

20  
22

ANNUAL REPORT



FUNDING  
NORTHERN  
POSSIBILITIES



# TABLE OF CONTENTS

<b>5</b>	<b>MESSAGE FROM THE CHAIR</b>
<b>6</b>	<b>MMDF BOARD OF DIRECTORS &amp; APPLICATION REVIEW COMMITTEE</b>
<b>7</b>	<b>PROGRAM OVERVIEW</b>
7	Key Objectives
8	Selection Criteria
<b>9</b>	<b>APPLICATION PROCESS</b>
<b>10</b>	<b>2022 PROGRAM HIGHLIGHTS</b>
10	2022 Program Statistics
<b>12</b>	<b>2022 PROGRAM INITIATIVES</b>
<b>17</b>	<b>TIMELINE OF ACTIVITIES</b>
<b>18</b>	<b>2022 APPROVED PROJECTS</b>
18	Indigenous Enterprise & Partnerships
19	Mineral Exploration & Innovation
23	Community Economic Development
<b>24</b>	<b>AUDITED FINANCIAL STATEMENTS</b>
<b>30</b>	<b>APPENDIX</b>



# VALUES



**TRANSPARENT**



**RESPECTFUL**



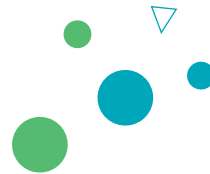
**COLLABORATIVE**



**INNOVATIVE**



**FLEXIBLE**



## WHO WE ARE

The Manitoba Mineral Development Fund (MMDF) is a \$20M initiative of the Province of Manitoba administered by the Manitoba Chambers of Commerce. MMDF provides grants to support northern mining and related economic development projects that create partnerships, increase local employment, and stimulate investment in Northern Manitoba.

### MISSION

The Manitoba Mineral Development Fund provides support to projects that build capacity and create economic development opportunities in northern Manitoba.

### VISION

The Manitoba Mineral Development Fund strives to be a leader in rural and northern economic development programs. We go beyond funding projects and aim to break down barriers to economic development.

## ▶ MESSAGE FROM THE CHAIR



In the past year, the Manitoba Chambers of Commerce (MCC) entered into a new three-year agreement with the Province of Manitoba. In 2022, the aim of the Manitoba Mineral Development Fund (MMDF) was to focus on mineral exploration and the mining industry. In 2022, MMDF approved \$4,183,450 in project funding, mobilizing a range of mining and economic development projects primarily in northern Manitoba. In terms of impact, this investment resulted in 77 new short-term jobs, 52 long-term jobs, 24 project partnerships, and over \$31 million in leveraged project funding. The Snow Lake Area (\$1.4M), Flin Flon Area (\$950K), and Lynn Lake (\$600K) received most of the project funding.

About 74 per cent of the fund went to helping mining companies undertake geological mapping, geophysical surveys, and diamond drilling, all of which were critical to identifying and quantifying mineral resources in Manitoba.

With this momentum, MMDF took the opportunity to implement several initiatives to grow the Fund's capabilities. This included participating in the Annual Prospectors and Developers Association Convention (PDAC) in Toronto to promote the Manitoba Mineral Development Fund globally and solidify the relationships with the Manitoba-based companies at PDAC.

To leverage the Fund's impact, MMDF partnered with the Government of Canada's Strategic Partnership Initiative (SPI) Program. This aimed at increasing economic benefits to Indigenous communities related to mining activity in Manitoba. The SPI provides a way for federal partners to coordinate their efforts, reduce administrative burden and pool resources in support of Indigenous communities. Joint projects are being focused on workforce development, capacity building and business development.

In terms of the Fund itself, in 2022 the Fund grew with contributions from the Province of Manitoba and investment income. The fund balance at the end of 2022 was \$ 17,354,854.

**On behalf of the MMDF Board, we would like to thank the Application Review Committee for their knowledge and commitment to ensuring the projects we invest in have the potential to benefit communities in the north. We continue to look forward to assisting the Province of Manitoba in supporting Indigenous communities, the mining industry, municipalities, and northern businesses to grow Manitoba's northern economy in 2023.**

A handwritten signature in black ink, appearing to read 'Chuck Davidson'.

Chuck Davidson  
*President & CEO of the Manitoba Chambers of Commerce  
Chair of the Manitoba Mineral Development Board*

# ▶ MMDF BOARD OF DIRECTORS & APPLICATION REVIEW COMMITTEE

## BOARD OF DIRECTORS



**Chuck Davidson**  
President & CEO of the  
Manitoba Chambers of  
Commerce (Chair)



**Richard Trudeau**  
Director, HR, External  
& Indigenous Affairs  
HudBay Minerals - Mining  
Association of Manitoba  
(Vice-President)



**Colleen Smook**  
Mayor of the City of  
Thompson, Association of  
Manitoba Municipalities  
(Cities Caucus Chair)



**Kevin Ploegman**  
Partner, Fort Group,  
Manitoba Chambers of  
Commerce Board Member



**Darin Downey**  
President & CEO of  
Gardewine Group, Manitoba  
Chambers of Commerce  
Board Member

## APPLICATION REVIEW COMMITTEE



**Cal Huntley**  
Senior HR Project  
Superintendent, Hudbay  
Minerals, (Chair)



**Kathy Valentino**  
Councillor, City of Thompson  
(Vice-Chair)



**Chris Thevenot**  
CEO, Communities Economic  
Development Fund



**Becky Cianflone**  
Executive Director,  
Community Futures  
Greenstone



**Rob Penner**  
Associate Vice President of  
Community and Industry  
Solutions at University  
College of the North



**Ron Evans**  
President of R.G. Evans  
Indigenous Solutions



**Brian Ross**  
Former Vice President,  
Gardewine Group



## STAFF



**Jessica Ferris**  
Program Manager -  
October 2022



**Matt Bengler**  
Policy Analyst -  
December 2022



**Edward Suzuki**  
Program Manager -  
December 2022 to Present



**Donaska Miller**  
Finance and Administrator  
Coordinator  
October 2022 to Present

## ▶ PROGRAM OVERVIEW

In June 2022, the Manitoba Chambers of Commerce (MCC) entered into a renewed agreement with the Province of Manitoba for the delivery of the Manitoba Mineral Development Fund (MMDF). The MMDF is allocated over a three-year term to the end of March 31, 2025. Each year MMDF approves funding for economic development and mining projects that create Indigenous partnerships, increase local employment, and stimulate investment in Northern Manitoba. These are undertaken by municipalities, indigenous communities, and non-profit or for-profit organizations that aligns with the objectives for the Fund.

### KEY OBJECTIVES

The overall purpose of the Manitoba Mineral Development Fund (MMDF) is to grow the mineral development industry and stimulate economic development in northern Manitoba. Emphasis has been directed on supporting the mineral exploration and development industry. To do this, MMDF is providing grant funding to projects that benefit Manitoba's economy and local communities alike, with a focus on projects related to the mining supply chain.

MMDF stands by the following key objective to ensure the projects we approve align with our mandate:

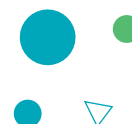
1. Increase mineral exploration and development in Manitoba.
2. Support workforce and business development to strengthen the mining supply chain in Manitoba.
3. Advance economic reconciliation through meaningful partnerships with Indigenous communities, businesses, and the mining sector in Manitoba.
4. Support economic development in mining communities impacted by changes in mining activity (closures, downsizing, expansion, new development).

# ▶ SELECTION CRITERIA

Applications for funding are assessed based on the project's overall alignment with MMDF's objectives and the project's potential outcomes, location, feasibility, and viability. The MMDF Board developed a set of criteria that assists the Application Review Committee to assess projects based on specific outcomes. Applications are accepted five times a year.

## MINERAL EXPLORATION PROJECT CRITERIA

CRITERIA	DESCRIPTION
<b>Location</b>	<ul style="list-style-type: none"> <li>• Location in proximity to key infrastructure</li> <li>• Context of site and proximity to surrounding community</li> </ul>
<b>Local procurement</b>	<ul style="list-style-type: none"> <li>• Evidence that supplies, rentals, accommodations for the project are sourced locally</li> </ul>
<b>Local employment</b>	<ul style="list-style-type: none"> <li>• Number of local short-term employment opportunities created</li> </ul>
<b>Opportunities for community engagement or partnerships</b>	<ul style="list-style-type: none"> <li>• Degree of initial consultations or engagement with the community</li> <li>• Opportunities for future community partnerships</li> </ul>
<b>Historic Results</b>	<ul style="list-style-type: none"> <li>• Evidence of historic exploration expenditures for the site</li> <li>• Technical results for the site</li> </ul>
<b>Incremental Activities</b>	<ul style="list-style-type: none"> <li>• Evidence that the proposed project activities are incremental in nature (e.g., investment in new technology, mobilization of additional equipment or staff, etc.)</li> </ul>





# ▶ APPLICATION PROCESS

Application intake occurs on a bi-monthly basis. Please contact the Program Manager for upcoming intake deadlines.



## APPLICATION

1. Contact staff to determine appropriate application form
2. Complete draft application
3. MMDF staff reviews application and provides feedback



## APPROVAL

1. Application Review Committee reviews the application
2. Application Review Committee makes a recommendation for approval
3. Board provides final approval for the project

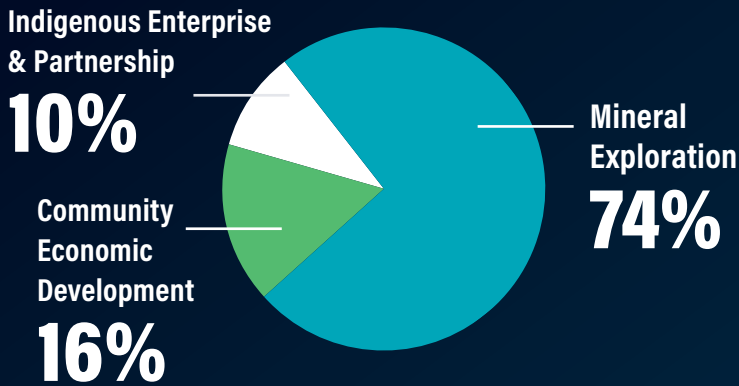


## AGREEMENT

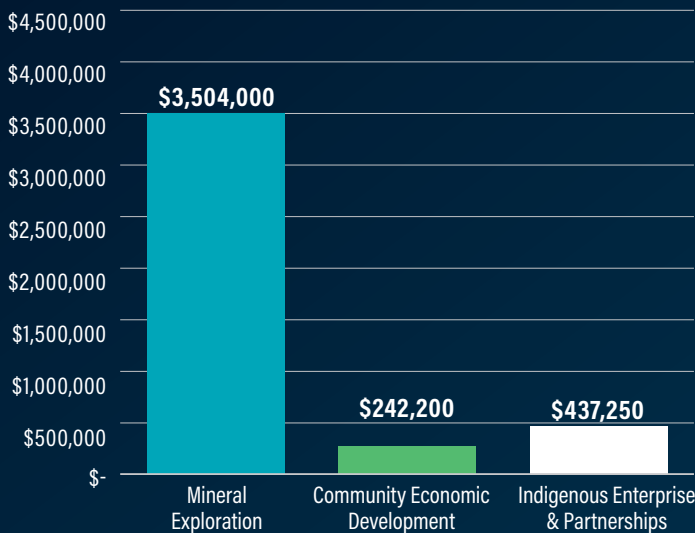
1. Contribution agreement entered into between MMDF and proponent
2. Schedule for project monitoring established
3. Grant issuance based on project performance

# ▶ 2022 PROGRAM HIGHLIGHTS

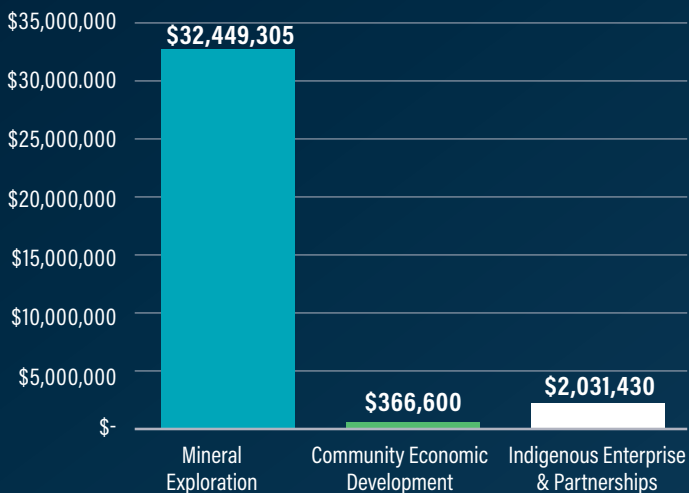
## APPROVED APPLICATIONS BY PROJECT TYPE



## APPROVED FUNDING BY PROJECT TYPE



## TOTAL PROJECT COST BY APPLICANT TYPE



## PROGRAM STATISTICS

Approved  
**\$4,183,450**  
 in funding for projects

Disbursed  
**\$1,372,950**  
 to approved proponents

**31**  
 projects reviewed by the  
 Application Review Committee

**19**  
 projects approved by the  
 MMDF Board

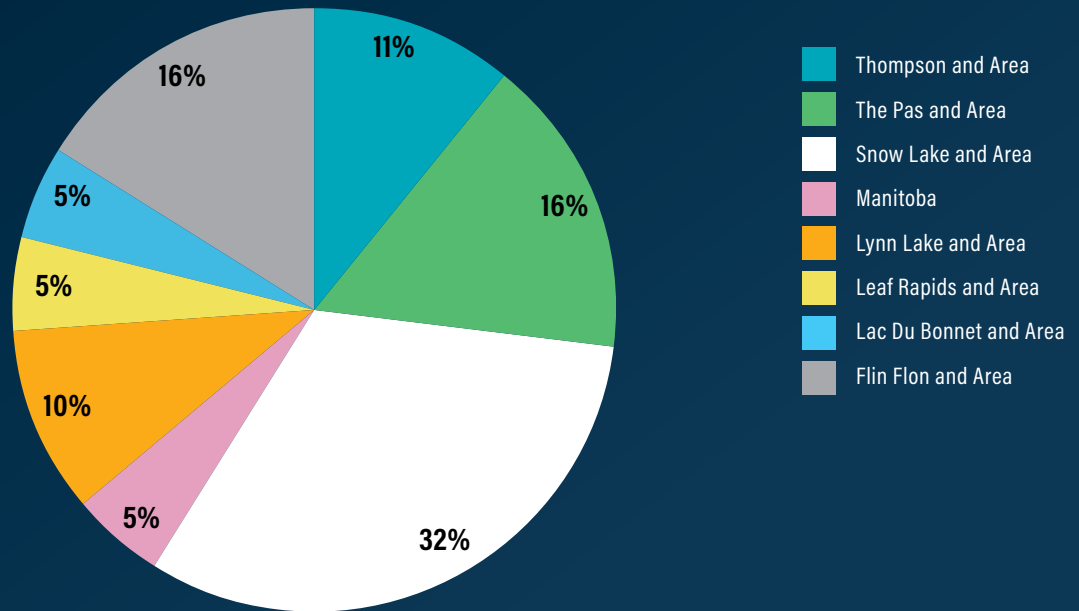
**77**  
 short-term jobs created

**52**  
 long-term jobs created

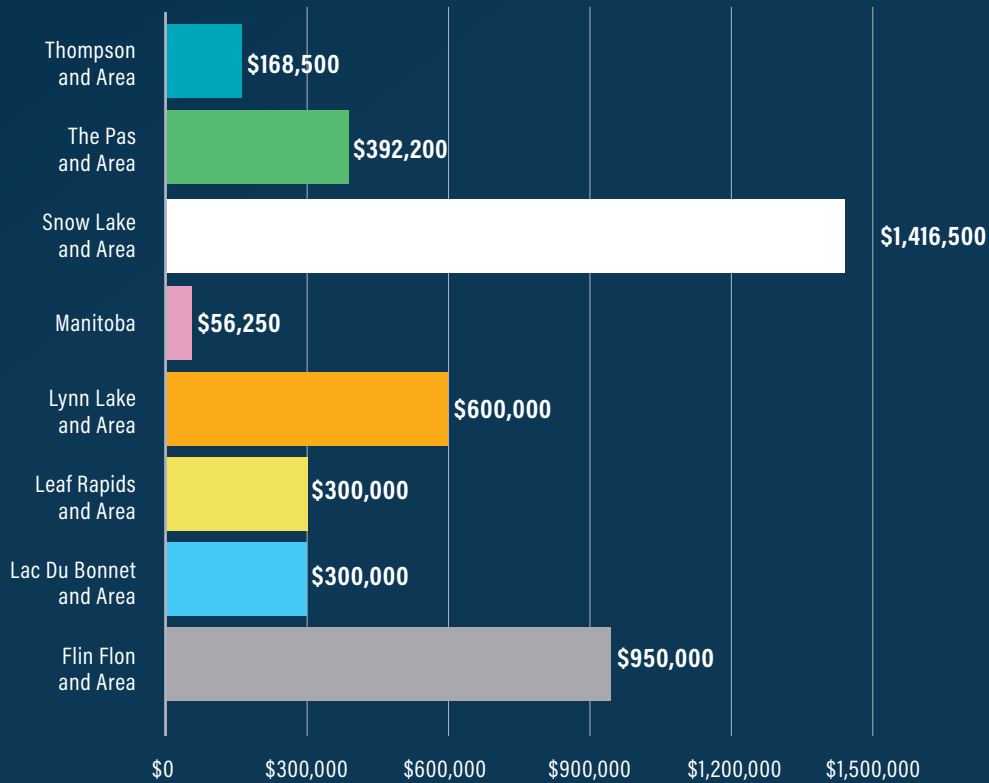
**24**  
 community-Indigenous  
 partnerships formed

**\$31M**  
 (88 per cent) dollars  
 leveraged

## APPLICATIONS BY ECONOMIC AREA



## PROJECT FUNDING BY ECONOMIC AREA



Note: Data is categorized in accordance with the Province of Manitoba's Self-Contained Labour Areas (in the Southeast Economic Region) and Economic Area (in the Northern Economic Region). Definitions of each area can be found in the Appendix.



## **PROGRAM INITIATIVES**

In addition to general program operations, MMDF was a part of several projects in 2022 to improve the Fund's impact in partnership with key organizations in the north. The following initiatives work to bring awareness to the MMDF Program in Manitoba and to build capacity in indigenous communities working on community economic development projects through a program delivered by the Government of Canada - Strategic Partnerships Initiative.

## PROSPECTORS AND DEVELOPERS ASSOCIATION OF CANADA

Representatives from the Manitoba Mineral Development Fund attended the Prospectors and Developers Association of Canada (PDAC) conference in Toronto, which focused on mineral exploration and development. This annual meeting and trade show is the industry's largest mineral exploration and development conference, and hosted over 1,100 exhibitors, 2,500 investors and 23,000 attendees from around the world.

PDAC is the leading voice of the mineral exploration and development community, an industry that supports 719,000 people in direct and indirect employment and contributes \$106 billion to Canada's GDP every year. Representing over 6,000 members around the world, PDAC's work centers on supporting a competitive, responsible, and sustainable mineral sector.

Highlights of the conference involved the Manitoba reception where Manitoba's Minister of Economic Development Jeff Wharton promoted the province as a top destination for mining investment. He noted that over 60 firms from Canada and around the world are currently investing in mineral exploration in Manitoba.

Hon. Jonathan Wilkinson, Natural Resources Minister of Canada and the Honourable Dan Vandal, Minister of Northern Affairs, PrairiesCan and CanNor spoke about the Government of Canada's efforts to improve the efficiency of regulatory and permitting processes where possible and the importance of working with northern Indigenous partners, businesses, and communities to support sustainable mining and job creation.

A major component of PDAC was the Investors Exchange and Trade Show. Connections were made with exploration and mining companies as well as financial institutions which showcased leading technology, products, services, and mining jurisdictions. Particular attention was given to companies operating in Manitoba especially those with MDMF support. It was a great opportunity to meet face-to-face, learn more about the company (client) and discuss current issues and upcoming projects.



Photo credit: E. Suzuki



**Prospectors and Developers Association of Canada (PDAC) Conference in Toronto, March 5-8, 2023**



*Photo credit: E. Suzuki*



*Photo credit: E. Suzuki*



*Photo credit: C. Davidson*

## STRATEGIC PARTNERSHIP INITIATIVE

The Strategic Partnerships Initiative (SPI) is a Government of Canada funding program that focuses on increasing Indigenous economic inclusion and growth in key sectors. Eligible recipients include Indigenous communities and local governments, Indigenous businesses, partnerships, joint ventures and institutions, provincial and territorial governments, and academic institutions.

In 2022, the Manitoba Mineral Development Fund was invited to participate in a SPI project, the Manitoba Indigenous Critical Minerals Partnership Initiative which consists of several governmental groups made up of:

1. Prairies Economic Development Canada (Manitoba Region)
2. Indigenous Services Canada (Manitoba Region)
3. Natural Resources Canada
4. Province of Manitoba (Manitoba Economic Development, Investment, and Trade)
5. Manitoba Mineral Development Fund
6. Communities Economic Development Fund

The Manitoba project aims at increasing economic benefits to Indigenous communities related to mining activity. This will be accomplished by funding projects in workforce development, capacity building, and business development/entrepreneurship. The group will be working together within their respective areas of jurisdiction, responsibilities, and expertise on coordinating funding for opportunities for Indigenous communities related to critical mineral development activity in Manitoba.



Photo credits: E. Suzuki



## MANITOBA PROSPECTORS AND DEVELOPERS ASSOCIATION GALA

The Manitoba Prospectors and Developers Association (MPDA) hosted their first Annual Reconciliation Gala on March 17, 2022. The event honoured the reconciliation efforts in the mineral sector in Manitoba. The MMDF participated and sponsored the Reconciliation Award.

Manitoba Prospectors and Developers Association's purpose is to act as an advocacy group for the concerns and interests of our members and to inform the public of the value of mining in Manitoba.



## CENTRAL CANADA MINERAL EXPLORATION CONVENTION

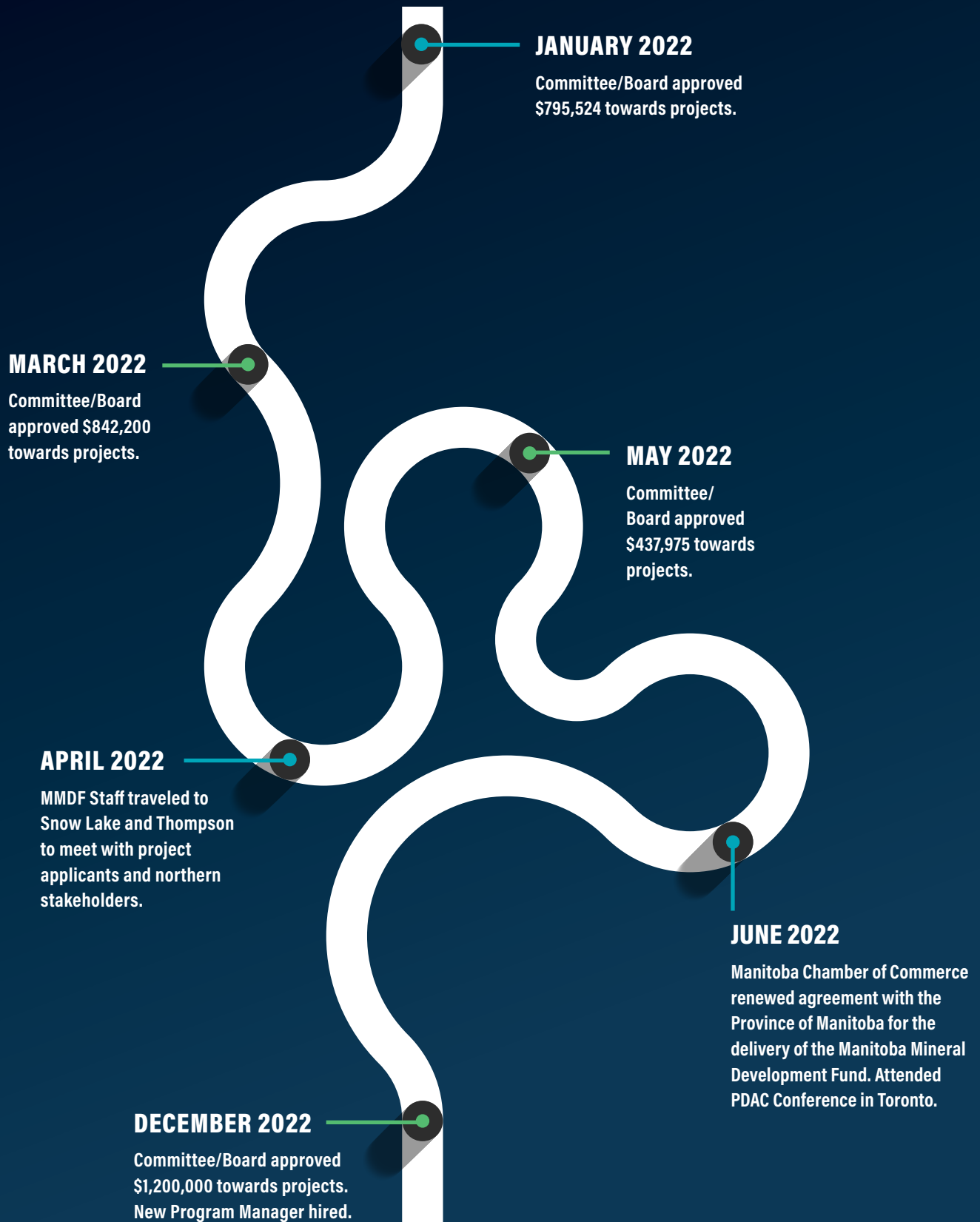
The 2022 Central Canada Mineral Exploration Convention (CCMEC) took place on November 14 and 15 at the Victoria Inn Hotel & Convention Center in Winnipeg. With a theme of "Central Canada's Mineral Corridor", the event brought forth stakeholders in the mineral exploration and mining industry in central Canada including investment firms, exploration and mining companies, Indigenous groups, government officials, prospectors, ESG organizations, suppliers, and academic institutions, while showcasing innovation and advancement in the sector. The MMDF participated as an exhibitor and was a major sponsor for the event.



Photo credit: K. Werner



# ▶ 2022 TIMELINE OF ACTIVITIES



# ▶ APPROVED PROJECTS



## INDIGENOUS ENTERPRISE & PARTNERSHIPS

### Manto Sipi Cree Nation

M MDF is providing \$137,250 to the Manto Sipi Cree Nation to establish a Camp Management Corporation. The Corporation is to manage camp facilities, equipment rentals, and other services to support exploration projects in the area. Funding would go towards start-up costs in the first year (strategic plans, training of a Board of Directors, support for hiring/training of local employees); and acquisition of camp assets or other equipment necessary to construct, manage and operate remote camps.

### Paskwayak Business Development Corporation (PBDC)

M MDF is providing \$300,000 towards PBDC's project to establish a gravel operation under Paskwayak Construction Limited Partnership. The start-up costs for the operation include the purchase of an aggregate crusher/screener, conveyors, operations tower, and hauling trucks. M MDF's funding will contribute to the purchase of the aggregate crusher.

### ANTICIPATED OUTCOMES

**Short-term Jobs: 0**

**Long-term Jobs: 15**

**Dollars Leveraged: \$1,594,180**

**Community-Industry Partnerships: 1**



## MINERAL EXPLORATION & INNOVATION

### KG Exploration

MMDF is providing **\$300,000** towards KG Exploration's project on their Laguna property located on the east side of Wekusko Lake, approximately 18 km to the southeast of the town of Snow Lake. Exploration activities for 2022/23 at the site will involve surface detailed mapping, prospecting, channel sampling and diamond drilling.

### Wolfden Resources Corp.

MMDF is providing **\$275,000** towards Wolfden's drill program at their Nickel Island property. This project approval is a re-allocation of the approved funds for the Rice Island project (18, 2020). The Project is to ratify the partnership agreement with the Island Lake Tribal Council – to become Wolfden's Joint Venture partner for mineral exploration within the Island Lake area. Once this agreement is signed, Wolden will commence exploration on and proximal to its Nickel Island Deposit.

### Willeson Metals

MMDF is providing **\$300,000** towards Willeson Metal's drill program at the Beaucage Property. The Beaucage Property is located approximately 55 km by air south-southeast of the Town of Lynn Lake and 34 km west of the Town of Leaf Rapids. Job opportunities and collaborations with the Marcel Colomb First Nations are being pursued.

*"I am grateful to the MMDF for their support of Willeson and the Beaucage Gold Project. It is an excellent example of how industry and the government can work together to provide development opportunities in Manitoba for mining and mineral exploration. We believe that the Lynn Lake area is underexplored for gold and having this award of funds further supports the quality of our flagship, the Beaucage Gold Project."*

—Stephanie Hart, President & CEO, Willeson Metals



## 1911 Gold

MMDF is providing **\$300,000** funding support to 1911 Gold to re-process tailings from past mining activities in the Rice Lake area. This activity entails the excavation of material containing residual gold on the existing tailings impoundment facility and transporting it to the mill on site for further processing and refinement.

## Flying Nickel Inc.

MMDF is providing **\$31,250** to Flying Nickel Mining Corp. to support the development of a Limestone Quarry market study located at the Minago Limestone Quarry. Flying Nickel Mining is actively engaged with the First Nations communities to collaborate on all aspects of the project, including construction and quarrying processes.

## Boreal Gold

MMDF is providing **\$300,000** to Boreal Gold to support their Fay Lake property mineral exploration. Airborne electromagnetic surveying is employed over the entire property to define conductors with new technology. Anomalies are processed in a geological context to identify drill targets.



## Foremost Lithium

MMDF is providing **\$300,000** to Foremost Lithium to support their exploration project at the Jean Lake property, near Snow Lake. The project is designed to test known extensions of lithium-bearing pegmatite based on a fully integrated program of drone magnetic surveys, prospecting and magnetic anomalies and soil geochemical surveys. The intent is to identify volumetrically significant concentrations of lithium-bearing pegmatite and the conversion of the spodumene content (Li<sub>2</sub>O) into lithium hydroxide.

*“The Manitoba Mineral Development Fund Grant contribution has supported and accelerated Foremost Lithium’s exploration objectives. We are very grateful to have received financial support from the MMDF grant, providing our company the opportunity to revitalize our exploration program, which enables us to work in close cooperation with The Snow Lake Community and labour groups. Foremost Lithium has completed two successful drill programs on its Jean Lake and Zoro Lithium Projects with the supplemental grant funding, which demonstrates support towards critical minerals and reinforces northern Manitoba’s mine-friendly jurisdiction. Foremost Lithium feels that support that comes from the MMDF grant also helps foster strong partnerships within the northern Manitoba community and helps form strategic relationships within the mining and exploration sector. With the aid of the MMDF grant, our company has delivered on major milestones and currently is moving towards a prosperous 2023/24 exploration and drill season.”*

**—Christina Barnard, Vice President of Operation,  
Foremost Lithium Resource & Technology**





## 55 North

MMDF is providing **\$300,000** to 55 North for a phase three drilling program 5 km south of Lynn Lake Greenstone Belt. 55 North Mining Inc. are engaged in the acquisition, exploration, development and extraction of natural resources, specifically precious metals. The drill program will comprise of 9,500 metres of drilling in 25 holes as a follow up to the 2020-2021 drill program. This program will target possible mineralization for an additional 500 metres along strike to the southeast of the present Mineral Resource at a vertical depth of approximately 400 metres.

## Alamos Gold

MMDF is providing **\$300,000** to Alamos Gold for a phase two of their exploration project in Lynn Lake. The exploration activities include approximately 8,000 metres of drilling, a summer field program consisting of geological mapping and rock sampling, and work on a modern drill core storage facility at the Maclellan site. This follows the completion of a feasibility study which outlined average annual production of 143,000 ounces over a 10-year mine-life. Alamos recently announced they will be redeveloping two previously operational mines, which will operate for 13 years, supporting economic development near the town of Lynn Lake.

## Callinex Mines

MMDF is providing **\$500,000** to Callinex Mines for a drilling program at the Pine Bay location, 16 km from Flin Flon. Phase one of the campaign is budgeted for up to 10,000 meters of drilling that will focus on testing their Rainbow and Alchemist deposits. The completion of their drilling and exploration campaign is expected to lead to a development of a new mine. Callinex recently announced that it has closed their previously announced brokered private placement offering for gross proceeds of approximately \$9.4 million.

## Exiro Minerals

MMDF is providing **\$56,250** to Exiro Minerals to explore new metals discovery in Manitoba through researching paper documents for rock types, minerals, and geochemistry that were previously unassayed. The project requires a semantic search of scanned paper data, and field follow-up. Exiro Minerals announced the results of a successful Phase one exploration program south of Lynn Lake, Manitoba which led to the corporation of Willenson Metals.



*Photo credit: J. Ferris*

## Rockcliff Metals

MMDF is providing **\$225,000** to Rockcliff Metals to advance their high-grade copper-zinc resource base through expansion and growth of their advanced stage deposits in the Snow Lake area. This project adds to the local capacity which is being supported by the other exploration activities in the area. The relationship building with the local First Nation's partners and communities are being strengthened.

*"It means a great deal that this fund is in place to help not only the big guys in our space but also the little guy(juniors) in the exploration space. Without the assistance of the MMDF, exploration would be reduced thereby reducing the opportunity to be successful 'through the drill bit'. It means a lot to my company, its shareholders, and the local folks we employ in Snow Lake and in Manitoba in general."*

—Ken Lapierre, President & CEO, Rockcliff Metals

## Snow Lake Resources

MMDF is providing **\$157,500** to Snow Lake Resources to advance their drilling program and determine whether their project property contains proven or probable mineral reserves. Snow Lake Resources is focused on the development of its 100 per cent owned Snow Lake Lithium property in the mining center of Snow Lake. Its primary asset is the Snow Lake Lithium property, which consists of about 38 contiguous mining claims located 20 km from Snow Lake, Manitoba.

### ANTICIPATED OUTCOMES

**Short-term Jobs: 77**

**Long-term Jobs: 32**

**Dollars Leveraged: \$28,945,305**

**Community-Industry  
Partnerships: 12**



Foremost Lithium Resource & Technology, C. Barnard

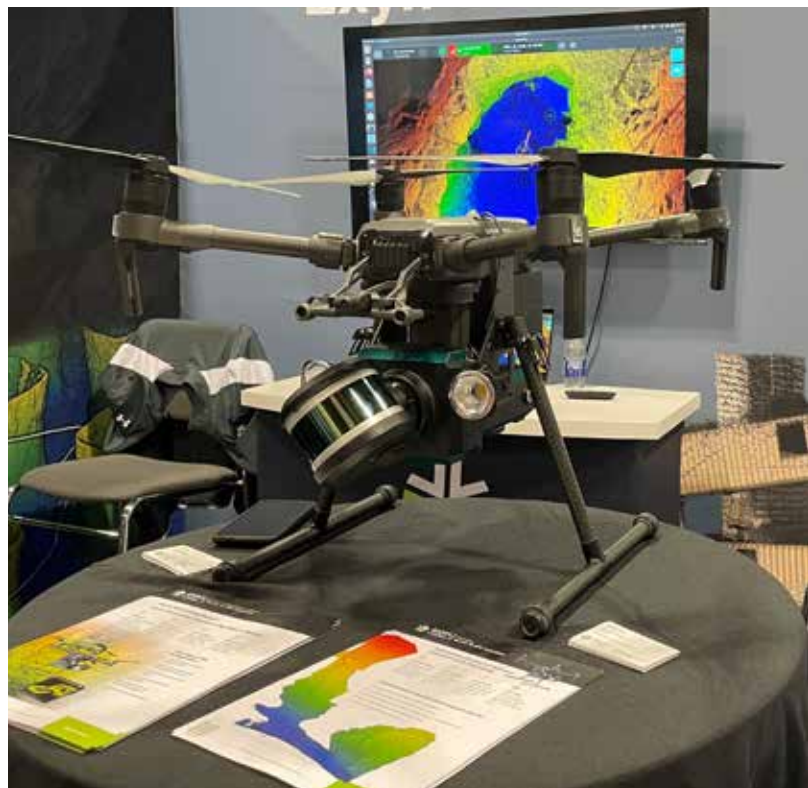


Photo credit: E. Suzuki



## COMMUNITY ECONOMIC DEVELOPMENT

### The Pas CDC

MMDF is contributing **\$22,500** to The Pas Community Development Corporation (CDC) for Phase one of their Clearwater Campground Project. Phase one involves the completion of a master plan and business plan for the campground. This project is supported by the Opaskwayak Cree Nation.

### Community Futures Manitoba

MMDF is contributing **\$69,700** towards Phase one of Community Futures Manitoba and Food and Beverage Manitoba's project to establish food innovation hubs throughout Manitoba. This project would focus specifically on northern Manitoba and involve the completion of an environmental scan and community consultations.

### City of Flin Flon

MMDF is contributing **\$150,000** to the City of Flin Flon to address the challenges of the mining closure of Hudbay Minerals 777 mine in Flin Flon. The city is developing a 50-year community plan, campground area master plan, and wayfinding signage as part of their economic development strategy to diversify their community. Efforts are being developed to establish an art centre and tourism industry.

#### ANTICIPATED OUTCOMES

**Short-term Jobs: 0**

**Long-term Jobs: 5**

**Dollars Leveraged: \$124,400**

**Community-Industry Partnerships: 11**

*Flin Flon Landscape, City of Flin Flon, MB, B. Lin*



**MANITOBA MINERAL DEVELOPMENT FUND PROGRAM**  
**FINANCIAL STATEMENT**  
**DECEMBER 31, 2022**



## INDEPENDENT AUDITOR'S REPORT

To Members of  
The Manitoba Chambers of Commerce

### Report on the Audit of the Financial Statement

#### Opinion

We have audited the statement of funding available and expenditures of the Manitoba Mineral Development Fund Program (the "Program") for the year ended December 31, 2022 and notes to the statement of funding available and expenditures, including a summary of significant accounting policies (collectively referred to as the "financial statement").

In our opinion, the accompanying financial statement presents fairly, in all material respects, the funding available and expenditures of the Program as at December 31, 2022 and for the year then ended in accordance with the basis of accounting disclosed in Note 2 to the financial statement.

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of our report. We are independent of the Program in accordance with the ethical requirements that are relevant to our audit of the financial statement in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter - Basis of Accounting and Restriction on Use and Distribution

Without modifying our opinion, we draw attention to Note 2 to the financial statement, which describes the basis of accounting. The financial statement is prepared by management of The Manitoba Chambers of Commerce, the Program's administrators, to provide information relating to the funding available and expenditures as at December 31, 2022 and for the year then ended pursuant to the Program. As a result, the financial statement may not be suitable for any other purpose. The financial statement and our independent auditor's report thereon are intended solely for use by management and the Board of Directors of The Manitoba Chambers of Commerce and MMDF Corporation, as administrators of the Program, and the Government of Manitoba, specifically the Minister of Natural Resources and Northern Development and should not be used by or distributed to parties other than management and the Board of Directors of The Manitoba Chambers of Commerce, MMDF Corporation and the Government of Manitoba.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the basis of accounting disclosed in Note 2 to the financial statement, for ensuring the basis of accounting used is appropriate in the circumstances, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Program's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Program or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing management's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statement**

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Program's internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Program's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Program to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

April 5, 2023  
Winnipeg, Canada

Chartered Professional Accountants

# MANITOBA MINERAL DEVELOPMENT FUND PROGRAM

Statement of Funding Available and Expenditures

For the year ended December 31, 2022

	2022	2021
<b>Funding Available:</b>		
Funding available beginning of year	\$ 21,252,310	\$ 20,170,901
Contributions received during the year (Note 4)	210,000	1,074,000
Net investment income - realized (Note 5)	480,534	776,303
	<u>21,942,844</u>	<u>22,021,204</u>
<b>Expenditures:</b>		
Administration fees (Note 3(c))	300,000	200,000
Grants	2,334,249	1,763,945
	<u>2,634,249</u>	<u>1,963,945</u>
Funding available, end of year before unrealized gain on investments	19,308,595	20,057,259
Unrealized (loss) gain on investments (Note 5)	(1,953,741)	1,195,051
Funding available, end of year (Note 5)	<u>\$ 17,354,854</u>	<u>\$ 21,252,310</u>
Subsequent events (Note 5)		
Commitments (Note 6)		

See accompanying notes to financial statement.

# MANITOBA MINERAL DEVELOPMENT FUND PROGRAM

Notes to Financial Statement

For the year ended December 31, 2022

---

## 1. Nature of the Fund

Manitoba Mineral Development Fund is an economic development program (the "Program") established by the Government of Manitoba to support strategic projects that contribute to sustainable economic growth by capitalizing on mineral potential and other existing assets. During the year ended December 31, 2019, The Government of Manitoba made an initial contribution of \$20,000,000 to establish this program with the Manitoba Chambers of Commerce administering the Program on behalf of the Government of Manitoba until February 20, 2020, at which time MMDF Corporation ("MMDF") was incorporated under *The Canada Not-for-Profit Corporations Act* to administer the Program pursuant to the agreement with the Government of Manitoba dated March 31, 2019. The Program had an initial term of three years commencing March 31, 2019 and expiring March 31, 2022. During the year ended December 31, 2022, MMDF entered into a new agreement with the Government of Manitoba to extend the program for another three year term commencing April 1, 2022 and expiring March 31, 2025. MMDF receives an administration fee to administer the Program on behalf of the Government of Manitoba (see Note 3(c)).

## 2. Basis of accounting

The financial statement is prepared with funding available including funding received during the year adjusted for any excess or deficiency of funding over expenditures from the prior year plus any realized net investment income during the year. Funding available end of year is also adjusted to include any unrealized gains (losses) on investments as at year end including any foreign exchange gains (losses) in order for the value of the fund to include the performance of the investment portfolio during the year. Contributions received are recorded on the cash basis. Expenditures are recorded on the cash basis in accordance with the significant accounting policies disclosed below.

## 3. Significant accounting policies

The financial statement is prepared in accordance with the basis of accounting disclosed in Note 2 using the following significant accounting policies:

(a) Investments

The Manitoba Chambers of Commerce is responsible for investing and managing the funds according to investment policies, standards and procedures that a prudent investor would exercise when making investment decisions regarding property of others. These investments are measured at fair value. See Note 5 for additional information relating to the investment portfolio and performance during the year.

(b) Program expenditures - grants

Approvals and authorization for grant expenditures pursuant to the Program is the responsibility of MMDF in accordance with Schedule A and Schedule B of the Agreement with the Government of Manitoba.

(c) Administration fees

Administration fees earned by MMDF for administering the program are based on certain eligible expenditures included in the Agreement between The Government of Manitoba and The Manitoba Chambers of Commerce originally dated March 31, 2019 and updated effective April 1, 2022. Total administration fees paid to MMDF for the year ended December 31, 2022 were \$300,000 (2021 - \$200,000) and will be recognized in MMDF when the eligible expenditures are incurred. Any deferred amounts in MMDF are payable back to the Program if not used for eligible administration expenses in the future. As at year end, the total deferred administration fees in MMDF were \$40,875 (2021 - \$89,886).

---

# MANITOBA MINERAL DEVELOPMENT FUND PROGRAM

Notes to Financial Statement

For the year ended December 31, 2022

## 4. Contributions

During the year ended December 31, 2022, the Program received contributions of \$210,000 (2021 - \$1,074,000) from the Government of Manitoba based on mining tax credits earned.

## 5. Funding available end of year

Funding available as at December 31 is comprised of the following:

	2022	2021
Cash	\$ 454,181	\$ 818,182
Investments:		
Fixed income	2,630,962	2,097,206
Equity	7,907,755	9,344,374
Mutual funds	6,361,956	8,992,548
	16,900,673	20,434,128
	\$ 17,354,854	\$ 21,252,310

As at December 31, 2022 the total cost or book value of the investment portfolio, including cash, is \$18,009,138 (2021 - \$19,229,595). The total foreign investments included in the totals above are \$5,219,586 (2021 - \$4,750,044).

Realized net investment income for the year ended December 31 is comprised of the following:

	2022	2021
Interest income	\$ 38,306	\$ 42,738
Dividends	213,942	167,955
Other income	274,464	369,934
Realized gain on disposal of investments	55,416	305,673
Less: Investment management fees	(101,594)	(109,997)
	\$ 480,534	\$ 776,303

Unrealized (loss) gain on investments as at year end is comprised of the following:

	2022	2021
Reversal of prior year change in market value of investments	\$ (2,020,020)	\$ (953,984)
Current year change in market value of investments	(213,015)	2,020,020
Foreign exchange gain	279,294	129,015
	\$ (1,953,741)	\$ 1,195,051

Subsequent to year end, there has been an improvement in the market value of the investment portfolio of \$17,354,854 disclosed above. After withdrawals of \$668,000 from the portfolio subsequent to year end, the market value as at February 28, 2023 is \$17,301,252.

## 6. Commitments

As at year end, MMDF has approved grants of \$1,508,000 (2021 - \$1,544,647). These grants will be expensed in the year paid in accordance with the basis of accounting.

# APPENDIX

## NORTHERN REGION

### Thompson and Area

- Bunibonibee Cree Nation
- Cross Lake (Incorporated Community)
- Cross Lake Band
- Garden Hill First Nations
- God's Lake First Nation
- Gods Lake Narrows
- Ilford
- Island Lake
- Manto Sipi Cree Nation
- Mystery Lake (Local Government District)
- Nelson House (Incorporated Community)
- Nisichawayasihk Cree Nation
- Norway House
- Norway House Cree Nation
- Pitwitonei
- Red Sucker Lake
- Red Sucker Lake First Nation
- St. Theresa Point First Nation
- Tataskweyak Cree Nation
- Thicket Portage
- Thompson (City)
- Wabowden
- War Lake First Nation
- Wasagamack First Nation
- York Factory First Nation

### Flin Flon and Area

- City of Flin Flon

### Snow Lake and Area

- Town of Snow Lake

### Churchill and Area

- Barren Lands First Nation
- Brochet
- Churchill (Town)
- Northlands Denesuline First Nation
- Sayisi Dene First Nation

### Lynn Lake and Area

- Lynn Lake (Town)
- Marcel Colomb First Nation

## SOUTHEAST REGION

### Powerview Pine Falls

- Municipality of Alexander
- Rural Municipality of Powerview-Pine Falls
- Municipality of Victoria Beach
- Sagkeeng First Nations
- Little Grand Rapids First Nation
- Bloodvein First Nation
- Hollow Water First Nation
- Black River First Nation
- Poplar River First Nation
- Berens River First Nation
- Pauingassi First Nation

### Lac du Bonnet Self Contained Labour Area

- Town of Lac du Bonnet
- Municipality of Lac du Bonnet
- Municipality of Whitemouth
- Local Government District of Pinawa





VISIT US AT [MMDF.CA](http://MMDF.CA)