

ANNUAL REPORT

MEDF Inc.

2012

metis economic
development fund



MEDF will expand the participation of the Metis people in Manitoba by stimulating and advancing economic development activities.



www.medf.ca



Greetings on behalf of MEDFs Board

In the Fund's first year of operations, five (5) individuals were nominated by the MMF based on our "Vision Statement" written by Manitoba. Shortly thereafter, the Board reached an agreement with the Province of Manitoba to provide annual contributions as outlined in our 5-Year Funding Agreement. The Board has approved our mission statement, objectives, and corporate governance to support our commitment to Manitoba Metis economic growth and financial sustainability. Our mission is to provide capital funding to Manitoba Metis-owned businesses and entrepreneurs through a single, vital program: equity investment partnerships.

In January 2012, our General Manager commenced operations followed by the Office Manager in February. Our staff continued building the organization by completing tasks necessary to effectively and efficiently meet the needs of our Manitoba Metis while ensuring appropriate corporate administrative controls are implemented such as: Policy & Procedures, Conflict of Interest Policy & Guidelines, and Code of Ethics & Code of Conduct. The Board is currently finalizing details regarding the equity investment partnership in conjunction with a strong due diligence process.

Much has been accomplished this year. These are exciting times for MEDF as we prepare to launch the fund across the Province. This is a vital financial tool that will improve access to capital for Metis entrepreneurs; and I thank the Province of Manitoba, Manitoba Metis Federation and my fellow Board Members for all their hard work and dedication to our common effort and mission.

Bob Penwarden
Chair, MEDF Inc.





Greetings from the General Manager

Within Aboriginal business ownership in Canada, Metis people represent the greatest portion, almost 50 percent, of self-employment (Canadian Council for Aboriginal Business 2006). According to the Aboriginal Business Survey, approximately 60 percent of Aboriginal businesses reported profits in 2010. Aboriginal business owners identified access to equity and capital as an obstacle to growth (Canadian Council for Aboriginal Business 2011). At the same time, these reports stated that Aboriginal business owners in western Canada were optimistic about future growth.

These are exciting times for Manitoba Metis businesses and entrepreneurs.

The Metis Economic Development Fund makes equity investment partnerships available with the objective of promoting the economic development, skills and financial opportunities of the Metis people of Manitoba by providing capital funding to Metis-owned businesses. We will execute our mission by promoting and encouraging trade and commerce for Metis entrepreneurs and business; facilitate and promote the Metis business community; and maintain liaison with government agencies & representatives at municipal, provincial and federal levels.

Thank you to our members, the Province of Manitoba and Manitoba Metis Federation, for their partnership, guidance and financial support. Thank you to the Board of Directors for their individual expertise and dedication to Metis entrepreneurship as we set to launch the Fund and execute our mission.

I look forward to an exciting year promoting MEDF as we build capacity for Manitoba Metis entrepreneurs and businesses through dedicated capital.

John Coutris
General Manager, MEDF Inc.



Greetings from Minister Park



On behalf of the Manitoba Metis Federation (MMF), we are pleased to congratulate the Board and staff of the Metis Economic Development Fund for reaching their first milestone.

As a result of the Manitoba Metis economic development strategy, the vision and objectives of MEDF are to foster strong, healthy and self-reliant Manitoba Metis families, local communities and businesses.

I wish you success as you continue building a stronger Manitoba Metis business environment.

Meeqwetch!

Believe in Yourself óBelieve in Metis

Jack Park, Minister
MMF Economic Development



Greetings from Minister Robinson



The Manitoba government is pleased to congratulate the management and staff of the Metis Economic Development Fund as you issue your annual report.

O g v k u " g e q p q o k e " f g x g n q r o g p v " k u " c p " k o r q t
well-being, present and future. Through your good work, you continue to encourage
Metis entrepreneurship, create jobs, nurture community development and increase
cultural pride óbuilding a stronger Manitoba for all. I wish you continued success.

Eric Robinson, Minister
Manitoba Aboriginal and Northern Affairs



The Fund

In Brandon on September 11, 2010 by Premier Greg Selinger and Manitoba Metis Federation (MMF) President David Chartrand, a new \$10-million economic development fund aimed at improving access to capital for the Manitoba Metis Community was announced. As a result, MEDF Inc. was incorporated on March 18, 2011 and established a corporation without share capital incorporated under The Corporations Act (Manitoba).



Winnipeg, June 2011, funding agreement signing (from left to right); Arnold Asham, Jack Park, Eric Robinson, Bob Penwarden, Richard Kachur, David Chartrand, Wayne Rivers.

In the summer of 2011, the Province of Manitoba entered into a funding agreement with MEDF Inc. to capitalize the Fund \$10 million over 5 years.

As a non-profit self-sustaining entity, all revenue generated by the fund will be reinvested back into the fund to grow its supply of capital for investment in other Metis-owned enterprises.

News Release - Manitoba

September 11, 2010

PROVINCE AND MANITOBA METIS FEDERATION PARTNER TO ESTABLISH \$10-MILLION METIS ECONOMIC DEVELOPMENT FUND

The provincial government is distributing this news release on behalf of the Manitoba Métis Federation and the Government of Manitoba

BRANDON - A new \$10-million economic development fund aimed at improving access to capital for the Manitoba Métis Community was announced today by Premier Greg Selinger and Manitoba Métis Federation (MMF) President David Chartrand at the 2010 MMF Annual General Assembly.

Manitoba Métis entrepreneurs have access to the equity they need to continue that success in the 21st century. We look forward to the fund assisting and working with Métis entrepreneurs from across the province.

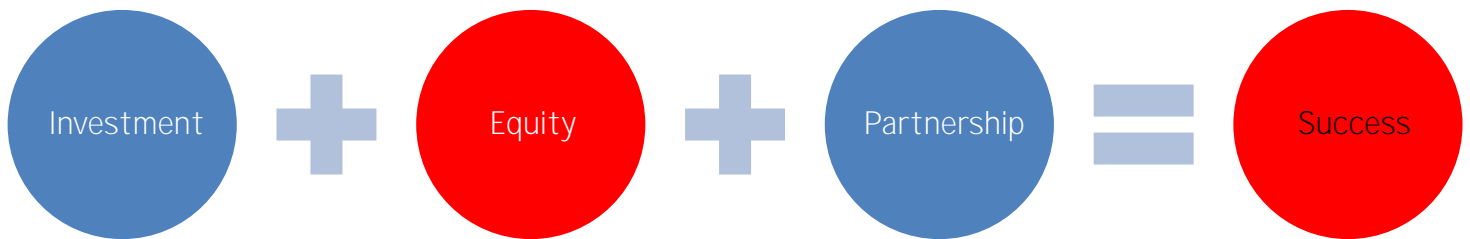
The objective of the Métis Economic Development Fund is to stimulate the economic development activities of the Métis people of Manitoba by providing equity and capital for Métis-controlled businesses. The fund will be managed jointly by the Manitoba Government and the MMF and will provide equity investments of up to \$500,000. Métis entrepreneurs and existing and new businesses in the Métis community are eligible to apply to the fund. Successful applicants will demonstrate viability through sound business planning. It is anticipated this new fund will be a catalyst for new partnerships and developments.

The fund will support the creation and economic growth. The newly established Métis Economic Development Organization (MEDO), a for profit corporation, is a prime example of an eligible business that will receive funding from the fund.

As a self-sustaining entity, the mandate of the fund will also include growing its capacity over the long term. All revenue generated by the fund will be reinvested back into the fund to grow its supply of capital for investment in other Métis-owned enterprises. Manitoba and the MMF will continue to work together to develop the corporate entity and select a board of directors, with an aim to establishing the fund quickly so that it can be available to the Métis as soon as possible.

Our Mission

Our mission as an equity fund is dedicated to stimulating economic development activities of the Metis people in Manitoba by providing investment through equity and capital for Metis entrepreneurs and businesses to support economic development initiatives.



Our Goals and Objectives

MEDF will pursue the following objectives in the course of achieving its mission:

- ◁ Providing equity for Metis entrepreneurs and businesses
- ◁ Promoting and encouraging trade and commerce for metis entrepreneurs and business
- ◁ Facilitating and promoting the Metis business community
- ◁ Maintaining liaison between the Metis business community and government agencies and representatives at municipal, provincial and federal levels
- ◁ Support and encourage Metis community economic development initiatives
- ◁ Encourage the development of management skills for new and existing Metis business owners and entrepreneurs.

Equity Investing Partnership

The Fund will be available to all Metis owned and controlled enterprises in Manitoba. This includes Metis entrepreneurs as well as new and existing Metis community and privately owned businesses.

Manitoba Metis economic development projects that meet our criteria and principles will be eligible for investment. While the exact details are still being finalized, some basic principles include economic viability, leveraging investment from other sources, capacity building, economic development, etc.



June 1, 2012

Robert Wavey
Executive Director
Manitoba Aboriginal and Northern Affairs
200-500 Portage Avenue
Winnipeg, Manitoba R3C 3X1

Dear Mr. Wavey:

The following is in response to the amended Funding Agreement between Manitoba and MEDF effective June 29, 2011.

Manitoba agrees that in lieu of audited financial statements for the fiscal period ending March 31, 2012, the Corporation may provide unaudited financial statements consisting of Balance Sheet, Income Statement, Cash Flow Statement, and Notes to the financial statements for that period with a certificate from the General Manager that:

- a) he or she has reviewed the financial statements for the fiscal period ending March 31, 2012;
- b) based on his or her knowledge, having exercised reasonable diligence, the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make the financial statements not misleading; and
- c) based on his or her knowledge, having exercised reasonable diligence, the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of MEDF, as of the date of and for the periods presented in the financial statements.

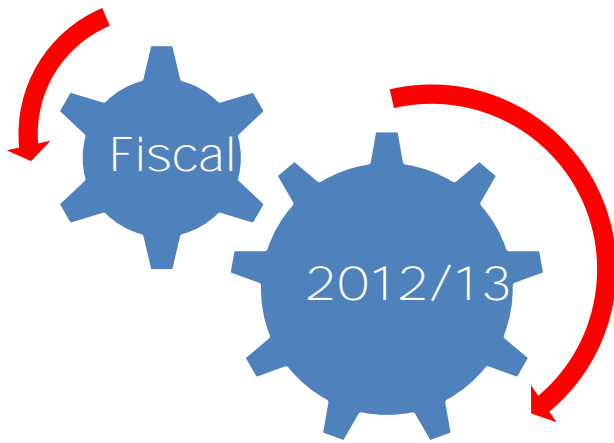
As a result of the amending Funding Agreement between Manitoba and MEDF, I certify that the above items have been reviewed which have been exercised with reasonable diligence. We will forward the approved MEDF Board of Directors Unaudited Financial Statements ending March 31, 2012 once they are finalized by our accountant and signed by the Board of Directors.

Warm regards,

John Coutris
General Manager, Metis Economic Development Fund

CC: Jack Park, Minister of Economic Development, Manitoba Metis Federation
Eleanor Brockington, Director, Manitoba Aboriginal and Northern Affairs
Bob Penwarden, Chair, Metis Economic Development Fund

The Vision



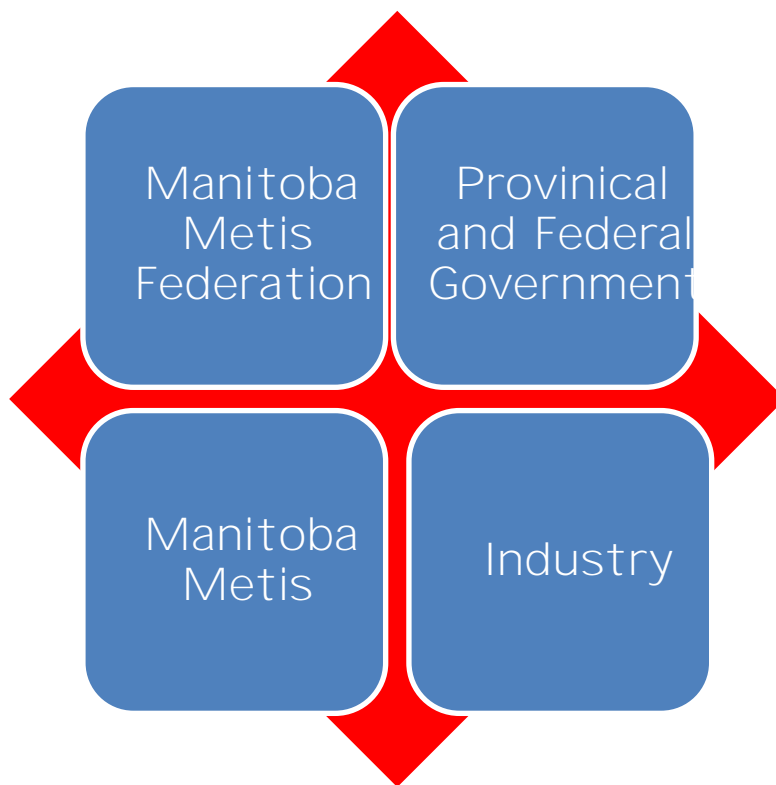
The overall vision for the corporation is part of the Metis Economic Development Strategy as developed by Canada, Manitoba and the MMF. That vision is to foster strong, healthy and self-reliant Metis families, local communities and businesses by stimulating and supporting the start-up and growth of businesses and partnerships with both the private and public sectors. Q w t " d w u k p g u u " r n c p " q w v : tactics for meeting the objectives of the Fund, with an official program launch date set for the fall of 2012.

Senior management has worked diligently on the marketing strategy and will implement the plan by building awareness in the Metis business community and promoting and encouraging trade for Metis entrepreneurs and businesses throughout the year.

The Fund will be managed with a highly focused and conservative approach to developing its investment initiative by investing in growth, expansion or mature stage companies active in Manitoba and establish investment policies and guidelines to govern the activity of the Fund and mitigate the potential risks. The Fund will maximize its impact on the Metis by partnering on their investments with a variety of groups and/or financial institutions such as; Louis Riel Capital Corporation, Credit Unions, Conventional Lenders, Private Capital and Government Programs. Whenever possible, the Fund intends to partner with these other organizations when making an investment. By leveraging individual investments, the Fund is able to compound funding to Métis businesses while maintaining an industry diversified approach to the overall pool of investments.

Marketing Plan

MEDF will need to build strong relationships with three distinct groups (Government entities, Metis businesses, and mainstream private sector companies) while also promoting the Fund throughout Manitoba. MEDF will undertake the marketing and public communication efforts of the Fund, although the MMF and the Province of Manitoba will play roles in the initial marketing campaign for the launch of the Fund. The marketing of the Fund will be part of an overall goal of establishing a cohesive business network which aligns the Manitoba Metis resource base with current and prospective business opportunities. Ultimately, MEDF aims to be a catalyst for future economic growth through the establishment and utilization of effective communication networks that will help both Métis businesses and industry players.



Government entities

It is important that the MEDF develop and leverage relationships with Provincial, Municipal and Aboriginal governments in order to educate them on the potential opportunities that exist both with the Fund itself and through the use of services provided by Metis businesses.

Metis businesses and groups

Relationships will be pursued with existing and prospective Metis business owners. The goal will be to use the existing business owners to identify potential Metis groups or individuals who have a need for financing from the Fund. The Fund will also utilize the more established Métis businesses to help identify h w v w t g " q r r q t v w p k v k g u 0 " V j g " H w p f ø u " D q c t f " q h " F k t g seven regions of the MMF. Each member of the Board of Directors will be the conduit for identifying key Métis entrepreneurs as potential investment partners.

Mainstream businesses

Developing relationships with key decision makers at larger industry players throughout Manitoba & E c p c f c " y k n n " d g " k p v g i t c n " v q " v j g " H w p f ø u " services for u u 0 ' their industries, and as such play a significant role in whether Metis businesses are awarded work within their sectors.

Strategic marketing activities will include:

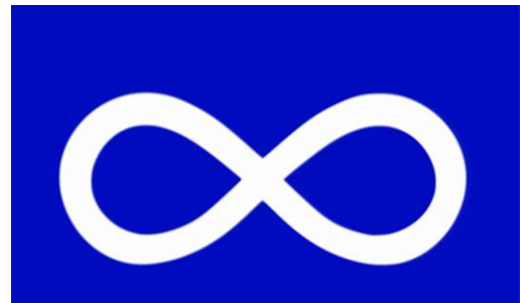
- É **Industry workshops;** Metis business leaders meet with industry representatives to learn about current and future projects and what opportunities exist for Métis businesses.
- É **Business conferences;** Formal eminence-building events where the Fund can build public awareness of their mandate and initiatives.

É **Needs assessment;** Interviews with industry representatives to identify sought-after products and services that would assist their operations.

Promotional materials and literature, including a website will be developed in order to convey our mission with key influential Metis people throughout Manitoba.

Another key promotions strategy will be attending trade shows and forums throughout Manitoba and Canada if necessary. The events which have initially been identified as key to the success of the Fund are as follows:

- É Manitoba Aboriginal Day;
- É Manitoba Metis Federation Annual General Assembly;
- É Industry and trade associations;
- É Winnipeg Chamber of Commerce; and
- É Aboriginal Chamber of Commerce



As MEDF continues to execute marketing and networking activities, our goal is to be the leading source of information and knowledge for Manitoba Metis economic development and entrepreneurship in Manitoba.

MEDF Inc. has joined groups such as: Winnipeg Chamber of Commerce, and the Aboriginal Chamber of Commerce, as sources to network Manitoba Metis with industry, advertising, and partnership opportunities. This two pronged marketing approach will effectively communicate the benefits and values of MEDF to our target market while promoting and encouraging applications to the Fund.

We look forward to assisting and working with the Manitoba Metis entrepreneurs and businesses throughout the province.



Board of Directors



Robert Penwarden
Chair



Richard Kachur
Vice Chair



Arnold Asham
Secretary/Treasurer



Mike Bettens
Director



Wayne Rivers
Director



Minister Jack Park
Ex. Officio

MEDF Inc. Staff



John Coutris
General Manager



Carly Souque
Office Manager

Thank You to our Members



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