



WABUNG DEVELOPMENTS LTD.

CARGO AIRSHIPS CONFERENCE

IN PARTNERSHIP WITH MKO, THE GOVERNMENT OF CANADA AND THE UNIVERSITY OF MANITOBA

“REMOTE NO MORE”

OCTOBER 9TH & 10TH, 2013

CANADINNS POLO PARK

1405 ST. MATTHEWS AVE.

WINNIPEG, MB.



UNIVERSITY
OF MANITOBA



Government
of Canada

Gouvernement
du Canada

Canada

INTRODUCTION:

Wabung Developments Ltd., in partnership with Aboriginal Affairs and Northern Development Canada and Manitoba Keewatinowi Okimakanak Inc. (MKO) will be hosting a Cargo Airships Conference on October 9th & 10th, 2013 in Winnipeg, Manitoba.

Given its proximity to James Richardson International Airport and given that there is ample free parking and ample meeting space, Canad Inns Polo Park at 1405 St. Matthews Avenue in Winnipeg, Manitoba has been selected as the venue for this event.

The University of Manitoba, Asper School of Business, through their Transport Institute (<http://umanitoba.ca/asper/ti/>) as well as ISO Polar (www.isopolar.ca), have also agreed to come on as partners and through the direct involvement of Barry Prentice, will be intimately involved in the planning, organization and execution of what we hope will become an annual event.

The purpose of the Wabung Developments Ltd. Cargo Airships Conference is to engage all relevant stakeholders who have a vested interest in Cargo Airship technologies, including but not limited to, remote and isolated First Nations communities in Manitoba, Saskatchewan and northwestern Ontario, The Government of Canada, Cargo Airship Manufacturers, Manitoba's transport and logistics industry, training and educational institutions, Manitoba Hydro, The North West Company and several others. All participants will be expected to provide input and help develop solutions and strategies that will not only create economic benefit and financial efficiencies in the transport and logistics arena for remote and isolated First Nations communities across Canada, but will also create economic development as well as education and training opportunities for First Nations communities across Canada.

BACKGROUND:

There are several challenges facing remote and isolated First Nations communities across Canada, including but not limited to, access to affordable, healthy and nutritious food ("Food Security"), access to clean water, limited infrastructure, global warming and the impact it will have on the winter road season, one of the fastest growing and one of the youngest populations in Canada, increasing fuel costs that lead to increased transport and logistics costs, limited training, education and employment opportunities with no emerging industry's or opportunities, a vast amount of natural resources and opportunities for cultural tourism and enterprise to take place but no funding or financing mechanisms available due to the remote and isolated nature of the communities and the resources and the inability of investors and potential partners to achieve any ROI, health impacts and the emergence of chronic disease in remote communities and limited access to health and wellness services with over \$315 million a year in spending on Medical Transportation costs alone.

As government cutbacks continue, it is extremely important that remote and isolated First Nations communities engage in economic development activities that will ensure the health and well being of their communities in a manner that will provide future programs and services as well as education, training and employment opportunities in a more cost effective manner. Only by leveraging new and innovative technologies and the demand for products and services within traditional First Nations territories, can we ultimately ensure adequate programs and services for remote and isolated First Nations communities in a safe, affordable, environmentally friendly and timely manner and by organizing this conference and exploring the potential of Cargo Airships, that is exactly what Wabung Developments Limited is hoping to achieve.

CURRENT STATUS:

Over the last two years, Manitoba Keewatinowi Okimakanak Inc. (MKO), has put forth a tremendous amount of effort to address many of the issues that continue to plague northern Manitoba First Nations communities so that we may work with public and private sector partners to create new hope and new opportunities for our people. Through the support of MKO leadership and through the establishment of Wabung (Our Tomorrows) Developments Ltd., MKO has been able to establish relevant business partnerships in the areas of health and wellness, aviation and security and communications to not only service our member communities but also to create education, training and economic development opportunities for our communities. In 2012, and again in 2013, MKO also hosted two successful Economic Summits that emphasized the need for northern Manitoba First Nations to partner with industry and government to create opportunities and generate wealth for the over 65,000 people that we represent in northern Manitoba.

Wabung Developments Ltd., with support from MKO has also been working hard to explore unique and innovative solutions to the infrastructure challenges facing several remote and isolated northern Manitoba communities and through a first of its kind partnership approach, recently signed a Memorandum of Understanding to work with The Government of Canada to build 4 new schools in Wasagamack First Nation, God's Lake First Nation, Manto Sipi Cree Nation and Bunibonibee Cree Nation. Given the remote and isolated nature of these communities and given the reliance on the winter road season, the cost of construction and maintenance of these new schools will be substantial. A Cargo Airships solution can have a tremendous economic impact on these types of mega infrastructure projects in the future and we hope, through some cost comparison models during our Cargo Airships Conference, to demonstrate exactly what those savings could look like in future years.

Wabung Developments Ltd. also recently attended the **3rd Cargo Airships for Northern Operations Workshop** that took place in Anchorage, Alaska from July 10-12th, 2013. This event has been organized by The Alaska Department of Transportation, in collaboration with NASA Ames Research Center and over the last three years has focused on potential approaches and actions for creating incentives that would facilitate the establishment of firm cargo airship business commitments

for cargo airship services for customers in remote and isolated regions across Alaska. Wabung Developments Ltd. has initiated dialogue with the organizers of the annual event in Alaska and we will be inviting several individuals that have been involved in Alaska over the last three years to attend the Wabung Developments Ltd. Cargo Airships Conference in Winnipeg as keynote speakers, presenters and attendees. A draft agenda is attached for your review and consideration which provides details on the individuals and organizations that will be invited to the Wabung Developments Ltd. Cargo Airships Conference scheduled for October 9th & 10th, 2013 in Winnipeg.

As an organization, we feel this Wabung Developments Ltd. Cargo Airships Conference is a natural next step to all the work that we have already done in helping address some of the key issues that plague northern Manitoba communities, including the high cost of food, high transportation costs, lack of infrastructure and the reliance on the winter road season and with support from industry and government we are looking to host a world class event that will undoubtedly attain national and international attention.

POTENTIAL OPPORTUNITIES:

Based on the work that MKO and Wabung Developments Ltd. has conducted over the last 3 years in collaboration with First Nations leadership, it is recommended that northern Manitoba First Nations pursue opportunities in the following key areas, which Cargo Airships can significantly impact:

- Ownership and operation of pharmaceutical services, clinics, primary health care services and medical transportation opportunities. The Federal Government, through Non-Insured Health Benefits in 2010/11 spent over \$207 million on Medical Transportation costs, Pharmacy Services as well as Vision Care and Dentistry services in the Manitoba region. This accounts for more spending than any other region in Canada and provides no economic benefit or education and employment opportunities for Manitoba First Nations and through the establishment of Muskehi Distributors Inc. and the possible involvement of a Cargo Airships solution we will continue to work with government to address the healthcare challenges and develop viable solutions.
- Continue to work with the Federal Government and be involved in the priority initiative to retrofit 1,000 MKO First Nations homes to receive clean running water.
- Participation in the ownership, construction and operation of an all-weather road system connecting MKO's remote and semi-remote First Nations. This road system would have a tremendous positive impact on the economic challenges that members of our remote First Nations continue to face, including but not limited to, freight and infrastructure expenses, the cost of everyday goods and food products as well as fuel and transportation costs.
- Participation in the ownership, construction and operation of the Bipole III 500 kV Direct Current Transmission Project.

- The annual replacement value of game, fish, berries and plants harvested in the MKO region for food, hides and crafts in association with commercial trapping and fishing has been valued at between \$35 million and \$50 million. There are opportunities to establish partnerships overseas and export fresh water fish and explore opportunities in the forest sector including wood-pellet energy production. We have engaged in discussions with Diane Gray, President and CEO of CentrePort Canada and we will continue to build relationships that will create new opportunities for northern Manitoba First Nations.
- There are opportunities, through partnerships, to build 4500 homes in the MKO First Nations.
- There are opportunities in partnerships to capture some of the \$80 million committed to remediation of closed and “orphan” mines and the associated environmental monitoring that will be required.
- There are opportunities in the exploration and development of mineral resources, including but not limited to, environmental services and long-term monitoring.
- There are opportunities related to the planning, construction, ownership, environmental studies and monitoring of water regulation and hydroelectric projects. Manitoba Hydro is building or planning over \$18 billion in hydro transmission projects which can provide significant business, investment, employment and revenue opportunities for First Nations.
- Most importantly, there is an opportunity to work with the Government of Canada to execute on the commitment to build 4 new schools in 4 remote isolated MKO communities, for which an MOU between the Government of Canada and MKO is now in place, through an innovative approach using a Cargo Airship demonstration flight, to haul building supplies to northern Manitoba.

NEXT STEPS: ‘REMOTE NO MORE’

The Wabung Developments Ltd. Cargo Airships Conference being organized by MKO will give all 30 MKO First Nations the opportunity to come together over a two day period and collaborate on the economic development opportunities that are currently being explored. It will also give public and private sector partners the opportunity to meet with leadership, understand their concerns and challenges and ensure that a strong working relationship, that will be mutually beneficial to all stakeholders, can be established.

Furthermore, Barry Prentice, President of ISO Polar and a professor at the University of Manitoba Asper School of Business Transport Institute has been working with the Government of Alaska and key industry stakeholders to introduce a Cargo Airships solution for remote and isolated communities across Alaska and the 2013 Wabung Cargo Airships Conference would be a great opportunity to explore possible collaboration and partnership opportunities between the Government of Canada and the State Government of Alaska.

In addition to this, MKO and Wabung Developments Ltd. both have a strong working relationship with several communities across northwestern Ontario and Saskatchewan who face the same challenges related to remoteness and isolation that we do in Manitoba.

Several of the First Nations in Ontario are part of the nine First Nations in the mineral-rich Northern Ontario Ring of Fire area, a massive planned chromite-mining and smelting development project in the area of James Bay Lowlands. Several challenges face the development of the Ring of Fire project including lack of access to the remote region, infrastructure deficits such as roads, railway, electricity and broadband as well as First Nations land rights and environmental issues.

Wabung Developments Ltd., as part of our efforts to engage key stakeholders, will be issuing invitations for the 2013 Wabung Developments Ltd. Cargo Airships Conference to the following communities in Ontario:

- Marten Falls First Nation, Ontario (Ring of Fire)
- Webequie First Nation, Ontario (Ring of Fire)
- Neskantaga First Nation, Ontario (Ring of Fire)
- Nibinamik First Nation, Ontario (Ring of Fire)
- Sachigo Lake First Nation, Ontario
- Sandy Lake First Nation, Ontario
- Deer Lake First Nation, Ontario
- Fort Severn First Nation, Ontario (close proximity to Shamattawa, MB.)
- Bearskin Lake First Nation, Ontario
- Poplar Hill First Nation, Ontario
- Pikangikum First Nation, Ontario

Through our strong working relationship with the Prince Albert Grand Council, we will also be issuing invitations to the following communities in Saskatchewan:

- Black Lake, Saskatchewan
- Fond-du-Lac, Saskatchewan
- Hatchet Lake First Nation, Saskatchewan
- Peter Ballantyne Cree Nation, Saskatchewan

Furthermore, as a direct result of our participation at the 3rd Cargo Airships for Northern Operations Workshop in Anchorage, Alaska, we will also be inviting the following organizations to participate in the Wabung Cargo Airships Conference:

- Government of Canada (AANDC, Transport Canada)
- Government of Alaska
- ISO Polar (Barry Prentice)
- NASA Ames Research Center
- The Alaska Department of Transportation

- Cargo Airship Developers and Operators (Lockheed Martin, ATLANT, Aeros Corporation, Airship do Brazil, Varialift Airships, AeroVehicles Inc.)

In addition to this we have identified and will be inviting the following key stakeholders as well:

- Assembly of First Nations
- Assembly of Manitoba Chiefs
- United Nations
- Thompson Regional Airport Authority
- Winnipeg Airports Authority
- Red River College
- University College of the North
- Vale
- City of Thompson
- Prince Albert Grand Council
- First Peoples Economic Growth Fund
- Government of Manitoba
- The University of Manitoba
- The North West Company
- Exchange Income Corporation
- Kiewit Infrastructure Group
- CentrePort Canada
- Custom Helicopters
- Manitoba Chambers of Commerce
- Manitoba Hydro
- P3 Canada
- Top Cargo

EXPECTED OUTCOMES:

At the conclusion of the Wabung Developments Ltd. Cargo Airships Conference we will have achieved the following:

1. Formal mandate from First Nations leaders in Manitoba, Saskatchewan and Ontario, based on the information that will be provided and based on the stakeholder relationships that will be established, to explore tangible business arrangements. This process will involve the development of a Plan of Action that will include a Feasibility Study to highlight the economic benefits of the Cargo Airships technology.
2. The conference will also highlight all major hurdles that currently prevent this technology from being implemented in Canada and provide viable solutions to the problems, including but not limited to regulatory restrictions, industry principles and guidelines, the need for certified personnel to service and maintain any airship technology that might be approved in Canada, the

infrastructure requirements to implement a Cargo Airships strategy in Canada for remote and isolated regions of the country and most importantly, the costs associated with implementing such a technology and how those costs can be recovered to make this a viable alternative.

3. Opportunity to explore risk mitigation and collaboration opportunities, not only between First Nations, industry and government but also between jurisdictions through a formal arrangement between the Government of Alaska and the Government of Canada to jointly fund certain components of this concept at the onset until the technology is fully developed in North America.
4. Develop a focused approach on potential contracting approaches and actions for creating incentives, with specific commitments from key stakeholders that would facilitate the establishment of a strong cargo airships business for customers in remote and isolated communities across Canada.
5. Identify public/private Cargo Airship investment opportunities in airship infrastructure and airship development companies to facilitate construction of the actual airships and all operational support facilities.
6. Establishment of a Cargo Airships working group comprised of representation from First Nations, Industry, Government, the private sector, education and training institutions and the transport and logistics industry to work with all relevant stakeholders in the development of a Plan of Action and Feasibility Study to advance this technology forward.
7. Explore the opportunity and secure the resources required to arrange a test flight in northern Manitoba that can demonstrate the capabilities of this emerging technology

This collaborative approach will also enhance the opportunity for northern First Nations to build relationships and engage with Cargo Airship developers and help maintain their relevance with various stakeholder groups to ensure proper collaboration and consultation is achieved at the onset.

First Nations leadership, through the information that they will be provided and the relationships that they will establish, will work towards formal business partnerships with public and private sector stakeholders that will ultimately lead to education, training and employment opportunities for remote and isolated communities across Canada. This will result in new revenue streams and business opportunities that will ultimately enhance not only the economic position of northern First Nations, but as a result of the opportunities that are created, it will dramatically cut the cost of everyday goods and services that are required by these communities. First Nations people represent one of the youngest and one of the fastest growing segments of our population and it is only through the implementation of new and innovative technologies will we be able to provide them with access to safe and affordable products and services to address the needs of remote and isolated First Nations communities and MKO, as one of the largest First Nations organizations in Canada, needs to be at the very forefront in the exploration and implementation of these new and innovative technologies.