



Xatsūll Development Corp

ANNUAL GENERAL MEETING
NOVEMBER 2022

Xatsūll Development Corporation - History

April 20, 2001 the Xatsull Limited Partnership Agreement was executed by the Chief and Council

Xatsull First Nation is the Limited Partner

XDC is the General Partner and provides management for the XLP operations

July 31, 2022 the Limited Partnership Agreement was amended and restated in order to update portions of the agreement

XDC Structure

The Limited Partnership utilizes liability protection through the use of the Corporate entity (XDC) while retaining the tax efficiency of Xatsull FN

XDC has to operate at arms length from its limited partners

XDC is a separate legal entity which separates owners (shareholders) from business (the corporation)

XDC Structure



XDC is entirely owned by XFN as 100% of shares are held in trust by Chief of XFN as directed by Chief and Council

Although XDC operates independently it still acts in the best interest of XFN and community and reports back on results

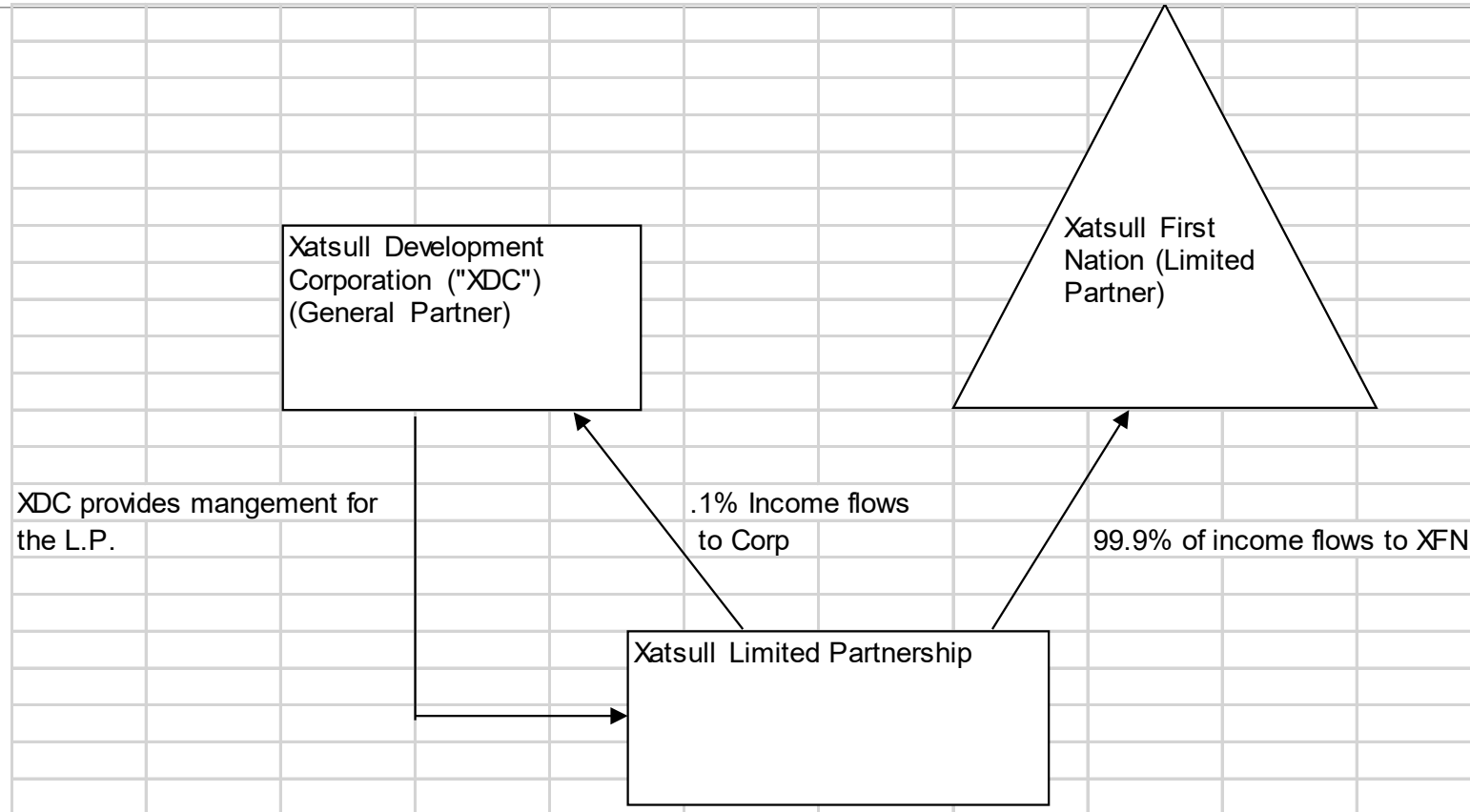
XFN Chief and Council appoint Directors to XDC for terms of three years

The Limited Partnership Agreement provides net income flows to XFN net of two years of administration expenses



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Xatsull LP – Legal Structure



Who is XDC?



XDC Board of Directors

Dr. Ray Sanders – President

Dave Pop – Director

Keray Camille – Director

Kelly Sellers – Director

Pat Sellers – Director

Operations Staff

Howard Campbell, MBA, CPA – Chief Executive Officer

Thomas Phillips, General Manager

Forester – TBD

Forestry Crew

- Darren Russell, Doyle Williams, Johnny Phillips

Gibraltar Crew

- Stephanie Phillips, Willie Abby

Janitorial – Edie Sellers

Has the FN business climate changed?



FN Business Climate

Many countries such as Saudi Arabia, United Arab Emirates, China, India and others are trying to secure: Food sources, Natural Resources

Canada has an abundance of agricultural/livestock and natural resources

The food sources and natural resource fall within FN traditional territories

Corporation across Canada and internationally have recognized FN must be consulted for projects within traditional territories

FN Business Climate

FN's are in a position where they are able to negotiate inclusion in projects within their territories

Inclusion may come in the form of employment, procurement opportunities, and even ownership positions with organizations wishing to partake in projects within traditional territories

Some international based organized are reaching out directly to FN's whose traditional territories they wish to work within

The balance of power between for-profit businesses and FN's has shifted in favour of FN in the past few years

Xatsull Business Climate



Xatsull Business Climate

Xatsull is situated favourably as their traditional territory has an abundance of natural resources which includes critical minerals

Critical mineral global demand is on the rise as the global economies shift to low-carbon options over traditional energy sources such as coal and petroleum products

Critical minerals include aluminum, copper, nickel, tin, tungsten and zinc

Critical minerals are used in batteries, solar panels, wind turbines as well as defense and security technologies, consumer electronics, agricultural applications and critical infrastructure

Xatsull Business Climate

Demand for critical minerals is expected to increase seven fold in the next decade

Mines in the Xatsull territory will very likely see considerable profit in the future

Xatsull should exert their position to ensure inclusion in mines in the form of strong revenue share agreements, procurement guarantees and employment/training opportunities

XDC is building a strong foundation to take advantage of the favourable business climate

Xatsull Business Climate

Soda Creek (IR 1) has a moderate climate compared to the surrounding region

Soda Creek has the potential to develop a crop growing industry as neighbors such as Soda Creek Sweet Corn produce a number of products such as corn, zucchini, green beans, wax beans swiss chard and cucumbers

XDC/XFN may do analysis on agricultural growing if land issues can be sorted out

2019 - Strategic Plan

February 2019 XDC BOD finalized a Strategic Plan

36 Strategic Initiatives were identified

The following are overarching goals of XDC:

- Diversify business opportunities (too much reliance on forestry)
- XDC more accountable and transparent
- Ensure XDC is included in projects and business in Xatsull territory (e.g. pipelines, forestry, mines, road widening, hydro, etc.)
- Implement Management Reporting and measurement system to determine if performance metrics and strategic plan initiatives are met

2019 Strategic Plan

21 out of 36 Strategic Plan initiatives were completed

Some initiatives fell outside of XDC responsibility (e.g. negotiate with Ministry regarding forestry licenses)

Some Strategic Plan items are still relevant and continue on (transmission line, widening of highway, Gas Station)

2019 Strategic Plan – Scorecard - Diversity

XDC fortunes have been pinned upon forestry results to a large degree

2019 overarching goal was to create diversity in income streams as forestry was unpredictable at best

XDC has diversified its base to include income streams from the following industries:

- Oil and Gas
- Mining
- Municipal projects (City of Williams Lake river valley repairs)
- Fuel Management Projects

2019 Strategic Plan – Scorecard - Diversity

XDC implemented a strategy to partner with companies who had capacity and who endorsed FN inclusion in order to work together to procure opportunities in business activities in the Xatsull territory

This allowed XDC to seek out opportunities where internal capacity did not exist

Allowed XDC to build upon its internal capacity while setting a message that work in Xatsull territory has to include endorsement by XFN and XDC

XDC partnered with a number of companies in order to compete for a multitude of projects within Xatsull territory



2019 Strategic Plan – Diversity - Results

2022 year end financial statement show a large profit from the forestry operation

The 2022 financial statements also show partnership income has risen to the point where almost all administrative costs are covered by this source of income

Current year financials indicate partnership income will surpass all administrative costs which will ensure a positive annual net income even if forestry or other income bases don't materialize



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2019 Strategic Plan Results

Accountable and Transparent

- XDC and XFN have met on numerous occasions where information has been disseminated and reported upon
- Financial Statements are distributed to XFN
- Strategic Plan and Strategic Plan scorecard is shared with XFN
- Key strategic opportunities are shared with XFN and vice versa
- Quarterly meetings with XDC Board and XFN Chief and Council will commence in 2023
- XDC has developed a scorecard and reported out progress on its Strategic Plan

Diversity = Partnerships



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XDC Partnerships



Strategy - To expand income base for XDC the organization sought out to capitalize on projects and work within Xatsull traditional territory

Much of the high value contracts required specialized skill sets which would take years to acquire

XDC determined the best option was to partner with organizations who shared guiding principles with Xatsull

Partnerships are created to support specific projects and specific worksites such as mines, pipelines and road maintenance

A matrix was designed to score potential partners

Partnerships are based upon revenue share agreements

XDC Scoring Matrix

The partnership scoring matrix was based upon the following criteria:

- Corporate reputation – are they a preferred supplier? Do they have history with the proponent (e.g. mine, Enbridge, BC Hydro, etc.)
- FN Inclusion – have they worked with FN's in the past? Do they have FN employee's? FN employees in management?
- Safety – Do they have a solid safety rating?
- Quality Control – Do they have a QC system? What type of QC software do they use?
- Ability to ramp up – Does the organization have the ability to scale up to the size of the project/work schedule

Who are XDC Partners?

Ckukutusem Utility Services (“CUS”) – Oil and Gas integrity and maintenance. 100% FN owned

All Peace Protection – Security/Medical – 100% FN owned

Xatsull Horizon North – Camp and Catering. XDC owns 51% through JV

Peterson Contracting – Civil Works. Williams Lake based company

Gisborne Industrial – Construction Services, concrete, structural, mechanical and piping. Engineering, design supply and fire protection systems

XDC Partners

Emil Anderson – Road construction and Infrastructure maintenance

Star West Petroleum – Fuel and lubricants

C.I.F. Construction – Concrete supply and installation

Triple P Sanitation – Potable water, sewer services and hydrovac services. Williams Lake company

Muller Electric – Industrial electrical services. Williams Lake based

Suncor Energy – Petroleum products

PetroCan – Lubricants

XDC Partners

Xatsull Tmicw Resources LLP – Archeology, Traditional Land Use studies, Environmental monitoring. Xatsull based company

Terrapure Environmental – Environmental/Regulated Waste Management

Maxx North America Services – Pipeline integrity and pipeline based services

Skywest Environmental – Civil Construction, logging, brush mulching, forestry management. Canoe Creek based company

Financial Results

	2017	2018	2019	2020	2021	2022
Net Income	\$33,319	\$128,919	\$1,066,700	\$242,169	\$229,758	\$1,950,696
Partnership Income					\$386,980	\$476,315

Forestry Net Income in 2019 and 2022 was very good

Forestry Net Income in 2017, 2018, 2020 and 2021 was low

Partnership Income is on the rise and should show profit of \$800K in 2023



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XDC Cheque Presentation - \$1,978,587





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Ongoing Projects



Ongoing Projects

Xatsull Gas Station and Convenience Store

- Construction has been put on hold due to the price volatility of materials, contract services and equipment
- Planning for the project is still moving ahead (e.g. lease, environmental, engineering)
- Overall project will be re-evaluated in April 2023
- Capital cost of Xatsull Gas Station was \$2.2 million in 2015 but rose to \$3.8 million in 2021. Overall cost is difficult to project at this time due to rapidly increasing construction cost

Ongoing Opportunities



XDC will continue to seek ownership opportunities in Xatsull territory

in the following areas:

- Transmission lines
- Road Building
- Forestry

Questions?