MUSKRAT FALLS INQUIRY

Application to participate in the inquiry

made on behalf of the

Innu Nation

- 1. This Application to participate in the Muskrat Falls Inquiry (the "Inquiry" or the "Commission") is made on behalf of the Innu Nation.
- 2. Innu Nation is linked in many ways to the Muskrat Falls Project (the "Project"). The Project has taken place on Innu Nation's traditional territory. Mista-Shipu the Churchill River– has always been and remains an important area for Innu land use. Innu Nation has constitutionally protected rights in the area. It participated fully in the environmental assessment for the Project and Innu Nation concluded an Impact and Benefits Agreement ("IBA") in relation to the Project. Innu workers and contractors have been engaged at the Project construction sites. The Innu communities of Natuashish and Sheshatshiu are electricity consumers with an interest in rational decision-making regarding electricity in this Province.
- For all of these reasons, to be further detailed below, Innu Nation has an interest in the Inquiry and its findings, and will contribute a distinct perspective on the matters to be considered in the Inquiry.

The Innu Nation

- 4. The Innu of Labrador have lived in the lands affected by the Project for time immemorial.

 There is archaeological evidence of the presence of the Innu on the lands now called Labrador going back at least 7000 years.
- 5. Innu Nation represents the Innu of Labrador, who belong to two separate communities: the Mushuau Innu First Nation, who live in the community of Natuashish, and the Sheshatshiu Innu First Nation, who live in the community of Sheshatshiu.
- 6. Innu Nation is a corporation incorporated under the laws of Newfoundland and Labrador, which represents the interests of the Innu of Labrador, comprising of approximately 2200 people.
- 7. It was first incorporated as the Naskapi-Montagnais Indian Association in 1976, which changed its name to Innu Nation in or about 1990. Therefore, Innu Nation as an organization has been representing the interests of the Innu of Labrador for over forty years.
- 8. The Muskrat Falls Project has taken place predominantly on the traditional territory of the Innu Nation. The impacts of the Project have been addressed in the IBA between Nalcor and Innu Nation.
- 9. The Crown has no treaty with the Innu of Labrador. However, Innu Nation is in the process of negotiating a comprehensive land claims agreement with Canada and the Province of Newfoundland and Labrador, and an agreement-in-principle was reached between the parties in 2011.

Statutory Framework

- 10. This Inquiry has been created under the *Public Inquiries Act, 2006*. The *Act* sets out, at s.5(2), the criteria to be applied in determining whether a person may participate in an inquiry. The Commission shall consider:
 - (a) whether the person's interests may be adversely affected by the findings of the commission;
 - (b) whether the person's participation would further the conduct of the inquiry; and
 - (c) whether the person's participation would contribute to the openness and fairness of the inquiry.²
- 11. The application of these three foregoing factors is based on the subject matter into which the Commission has been tasked to inquire. This was set out in the *Commission of Inquiry Respecting the Muskrat Falls Project Order*.³ The *Order* laid out the Terms of Reference for the Inquiry, the following of which are of particular relevance to the Innu Nation. In interpreting the *Order*, the Commission has decided that the four subparagraphs of the Terms of Reference can be categorized as follows:
 - (a) Section 4(a) Project Sanction
 - (b) Section 4(b) Project Execution and Cost Escalation
 - (c) Section 4(c) PUB Exemption
 - (d) Section 4(d) Government Oversight⁴

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¹ SNL 2006, c P-38.1 (the "Act").

 $^{^{2}}$ Act, s.5(2).

³ NL Reg 101/17 (the "Order").

⁴ Interpretation of the Terms of Reference for the Muskrat Falls Inquiry (March 14, 2018) (the "Interpretation"), paras 34-44.

Additionally, the Commission has decided that the Terms of Reference permit the Inquiry to investigate the facts surrounding the consultation of Indigenous peoples prior to project sanction, the assessments made of Indigenous peoples' concerns, and the measures taken to mitigate against adverse effects.⁵

12. These submissions will now go on to consider how an Inquiry into these subjects will affect specific interests of the Innu Nation.

Participation by established leadership of Indigenous peoples

- 13. The *Order* tasks the Commission to "consider [...] participation in the inquiry by the established leadership of Indigenous people, whose settled or asserted Aboriginal or treaty rights to areas in Labrador may have been adversely affected by the Muskrat Falls Project".
- 14. The Project has taken place predominantly on the traditional territory of the Innu of Labrador. Innu Nation is the established vehicle for representing the interests of the Innu of Labrador and has been doing so since 1976.
- 15. The adverse effects of the Muskrat Falls Project have been recognized by Nalcor in the Impact and Benefits Agreement between Nalcor and Innu Nation.
- 16. In our submission, Innu Nation fits squarely within the ambit of s.5(a) of the *Order*, as a representative body of the Innu of Labrador, and one whose participation in the inquiry the Commission is obliged to consider.

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⁵ *Ibid* para 47.

⁶ Order, supra note 3, s.5(a).

17. The Commission, in its *Interpretation* decision, elaborated on s.5(a) of the *Order*. It decided that the Inquiry is permitted to "investigate into what consultation occurred between the established leadership of the Indigenous people and Nalcor as well as the Government prior to sanction, what risk assessments and reports were done as regards the concerns of the Indigenous people, whether these assessments were appropriately and reasonably considered by Nalcor and the Government and whether appropriate measures were taken to mitigate against reasonably potential adverse effects to the settled or asserted rights of the Indigenous people both at the time of and post sanction."

18. The Commission thus can inquire into:

- (a) consultations with Indigenous peoples regarding impacts of the Project on them
- (b) assessments and reports regarding concerns raised by Indigenous peoples
- (c) the reasonableness of Nalcor and Government's consideration of these assessments
- (d) efforts to mitigate against these concerns
- 19. Based on the above, the Inquiry may investigate consultation efforts with the Innu Nation regarding the Project, and any mitigation measures taken as a result.
- 20. It is apparent that the terms of the IBA between Nalcor and the Innu Nation may be considered by the Commission to be within the scope of the Inquiry's investigations. The IBA is a confidential document, and the IBA sets out a number of arrangements that are themselves protected by confidentiality provisions.
- 21. The confidentiality provisions in the IBA are important to Innu Nation and we are concerned with protecting as much of the confidentiality of the arrangement as possible.

⁷ Interpretation, para 47.

The investigations of the Commission and its findings clearly have the potential to affect Innu Nation's interest in the confidentiality of these provisions. Furthermore, disclosure could cause prejudice to Innu Nation's interests. As such, the interest of Innu Nation, as set out in s.5(a) of the *Act*, is engaged; as is the fairness of the conduct of the Inquiry to Innu Nation, as set out in s.5(c) of the *Act*.

- 22. Innu Nation understands the importance of the work of the Inquiry and that it has a mandate to consider all the relevant evidence and make findings of fact as set out in its Terms of Reference. Innu Nation submits that it can assist the Inquiry by providing its perspective on the evidence before it, including submissions on the importance on why confidentiality of the IBA, and of any particular portion for which disclosure is contemplated, is important to Innu Nation . It can also assist the Inquiry by contributing its perspective on the disclosures (if any) that are consistent with the mandate of openness that the *Act* assigns to Inquiry, while remaining fair to the interests of Innu Nation.
- 23. Subsequent to Innu Nation concluding an IBA with Nalcor, and since the conclusion of the environmental assessment of the Project and its approval, further study and research raised significant concerns about more widespread potential impacts on human health more widespread than what was originally predicted by Nalcor. Over the past year, Innu Nation has participated in efforts to examine and address these concerns, primarily through the Independent Expert Advisory Committee (the "IEAC"). The IEAC was mandated to review the best available science, research and Indigenous knowledge about potential impacts to human health of Indigenous and local populations and predicted increases in methylmercury accumulation in country foods, that might occur as a result of flooding of the Muskrat Falls reservoir. The IEAC was mandated to make

recommendations regarding mitigation, monitoring and management. Innu Nation can assist the Inquiry by providing evidence and its perspective about the IEAC process and its recommendations. Innu Nation can assist the Inquiry via its input about whether that process, and other measures thus far, have effectively addressed (through mitigation, monitoring, management and/or accommodation) such additional potential human health impacts on Innu people as a result of increases in methylmercury not originally predicted at the time of Project approval.

Project Execution

24. Under s.4(b) of the *Order*, the inquiry shall inquire into

why there are significant differences between the estimated costs of the Muskrat Falls Project at the time of sanction and the costs by Nalcor during project execution, to the time of this inquiry together with reliable estimates of the costs to the conclusion of the project including whether

- (i) Nalcor's conduct in retaining and subsequently dealing with contractors and suppliers of every kind was in accordance with best practice, and, if not, whether Nalcor's supervisory oversight and conduct contributed to project cost increases and project delays,
- (ii) the terms of the contractual arrangements between Nalcor and the various contractors retained in relation to the Muskrat Falls Project contributed to delays and cost overruns, and whether or not these terms provided sufficient risk transfer from Nalcor to the contractors [...]⁸
- 25. Innu contractors and workers have been engaged during the construction of the Project.

 As the Inquiry will consider whether Nalcor's relationship with contractors and suppliers was in accordance with best practices, it can be expected that Nalcor's relationship with Innu contractors and workers will be investigated at the Inquiry.

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⁸ Order, s.4(b).

- 26. Innu Nation's interests can be expected to be affected during such an investigation. Innu Nation can contribute to the Inquiry by providing its perspectives on contracting and employment practices during the execution of the Project, including ways that Nalcor's relationship with contractors and suppliers might have been carried out more efficiently.
- 27. In particular, Innu workers experienced racism on the job site, which led to conflict and delays. In our submission, the Inquiry should consider whether best practices in human resources management were followed in the Project and whether these negative experiences could have been avoided.

Project Sanction

- 28. The *Order* in s.4(a) and s.4(c) mandate the Commission to address the ways that the decision to sanction the Project was made, and how it fit in within the larger framework for supplying electricity to the Province. Innu Nation's members live predominantly in the communities of Sheshatshiu and Natuashish. They are electricity users in Labrador, with an interest in rational, information-based power planning.
- 29. It is acknowledged that s.4(a) of the *Order* references "the consideration by Nalcor of options to address the electricity needs of Newfoundland and Labrador's <u>Island interconnected customers</u>" (underlining added). Section 4(a)(iii) further addresses the question of whether Project was the "least-cost option for the supply of power to Newfoundland and Labrador <u>Island interconnected system</u> over the period 2011-2067" (underlining added). It may be argued that the Terms of Reference do not address themselves to issues of supplying power to Labrador.

- 30. Such a restrictive interpretation must be reconciled with s.4(c) of the *Order*, however, which mandates that the Commission consider the effect of exempting the Project from oversight by the Public Utilities Board ("PUB" or the "Board"). It is within the mandate of the Public Utilities Board to ensure that adequate planning for the production and transmission of power throughout the Province,⁹ and for the Board to ensure that power is delivered to consumers throughout the Province "at the lowest possible cost consistent with reliable service"¹⁰. Oversight by the Board would certainly have engaged Labrador issues.
- 31. Therefore, the Inquiry, in considering the effect of the exemption of the Project from PUB review, must also consider the question of what kind of questions would have been asked had the PUB exercised oversight over the Project.
- 32. This interpretation is supported by s.5(b) of the *Order*, which requires the Commission to consider "the need to provide consumers in the province with electricity at the lowest possible cost consistent with reliable service" (underlining added). The *Order* is clear that the Commission's inquiry is not to be restricted to the supply of electricity to the Island part of the Province only, but must include supply to Labrador.
- 33. Additionally, it should also be borne in mind that the Reference to the PUB stated by Cabinet regarding the Muskrat Falls Project restricted the PUB's inquiry to the "supply of power to the Island Interconnected system". The question of supply to Labrador was not put before the PUB in the truncated review that Cabinet ordered the PUB to do. If the Project had not been exempted from PUB review, how the Project would fit into an

⁹ Electricial Power Control Act, 1994, SNL 1994, c E-5.1, s.6(1).

¹⁰ Electricial Power Control Act, 1994, SNL 1994, c E-5.1, s.3(b)(iii).

overall plan to supply to Labrador would certainly have been considered. As s.4(c) of the Terms of Reference mandate the Inquiry to consider the effect of the exemption from PUB oversight, the exclusion of the consideration of Labrador issues in the sanctioning of the Project must be considered by this Inquiry.

- 34. In our submission, therefore, the Commission has properly interpreted the Terms of Reference so as not to restrict its inquiry to how the Island is supplied with electricity. As the Commission found, "[c]onsideration will also have to be given with regards to the assumptions and forecasts made by Nalcor, including projected annual supply requirements and whether they were reasonable based upon accepted industry practice." There is no suggestion that the consideration of annual supply requirements should be restricted to the needs of the Island Interconnected System.
- 35. Indeed, one aspect of the sanction decision that deserves closer examination is the use of the Churchill Falls Recall Block to supply the Island Interconnected System. It does not appear from the documentation put before the PUB in its limited review of the Project in 2012 that the Recall Block would be required to serve the Island. Indeed, in Nalcor's submissions before the PUB, they state that Churchill Falls power would only be required to meet Island needs in 2057. It seemed to have been the understanding at the time that the Recall Block would be reserved for Labrador needs for the foreseeable future. Yet in Newfoundland and Labrador Hydro's current General Rate Application before the PUB, energy from the Churchill Falls Recall Block will be used to supply the Island as soon as in 2018. The effects on supply to Labrador are unclear. In our submission, it is within

¹¹ Muskrat Falls Review, Nalcor Final Submission, p18 of 55.

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¹² Newfoundland and Labrador Hydro – 2017 General Rate Application, p 1.9.

that would have been identified through a review by the PUB, and thus squarely within the Inquiry's mandate under s.4(c) of the *Order*. One question that the Inquiry should explore is whether a more robust review would have led to a consideration of a greater range of options for all electricity users in the Province, and to an integrated approach to resource planning in electricity services in the Province.

- 36. The adequacy of power supply for Labrador is an important issue for Innu Nation. Natuashish, one of Innu Nation's two communities, is still operating on an isolated diesel system, and there are no plans in place to connect it to the Labrador Interconnected transmission grid. Sheshatshiu is on the Labrador Interconnected System and is hence directly affected by the use of the Recall Block to supply the Island.
- 37. Innu Nation's interests as Labrador electricity consumers both on the interconnected system and as consumers on an isolated diesel system are directly implicated by any consideration of supply issues to Labrador. That is also the distinct perspective that Innu Nation aims to bring to the Commission's consideration of these issues that we think will be helpful to the Commission's work.

Innu Nation's Financial Need

38. This Inquiry has been created under the *Public Inquiries Act, 2006.*¹³ The *Act* sets out, at s. 5(5) that a commission can recommend "that the government of the province provide funding for counsel and other expenses of a person who is permitted to participate in an inquiry".

¹³ SNL 2006, c P-38.1 (the "Act").

- 39. The Commission has decided in this Inquiry that "they may make recommendations to the Government of Newfoundland and Labrador regarding funding for counsel and other expenses of parties who have been granted standing". 14
- 40. In reviewing funding applications and making recommendations to the Government of Newfoundland and Labrador regarding the granting of funding to parties who have standing, the Commission will consider: whether the applicant would be able to participate in the Inquiry without such funding; what the funds will be used for and how they will be disbursed and accounted for; how the applicant will contribute its own funds and personnel to the Inquiry; and the financial controls of the applicant. 15
- 41. Innu Nation's interests are implicated in a number of ways by the Inquiry, as set out in this Application. In particular, although the Terms of Reference as set out in the *Order* do not mandate the Commission to investigate the Province and Nalcor's efforts to consult and accommodate Indigenous peoples, the Commission has decided nonetheless that it may inquire into these matters. As a result, issues relating to Innu Nation's Indigenous rights, and Nalcor and the Province's accommodation of those rights, will now become the subject of a high-profile public inquiry. There is also a risk that documents such as the IBA, which have heretofore been confidential, will become disclosed through the Inquiry process. It has therefore become additionally important for Innu Nation to participate in this Inquiry as a party. Thus, although the Inquiry was not something that Innu Nation asked for, and although the Innu Nation has submitted that the Inquiry

¹⁴ Rule 15. ¹⁵ Rule 16.

should avoid inquiring into Aboriginal and Treaty Rights, it now finds itself in a position where it is compelled to participate in the Inquiry in order to protect its interests.

- 42. Innu Nation nonetheless welcomes the opportunity to help shape the Inquiry's work by participating as a party, but based on preliminary estimates, the costs of doing so will be significant. Innu Nation will be financially challenged by these participation costs. Innu Nation does not have sources of revenue for the purposes of participating in public inquiries. Although Innu Nation does have some income, their financial capacity is committed to existing operations and programs. For example, Innu Nation expends funds to organize an annual gathering on the land to revitalize Innu culture and to facilitate the transmission of knowledge from elders to the next generation. It must also expend funds to carry on its treaty negotiations with Canada and the Province. Additionally, revenues from IBAs are rendered to Innu Nation for the purpose of compensating it for impacts on its rights, and finances programs to offset the impacts of industrial developments like the Project on the well-being of Innu Nation's membership. On the other hand, participation in the Inquiry is an unanticipated expense and has not been budgeted for.
- 43. Innu Nation therefore requests that the Commission make a recommendation to the Province to provide funding for legal and other expenses to enable it to fully participate in the Inquiry.
- 44. An affidavit in support of this application, made by Ravin Wick, Chief Financial Officer of Innu Nation, is appended. The affidavit and its exhibits contain sensitive financial information and redacted copies of each exhibit have been appended. Innu Nation requests that only the redacted copies be made available to the other parties and to the public.

45. If an oral hearing on this application to participate is required, Innu Nation requests to be heard in St. John's.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

DATED at Toronto, Ontario, this 28th day of March, 2018.

OLTHUIS KLEER TOWNSHEND LLP

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MUSKRAT FALLS INQUIRY

Application to participate in the Inquiry

made on behalf of the

Innu Nation

AFFIDAVIT OF RAVIN WICK

- I, RAVIN WICK, of the Town of Happy Valley-Goose Bay, in the Province of Newfoundland and Labrador, MAKE OATH AND SAY:
- 1. I am the Chief Financial Officer for Innu Nation.
- I have held this position since January 2012.
- In this capacity, I have personal knowledge of the matters herein deposed to, except
 where stated to be based on information and belief, in which case I believe such
 information to be true.
- 4. Innu Nation represents the Innu of Labrador, who belong to two separate communities: the Mushuau Innu First Nation, who live in the community of Natuashish, and the Sheshatshiu Innu First Nation, who live in the community of Sheshatshiu.
- 5. Innu Nation is a corporation without share capital incorporated under the laws of Newfoundland and Labrador, which represents the interests of the Innu of Labrador, comprising of approximately 2200 people.

Financial Need

- 6. Innu Nation does not have the capacity to pay for the costs of participating in the Muskrat Falls Inquiry (the "Inquiry") and would have significant difficulty with fully participating without such funding.
- I have reviewed the consolidated financial statements for Innu Nation, dated March 31,
 2017, and prepared by Winsor Coombs. These are the most recent audited financial statements available for Innu Nation. A copy of that document is attached to this affidavit as Exhibit "A".
- 8. On page 3 of that document, Winsor Coombs has indicated that Innu Nation had a net loss of \$ _____ at the end of the 2017 fiscal year.
- 9. Additionally, on page 2 of the same document, Winsor Coombs has indicated that Innu Nation has a long term debt of \$ and deferred expenditure in the amount of \$ at the end of the 2017 fiscal year.
- 10. Innu Nation's current annual budget is attached to this affidavit as Exhibit "B"
- 11. The only funds in the Innu Nation bank account are dedicated to important purposes related to governance and are unavailable for the Inquiry.
- 12. Innu Nation receives some money from proponents and the Crown (both federal and provincial) specifically for the purpose of funding consultation on various projects and other initiatives. These funds are for the express purpose of expenses related to consultation on these projects and initiatives.

- Funds that Innu Nation receives from proponents and from the Crown for consultation on projects or initiatives cannot be used for anything other than consultation on those matters. These funds cannot be used for the Inquiry.
- 14. Another source of funds that Innu Nation has is through the process of negotiating a comprehensive land claims agreement with Canada and the Province of Newfoundland and Labrador. These funds cannot be used for the Inquiry.
- 15. Innu Nation has a membership of over 2000 people. Because Innu Nation is involved in the governance of the people of both the communities of Sheshatshiu and Natuashish, they have significant expenses. These expenses include legal and other costs associated with the defence and support of Aboriginal and treaty rights as well as social and economic development.
- 16. The legal issues facing Innu Nation are significant and very complicated. Any funds currently in the Innu Nation bank account have been earmarked for other expenditures and therefore are not available to pay the expenses related to the Inquiry. Should Innu Nation be forced to pay the expenses related to the Inquiry then the Innu Nation communities and membership will deprived of essential governance services that the Innu Nation provides.
- 17. According to the 2018-2019 budget currently being prepared, it is expected that Innu Nation will have a deficit of approximately \$100000.
- 18. Based on a high-level estimate by legal counsel, it is projected that participation by Innu
 Nation in the Inquiry will cost at least \$_______. The high-level estimate has been
 prepared as a rough estimate without full knowledge of the scope of the Inquiry and its

projected timing, and is being used as a rough guide only. It is attached to this affidavit as Exhibit "C".

Use of Funding

- 19. The funding will be used for Innu Nation legal counsel to assist in all aspects of the Inquiry, including, but not limited to, the following activities:
 - (a) document identification, exchange and review;
 - (b) identification of expert evidence;
 - (c) preparation of motions;
 - (d) preparation of Innu Nation witnesses (if any); and
 - (e) preparation for and attendance of hearing.
- 20. For each new project that Innu Nation undertakes, a separate department is created in accounting. Under this department, funds are allocated according to the prepared budget and income and expenses are monitored as the project progresses.

Contribution of Innu Nation Funds and Personnel

 Innu Nation will, at their own cost, send employees to attend and witnesses to speak at the Inquiry when needed and if necessary.

Financial Controls

I, Ravin Wick, as Chief Financial Officer, will be responsible for administering the funds.
 My contact information is as follows:

(709)-883 ext. 226

- As was already mentioned, for each new project that Innu Nation undertakes, a separate department is created in accounting. Under this department, funds are allocated according to the prepared budget and income and expenses are monitored as the project progresses. This provides transparency.
- 24. Innu Nation also has a Finance Committee that meets once a month to review how funds received by Innu Nation are disbursed.
- 25. I make this affidavit in support of the Application to participate in the Inquiry and for no improper purpose.

SWORN before me at HUE1B this 29 day of Morch . 2022.

Commissioner for taking affidavits, etc.

RAVINWICK

CHRISTINA CHUBB
A Commissioner for Oaths in and for

the Province of Newfoundland and Labrador.

My commission expires on December 31, 2020

This is Exhibit ..

to the Affidavit of

swom

A Commissioner, etc.

CHRISTINA CHUBB

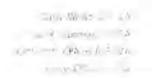
A Commissioner for Oaths in and for the Province of Newfoundland and Labrado. My commission expires on December 31, 20.

CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

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WINSOR COOMBS



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INDEPENDENT AUDITOR'S REPORT

To the Members of the Innu Nation

We have audited the accompanying consolidated financial statements of the Innu Nation, which comprise the consolidated statement of financial position as at March 31, 2017, and the statements of operating activities and net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Accounting Standards for Not-For-Profit Organizations, 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.

Auditor's 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 auditor's 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 the Innu Nation as at March 31, 2017 and the results of its operations and its cash flows for the years then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Mount Pearl, Newfoundland and Labrador

June 8, 2017

Chartered Professional Accountants

Win Corbs

INNU NATION CONSOLIDATED STATEMENT OF FINANCIAL POSITION MARCH 31, 2017

ASSETS

		2017	2016
Current assets			
Cash Accounts receivable (Note 3)		\$	3
Prepaid expenses			
Total current assets			
Deferred expenditures (Note 6)			
Capital assets (Note 7)		-	
Total assets		\$	\$
	LIABILITIES		
Current liabilities			
Payables and accruals (Note 4)		\$	\$
Deferred revenue (Note 5)			
Current portion of obligation under capital lease (Note 9)			
Total current liabilities			
Long term debt (Note 8)			
Total liabilities			
	NET ASSETS		
Net assets		102	
Total liabilities and net assets			\$
ON BEHALF OF THE BOARD			
Mu all	A	0	V-0
Direct Direct	tor _ Digit 4	ra Pono	Director

INNU NATION CONSOLIDATED STATEMENT OF NET ASSETS FOR THE YEAR ENDED MARCH 31, 2017

Net assets, beginning of year

Excess of revenue over expenditure

Net assets, end of year



INNU NATION CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED MARCH 31, 2017

Budget 2017	2017	2016
		_
\$	\$	\$
	4	
H		
\$	\$_	\$

INNU NATION CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2017

Cash provided by (used for)	2017	2016
Operating Activities		
Excess of revenue over expenditure	\$	5
Add: Items not requiring an outlay of cash Amortization of capital assets		
Net change in non-cash working capital balances Accounts receivable		
Prepaid expenses Deferred revenue		
Payables and accruals		
Cash provided by operating activities		
Investing Activities		
Purchase of capital assets		
Increase in deferred expenditures	L	
Cash used for investing activities		
Financing Activities		
Proceeds of long term debt		
Repayment of obligation under capital lease		
Cash provided by financing activities		
Increase (decrease) in cash during year		
Cash, beginning of year		
Cash, end of year	\$	\$

Description of Business

The Innu Nation is an incorporated non-profit organization under the Canada Corporations Act. The Innu Nation represents the Innu of Labrador in comprehensive land rights negotiations and the negotiation of resource agreements in Labrador.

2. Summary of Significant Accounting Policies

Basis of Presentation and Fund Accounting

The organization uses fund accounting procedures, which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been consolidated for the purpose of presentation in these financial statements whereby the funds are combined on a uniform basis of accounting after eliminating inter-fund transactions and balances. These financial statements include the accounts of the following funds:

Operating Fund Capital Fund

Revenue Recognition

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

Capital Assets

Capital assets are amortized over their expected useful life using the straight-line method at the following rates:

Equipment 3 years Vehicle 3 years Buildings under Capital Lease 20 years

2. Summary of Significant Accounting Policies (continued)

Measurement Uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the organization's best information and judgment. Actual results could differ from these estimates. Examples of significant estimates include:

- useful lives of capital assets;
- amortization of capital assets; and
- collectibility of accounts receivable.

3. Accounts Receivable 2017 2016 Accounts receivable is comprised as follows: Federal Government Indian and Northern Affairs Canada Fisheries and Oceans Canada Atlantic Canada Opportunities Agency Parks Canada Natural Resources Canada Canada Revenue Agency - HST Rebate Total Federal Government Funding Provincial Government Other Total accounts receivable Accounts Payable 2017 2016 Accounts payable is comprised as follows: Federal Government Canada Revenue Agency - Employee Deductions Other Total accounts payable

5. Deferred Revenue

The organization received restricted amounts from the following sources during the year:

i) Government sources

Government revenues are primarily comprised of contributions from the Government of Canada of which the most significant component is a contribution from the Aboriginal Affairs and Northern Development Canada towards the Innu Nation's costs of negotiating a self-government agreement with the Government of Canada and the Government of Newfoundland and Labrador.

Deferred revenue at March 31, 2017 related to restricted Federal Government contributions was \$ (2016 -

ii) Non-government sources

Non-governmental revenues are primarily comprised of payments from the Sheshatshiu and Mushuau Innu First Nations Trust and Nalcor Energy.

Deferred revenue at March 31, 2017 related to restricted non-government contributions was \$ (2016-\$ (2016-\$)).

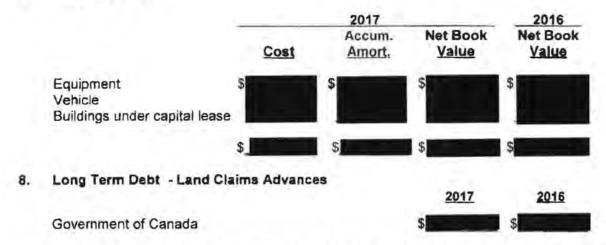
6. Deferred Expenditures

2017 2016 \$ \$ \$

Land Claims Negotiations

The organization is presently engaged in negotiating a Comprehensive Land Claim on behalf of its members with the Government of Canada and the Government of Newfoundland and Labrador. Costs incurred to negotiate the Comprehensive Land Claim are deferred and will be amortized against future revenues derived from a Comprehensive Land Claim. The recoverability of the deferred land claims negotiation expenditures is dependent upon the successful conclusion of the negotiations in the future.

7. Capital Assets



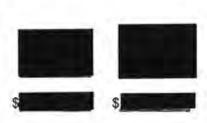
The Land Claims Advances received from the Government of Canada prior to the execution of the agreement-in-principle (June 14, 2011) are interest free until they become due, and are secured with respect to each advance by a promissory note. Subsequent to the agreement-in-principle, any further advances are subject to semi-annual interest at the rate established by the Minister of Finance at the beginning of the month during which the advance is made payable by Crown Corporations on loans from the Consolidated Revenue Fund. At March 31, 2017, there is a balance of \$\frac{1}{2}\

Should a note become repayable under the terms of a promissory note while the claim is still under negotiation the note repayment date will be extended to coincide with the anticipated claim settlement date.

9. Obligations Under Capital Lease

IDLP Properties Limited Partnership lease bearing interest at 1.675% per annum, repayable in monthly blended payments of \$ The lease matured on on March 1, 2017.

Amounts payable within one year



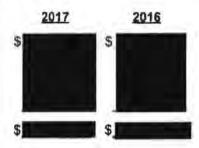
2016

2017

10. Related Party Transactions

Included in expense recovery under the Voisey Bay Impact Benefits Agreement - Other are the following amounts paid by related programs of the Innu Nation:

Forestry Process Agreement Gathering Strength Self Government Business Centre Operations Negotiation Preparedness



11. Financial Instruments

Fair value

The organization's carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its capital leases.

INNU NATION CONSOLIDATED FINANCIAL STATEMENTS SCHEDULE OF REVENUE FOR THE YEAR ENDED MARCH 31, 2017

	Budget 2017	2017	2016
Government sources			
Canada			
Aboriginal Affairs and Northern Development Canada	\$	\$	\$
Fisheries and Oceans Canada			
Atlantic Canada Opportunities Agency			
Parks Canada			
Canadian Environmental Assessment Agency			
Newfoundland and Labrador			
Department of Natural Resources - Mining Royalty			
Department of Natural Resources - Forestry Agreement			
Total government sources			
Non-government sources			
Vale Inco			
Sheshatshiu Innu & Mushuau Innu First Nations Trust			
Nalcor Energy			
Upper Churchill Redress Agreement	7	1	
Iron Ore Company of Canada Limited			
Other			
Total non-government sources			
Total	\$	9	s

	2017	2016
Sheshatshiu & Mushuau Innu First Nations Trust Pensions - elders	\$	\$
Voisey Bay Impact Benefits Agreement		
Business Centre Operations Administration fees Consulting and professional fees Office supplies and sundry Rent Telephone Travel and accomodations Wages and benefits	\$	\$
	\$	\$
Environmental Management Board Supplies and sundry Travel Wages and benefits	\$	\$
	\$	\$
Monitoring	\$	\$
Subtotal	\$	\$

	2017	2016
Balance carried forward	\$	\$
Other		
Consulting and professional fees Donation	\$	\$
Gatherings		
Honoraria		
Hydro - Transfer to Bands		
Occupancy costs		1 1
Office and sundry	1.7	
Telephone		
Training		
Travel and accomodations		N. I
Wages and benefits	Y Comment	
Expense recovery		
	\$	\$
tal Voisey Bay Impact Benefits Agreement	\$	\$

Aboriginal Affairs and Northern Development Canada

Self-Government

Administration fee

Consulting and professional fees

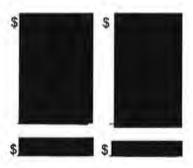
Honoraria

Sundry

Telephone

Travel

Wages and benefits



2017

2016

Aboriginal Affairs and Northern Development Canada (continued)

Innu Quebec Overlap

Wages and benefits

Negotiation Preparedness

Administration fee Capital expenditure

Consulting

Honoraria

Office and sundry

Rent

Training

Travel and accomodations

Wages and benefits

Gathering Strength

Administration fee

Consulting

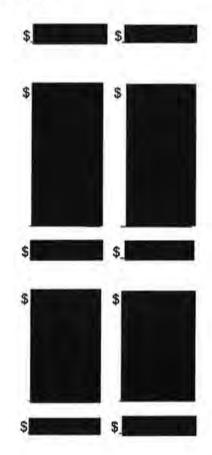
Honoraria

Office and sundry

Rent

Travel and accompdations

Wages and benefits



2017

2016

Aboriginal Affairs and Northern Development Canada (continued)

Community Economic Opportunities Program

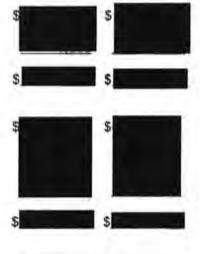
Consulting and professional fees Office and sundry

Travel

Strategic Partnership Initiative

Consulting and professional fees Office and sundry Rent Travel and accompodations Wages and benefits

Total Aboriginal Affairs and Northern Development Canada



Lower Churchill Impact Benefits Agreement

2017

2016

Impact Benefits Agreement

Consulting and professional fees
Office and sundry
Rent
Travel and accomodations
Wages and benefits



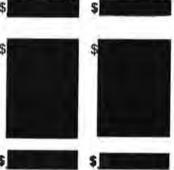
Upper Churchill Redress Agreement

Consulting and professional fees Honoraria Hydro subsidy Wages and benefits



Forestry Process Agreement

Administration fee
Consulting and professional fees
Materials and supplies
Telephone
Travel and accomodations
Wages and benefits



Wildlife Coarding December	2017	2016
Wildlife Guardian Programs Capital equipment repairs	2	\$
Honoraria		Ψ.
Office and sundry		
Supplies		
Telephone		
Travel and accomodations		
Wages and benefits		
	\$	\$
Fisheries Guardian	1.4	
Repairs and maintenance	\$	\$
Rent		12
Supplies		
Telephone		
Travel and accommodations		
Wages and benefits		
	\$	\$
Other Programs		
Canadian Environmental Assessment Agency	\$	\$
Environmental research projects		
Innu History Book Project		
Labrador Iron Mines Project		1
Legacy Trust		
Public Utility Rate Increase Consulting		
Parks Canada		
Summer Student Wages		
Transfer to First Nations - IOC Funding		
Transfer to Innu Development Limited Partnership		
Total other expenditures	\$	\$

CHRISTINA CHUBB

A Commissioner for Oaths in and for the Province of Newfoundland and Labrador My commission expires on December 31, 20

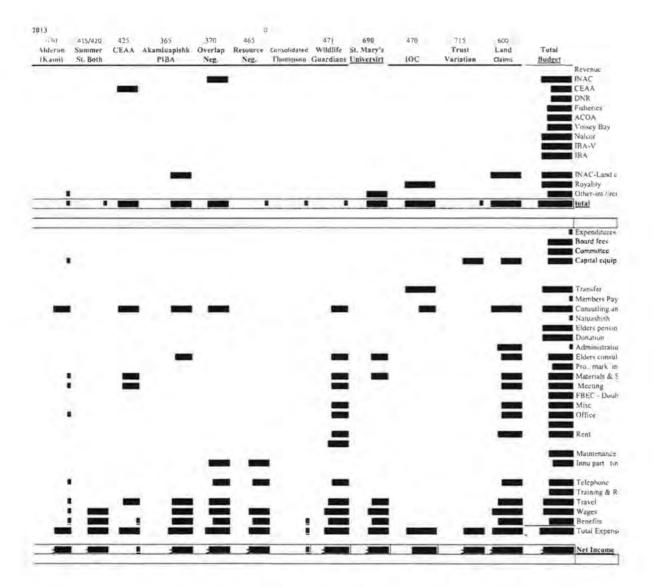
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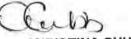
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Sworn Carcin 29 2018

A Commissioner, etc.

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CHRISTINA CHUBB

A Commissioner for Oaths in and for the Province of Newfoundland and Labrador. My commission expires on December 31, 20 20 20

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This is Exhibit	
to the Affidavit of RC	VIA WE CHEXHIBIT C
eworn Duch	29/2018
/11/22	MEMORANDE

ROUGH BUDGET

A Commissioner, etc.

EST. WORK	EST. TIME FRAME	EST. # of HEARING DAYS	EST, # of OTHER DAYS ¹
Fees for Legal Representation			
Inquiry preparation phase (budgets, scoping the Inquiry)	April 2018		2
Document identification, exchange and review	April 2018		15
Review of documents	May – June 2018		15
Identification of expert evidence (if needed)	April – May 2018		3
Preparing witnesses (workers who experienced racism)	May 2018	1	2
Motions regarding confidentiality	September 2018 - September 2019	3	3
Attending hearing	September 2018 - September 2019	15	25
Travel time			10
Fees subtotal:	94 da	ays x 8 hrs per day x	(see footnote ²)

¹ Preparation, meetings, calls, written work, etc. Each day is one work day of one lawyer.

Reflects a blended rate for estimate purposes (senior/mid/junior). Senior, mid-level and junior lawyers will be used for various tasks as required. Two lawyers will be required on some preparation and analysis tasks (document review, terms of reference, etc.).

Legal Disbursements		
Travel for all of the above	Locations TBD. Rough estimate 20 round trips of varying length including return trips from (a) Toronto to Goose Bay and (b) from Toronto to St John's x 1 person	\$
Other disbursements for all of the above	Photocopying, phone, postage,	, faxes, etc. \$
Disbursements subtotal:		\$
GRAND TOTAL		5