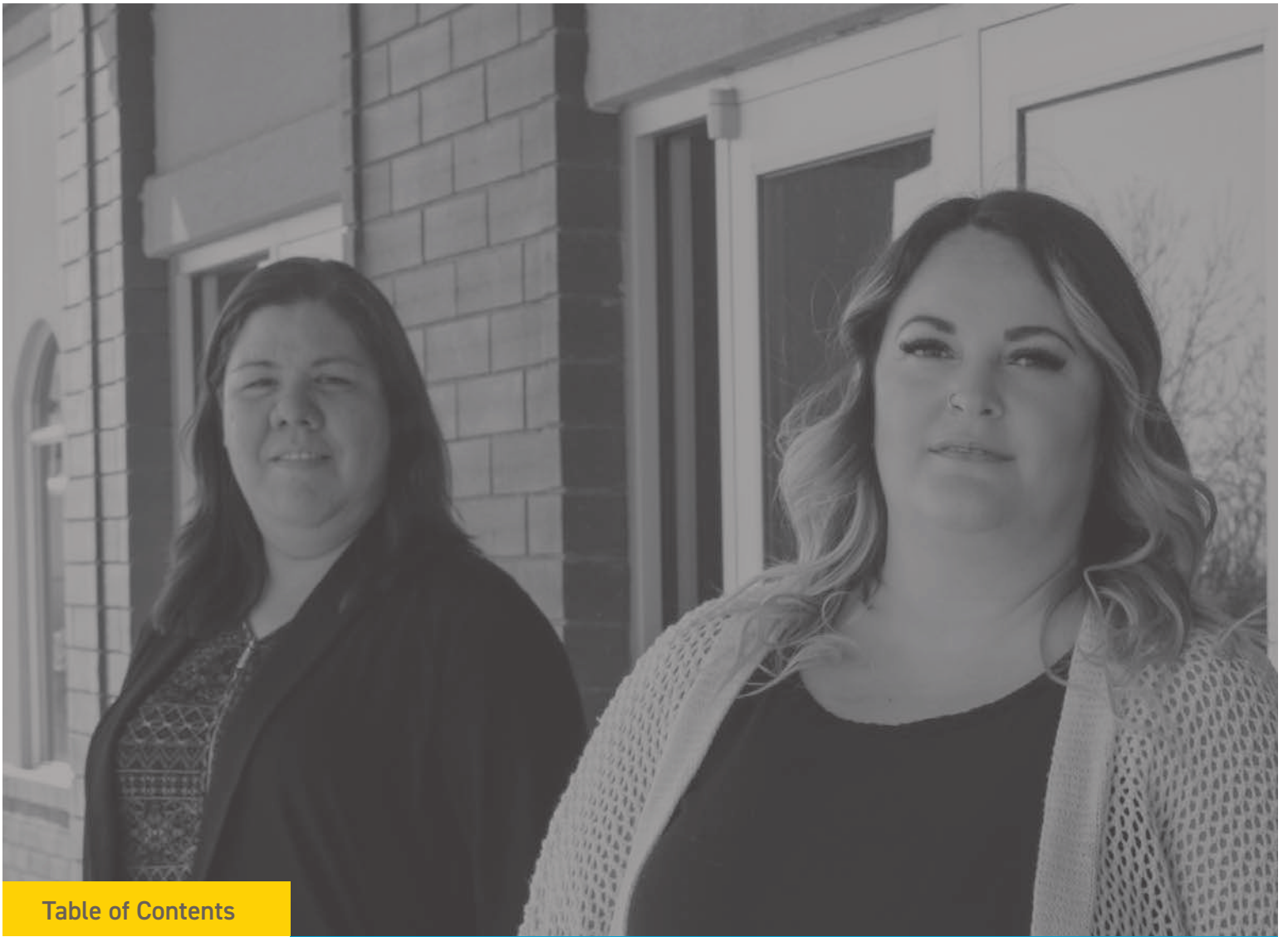




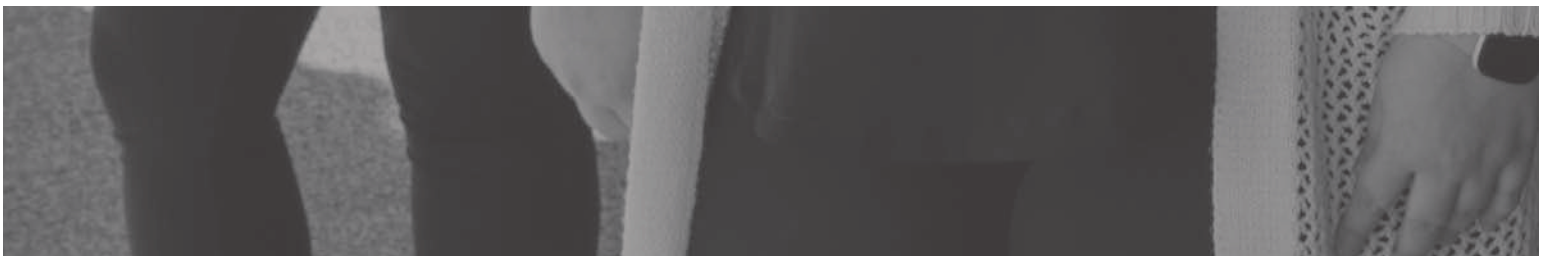
## FROM ADVERSITY TO ACHIEVEMENT

Des Nedhe Group shows resilience and plans for the future



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## YEAR AT A GLANCE

### A Pivotal year

After the pressures faced through leadership challenges at TRON, a global pandemic and a uranium market shutdown, we rebuilt and restructured in 2022. DNG is now stronger and better able to take on future challenges.

### We focused on our strengths and worked toward new opportunities.

Our business and ERFN can look forward to new growth for our properties and retail operations in 2023.

### We restructured.

Major changes were made at TRON to protect it from bankruptcy. TRON is now under new leadership. The company is leaner and taking on new opportunities.

### We renewed our commitment to creating diverse business opportunities.

This strategy will propel DNG into a tier-one Canadian business and drive more own-source revenue back to the Nation.

Although 2022 was a difficult year in many ways, we worked hard to build and diversify our business across all sectors and divisions. We are excited and primed for expansion.

#### EMPLOYEE NUMBERS

TOTAL ACROSS ALL  
DNG COMPANIES  
**273**

INDIGENOUS  
**146**

#### ERFN EMPLOYMENT

Retail **42**  
TRON **12**  
Creative Fire **1**  
DNG Management **10**

TOTAL ERFN EMPLOYMENT  
**65**

#### FINANCIAL HIGHLIGHTS

REVENUE FOR 2022  
**\$66.3** MILLION

Total revenue once again increased in 2022, up **6.6%** compared to 2021 and up **31.5%** compared to 2020.

#### Building Opportunity

Since 2021, **\$121,209** has been secured through programs such as the First Nations and Inuit Youth Employment Strategy, Income Assistance First Nations Youth Employment Strategy, and Canada Summer Jobs Grants. These funds have facilitated work placements for nine ERFN members – covering wages, training and employer costs like Workers' Compensation.

### Role of the Board

The Des Nedhe Group Board is made up of business professionals with expertise in areas like construction, retail, renewable energy and law. There can be up to seven seats on the Des Nedhe Group Board. Two of those seats must always be ERFN Band Members, but not Chief or Councilors. One representative from ERFN Band Council attends board meetings but cannot vote to ensure an arms-length between business and politics.

**The role of our board is to ensure business success and to enhance transparency and accountability back to the Nation.**

### Des Nedhe Group Board of Directors 2022-23

Chair: Paul Martin

Directors: Melvina Aubichon, Blair Davidson, Alfred Dawatsare, Heather Forbes

Elder Advisors: Isidore Campbell, Norman Wolverine

## MESSAGE FROM THE CHAIR

Without question, the most significant challenge we faced in 2022 was restructuring TRON, a company that many see as our flagship. Unfortunately, the plan to expand TRON happened just before COVID-19 hit which caused various financial pressures, and ultimately led to some major cutbacks. The company is now smaller and leaner, but more viable. We are now looking forward to seeing TRON grow again.

### Groundwork Growth

While we were focused on improving TRON, we are also working hard to diversify DNG. That means exploring opportunities and revenue streams beyond construction and mining. We are excited about the possibilities for DNG and ERFN as we expand retail, infrastructure, land development and branch into new industries.

In this report, you'll read about the historic infrastructure project at Grasswood that will shape the future of land development in the area and will be a large focus for the next five to ten years.

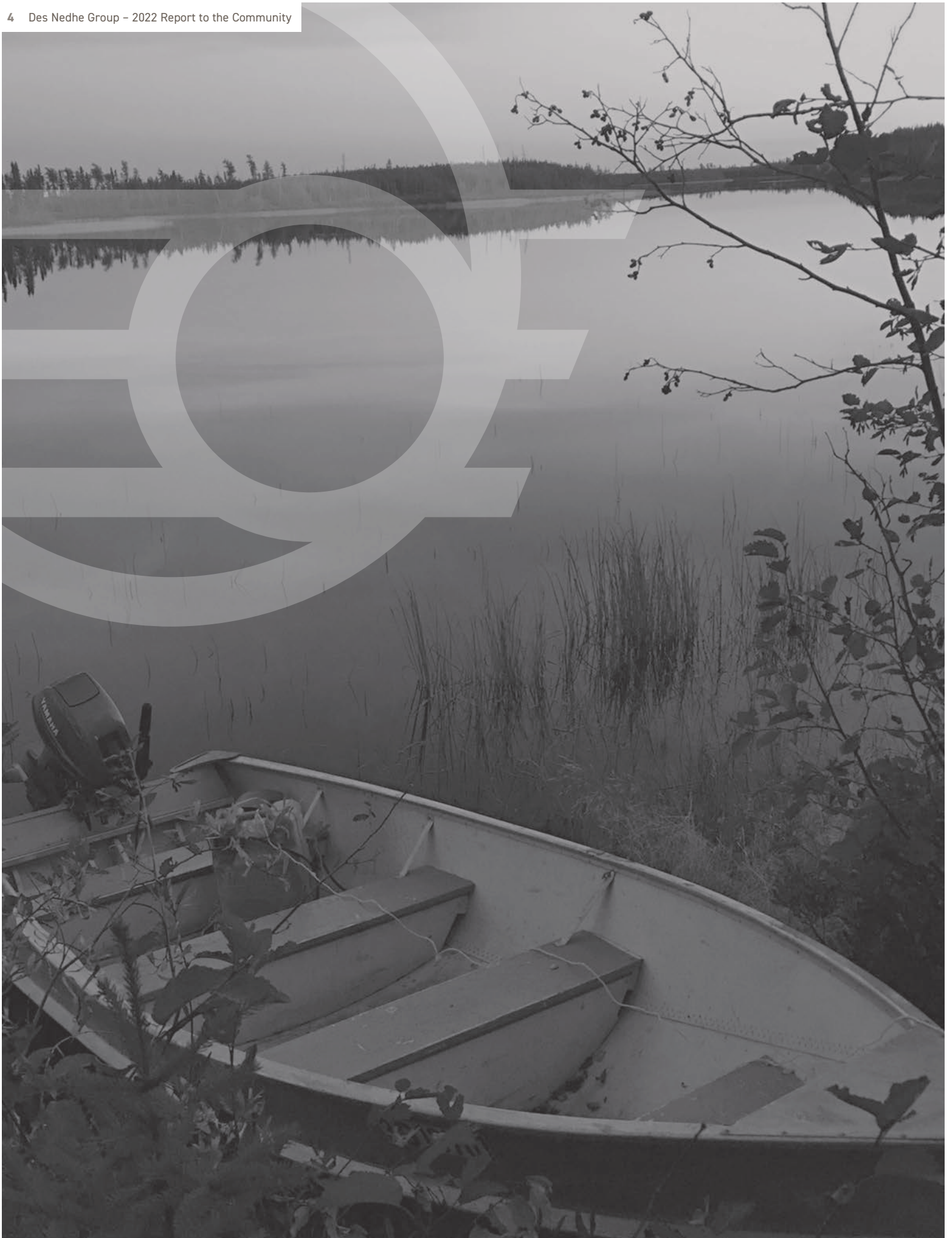
Once again, ERFN has taken a leadership role – a first in delivering infrastructure for our own needs and for the broader non-Indigenous community. This will bolster economic independence for generations to come.



**Paul Martin**  
Board Chair



“To support development, solid infrastructure is a requirement. The new state-of-the-art Wastewater Treatment Facility will serve not only Grasswood’s needs for years to come, but it also unlocks the potential for our neighbours who are willing investors and customers for this service.”



## TO OUR SHAREHOLDERS

Despite challenges, 2022 laid the foundation for a stronger future. By forming partnerships, diversifying our portfolio, investing in education and unlocking the potential of our land, we are building a solid foundation for long-term success.



Sean Willy  
President and Chief  
Executive Officer

"It's about looking back and getting the community more involved in the workforce, now that Cameco's up and running, now that we have these other opportunities [Neetah Construction and Morsky Industrial Services Ltd] ...we can invest in education and training to maximize English River's full benefit."

### An Important Year for Progress

In 2022, the Des Nedhe Group (DNG) faced challenges but also had opportunities for growth. TRON, an important business within DNG, struggled due to mine closures and market changes in construction. Recognizing the significance of TRON to DNG and the pride English River First Nation (ERFN) Elders and community members have for it, we embarked on a journey of restructuring and rebuilding. This meant working with a new leadership team to streamline and improve operations. As a result, TRON became profitable in early 2023. With uranium mines reopening, there are now more opportunities for TRON and for the Nation.

### Building for the Future

Establishing a strong foundation for the future continued to be a top priority. Our retail operations performed well, generating revenue and providing Indigenous employment. We are securing new retail opportunities at Grasswood, that do not require backing from the Nation. This includes the Wastewater Treatment Facility at Grasswood. This venture is a collaboration with Corman Park, SaskWater, and the Canada Infrastructure Bank. It is the first First Nation-owned utility in the country and will bring

sustainable benefits and future development opportunities to the area.

### Breaking into New Sectors

In partnership with Magnorum Group, we diversified our portfolio by buying into Morsky Industrial Services Ltd. (MISL). We also sold shares in Synergy Five Investments to invest in MISL and establish Neetah Construction for civil roadworks with the Department of Highways. We want to put more money into education and training for ERFN members to leverage opportunities through Cameco and Denison in the mining sector and Neetah in the construction sector.

Our ultimate vision is to position DNG as a top Canadian company that happens to be Indigenous-owned. We are committed to adjusting our strategies, reducing reliance on uranium mines, and diversifying our revenue streams, particularly in land development and retail. We are excited to tap into the immense potential of the Grasswood land and further build our reputation as an Indigenous business leader in the country.

Sean Willy  
President and Chief Executive Officer

## 5 - YEAR TIMELINE



### CREATIVE FIRE

English River First Nation became the sole owner of Creative Fire in December 2019 making the consulting agency one of the first Indigenous professional services companies of its kind.

**Creative Fire – 2019**



DNG faced significant challenges during the pandemic, spurring a shift towards driving new business and pursuing revenue opportunities.

**COVID-19 Pandemic – 2020-2022**



2019

2020

2021



### The Patch Opens at Grasswood – 2020

The Patch opened its doors in 2020 as one of the first liquor stores to be 100% owned by a First Nation on an urban common reserve. It continues to grow each year.



### Uranium Mines Close – 2020-2022

As a result of the pandemic, all northern Saskatchewan mines went offline, seriously reducing employment opportunities for ERFN.





Identifying an increased demand in highway, roadway and infrastructure projects in the province, DNG partnered with Magnorum Management Group to form Neetah Construction in 2021.

### **DNG and Magnorum Management Group Build Neetah Construction – 2021**



In 2022, DNG purchased 51% of Morsky Industrial Services Ltd., opening new doors to provide maintenance and civil construction services to the potash industry.

### **DNG Acquires Morsky Industrial Services Ltd. – 2022**



2022

2023



### **TRON Seeks Creditor Protection – 2022**

After a turbulent period, DNG took the step of placing TRON under protection to minimize its risk of bankruptcy. After restructuring and rebuilding the operations at TRON, the company has reported profits in the first quarter of 2023.



### **Wastewater Treatment Facility Builds New Opportunity for ERFN – 2022/23**

The Wastewater Treatment Facility at Grasswood is the first of its kind in Canada, pioneering new partnerships and opportunities for growth for ERFN and DNG as it serves the municipality of Corman Park.

## Tapping into the Potential of Grasswood

The investment into the Wastewater Treatment Facility on English River's urban reserve is a crucial step forward in generating more passive revenue. The future of the Grasswood business area could include big box retail stores, commercial, accommodation, entertainment, and light industrial development and expansion to DNG's commercial business space.



## INVESTMENTS



### Neetah Construction Paves the Way to Future Projects Across SK

This start-up construction company continues to see new opportunities for large construction projects across the province including the construction of the water and sewer infrastructure at Grasswood, a new school at Île-à-la-Crosse and a future highway repair projects with SaskHighways.



### TRON Partnership with Round 2

TRON with its joint venture partner, Round 2, undertook a large fibre optic installation project in northern Ontario after a previous contractor failed to complete it. TRON leveraged its experience working in similar environments, and successfully completed the project in half the anticipated time. This accomplishment led to a promising and highly profitable partnership and profits for TRON in Q1 of 2023.



### Morsky Industrial Services Ltd.

51% Indigenous owned by the Des Nedhe Group, Morsky Industrial Services Ltd. (MISL) has been serving civil contracting customers in Saskatchewan for over 55 years.

# FINANCE

Building a Self-sufficient and Financially Secure Future for ERFN

## REVENUE

2022

**\$66.3M**

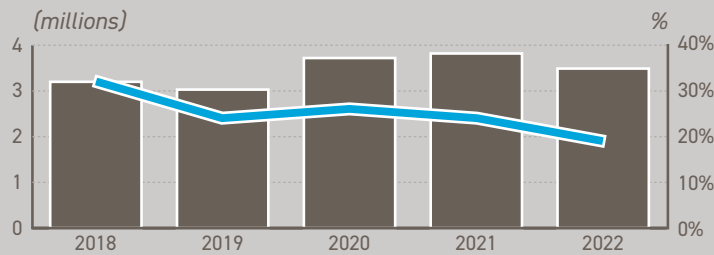
## NET INCOME

2022

**-\$0.196M**

### DES NEDHE MANAGEMENT MAINTAINS TIGHT COST CONTROLS ON ITS OVERHEAD

● Des Nedhe Management Overhead \$ ● As % of Total DNG Overhead



Preston Kalyniuk  
Senior Director, Finance

## Top 3 Financial Highlights

After two pandemic years, we dedicated significant time and effort to forging new business opportunities and establishing partnerships for long-term growth and financial sustainability.

### 1 Building New Pathways

After a lot of careful work, we were able to buy 51% of a company called Morsky Industrial Services Ltd. (MISL). This added a new business to our group, and it made our financial statements stronger. This acquisition opportunity originated from our existing relationship that created Neetah Construction LP. This new company will provide stable work with Mosaic and in the potash industry because MISL already has a strong business partnership with the potash giant. These new additions to DNG create new employment pathways for all ERFN community members.

### 2 Driving New Development

We achieved a major milestone by finalizing the financing plans of a long-awaited infrastructure project. A partnership between the Canada Infrastructure Bank and DNG secured funding for the Wastewater Treatment Facility at Grasswood. Construction began in early 2021, and the facility will be fully operational by the end of 2023.

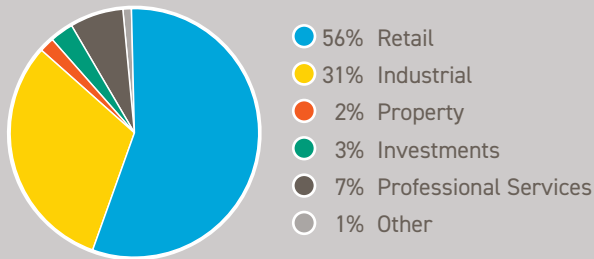
Our work in 2022 set the foundation for success and financial autonomy. We continue to pursue real estate opportunities and passive income generation through the Grasswood lands.

### 3 Promoting Business Growth and Employment Opportunities

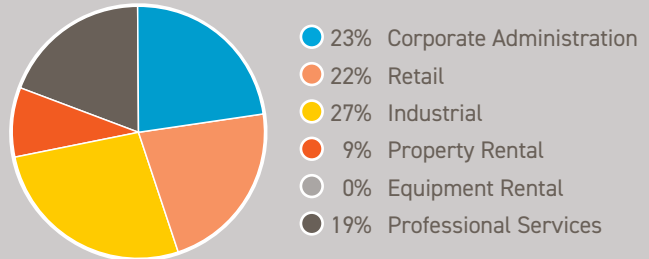
In addition to purchases and construction deals, we remained dedicated to fostering the growth of businesses within our group and creating employment opportunities for Indigenous members. By providing stable and recurring work within our construction businesses like Neetah Construction, or our retail operations such as The Patch or the Patuanak Gas Bar, we aim to promote stability and growth for all DNG business areas and ERFN employees. All hold the potential for further growth.

“Our goal is to continue to support DNG businesses’ financial independence and success now and for years to come. This will result in sustainable profits and improved financial security for the Nation.”

## 2022 REVENUE



## 2022 OPERATING OVERHEAD COSTS



Overall, revenue in 2022 was up **6.6%** due in large part to the strong performance in retail, marketing and creative services and investments.

### COMMUNITY SUPPORT

**\$27,000**

### DONATIONS

**\$9,000**

### DIVIDENDS

**\$2,000**

An increase in fuel prices along with continued growth in liquor sales contributed to a strong year for the retail division with revenue up from \$32.1 million to \$36.9 million. Retail remains the backbone of DNG's business.

Another strong performer in 2022 was Creative Fire whose revenue increased \$1.6 million from 2021. The sale of our Synergy Five (Cannabis Retail) investment marked a \$1.44 million profit for 2022.

Despite the acquisition of Morsky Industrial Services Ltd., industrial construction revenue was down \$4.4 million, or 17% from 2021. TRON's revenue was down \$11 million from 2021, or 44%. However, Morsky added \$6.6 million in revenue in eight months after acquiring the 51% interest. We anticipate further growth in years to come.

While we continued post-pandemic to see a negative net income due to pandemic related challenges, overall there was a \$4.5 million improvement in 2022 compared to 2021.

### Significant Highlights

- TRON experienced a net loss of \$0.8 million in 2022, compared to \$2.4 million net loss in 2021.
- The newly acquired Morsky Industrial Services Ltd. contributed \$0.46 million net income to DNG in 2022.
- Retail contributed \$0.38 million more income in 2022.
- Creative Fire contributed \$0.45 million more income in 2022.
- Rental income decreased by \$0.23 million in 2022.
- DNG corporate overhead spending was lower by \$0.32 million.

## PROPERTY MANAGEMENT

### Planning for Growth

Even though 2022 began with pandemic restrictions, our properties at Grasswood, Beauval and Patuanak remained at 100% occupancy. As restrictions started to ease, we began to plan for growth in 2023. This included the Wastewater Treatment Facility at Grasswood and bringing fast internet to Beauval and Grasswood. This will help us ramp up our business and provide more employment and revenue opportunities for ERFN.

### Investing in Our Potential

The decision to invest in the Grasswood land outside of Saskatoon made by the previous generation has been a long-term investment with lasting benefits. The success continues with the addition of a Wastewater Treatment Facility and a historic partnership with the Municipality of Corman Park, SaskWater, and the Canadian Infrastructure Bank.

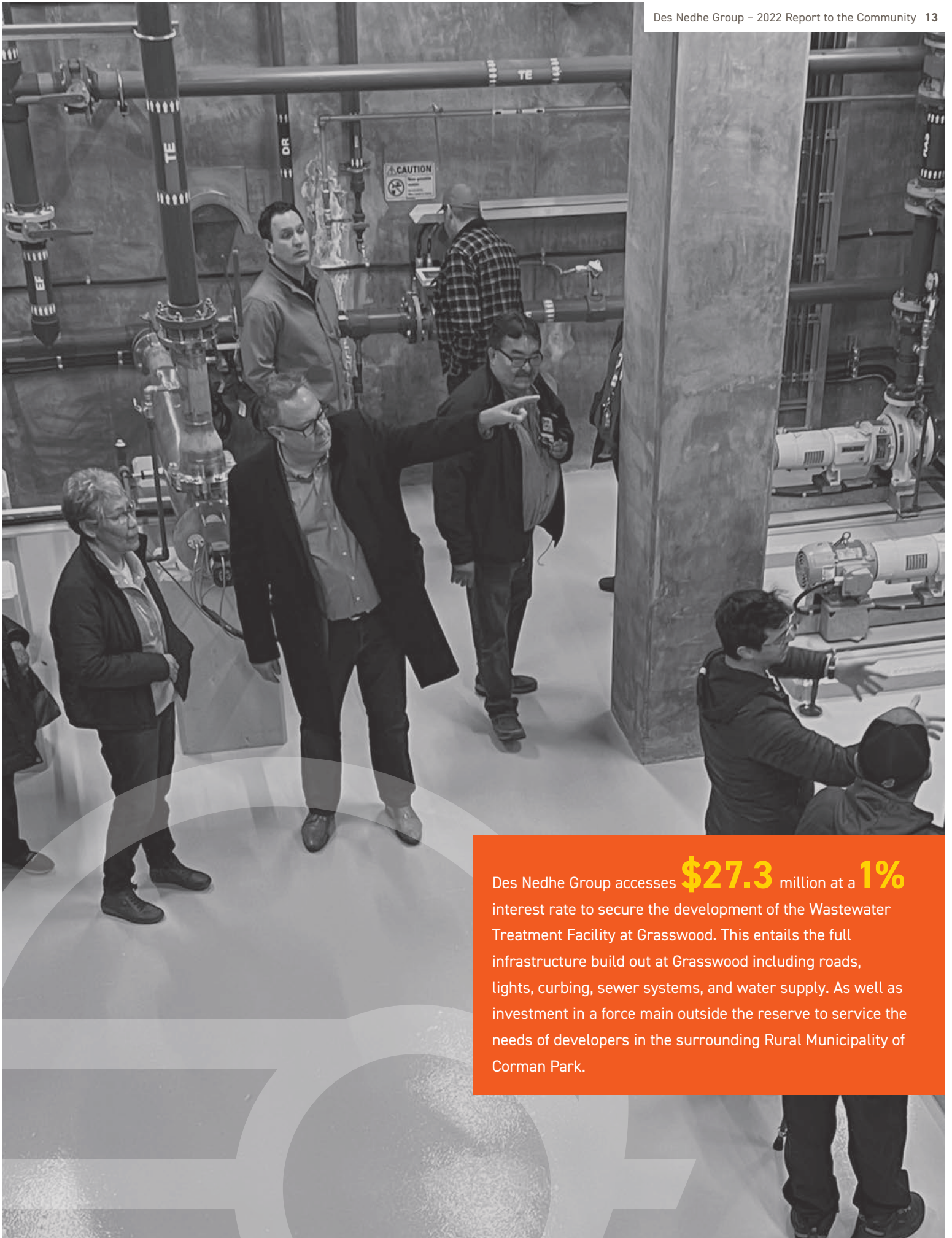
The partnership between a municipality and a First Nation sets a new standard in Canada, presenting an opportunity for sustainable land development and mutual economic benefits. Our collaboration with the Rural Municipality of Corman Park focuses on creating jobs and driving economic growth.



Lorne Wolfe  
Director,  
Property Management

“This is a groundbreaking partnership that will benefit both English River First Nation and the rural municipality of Corman Park. We are proud to be a part of this agreement, which will not only strengthen our economy but also promote sustainable development.” – Sean Willy, President and CEO





Des Nedhe Group accesses **\$27.3** million at a **1%** interest rate to secure the development of the Wastewater Treatment Facility at Grasswood. This entails the full infrastructure build out at Grasswood including roads, lights, curbing, sewer systems, and water supply. As well as investment in a force main outside the reserve to service the needs of developers in the surrounding Rural Municipality of Corman Park.

English River Enterprises, particularly our stores in the north, is always looking to welcome new employees, preferentially ERFN members. We have positions to fill at Patuanak and Beauval General Forks.

If you're a student looking for extra cash this summer or after school, interested in either casual, part-time or long-term employment, drop your resume off at either of these locations.





## RETAIL

### Des Nedhe Group's Retail Division Thrives, Fueling Remarkable Growth Year After Year



Jason Allan  
Director, Retail

"The past year marked continued growth for DNG retail businesses as The Patch expanded beyond retail and into the wholesale market."

#### The Patch

The past year saw significant growth for DNG's retail division as The Patch expanded into the wholesale market. In 2022, it started selling liquor to popular places such as Dakota Dunes, Coors Events Centre, Diva's, Saskatchewan International Raceway, and Saskatoon Golf and Country Club. This helped The Patch have a more diverse business and rely less on storefront operations.

DNG worked hard to get a big contract with Saskatchewan Indian Gaming Authority (SIGA), which they signed in early 2023 and will provide all liquor units to the casinos across the province. The partnership was finalized in April 2023 with the first shipment out to Prince Albert and North Battleford in June 2023. While The Patch's retail side is still doing well, their wholesale operations are showing promise for even more growth. This means that The Patch can sustain itself and use the profits for other projects in DNG.

# 88-90%

Indigenous employees  
across all retail  
operations

#### Grasswood Gas Bar

In 2022, PetroCan-Suncor International saw an overall slowdown. But that wasn't the case for DNG's independent PetroCan in Grasswood. Our amazing long-term employees played a big role in this success. They provided great service to our customers, and every week, lucky customers who bought gas at the Grasswood PetroCan got cool prizes like snowboards, bikes, and tickets to the Craven Country Jamboree.

#### Patuanak Gas Bar

Cecille Dawatsare and Jenny Sayers, manager and supervisor at the Patuanak Gas Bar, work hard to listen to customers. In the past year, they brought in new items to the confectionery based on community requests. Frequently purchased items, like milk, are cheaper than at the Northern Store in an effort to make groceries more affordable for members.

We connect **Industry leaders.**  
We amplify **Indigenous voices.**  
We build trust with **Indigenous collaborators.**  
We understand and prioritize **cultural context.**  
We commit to **long-term partnerships.**



# CREATIVE FIRE

Member of Des Nedhe Group



## PROFESSIONAL SERVICES

### Leading in Nuclear

Creative Fire continues to build on ERFN's 30+ year history in the uranium industry. The team acts as trusted advisors and strategists to almost all the big nuclear players in Canada including Ontario Power Generation, New Brunswick Power, Nuclear Energy Agency and more. Creative Fire is also in a multi-million dollar services agreement with SaskPower for its Small Modular Reactor Development Project.



Leanne Hall  
Chief Executive Officer

"We continue to bat above our status, delivering work that inspires and makes a difference. We bring the same commitment, energy and principles when working with all our clients, from start-ups to giants like Proctor & Gamble."

### Rooted in Reconciliation

Driven by purpose, Creative Fire's approach is grounded in Reconciliation. 40% of the Reconciliation Action Plans in Canada are being led by the company. Clients include Enbridge, Ontario Power Generation and CBRE. All are making major commitments that lead to more opportunities for Indigenous employees, businesses and communities.

Committed to equity,  
diversity and inclusion

85%

Indigenous suppliers

45%+

Indigenous employees  
and contractors

85%

Female employees and  
contractors

### Partnering in Success

Creative Fire is passionate about seeing Indigenous communities, businesses and organizations thrive. This includes delivering innovative and culturally rich communication and branding strategies, as well as support and materials to Indigenous-owned or led clients, or those whose purpose is to serve Indigenous people and communities. These clients include First Nations University, TIPI Group of Companies, I Love First Peoples, National Circle for Indigenous Agriculture and Food, Aboriginal Sport Circle and the Indigenous Reconciliation Fund.

### Keeping Clients Coming Back

At Creative Fire, long-term partnerships are a priority. Year after year clients trust Creative Fire with their most important reporting. Through thoughtfully designed annual reports and ESG and Sustainability reporting, Creative Fire helps companies like Nutrien, Viterro, NewGold and Indigenous Services Canada tell their story.

### Proudly serving ERFN

Creative Fire is proud to be part of the Des Nedhe Group and an English River First Nation-owned company. It has collaborated with the Nation to provide emergency communication support through Covid and wildfires and helped deliver its Comprehensive Community Plan. The team is currently helping with communications and community engagement on some major milestone projects that will move to community ratification this fall.

## TRON CONSTRUCTION & MINING

Turbulent waters transformed.



Steve Thompson  
Vice-President Operations

"TRON remains committed to English River First Nation and realizing economic and employment benefits for its members. With new focus and renewed purpose, TRON is looking forward to 2023."

Faced with challenging circumstances, TRON Construction & Mining Limited Partnership filed for Creditor Protection in May 2022. TRON continued its operations in the ordinary course of business the best it could while restructuring the company. These challenges brought stress, change and uncertainty. Steve Thompson, Vice-President Operations was engaged to collectively help the restructuring and revitalization of TRON. The company's direct overhead was reduced by over 80% through attrition and deliberate workforce changes as part of this process. Meanwhile, TRON continued to execute and deliver on projects throughout the year. In December 2022, the courts approved the accepted proposal to creditors.

TRON wants to acknowledge all the hard work, dedication, and loyalty of its employees (past and present), contractors, clients, and vendors during this turbulent time. Countless hours were spent navigating this process; testing, maintaining, and strengthening relationships.

### Demographics

171

Employees and  
contractors

59

Indigenous employees

25

ERFN employees

# HUMAN RESOURCES

## Investing in Our People – Investing in Our Future

In 2022, we introduced new resources aimed at empowering our leaders and employees to achieve peak performance. These resources encompass time management, goal setting, and performance management. Our outstanding team of leaders quickly implemented these supports, resulting in fantastic outcomes.

### Criterion

With the support of the Indigenous Enterprise Foundation and the dedicated efforts of our Human Resources and Payroll teams, we successfully implemented a Human Resource Management System. This all-inclusive online platform serves as a central hub for employees, supervisors, and managers. It offers convenient access to individual profiles, company resources, programs, training videos, timesheet entry, payroll processing, and other important employment functions.



Lacey Unrau  
Director,  
Human Resources

“At DNG, we prioritize investing in our people and providing them with the necessary support to excel in their work. Regardless of circumstances or economic pressures, our focus is giving our employees the tools they need to perform at their best.”

### Performance Appraisal

At DNG, we value the contributions of our employees and strive to improve our performance appraisal system. Our goal is to effectively recognize, retain, develop, and reward our employees. In collaboration with our Human Resources department and the DNG leadership team, we laid the groundwork for regular and consistent individual assessments. These appraisals facilitate productive discussions between employees and their supervisors. By encouraging employees to self-assess, we promote self-awareness and foster constructive growth.

### Goal Setting

In the last three years, DNG has pursued meaningful objectives based on our latest strategic plan. They have been communicated effectively to our employees, aligning with their business unit and division. We focus on SMART Goals, which are Specific, Measurable, Achievable, Relevant, and Timely. This framework empowers employees to set purposeful goals that support their skill development. SMART Goals also enable employers to monitor progress and evaluate accomplishments.

## MERVIN MCINTYRE

### Building Strong Relationships, Ten Years and Counting

Mervin started with TRON as an employment services coordinator in 2013 and joined the Human Resources teams as a coordinator in early 2021, bringing years of personal and professional experience from his time with the band and the Meadow Lake Tribal Council. Mervin leads several responsibilities within HR including recruitment, work placements, work readiness and grant writing. He also supports Cheyenna Hunt in the English River Lands and Consultation department.



Mervin McIntyre  
HR Coordinator

#### Q: Mervin, what are you best known for at work or at home back on the reserve?

**A:** I am a part of the people of Dipper. Dipper Lake was our home base and we migrated from there. I feel very connected to that, and that will never change. My mother, Rose McIntyre and my late father, Moise McIntyre moved to Beauval, but I still try to get out to Dipper as much as I can.

#### Q: What are you most proud of in the work you do at DNG?

**A:** I am proud of the time spent securing work placement opportunities across many industrial sectors. With the support of Indigenous Services Canada, we have placed ten individuals over the past five years on various mining projects with Orano, Cameco, and Denison.

Getting people to work makes me feel good. The work placements give people a foot in the door and allow them to gain skills that are not provided at the community level. 90% of our placements are fully employed after the six-to-eight-month work term. To me, that's a success. To have these opportunities at a community level is huge.

#### Q: What advice do you give ERFN members who are looking for opportunities?

**A:** To new people just starting out, I always say be respectful in the workplace. Think about your family, you are an ambassador for your community. Keep a low profile when you start out so you can take the time to listen, learn and build your relationships.

Congratulations to these ERFN members on their successful work placements:  
Eric Misonas, Craig Corrigan, Chaz Natomagan, Skyler Poorman Wolverine, Broc Wolverine, Ryan Campbell, Maggie Campbell and Draven Campbell.



[https://www.nfb.ca/film/people\\_at\\_dipper/](https://www.nfb.ca/film/people_at_dipper/)

Mervin appears as a small boy with his father in the 1966 National Film Board short, *The People of Dipper*. As part of the National Indigenous Peoples' Day celebration, DNG employees watched the film together.

"Mervin's dedication to helping people without previous experience to attain gainful employment is truly life changing. Quietly but effectively, Mervin and his relationships with industry partners are transforming lives. The success of these programs is evident, with many work placements leading to full-time employment opportunities after the conclusion of the terms." – Lacey Unrau, Director, Human Resources



**Des Nēdhē Group**  
An English River First Nation Enterprise

