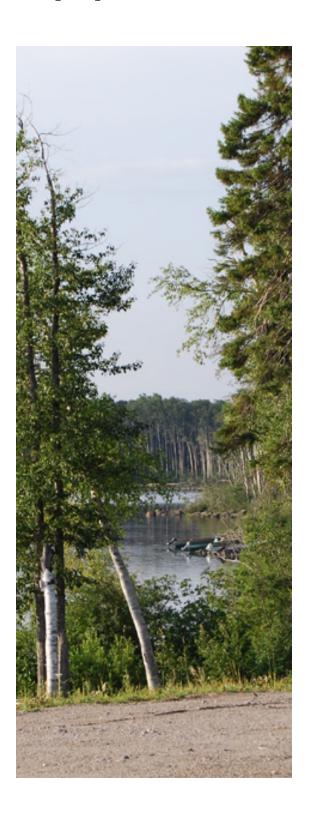
Four Rivers Environmental Services Group Report

4. Funding

Four Rivers was established with Strategic Partnership Initiative funding from Indian and Northern Affairs Canada. This funding did not become available until mid-February 2011 and had to be spent by March 31, 2011. The extremely short window of available funding made it extremely difficult to properly design and purchase components relating to regional environmental programing and to deliver Four Rivers activities.

5. External Confusion

Public clarification of Matawa First
Nations Management's role as an
advisory group by Matawa First Nation
communities was misunderstood by some
external organizations, who interpreted
this as meaning some communities were
detaching themselves from the Matawa
group. In some cases external groups
refused to share information that was
being collected to provide communities
with Four Rivers. With a lack of available
information it made it difficult for Four
Rivers to act in an advisory capacity.



5.10

Matawa Health And Social Services Report

The Matawa Health and Social Services department provides the overall management and coordination of health and social related services and programs.

Successes & Accomplishments

1. Collaboration and Partnerships within Health & Social Programs

The continued collaboration, partnerships and networking with all Matawa First Nation communities through the Matawa Health & Social Service Task Group contributes to the overall key successes undertaken by the Health and Social Program team.

2. "Back to Our Roots: Wee Chee Heh Deh Dah to Overcome Prescription Drug Abuse/Misuse Gathering"

The gathering was hosted by Constance Lake First Nation on October 26-29, 2010, attended by First Nations Health Staff, Panel Speakers, Elders, Youth, Chief & Council members, personal interest people and other resources people. The number of participants varied from 40-45 people per day. The highlights of the conference included presentations from speakers sharing their personal struggles and healing from prescription drug addiction and community presentations on best practices. The feedback received was overwhelming, positive and provided a sense of "Hope" for all. This Gathering was seen as a beginning to working collectively toward overcoming Prescription Drug Abuse/Misuse plaguing communities.

3. "Back to our Roots: Chii Kee Way Meno Biimadeseyung" -the Strategy to Overcome Prescription Drug Abuse/Misuse in Matawa Communities.

This document was put together in collaboration and consultation with Community Health Directors, Community Front Line Workers and key community members with support from all Matawa Chiefs and Councils. It provides recommended community-based solutions and strategic directions in moving forward to deal with prescription drug abuse/ misuse.

4. Key Success - Suicide Prevention and Anger Management Workshop

The workshop was coordinated in collaboration with Bear Counselling Services and was delivered on January 18, 19 & 20, 2010 with a total of 45 participants from Matawa First Nations and other First Nations. The workshop provide professional development to gain knowledge in working to decrease domestic, lateral violence and prevent suicides in their communities.

5. Continued Annualized Funded Programs and Contribution and Networking with Regional Health Providers

The continued support and resources received from First Nation & Inuit Health and Nishnawbe Aski Nation/ Aboriginal Healing & Wellness, Ministry of Community Family & Children's Services (Violence Against Women) and Nishnawbe Aski Nation-Family Violence Project have contributed to the overall success in Health & Social Programs Unit. Matawa Health & Social Task Group

AGR

5.10

Matawa Health And Social Services Report

must also be commended for the work and support they have contributed. The on-going participation, contribution and partnerships with other regional health care providers and developing new partnerships should also be recognized.

Challenges

- 1. Inadequate resources for Matawa First Nation Health Unit and the First Nations in all areas, such as: staffing, travel, training and programs.
- 2. Funding for proposed wellness and healing centres (Capital and Operational) for Eabametoong and Constance Lake and proposed Land based Healing project in all Matawa First Nations specifically to deal with Prescription Drug Addictions.
- 3. Lack of facilities & equipment in the First Nations for office space, place to deliver programs and activities and lack of office and program equipment.
- 4. Lack of specialized and professional services and/or inconsistent services delivered to First Nations. Ie: mental health and addiction specialists, child psychiatrist/psychologists, therapists, doctors, nurses, educators, etc.
- 5. Increased demand for accountability and communication (reporting, monitoring & surveillance). Contribution agreements do not provide adequate resources and/or no resources for training, personnel and computer upgrades.









Eabametoong First Nation Declares State of Emergency. Epidemic of violent crimes brings community to its knees

Eabametoong First Nation, October 22nd, 2010 -

Eabametoong First Nation (Fort Hope) declared a State of Emergency today following a series of violent crimes that have caused community members to fear for their personal safety. Eabametoong First Nation is a remote, fly-in only community of more than 1200 people located in Northern Ontario.

Since January of 2010, the First Nation has suffered three homicides, several other violent incidents including the mutilation of animals, and more than forty-seven arsons. Even more cause for concern is that the perpetrators of many of these crimes have been identified as children and youth.

One arson attack resulted in the closure of the First Nation's school due to smoke damage, leaving local children without a learning facility. Other arson attacks have been committed against local families while they are sleeping in their homes.

Chief Lewis Nate of Eabametoong First Nation says; "The situation in our community has escalated out of control and is now so serious that many people sleep with a fire extinguisher beside them, fearful that their home could be set on fire next. No one should have to live like this, it's devastating. The people of Eabametoong are committed to working together to do whatever is needed to bring safety and order back to our community. But we can't do it alone; we are desperate for outside help."

Eabametoong First Nation is part of the Matawa First Nations Tribal Council. The Matawa Regional Chiefs are calling on all levels of government and any other service agencies or individuals to come to the aid of the community.

"We need short-term support and resources to help us restore safety and address the violent element in our community today. We need intervention workers to come to the aid of our troubled youth," continued Chief Nate. "We also need help to develop a long-term plan that will address the root issues that are causing our youth to turn to violence. Without a long-term plan how can we be sure that this type of emergency will not occur again?"

The community was also left without water for five days this year following a break-in into the water treatment facility in the First Nation. The community leaders were forced to make a decision to shut off water supply concerned that the drinking water had been contaminated.

"Please help us; please help the people of Eabametoong," says Chief Nate.

Update:

The Declaration of Emergency in Eabametoong First Nation ended as of March 31, 2011. The community continues to work and implement long term plans that were developed during the crisis to help guide them through their healing journey.

One of those initiatives is the seven-point action plan. The plan was adopted by Chief and Council and focuses on seven points and steps to help rebuild a healthier community focusing on spirituality and reconnecting membership to the homelands given by the creator.

Highlights of the Seven-Point Action Plan:

- Emergency Response Plan: The ERP plan included immediate action items to stabilize the community, such as hiring an emergency response coordinator and security, providing training, counseling available for youth and membership, and to begin the planning of long term action plans. An Emergency Response team was responsible for overseeing the ERP. Funding was received by the First Nation from INAC and Health Canada to help implement the plan.
- "Rekindling Our Spirit": In September 2010, a report titled
 "Rekindling Our Spirit" was presented to the community
 outlining the findings of health professionals regarding
 the impacts of Prescription Drug Abuse (PDA) in the First
 Nation. The report found that the PDA in Eabametoong First
 Nation was similar to the impacts of the H1N1 epidemic
 of 2009, and it was identified that the same amount of
 resources should be provided to the community to combat
 this epidemic.
- The "Rekindling Our Spirit" report was later updated and renamed "The light at the end of tunnel: hope emerging in Eabametoong". The report states that Eabametoong First Nation is beginning to emerge from its years of violence and drug abuse. The report offers 16 new recommendations for Support Staff, Health Canada and Health Personnel, Community Membership and Council. The report also suggested detoxification concepts and a framework proposal for training funds for resource workers in addictions counseling.

5 11

Kiikenomaga Kikenjigewen Employment & Training Services (KKETS) Report



Kiikenomaga Kikenjigewen Employment and Training Services (KKETS) formerly known as Matawa Employment and Training (MET), has been granted holder status as of October 2010 under the new ASETS agreement through Service Canada.

Our goal at KKETS is to assist and support First Nation members of all ages in achieving their personal employment, training and educational aspirations. Our values are to provide relevant demand driven needs that are receptive to employers and trainee interests.

We recognize the need to help our people move forward and have programs put in place to assist in this process:

- · Community Initiatives
- · Individual Initiative
- Literacy & Essential Upgrading of Academic Skills
- Youth Initiatives
- Apprenticeship Trades Training Program;
- Post-Secondary Certificate Program Courses
- Targeted Wage Subsidy for Employers & Employees
- Employment Assistant Services

KKETS has funded 107 clients since December 1 to March 31. A majority of clients were trained in the Literacy and Essential Skills Program. To date 8 clients have been successful in completing their training courses.

Successes & Accomplishments

Grand Opening of KKETS



On March 31, 2011 KKETS celebrated the grand opening of the new program hosting a special event at the Matawa First Nations office in Thunder Bay. Chiefs, dignitaries, and community members were a part of the grand opening that included unveiling of the new KKETS logo.

Literacy & Essential Skills Program

Literacy & Essential Skills is becoming an important focus for the KKETS department. Academic upgrading is being recognized in First Nations as a fundamental need to help advance our people and prepare them for the developments that are forth coming.

In Constance Lake First Nation, a partnership has been developed with Confederation College to deliver Work Place Literacy & Essential Skills Programming. 21 participants are attending the full—day course, which began on January 17th and is scheduled to end July 24th, 2011.

5.11

Kiikenomaga Kikenjigewen Employment & Training Services (KKETS) Report



Neskantaga, Webequie and Nibinamik, have taken a similar approach to academic upgrading through an online learning initiative that started on January 24th, 2011 and will conclude on July 24th, 2011. This Online learning project has been developed through partnership with Sioux Hudson Literacy Council from Sioux Lookout.

Learners of the Month

Through Sioux Hudson Literacy Council there have been "Learners of the Month". They are Lennie Spence and Morgan Sofea, articles can be found at the following online link:

http://siouxhudsonliteracy.wordpress.com/2011/05/24/the-journey-with-matawa-first-nations/

Statistical Database Project Report

Kiikenomaga Kikenjigewen Employment & Training Service has contributed to the Statistical Database Project from October 2010 to March 2011 to assist the communities of Aroland, Eabametoong, Ginoogaming, Nibinamik and Webequie.

The project involves assisting each First Nation to collect data and to create reports based on the information received. This will identify (but not all due to lack of participation in the survey):

- Members on reserve between the ages of 16-60 years
- Employment and unemployment rates
- Members with specific training/apprenticeship certificates
- Members with specific high school / college or universities diplomas, degrees, etc.
- Members those are ready/willing to work



5 11

Kiikenomaga Kikenjigewen Employment & Training Services (KKETS) Report

Challenges of project

- · Lack of participation
- · Members did not want to share information
- · Members stating they will bring back survey and not returned
- · Members attitudes were negative
- Some Statistical Database Assistants didn't have office space

Current Statistics

First Nation	On Reserve	Off Reserve	Total Registered	Estimated targetfor ages16-60 to survey	Total Survey's completed
Aroland	257	374	631	230	48
Eabametoong	1392	936	2328	500	245
Ginoogaming	193	643	836	120	980
Nibinamik	344	115	457	155	105
Webequie	712	95	807	355	94

To date, three of the First Nations have completed their contracts however were requested to submit extensions to complete the project.

KKETS Submission of Proposals for Training

Project Name	Funder	Off Budget Amount
•	Strategic Partnership Funds - Service Canada	1.2 Million
Training for CLFN	Ministry of Training Colleges & University - Northern Training Partnership Funds	1.1 Million
Nishnawbe Education & Training Strategy	Ministry of Training Colleges & University - Northern Training Partnership Funds	12 Million

Matawa First Nations Introduces Kiikenomaga Kikenjigewen Resource Centre

Thunder Bay, ON, March 31, 2011-

Today Matawa First Nations is proud to announce the official opening of the new Kiikenomaga Kikenjigewen (KKETS) Resource Centre. The new department located at the Matawa First Nations Management office in Thunder Bay, Ontario, is committed to providing employment and training support services and programs to assist First Nations people. In October of 2010, Matawa introduced the program services offered through KKETS, and staff has been working diligently over the last five months towards the opening of the new Resource Centre. At the centre, fully qualified career advisors are available to work with Matawa community members looking for assistance and guidance.

KKETS Manager Morris Wapoose says; "Staff will guide them through the process, regardless of age or skill level. With access to computers,

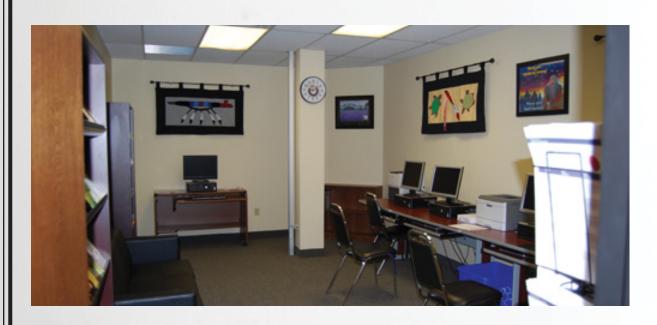
internet, on-line job research, fax machines, resume materials and referral to community services, this will help clients make a step in the right direction."

At today's grand opening event, attendees also got to hear first hand, from an Employment Community Coordinator of KKETS. Robinson Meshake from Aroland First Nation says; "KKETS offers plenty of opportunities for members of my community and it is very simple to get started. If you are looking to get on the right path towards a career, KKETS will assist you on getting on that path and it is a very welcoming environment that has encouraged several community members to move forward."

Currently very few Matawa members have the skills and training needed to participate in growing sectors, particularly the mineral exploration and development Industry. Program Officer Beedahbin Buswa says; "Kiikenomaga Kikenjigewen means "Teach, Knowledge".

The academic level of most young people is below the high school level so it is crucial that we place a major emphasis on Matawa youth, to help them gain knowledge to better prepare them for these opportunities."

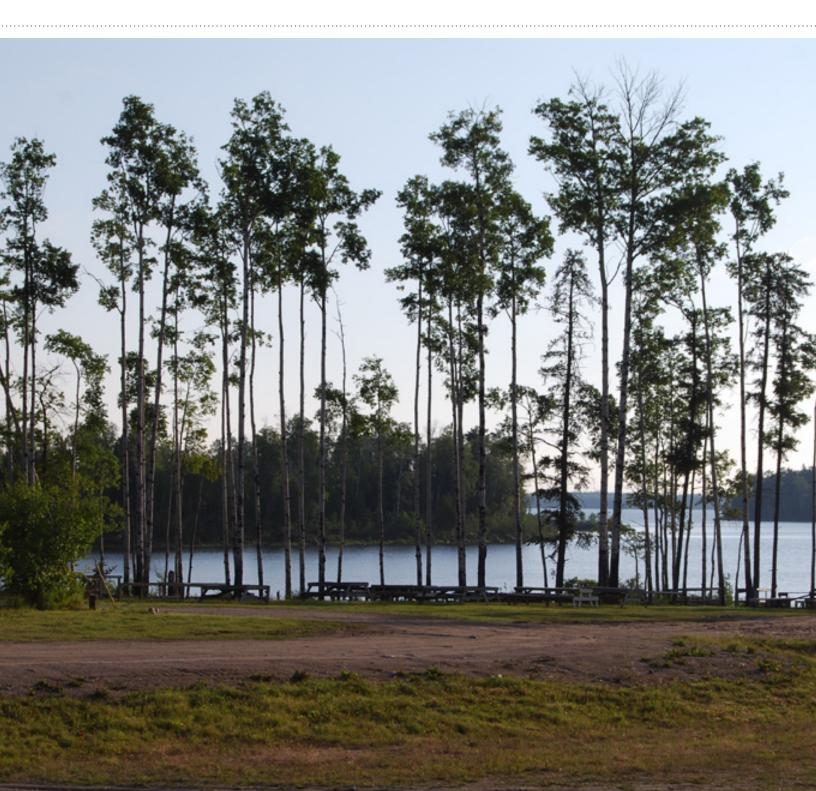
KKETS is a division of Matawa First Nations Management Inc. and replaces Matawa Employment and Training (MET) that has been in place since 2005, through a third party agreement which limited Matawa First Nations ability to access additional resources.



5.12

Matawa Project Management Group Inc. (MPMG) Report

The Matawa Project Management Group Inc. (MPMG) was incorporated in 1994 to provide Project Management and enhanced Technical Advisory services. In 2011, MPMG was decommissioned due to funding.



Consolidated Financial Statements

Matawa First Nations Management Consolidated Financial Statements March 31, 2011



Matawa First Nations Management Contents For the year ended March 31, 2011

	Pag
Management's Responsibility	
Independent Auditors' Report	
Consolidated Financial Statements	
Consolidated Statement of Financial Position	. 1
Consolidated Statement of Operations	. 2
Consolidated Statement of Changes in Fund Balance	. 4
Consolidated Statement of Cash Flows.	. 5
Notes to the Consolidated Financial Statements	. 6



To the Members and Board of Directors of Matawa First Nations Management:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report is consistent with the consolidated statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP, an independent firm of Chartered Accountants, is appointed by the Board to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

June 24, 2011

Chief Executive Officer

Comptroller

Independent Auditors' Report

To the Members and Board of Directors of Matawa First Nations Management:

We have audited the accompanying consolidated financial statements of Matawa First Nations Management, which comprise the consolidated statement of financial position as at March 31, 2011, and the consolidated statements of operations, changes in fund balance and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Matawa First Nations Management as at March 31, 2011 and the results of its operations, changes in fund balance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Other Matter

The consolidated financial statements as at and for the year ended March 31, 2010 were audited by other auditors who expressed an unqualified opinion on these consolidated financial statements in their report dated June 7, 2010.

Thunder Bay, Ontario

June 24, 2011

Chartered Accountants

MNPup

Licensed Public Accountants



Matawa First Nations Management Consolidated Statement of Financial Position As at March 31, 2011

				As at Iwai	rch 31, 2011
	Matawa Operating	Matawa Restricted	Matawa Capital	2011	2010
· · · · · · · · · · · · · · · · · · ·					(Restated) (Note 3)
Assets					
Current					
Cash	1,696,357	-	-	1,696,357	1,292,994
Temporary investments (Note 5)		135,565	-	135,565	130,400
Accounts receivable (Note 6), (Note 8)	1,297,910	96,598	23,822	1,418,330	989,773
Prepaid expenses and deposits (Note 7)	208,346	-	*	208,346	67,531
Due from Operating Fund		107,906	*	107,906	11,005
	3,202,613	340,069	23,822	3,566,504	2,491,703
Capital assets (Note 9)	*	•	2,802,396	2,802,396	2,158,920
Long-term investments (Note 10)	2	-	w	2	2
	3,202,615	340,069	2,826,218	6,368,902	4,650,625
Liabilities		 	, 	· · · · · · · · · · · · · · · · · · ·	··· <u> </u>
Current					
Accounts payable and accruals (Note 8)	1,580,642	115,142	66,695	1,762,479	1,658,421
Deferred revenue (Note 11)	1,440,440	68,834		1,509,274	397,042
Income taxes payable	752	-	•	752	955
Due to Restricted Fund	107,906	-		107,906	11,005
Current portion of long-term debt (Note 12)	*	-	143,498	143,498	143,566
	3,129,740	183,976	210,193	3,523,909	2,210,989
Long-term debt (Note 12)	-	-	1,545,108	1,545,108	1,407,408
Future income taxes (Note 14)	2,143	-	-	2,143	2,341
Fund Balance	70,732	156,093	1,070,917	1,297,742	1,029,887
	3,202,615	340,069	2,826,218	6,368,902	4,650,625

Approved on behalf of the Board

Matawa First Nations Management Consolidated Statement of Operations For the year ended March 31, 2011

	Matawa		Matawa	2011	2010
	Operating	Restricted	Capital		(Restated) (Note 3)
Revenue					
Federal Government (Note 20)	7,014,517	_	-	7,014,517	3,111,352
Provincial Government (Note 20)	1,038,038	*	#	1,038,038	1,038,007
First Nations and Organizations	1,570,951	979,886	-	2,550,837	4,125,355
(Note 20)	-,,	,		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	.,
Other (Note 20)	387,810	14,002	91,422	493,234	345,604
Transfer of funding to Capital Fund	(765,870)	<u> </u>	765,870		<u>-</u> _
	9,245,446	993,888	857,292	11,096,626	8,620,318
Transfers from (to) deferred revenue	(1,080,651)	15,219	•	(1,065,432)	(117,784
Total revenue	8,164,795	1,009,107	857,292	10,031,194	8,502,534
First Nation Flow Through / Project Contributions	2,257,245	-	-	2,257,245	1,685,758
	5,907,550	1,009,107	857,292	7,773,949	6,816,776
Expenses					
Advertising and promotion	128,806	•	•	128,806	97,619
Amortization	· -	-	384,574	384,574	229,092
Annual General Assembly	134,774	-	•	134,774	66,099
Bad debts	16,211	-	-	16,211	(63,990
Board and Chiefs' meetings	331,482	-	-	331,482	200,615
Consultants	554,089	-	-	554,089	1,129,492
Crisis and donations	34,900	-	•	34,900	30,409
Insurance	30,984	-	-	30,984	29,358
Interest and bank charges	10,605	-	-	10,605	9,495
Interest on long-term debt	70,997	-	-	70,997	79,939
Meetings	305,091	-	•	305,091	218,087
Occupancy costs	250,366	-	•	250,366	119,321
Supplies and equipment	275,106	-	-	275,106	123,187
Professional fees	273,123	-	-	273,123	230,377
Professional development/training	327,453 (115,565)	115,565	•	327,453	287,674
Program co-ordination (recovery) Repairs and maintenance	84,033	113,303	-	84,033	67,606
Resource materials	199,212		_	199,212	53,706
Salaries and benefits	2,443,823	11 - 1		2,443,823	1,990,467
Student and Client allowances	376,734	879,540	_	1,256,274	1,514,005
Telephone	94,498	-	· -	94,498	54,751
Travel	290,144	-	•	290,144	289,220
Total expenses	6,116,866	995,105	384,574	7,496,545	6,756,529
Excess (deficiency) of revenues over	(209,316)	14,002	472,718	277,404	60,247



Matawa First Nations Management Consolidated Statement of Operations For the year ended March 31, 2011

				,	,
	Matawa Operating	Matawa Restricted	Matawa Capital	2011	2010 (Restated) (Note 3)
Excess (deficiency) of revenues over expenses before other items (Continued from previous page)	(209,316)	14,002	472,718	277,404	60,247
Other items Loss on disposal of capital assets Income tax expense	- (282)	- -	(9,747) -	(9,747) (282)	- (493)
	(282)	•	(9,747)	(10,029)	(493)
Excess (deficiency) of revenues over expenses before the following: Discontinued operations	(209,598)	14,002	462,971 -	267,375 -	59,75 4 30, 7 94
Excess (deficiency) of revenues over expenses	(209,598)	14,002	462,971	267,375	90,548



Matawa First Nations Management Consolidated Statement of Changes in Fund Balance For the year ended March 31, 2011

	Matawa Operating	Matawa Restricted	Matawa Capital	2011	2010
	Operaung	Nesurcieu	Сарнат		(Restated) (Note 3)
Fund balance, beginning of year	280,602	141,339	607,946	1,029,887	941,198
Excess (deficiency) of revenues over	(209,598)	14,002	462,971	267,375	90,548
expenses					
Dividends paid	-	-	-	-	(6,500)
Refundable portion of Part I tax	(272)	-	-	(272)	(366)
Changes in unrealized gains (losses) on	-	752		752	5,007
the available-for-sale financial assets					
during the year					
Fund balance, end of year	70,732	156,093	1,070,917	1,297,742	1,029,887



Matawa First Nations Management Consolidated Statement of Cash Flows

For the year ended March 31, 2011

	2011	2010 (Restated) (Note 3)
Cash provided by (used for) the following activities		
Operating activities	40.000.040	0.447.400
Cash received from government, First Nations and Organizations, and other Cash generated on discontinued operations	10,809,319	9,147,180
Interest earned	10.563	29,153 8,625
Cash paid to suppliers and employees	(9,429,384)	(8,493,542)
Income taxes recovered (paid)	(955)	23,497
Interest paid	(81,602)	(89,434)
110.000 para	(0.,002)	(00, 10-1)
	1,307,941	625,479
Financing activities		
Repayments on long-term debt	(143,566)	(134,620)
Proceeds from long-term debt	281,198	•
Dividends paid	<u> </u>	(6,500)
	137,632	(141,120)
Investing activities		
Purchase of temporary investments	(4,413)	(10,424)
Purchase of capital assets	(1,037,797)	(311,619)
	<u> </u>	
	(1,042,210)	(322,043)
Increase in cash resources	403.363	162.316
Cash resources, beginning of year	1,292,994	1,130,678
Cash resources, end of year	1,696,357	1,292,994



For the year ended March 31, 2011

Incorporation

Matawa First Nations Management, the "Organization" is incorporated under the *Canada Corporations Act* as a not-for-profit organization. The Organization operates as a tribal council, providing services to the First Nations listed in Note 8 to these financial statements.

2. Significant accounting policies

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

Basis of consolidation

The consolidated financial statements include the assets, liabilities, revenues and expenses of Matawa First Nations Management ("MFNM"), which controls the following corporations: Matawa Project Management Group Inc. ("MPMG"), a construction management corporation; Matawa First Nations Property Inc. ("MFNP"), which owns the land and building at 233 South Court Street, Thunder Bay; and Matawa Non-Profit Housing Corporation ("MNPHC"), a not-for-profit housing corporation.

These consolidated financial statements include financial statements for MFNP for the fiscal year from January 1, 2010 to December 31, 2010.

Fund accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts are maintained on a fund accounting basis. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the contributors or in accordance with the directives issued by the Board of Directors. The Organization has the following funds:

The Operating Fund is used to account for all revenues and expenses related to general and ancillary operations of Organization.

The Capital Fund is used to account for all capital assets of the Organization and to present the flow of funds related to their acquisition and disposal, unexpended capital resources and debt commitments.

The Restricted Fund is used to account for monies for the post secondary education activities of MFNM and the capital reserves of MNPHC.

Revenue recognition

MFNM follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue is recognized when it is earned according to the terms of funding agreements, provided that the amount is measurable and collectibility is reasonably assured.

Rental revenue is recognized as it is earned over time according to occupancy agreements.

Project and engineering fees and recoveries are recognized as services are rendered, provided that the amount is measurable and collectibility is reasonably assured.

Other project management fees are recognized on a percentage of completion basis, where revenue is matched with the contract costs incurred in reaching the stage of completion resulting in a proportionate reporting of revenue, expense, and profit attributable to the proportion of work completed. Any anticipated losses on contracts are provided for in the period.

Interest income is recognized when it is earned.



For the year ended March 31, 2011

Significant accounting policies (Continued from previous page)

Financial instruments

Held for trading:

The Organization has classified the following financial assets and liabilities as held for trading: cash.

The Organization's held for trading instruments are initially recognized at their fair value. Fair value is determined by published price quotations in an active market. Transactions to purchase or sell these items are recorded on the settlement date.

Held for trading financial instruments are subsequently measured at their fair value. Gains and losses arising from changes in fair value are recognized immediately in income.

Available-for-sale:

The Organization has classified the following financial assets as available-for-sale: temporary investments.

These assets are initially and subsequently recognized at their fair value. Fair value is determined by price quotations in an active market. Transactions to purchase and sell these items are recorded on the settlement date. Gains and losses arising from changes in fair value, except for impairment losses and foreign exchange translation adjustments, are recognized in the fund balance, until the financial asset is sold or otherwise derecognized. Upon derecognition, the cumulative gain or loss previously recognized in the fund balance is transferred to excess of revenues over expenses.

Loans and receivables:

The Organization has classified the following financial assets as loans and receivables; accounts receivable.

These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the settlement date.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectibility. Gains and losses arising from changes in fair value are recognized in excess of revenues over expenses upon derecognition or impairment.

Other financial liabilities:

The Organization has classified the following financial liabilities as other financial liabilities: accounts payable and accruals and long-term debt.

These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the settlement date.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount. Gains and losses arising from changes in fair value are recognized in excess of revenues over expenses upon derecognition or impairment.



For the year ended March 31, 2011

2. Significant accounting policies (Continued from previous page)

Capital assets

Capital assets are recorded at cost and are being amortized over their estimated useful lives on the basis described below commencing in the year of addition up to and excluding the year of disposal. The cost of major replacements and improvements to capital assets are capitalized and the cost of maintenance and repairs are expensed when incurred. Amortization is provided for using the following annual rates:

	Method	Rate
Buildings	declining balance	4 %
Computer equipment	declining balance	30 %
Computer software	declining balance	100 %
Equipment	straight-line	33 %
Furniture and fixtures	declining balance	20 %
Leasehold improvements	straight-line	20 %
Parking lot	declining balance	8 %

Leases

Leases are classified as either capital or operating. A lease which transfers substantially all of the benefits and risks incidental to the ownership of property is accounted for as if it were an acquisition of an asset and an undertaking of an obligation at the inception of the lease. All other leases are accounted for as operating leases wherein rental payments are charged to operations as incurred.

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of capital assets.

Accounts payable and accruals are estimated based on historical charges for unbilled goods and services at year end.

Deferred revenue is estimated based on management's review of revenue received, but not spent at year end.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Organization performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in excess (deficiency) of revenues over expenses for the year.

Long-term investments

Long-term investments are recorded at cost, less any provisions for other than temporary impairment. They have been classified as long-term assets in concurrence with the nature of the investment.



For the year ended March 31, 2011

Significant accounting policies (Continued from previous page)

Future income taxes

MFNP and MPMG follow the asset and liability method of accounting for future income taxes. Under this method, future income tax assets and liabilities are recorded based on temporary differences between the carrying amount of balance sheet items and their corresponding tax bases. In addition, the future benefits of income tax assets, including unused tax losses, are recognized, subject to a valuation allowance, to the extent that it is more likely than not that such future benefits will ultimately be realized. Future income tax assets and liabilities are measured using enacted tax rates and laws expected to apply when the tax liabilities or assets are to be either settled or realized.

Employee future benefits

The Organization's employee future benefit program consists of a defined contribution pension plan. Organization contributions to the defined contribution plan are expensed as incurred.

Recent Accounting Pronouncements

Canadian accounting standards for not-for-profit organizations

In October 2010, the Public Sector Accounting Board (PSAB) approved the incorporation of the "4400 series" of standards, which discusses the accounting for the unique circumstances of not-for-profit organizations (NFPO), from the CICA Handbook - Accounting into the CICA Public Sector Accounting Handbook ("PSA Handbook"). This set of standards will be appropriately modified to fit with public sector accounting standards. Effective for fiscal years beginning on or after January 1, 2012, all NFPOs will have the option to apply either the PSA Handbook with or without the NFPO standards. Earlier adoption is permitted. The Organization expects to adopt the PSA Handbook with the NFPO standards for its consolidated financial statements. The Organization has not yet determined the impact of the adoption of the new standards on its consolidated financial statements.

3. Correction of an error

During the year the Organization determined that deferred revenue in the amount of \$37,253 for the post-secondary program (Restricted Fund) at March 31, 2010 had been omitted from the statement of financial position. The impact on the financial statement amounts for the March 31, 2010 year end are as follows:

- Increase deferred revenue by \$37,253 on the statement of financial position
- Decrease other revenue by \$37,253 on the statement of operations
- Decrease fund balance (Restricted Fund), end of year by \$37,253 on the statement of changes in fund balance.

4. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Fair value of financial instruments

The carrying amount of cash, accounts receivable, and accounts payable and accruals is approximated by their fair value due to their short-term nature.

The carrying value of the TD Canada Trust mortgage and the RBC Royal Bank mortgage is approximated by its fair value, because the interest rate approximates the current lending rate available to the Organization. The fair value of the Ontario Aboriginal Housing Support Services Corporation forgivable loan cannot be reasonably estimated because the terms of repayment are based on future events.



For the year ended March 31, 2011

5. Temporary investments

2011

2010

Marketable securities

135,565

130,400

All prescribed housing providers are required to participate in pooling of the capital reserves for investment purposes through the Social Housing Services Corporation (SHSC) Investment Fund Program.

The investments consist of mutual funds invested with Phillips, Hager & North Investment Funds Ltd. The investments consist of 87% fixed income and 13% equity with a cost of \$134,169 (2010 - 100% fixed income with a cost of \$129,756).

The investments are recorded at fair value which has resulted in an unrealized gain of \$752 (2010 - \$5,007).

6. Accounts receivable

	2011	2010
Trade accounts receivable	1,535,063	1,093,557
Travel and salary advances	28,577	24,437
Allowance for doubtful accounts	(145,310)	(128,221)
	1,418,330	989,773

7. Deposits

MNPHC has entered into agreements to purchase land and buildings in Thunder Bay to increase its affordable housing portfolio. Deposits have been provided to sellers under the terms of those agreements. The purchase agreements close May 2011 and September 2011.



For the year ended March 31, 2011

8. Related parties

The Organization is related to the following First Nations, each of which are members of the Organization and have representation on the Board of Directors. Therefore, each First Nation has the ability to significantly influence the operations of the Organization. The First Nations are as follows:

Aroland First Nation
Constance Lake First Nation
Eabametoong First Nation
Ginoogaming First Nation
Long Lake #58 First Nation
Marten Falls First Nation
Neskantaga First Nation
Nibinamik First Nation
Webequie First Nation

The following amounts are included in accounts receivable and accounts payable and accruals at year end:

	2011	2010
Amounts included in accounts receivable		
Aroland First Nation	87,999	108,859
Eabametoong First Nation	20,378	46,144
Ginoogaming First Nation	96,324	98,426
Long Lake #58 First Nation	801	•
Marten Falls First Nation	39,600	5,008
Neskantaga First Nation	16,528	37,529
Nibinamik First Nation	12,259	1,312
Webequie First Nation	17,485	25,108
Amounts included in accounts payable and accruals		
Aroland First Nation	59,492	73,222
Constance Lake First Nation	74,231	105,225
Eabametoong First Nation	148,767	154,886
Ginoogaming First Nation	87,605	16, 6 80
Long Lake #58 First Nation	15,679	62,580
Marten Falls First Nation	77,259	74,049
Neskantaga First Nation	96,122	79,266
Nibinamik First Nation	87,334	57,493
Webequie First Nation	111,576	71,167

The Organization significantly influences the operations of, and is therefore related to Aatawehike Fire Services Limited Partnership, as the Organization is a creditor and provides support services on an in-kind basis. At year end, an amount of \$22,500 (2010 - \$28,637) was included in accounts receivable.

The amounts above are non-interest bearing and unsecured. It is anticipated that the amounts will be received/paid in the next fiscal year.



For the year ended March 31, 2011

9. Capital assets

	Cost	Accumulated amortization	2011 Net book value	2010 Net book value
Land	817,315	-	817,315	581,562
Buildings	2,638,066	1,308,489	1,329,577	1,289,163
Computer equipment	32,500	31,435	1,065	1,521
Computer software	60,002	52,907	7,095	15,848
Equipment	859,500	504,237	355,263	195,796
Furniture and fixtures	177,063	63,550	113,513	27,603
Leasehold improvements	287,187	128,765	158,422	44,014
Parking lot	15,000	11,860	3,140	3,413
Buildings under construction	17,006		17,006	· · · · · · ·
	4,903,639	2,101,243	2,802,396	2,158,920

During the year, the Organization purchased land and is constructing 24 affordable housing units. No amortization was recorded in the current year as the asset is under construction. The expected completion date is September 30, 2011.

10. Long-term investments

As at March 31, 2011 MFNM owned 2 Class C common shares of Long Lake Aggregates Ltd. representing 2% of the issued and outstanding shares of the company. The market value of these shares approximates the book value of this investment as recorded on these consolidated financial statements.

11. Deferred revenue

	Matawa Operating	Matawa Restricted	2011	2010	
				(Restated) (Note 3)	
Bowmanville Rotary Scholarship	1,514		1,514	4,500	
Ministry of Natural Resources	· -	-	•	60,914	
Ontario First Nations Technical Services Corporation	18,839	-	18,839	70,461	
Indian and Northern Affairs Canada	1,046,370	-	1,046,370	20,459	
Human Resources Development Canada	265,842	-	265,842	-	
Union of Ontario Indians	•	-	•	52,826	
Mamo-Nuskomitowin	-	-	-	128,599	
Other	107,875	-	107,875	22,030	
Deferred tuition	•	46,800	46,800	-	
Post secondary	= = = -	22,034	22,034	37,253	
	1,440,440	68,834	1,509,274	397,042	



For the year ended March 31, 2011

Long-term debt		
	2011	2010
RBC Royal Bank, 7.292% first mortgage on the property located at 233 South Court Street. Repayable at \$9,631 per month including interest, maturing November 2011. Security provided includes a charge on the land and buildings with a net book value of \$849,730.	102,227	206,353
TD Canada Trust, 4.59% first mortgage on multiple properties located in Thunder Bay, Ontario. Repayable at \$8,314 per month including interest, maturing February 1, 2017. Security provided includes a charge on land and buildings with a net book value of		
\$1,175,610.	1,305,181	1,344,621
Ontario Aboriginal Housing Support Services Corporation forgivable loan, to a maximum of \$3,374,400. The loan shall accrue interest at a rate of 4% compounded semi-annually until the date of occupancy. On the date set for occupancy, the amount of interest accrued shall be forgiven. The principal portion of the loan shall be forgiven over a 20 year term beginning at the date of occupancy on an accelerated basis as follows: 3% years one through five, 4% years six through ten and 6.5% years eleven through twenty. Security includes a charge on land and buildings with a net book value of \$256,705 and assignment of rents from the project.	281,198	<u>.</u>
	1,688,606	1,550,974
Less: Current portion of long-term debt	143,498	143,566
	1,545,108	1,407,408

Principal repayments on long-term debt in each of the next five years are estimated as follows:

2012	143,498
2013	43,187
2014	45,192
2015	47,290
2016	49,486

13. Commitments

12.

MFNM and MPMG have entered into agreements to lease office equipment which are recorded as operating leases and charged to operations in the year to which they relate. Future minimum lease payments will aggregate to \$10,009.

MNPHC has entered into various agreements to purchase land and buildings in Thunder Bay to increase its affordable housing portfolio by 24 units by October 2011. The total value of the land and buildings under construction is estimated at \$3,600,000 to be funded by an approved forgivable mortgage from Ontario Aboriginal Housing Services Corporation of \$3,374,400 with the shortfall to be funded by a second mortgage provided by Matawa First Nations Property Inc. The Corporation has further entered into rent supplement agreements with the TBDSSAB for the operation of the 24 units being constructed.



For the year ended March 31, 2011

Future income taxes

As at March 31, 2011, a future tax liability has been set up for MFNP to record the temporary differences between the carrying amounts of assets and their tax bases.

As at March 31, 2011 MPMG has \$114,681 in non-capital losses available to reduce future years income for tax purposes, the future income tax effect has not been recorded in the consolidated financial statements. These losses expire as follows:

2027	14,228
2030	27,704
2031	_72,749
	114,681

15. Refundable dividend taxes on hand

Under the Income Tax Act, MFNP is classified as a private corporation and therefore certain taxes paid relating to investments and dividend income are refundable. Accordingly, these taxes are not deducted in computing net income for the year but are charged directly to retained earnings. These taxes can be recovered based on payments of dividends at the rate of \$1 for every \$3 of taxable dividends paid. The refundable dividend tax on hand as at March 31, 2011 amounts to \$863 (2010 - \$591).

16. Income taxes

The Organization is registered as a charitable organization under the *Income Tax Act* (the "Act") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

17. Capital management

The Organization's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide services to its member First Nations within its stated objectives.

The Organization sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets, as well as with consideration of externally imposed capital requirements

18. Related party transactions

Transactions occurring during the year with the related parties outlined in Note 8 were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Related party transactions included in the consolidated statement of operations are summarized as follows:

	Matawa	Matawa	2011	2010
	Operating	Restricted	Totai	Total
Revenue - services and recoveries	376,325	979,886	1,356,211	1,761,265
Expenses - First Nation project contributions	2,257,245	-	2,257,245	1,685,758

19. Pension plan

MFNM has a defined contribution plan for which virtually all employees of MFNM are eligible. Pension benefits are determined by the performance of the sponsor's and employee's contributions. Actuarial valuations are normally not required as the pension obligation equals the net assets available for benefits. Employer contributions during the year were \$77,509 (2010 - \$71,643).



For the year ended March 31, 2011

20. Revenue details

	2011	2010
Government of Canada		
Indian and Northern Affairs Canada	5,673,948	2,243,277
Health Canada	189,070	675,007
FedNor / Industry Canada	59,360	82,686
Natural Resources Canada	-	50, 0 00
Canada Mortgage and Housing Corporation	22,124	43,289
Service Canada	1,070,015	17,093
	7,014,517	3,111,352
Province of Ontario		
Ministry of Northern Development, Mines and Forestry	261,541	360,029
Ministry of Community and Social Services	304,286	304,286
Ministry of Natural Resources	271,921	273,692
Ministry of Aboriginal Affairs	129,777	100,000
Ministry of Environment	70,513	-
	1,038,038	1,038,007
First Nations and Organizations		
Mamo-Nuskomitowin	887,943	1,857,408
Services and recoveries	1,356,211	1,639,134
Nishnawbe Aski Nation	144,248	288,964
Other First Nations and Organization	28,543	78,196
Union of Ontario Indians	133,892	261,653
	2,550,837	4,125,355
Other		
Interest	10,563	8,625
Miscellaneous	445,882	289,738
Rental	36,789	47,241
	493,234	345,604

21. Comparative figures

These consolidated financial statements as at and for the year ended March 31, 2010 were audited by other auditors, who expressed a qualified opinion on these consolidated statements in their report dated June 7, 2010.

Certain comparative figures have been reclassified to conform with current year presentation.







Matawa First Nations Annual General Report 2010 - 2011

Prepared for the 23rd Annual General Meeting July 26th - July 28th, 2011 Hosted By Constance Lake First Nation

















