



M'CHIGEENG ECONOMIC DEVELOPMENT MOTHER EARTH RENEWABLE ENERGY PROJECT

(M.E.R.E) Update

APRIL 2011

NOTICE TO PROCEED!!!!

After years of hard work, M'Chigeeng will soon see its wind-energy dream become reality!

“Finally! Finally! Finally!”

Chief Joe Hare

It is with great pleasure that we are able to announce that over the following eight months, M'Chigeeng will be involved in the construction phase of the Mother Earth Renewable Energy (M.E.R.E.) Wind Project.

The decade long process that has, at times, been frustrating for the First Nation, has finally established M'Chigeeng as First Nations leaders in the renewable energy Industry.

Throughout this coming spring and summer, two 2 mega-watt turbines will be situated on band owned land atop the prominent ridge on the east shore of West Bay. The wind resource is among the strongest in Ontario owing to the height above lake level of the ridge as well as the exposure to the dominant westerly and northerly winds.

Over the last 24 months, there have been many events that have provided a favourable environment for this project to succeed. M'Chigeeng Chief and Council have worked long and hard to get to this point. Now is when we will be able to finally see the fruits of this labor.

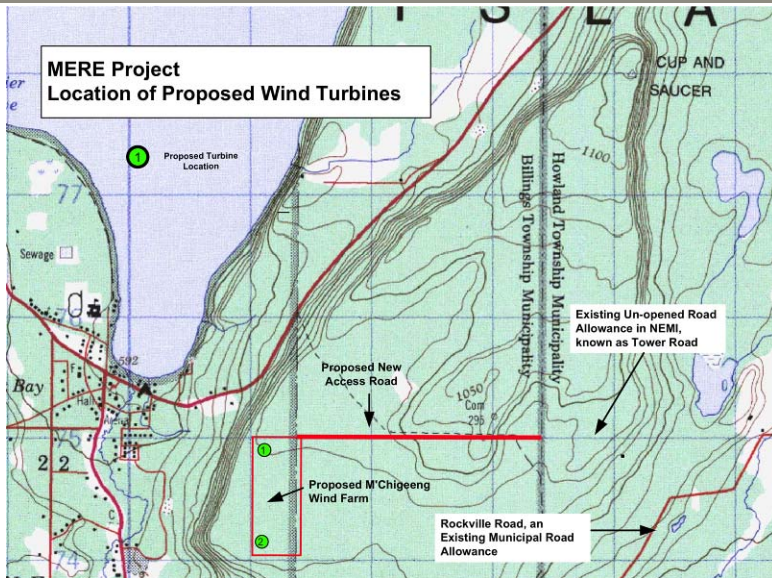
In May of 2009, after years of lobbying by the First Nation Energy Alliance (of which M'Chigeeng was a key member) other provincial stakeholders, Ontario passed the *Green Energy and Economy Act*. The Act is the only one of its kind worldwide that promotes Aboriginal participation, with measures that include an Aboriginal Renewable Energy Fund, Aboriginal Energy Partnerships Program and price incentives for projects that demonstrate Aboriginal participation over and above the feed-in tariffs being paid for renewable energy. Another important feature is that the government rewrote the connection impact assessment model that was a barrier to grid connection in the past, and the selected renewable energy projects for grid connection projects on the basis of “readiness.”

The Act provided very good prospects - and the M.E.R.E. project was ready!



Community Job Opportunities.....pg.4

Continued on pg.2



M.E.R.E Timeline

- 2001: Wind- energy vision begins
- 2002: Community Meeting 1
- 2003: Meteorological testing begins
- 2004: Community Meeting 2
- 2005: Cooperative Structure established
- 2006: Feasibility Studies
- Community Meeting 3
- Continued support established
- 2007: Environmental assessments complete
- Community Meeting 4
- Hydro connection denied
- Connection lobbying campaign begins
- 2008: Community Meeting 5
- Change in Project Scope adopted by Council to 2 turbines on Band owned land
- 2009: Green Energy and Economy Act
- 2010: FIT Contract Awarded
- Turbines ordered
- Permitting process begins
- M.E.R.E Corporation formed
- Aboriginal Renewable Energy Fund Applications submitted
- 2011: Ontario Finance Authority Loan Guarantee
- Pre-construction tenders begin
- Financing Approved
- Notice to Proceed

Turbine location on upper bluff

All aspects of environmental permitting have been accomplished in the pre-construction stage.

An application was made to the Ontario Power Authority (OPA) in Nov. 2009. The project received approval by the O.P.A. in April 2010.

An application was made to the Ontario Financing Authority under the Aboriginal Loan Guarantee program and received conditional acceptance in Dec 2010.

A financing offer by the TD Canada Trust has been accepted.

A turbine supply agreement with Enercon has been executed.

Notice to Proceed with Construction was given in March 2011.

Turbine commissioning and grid connection are anticipated for late 2011.

M.E.R.E. General Partner Inc.

M.E.R.E., which is 100% owned by M'Chigeeng First Nation, was formed in 2010 by Chief and Council. This corporate structure allows M'Chigeeng to be in compliance with the Ontario Finance Authority's requirement for a registered corporation to be set up as the borrower for bank financing and guarantee recipient.

M.E.R.E. will manage and operate the windmill project. Chief and Council, as the sole shareholder in the M.E.R.E. corporate structure, will advise and provide directives to the board of M.E.R.E. It is their responsibility to carry out the directives given. M'Chigeeng will also provide financial administrative duties for M.E.R.E.



Enercon is known as the world leader in wind energy technology: The 2 Enercon-E-82 turbines will provide clean energy for approx. 1000 homes.

The M.E.R.E. Wind business plan includes:

- 100% M'Chigeeng ownership of the project
- 20 year contract with the Ontario Power Authority at 15 cents a kilowatt/hr
- 2-2 megawatt Enercon wind turbines on Band owned land
- Project costs to date are in excess of \$1,000,000.00 (including Fednor, INAC M'Chigeeng Funding)
- M.E.R.E. General Partner Inc. incorporated to take advantage of the Ontario Finance Authority (O.F.A) loan guarantee program
- A financing deal with T.D. Bank for \$8,500,000.00
- Ontario Finance Authority (O.F.A) loan guarantee

Over the following months, M.E.R.E. General Partner Inc. will be responsible for the over 100 persons employed in and around the community as a direct result of the Construction phase. (For project descriptions and timelines please see Job Opportunities section.)

In the long run, M.E.R.E will also be responsible for a greater vision as mandated from Chief and Council through

- Building a green energy economy
- Increasing the standard of living
- Take bold and concrete steps to improve the quality of life of Band members.

The guiding principle is this: M.E.R.E will engage in profit making ventures and distribute the net profits to M'Chigeeng First Nation.

M'Chigeeng First Nation will use net profits for the benefit of band members through social and development activities that contribute to the bands economic self reliance. Concepts are in development and the specifics will be more fully explored in the coming months.

New initiatives have also emerged for M.E.R.E -Potential partnerships with likeminded organizations such as Northland Power Inc. – McLean's Mountain Wind Farm, United Chiefs and Councils of Mnidoo Mnising (UCCMM), and Lake Huron Transmission Company are being formed.

Also, solar photovoltaic supply and installation potentials that M'Chigeeng is developing on rooftops on the Community Complex, Lakeview school and the Band Administration office.

For now, we can be sure that this upcoming spring and summer season will be a time of great excitement, opportunity, as well as hard work in M'Chigeeng. We look forward to sharing in these rewarding times with the whole community!



Community Job Opportunities



Road Construction Project

This tender was closed on March 4, 2011. Engineering design work was recently completed on proposed new roads required to access the wind turbine sites. M'Chigeeng contractors will be supplying material and equipment to this contract.

Tree Felling and Clearing Project

This work is required to prepare for road construction and turbine and distribution line placement. The tender process is closed and has been awarded to a local M'Chigeeng contractor. This work will be completed in April with a 100% M'Chigeeng workforce.

Power Line Project

A new power line running up from Highway 551 to the turbines on the Upper Bluff property is required to connect the project to the Ontario hydro grid. Because of the specialized nature of this work, there are two selected companies who are contending to win this business by a tender. Successful bidders will be required to hire from among the M'Chigeeng labor pool where there are sufficient skills. This work will include installing new power poles and stringing power cable.

- Expect this tender to be active in early April 2011 with work proceeding in June 2011, possibly sooner.

Foundation Construction Project

A wind turbine requires a large pie shaped concrete foundation buried in the ground. The design work for this part of the project will be undertaken by the wind turbine vendor, Enercon. Enercon will manage the construction foundation process and M.E.R.E will ensure community benefits are maximized.

There will be a tendering process for a contractor who can provide excavation and rock removal, reinforcing rod installation, form work, concrete pouring, grounding, electrical conduit installation, as well as the creation of a crane pad for a large crane.

- There may be opportunities for M'Chigeeng contractors to provide services under this contract.

M.E.R.E. Board of Directors

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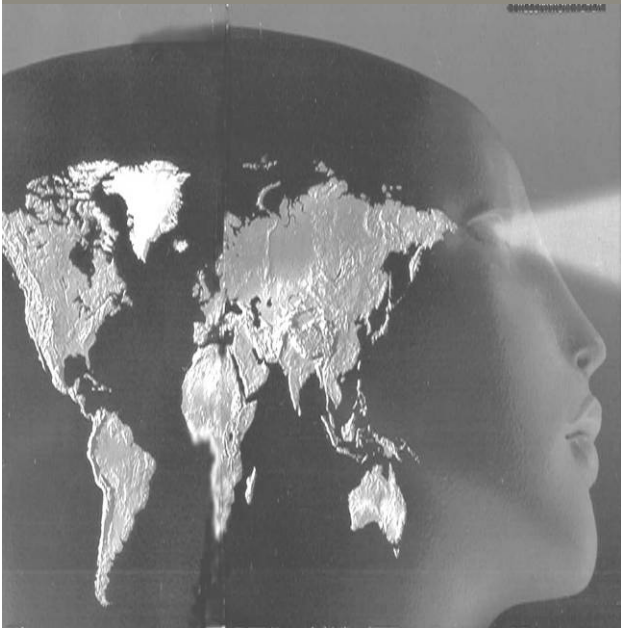
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Community Job Opportunities



Sustainable development (SD) is a pattern of resource use that aims to meet human needs while preserving the environment so that these needs can be met not only in the present, but also for generations to come.

Switching Station Project

This is for electrical power equipment at the wind turbine site. Because of the specialized nature of this work, there are two selected companies who are contending to win this business by a tender. Work will be awarded probably in May 2011 with work proceeding in July 2011.

Landscaping Project

There will be a three acre open clearings in the forest where each turbine sits. There will be an improvement project to clean and level each of these work sites and to plant seed.

- Expect this work to proceed in Fall 2011. Local contractors will be welcome to bid.

Security Project

During the construction of the wind turbines, there will be a need to protect the site from curious onlookers, tourists and collectors. M.E.R.E. will contract temporary security staff to look after the site in the evening after construction finishes. This duration and hours of work have not been finalized but this contract may be for 2-3 weeks of duty.

- Expect this work to proceed in August and September. Community members are needed for this work.

Fuel for Cranes

The large crane that assembles the wind turbines may require fuel truck delivery of diesel fuel.

- M.E.R.E. will be looking to local suppliers to assist here.

Sanitary

There will be a need to provide sanitary services for the workers at the turbine assembly sites.

- Expect this to be organized in July 2011 for implementation in August and September 2011.
- M.E.R.E. will be looking to local suppliers to assist here.

Thanks to the Ontario Sustainable Energy Association for support for development the Mother Earth Renewable Energy project!



Temporary Office and Rain Shelter

There is a need for one mobile office (trailer), able to give shelter for 10-15 workers in harsh weather. There will be a requirement of a desk and a power supply for a refreshment station. The rental arrangement for this will commence when the foundation work starts in July and finish when the turbines are completed in early October 2011.

- M.E.R.E. will be looking to local suppliers to assist here.

Meals & Hospitality for Turbine Assembly Crew

The turbine assembly technicians will be arriving from off the Island. Due to the remoteness of this site these skilled rigging crew workers will be staying in local motels and using local restaurants. There is a possibility that M'Chigeeng will organize for morning and noon-time meals and refreshments for these workers at the site or that local bed and breakfast services may be offered for their consideration.

- M.E.R.E. will be looking to local suppliers to assist here.

Emergency Services

There will be coordination with local medical and fire response to be aware of the nature of the construction work.

Signage

When the project is complete there will be a sign manufactured at the closest turbine to the new road for the purpose of informing the public of the nature of the project. An example of such a sign can be seen at the existing Schneider Power Wind Turbine site on the Island. Other signage may be required

- M.E.R.E. will be looking to local suppliers to assist here.

UPCOMING EVENTS

- Little Current Trade Fair: June 3-5 (M.E.R.E. Booth Project display)
- Groundbreaking Ceremonies on Bluff and at Community Complex- June 21st
 - Assembly of First Nations Energy Conference Niagara Falls:
June 27-29 (M.E.R.E. Booth Project display)

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