



ANNUAL REPORT 2022/23
BLOOD TRIBE AGRI-BUSINESS TRUST

MAY 2023

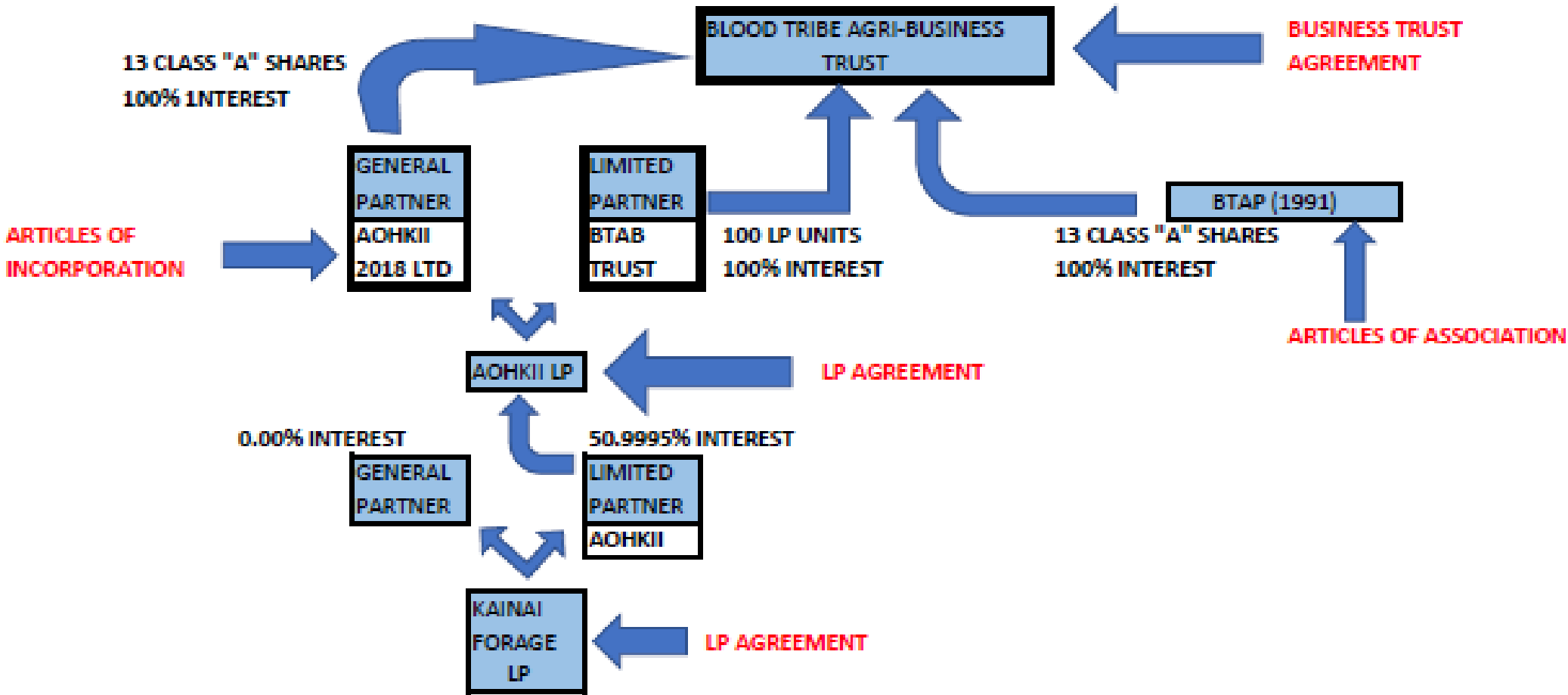


BLOOD
TRIBE
AGRI-
BUSINESS
TRUST

- On April 1, 2019, the shares of Blood Tribe Agricultural Project (1991) and the shares/units of the Aohkii Limited Partnership were settled into the Agri-Business Trust.
- The settled property is held in custody of the Trustees in accordance with the Business Trust Agreement.
- The Beneficiary of the Trust is the present and future members of the Blood Tribe as represented by the Chief and Council.

BLOOD TRIBE AGRICULTURAL PROJECT

FIGURE 1





BTAP
ACTIVITIES
2022/23

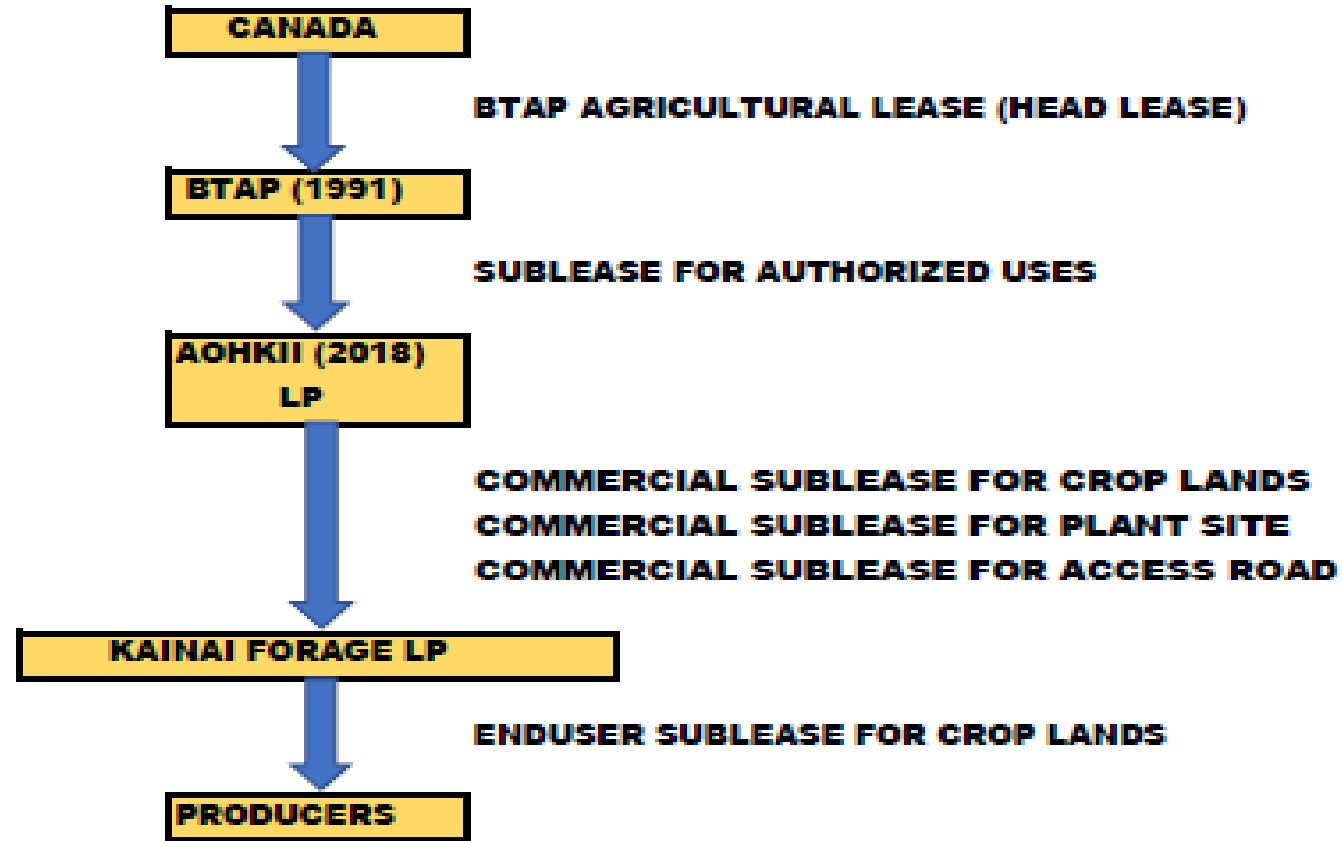
- BTAP (1991) holds the Headlease for the BTAP lands. Term 49 years – 2068.
 - As at April 1, 2020 the following additional lands were included in the Headlease;
 - Westend Big Lease 6,666.5 acres dryland.
 - 4,062.3 acres at Mataki Farms – 2,320 irrigated and 1,742.2 dryland.
- Total Headlease – Irrigated – 23,646 acres.
- Dryland/other – 14,821 acres
- Total Headlease rent paid to the Tribe in 2022/23 = \$2,188,515



AOHKII
LIMITED
PARTNERSHIP
ACTIVITIES

- BTAP sublease lands to AOHKII (Property Mgr).
- AOHKII further sublets all of the production acres to Kainai Forage LP. It sublets to KFLP those lands necessary for the operation of a forage production/storage facility and access thereto. 40 year lease to partnership, Aohkii holds 51% of the units, Indigena is the managing partner.
- Rehabilitation investments;
 - Canal – Drop structure repairs, vegetation control program, slope failure repair.
 - Roads and Drainage – Site 10, North haul Road, Lateral C&D service roads. Lateral CDEF drainage. Lateral A&B in 2023.
 - Pivot refurbishment in 2021 (all 6 phases complete total cost - \$3.2 mill.) Pivot Tires – 1200 –cost \$437,530.

BTAP LEASE CHAIN





SOUTHWEST
EXPANSION
PROJECT

- Additional 3,100 acres of irrigation (2021 growing season)
- 21 Zimmatic Centre Pivots
- Cost \$6.9 million
- Funding:

- Equity	\$1,800,000
- Term Loan	\$2,500,000
- ISC Contribution	\$ 2,600,000



EXPANSION

AOHKII FINANCES 2022/23

BALANCE SHEET

	March 31/22	March 31/23
Working Capital	\$2,722,732	\$3,109,162
Other Assets	\$15,322,568	\$14,114,500
Long Term Debt	<u>- \$2,305,556</u>	<u>- \$2,105,556</u>
Equity	\$15,739,744	\$15,118,106

* PROJECTED FOR FISCAL YEAR 2022/23

AOHKII FINANCES 2022/23

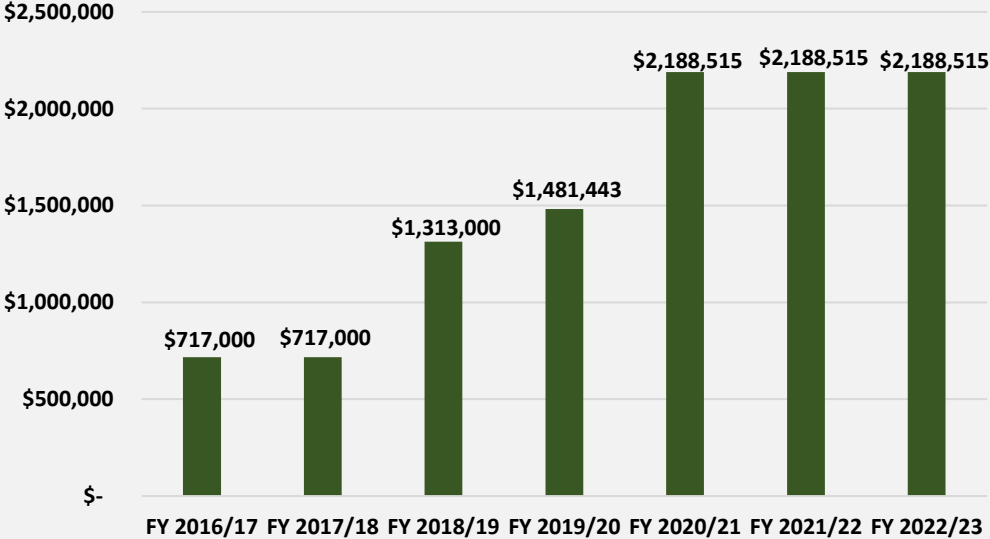
INCOME STATEMENT

	2021/22	2022/23
Revenue	\$6,723,599	\$6,629,339
Expenses	<u>\$5,351,861</u>	<u>\$5,131,331</u>
Net Income from Operations	\$1,371,738	\$1,498,008
Other Income (expense)	(\$557,620)	\$1,133,817
Gross Income	\$814,118	\$2,631,825

* PROJECTED FOR FISCAL YEAR 2022/23

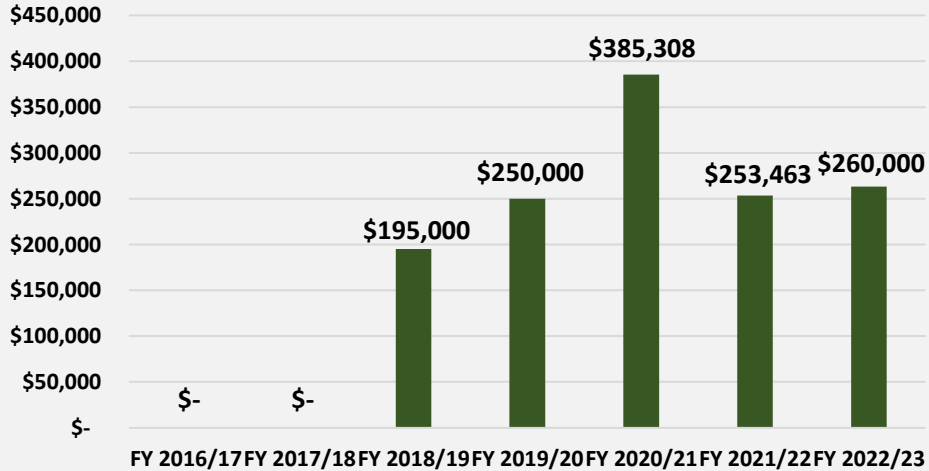
BENEFICIARIES

Headlease Rental Payment to Blood Tribe



TOTAL: \$10,793,988

Dividend Payment to the Blood Tribe Beneficiaries



TOTAL \$1,343,771

* PROJECTED FOR FISCAL YEAR 2022/23



BENEFITS TO
TRIBE
(BENEFICIARY)

- Trust is stable, profitable and expanding.
- Rent to Tribe has increased from \$717,000 (2017/18) to \$2,188,515 in 22/23.
- Debt owed to Tribe has been fully repaid in 20/21.
- Trust paid dividend of \$195,000 to Tribe in 2019, \$250,000 in 2020, \$385,308 in 2021, \$253,463 in 2022, projected 2023 of \$260,000 cumulative total now \$1,343,771.
- 20 Tribal members employed.



ACTION
PLAN 2022
- 2027

- Increase efficiencies and manage expenses. Target – Operating expenses (23,646 acres) at \$83/acre.
- Maintain cash management system and 10 year projections.
- CAPEX – Two components
 - a) \$3,750,000 for CAPEX over 5 yrs, predicated on meeting financial targets.
 - b) Aohkii Reserve Fund Trust – Set aside monies to replace pivots after 2035, \$2 mill initial deposit 2022 and min. \$900,000 each year thereafter. In 2023 \$3 million investment in Trust with BMO, predicated on meeting financial targets.

April 27, 2023

Board of Trustees
Blood Tribe Agri-Business Trust-

Re: Aohkii (2018) Ltd. Capital Reserve Fund Trust

Dear Trustees,

On behalf of BMO Trust Company, I am pleased to provide the following information regarding the **Aohkii (2018) Ltd. Capital Reserve Fund Trust** (“the Trust”) for the year ended December 31, 2022:

The Trust was established in 2022 to hold and preserve the Trust Property for the use and benefit of **Aohkii (2018) Ltd. (“the Company”)** as Beneficiary, and specifically to fund the future replacement of certain improvements and chattels situated on the Headlease Lands.

The Trust Agreement requires that the Company contributes to the Trust as follows:

- on or before September 1, 2022, the sum of \$2,000,000;
- on or before September 1, 2022, the sum of \$900,000, then;
- beginning the calendar year 2024, on or before January 15 each year through Fiscal Year 2035, the sum of no less than \$900,000 adjusted annually for inflation.

During 2022, the following contributions were made to the Trust by the Company:

- | | |
|-----------------------|--------------------|
| • September 23, 2022: | \$2,000,000 |
| • September 27, 2022: | <u>\$ 900,000</u> |
| Total | \$2,900,000 |

An additional, discretionary payment of \$100,000 was made by the Company on March 1, 2023.

2022 Annual Income Calculation: *

Dividends & Interest:	\$ 42,050	
50% of Net Realized Capital Gains:	<u>\$ 1,539</u>	
Total Income		\$ 43,589

Less Expenses:

BMO Trust Company Trustee Fees:	\$ 0	
BMO Private Investment Counsel Inc Investment Management Fees:	\$ 287	
GST on Fees:	\$ 14	
Accounting Fees:	<u>\$ 0</u>	
Total Authorized Expenses:		<u>\$ 301</u>
2022 Net Annual Income:		<u>\$ 43,288</u>

*These figures will differ slightly from those presented in the Trust audit due to differences in accounting methodologies

Market Value of Trust Property

December 31, 2022:	\$2,907,973
April 27, 2023:	\$3,144,032

Based on the Net amount settled to the Trust (all contributions less expense payments) the Trust's investments have provided value of **\$165,090** through April 27, 2023.

The Corporate Trustee and Trust Auditor will provide a full Annual Trust Report to the Board of Trustees at an upcoming meeting.

Yours respectfully,

BMO TRUST COMPANY

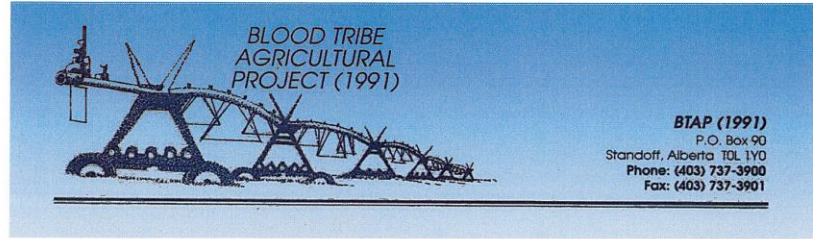


Jamie Catterall
Vice President of Indigenous Trust Services



ACTION
PLAN
(CONT'D)

- Water Allocation – Ongoing discussions with GoA to access 25-30,000 acre ft of water. Chief Roy will be meeting with the Minister of Environment, date and Minister TBD after election.
- Thebaine Poppies – In partnership with API Labs and Indigena.- Exemption Sec. 56 submitted to Health Canada. Awaiting decision.
- Current unimproved market rent for unimproved land – SW Expansion, Matakia and BTAP. – Rent review every 5 yrs (2024). Retained Bob Thompson to provide appraisal, completion Fall 2023.
- Mokowan Canal Access – Process developed based on Irrigation Bylaw 1989.



RE: Blood Tribe Canal Service Roads

To whom this may concern:

Pursuant of the 1992 Blood Tribe Irrigation Project Bylaw, canal access roads are maintained and operated by Blood Tribe Irrigation Project (BTAP). To ensure public safety and operational integrity, we ask that community members refrain from dumping garbage on and near the canal access roads.

Continued mis-use of the canal road will result in measures that will safeguard infrastructure and inhibit public access. We ask for public cooperation in collectively maintaining the canal by commuting through public roads and highways and refraining from using BTAP service roads.

Please feel free to contact the Blood Tribe Agricultural Project at 403-737-3900 if you have any questions or concerns.

Thank you,

Ryan No Runner,

A handwritten signature in black ink, appearing to read "Ryan No Runner".

System Operations Manager.

Cc: Levi Black Water,
General Manger.

