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A MESSAGE FROM MANAGEMENT

Looking back at this challenging year, we are incredibly pleased with the Development Corporation's performance, from launching Spirit Bear Lodge's first season since COVID-19 to working with Gitga'at Nation on a forestry Joint Venture.

As we continue to push for improved community communications and consultation, 2023 will be an even bigger push. Over the next year, the Kitasoo Development Corporation will facilitate several more community engagements over the next year. The first is on finfish aquaculture. Please watch out for additional postings and details for these engagements, as your opinion is critical.

One major push we have heard from the community is the need for more training and economic diversity. We plan to engage with the community on employment opportunities and special training. Also, we are currently exploring several new opportunities, such as Web3 and kelp; we will keep the community posted on how these projects go over the next year.

Finally, we would like to announce that the Kitasoo Xai'xais Nation Council has appointed two new board members to join Kitasoo Development Corporation; we are pleased to welcome Evan Loveless and Chantal Pronteau to the team.

We wish you a Happy Holiday!

Sincerely,

Kitasoo Development Corporation Management





SPIRIT BEAR LODGE

This year, Spirit Bear Lodge was excited to host a soft opening season that welcomed our domestic (Canadian) guests back into the Kitasoo and Xai Xais territories. Our 2022 season was a humbling success. We welcomed 250 guests from across Canada. Each guest was met by our wonderful team of Kitasoo Xai'Xais Nation staff. Guests made heartwarming and memorable experiences while learning about the culture and history of the territories. These positive interactions have made for an impactful space of learning and growth for both our guests and team.

Spirit Bear Lodge was fortunate to have employed a majority local team this season that created fine dining experiences in the kitchen and front of house, a comfortable and well-kept stay by our lovely housekeeping staff, and the unforgettable tour experiences by our skippers and guides. Our local staff made for a more comfortable. enjoyable, and adventurous stay.

In the spring, the lodge underwent expansion with a beautifully extended great room and balcony for fine dining, mingling, and enjoying our breathtaking views. The mudroom in turn received a new look that is designed for gearing up and preparing for our daily adventures out on the land and waters.

Like the expansions and new looks of the building itself, our management team has undergone a transition and we are pleased to highlight this group of strong, knowledgeable Indigenous women by welcoming them;

Trish McPhail, Marketing and Sales Specialist

Roxanne Robinson, Guest Services Manager Cassandra Willie, Reservations and Social Media's Mentee

Wendy Mason, Housekeeping Manager Krista Duncan, Guide Operations Manager





Iln our off-season, we are thrilled to share that Spirit Bear Lodge has opened up booking the newly renovated Great Room for rentals. To date we have had dinner parties, meetings, and wellness gatherings. At Spirit Bear Lodge we uphold the idea of having a safe space to gather, bond and host discussions. - For information on Booking at Spirit Bear Lodge during our off-season months please contact explore@spiritbear.com for rooming and information and booking our Great Room.

Looking ahead to 2023, Spirit Bear Lodge will be welcoming guests from all over the world, as the lodge will be open to international guests. We are excited to welcome new and returning guests from all over back into our pristine territory of the Kitasoo Xai'Xais Nation.

If you have interest in joining our team at Spirit Bear Lodge - Please watch for job postings in the New Year. We are always keen to have bright, kind and committed team members come aboard.

On behalf of the Spirit Bear Lodge family, We wish you a safe and happy holiday season!

KITASOO SEAFOODS

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COMPANY UPDATE

The Kitasoo Seafoods processing plant continues to be an important business and employer for community members in Klemtu. Operations at the salmon smoking plant continue to provide the majority of the work throughout the year. During the last quarter the smoking plant operated until mid-September and then operations were put on hold in order to set up the plant for the annual sea cucumber fishery.



2022 marked the third year in a row that we have processed all 6 sea cucumber licenses that belong to Kitasoo Seafoods and local members. For 2022 we worked with 2 vessels including the "Amanda Reid" operated by Sandie Hankewich and the "Bradine" operated by David Reid. The vessels were supported by the packer "Sable Lady" operated by Colin Heline which belongs to the Lax waalams Nation in Port Simpson. Through our agreements with DFO and the Pacific Sea Cucumber Harvesters Association we were able to harvest the

majority of the quota within the Territory and without competition from outside fishermen. This is a unique agreement and one of a kind in BC for any commercial fishery.

The sea cucumber fishing was slow but steady with the 96,000 lbs of quota coming in from October 2 to November 2. There was a large gap due to bad weather and the final quota was cleaned up by the Bradine on November 10. The product quality and the final product produced by the plant was excellent. The markets like Klemtu product as it is very fresh and well handled. One concern during processing was the reduced workforce during the last 2 weeks of processing due mainly to medical issues and absenteeism. We are always on the lookout for workers at the plant especially youngerworkers so please communicate with Pam or Helen if you are interested in working at the plant.

Cucumbers did not finish until November 18th when the last of the product was shipped to Vancouver. It was agreed with the plant workers to have a break going into Xmas and start up the smoking operations again early in the new year. We thank all the workers who participated in sea cucumbers this year especially those that worked the whole season.

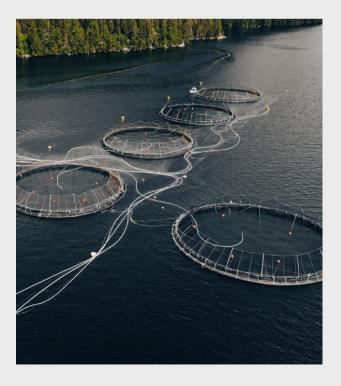
We cannot end this update without expressing how much we missed Ernie Mason III during the cucumber season and pass on our condolences to Charlie and Edna, Sandie, Jessie and Jordon and his large extended family. This was a big loss for the community and the Seafoods operation as well.

KITASOO XAI'XAIS FINFISH AQUACULTURE TRANSITION PLAN

Salmon Farming on Kitasoo Xai'xais Terms

The Department of Fisheries and Oceans Canada (DFO) has provided funding for First Nations to develop aquaculture transition plans. Over the next few months, members of the Kitasoo Xai'xais Nation are encouraged to engage and provide input on an advanced model for aquaculture within the Territory.

The Kitasoo Development Corporation will be providing information and facilitating several engagements to openly discuss what our community wants the future of aquaculture to look like in Kitasoo Xai'xais Territory. We hope to talk to as many people as possible, and we will have many opportunities for members to engage and offer their perspectives on the existing salmon farm industry and if and how we can make it better.





Pictured above: members of the FNFFS Coalition at Parliament Hill in Ottawa.

How did this "Transition Plan" initiative come about?

The federal Liberal government in Ottawa and the DFO Minister made a political commitment to 'cancel' all the ocean-based finfish aquaculture licenses in BC, and only allow for land-based operations. However, the government did not realize that so many First Nations and coastal communities were very socially and financially invested in the industry and that there remain significant barriers to pursuing land-based farms based primarily on financial and socio-economic feasibility.

The Coalition for First Nations for Finfish Stewardship (also known as the "Coalition" or FNFFS) is a group of First Nations that united and advocated for First Nations' rights to choose their level of involvement with the industry. This effort was crucial and helped to change DFO's path to 'cancel' all of BC's salmon farms and instead, rely on First Nations and industry to create a more sustainable future for wild salmon by reducing the negative impacts of salmon farms.

Our Community's Contribution

A Kitasoo Xai'xais Transition Plan is being developed that will be used as a guide for sustainable finfish aquaculture in KX Territory. In the fall of 2022, our Nation received a small amount of funding to begin necessary community engagement and the Kitasoo Development Corporation has taken the lead on this process.

In November 2022, Kitasoo Xai'xais Councillor Isaiah Robinson visited Norway to explore technology and innovation practices that are either in place or being researched in Mowi's Norwegian facilities. The information learned from this experience will be shared with the community so members can make informed decisions about the future of aquaculture in KX Territory.

Our goal is to use conversation and input from the community to get opinions on our existing salmon farms and how we can improve the industry for future generations. We look forward to working together as a community to plan for our future. We also welcome healthy discussions about the possibilities and concerns that have been raised by the community.

What is the Transition Plan About?

The Transition Plan is both a process AND a specific plan that the Department of Fisheries and Oceans Canada (DFO) will use to create a more sustainable finfish aguaculture industry in British Columbia.

DFO will eventually create a larger Transition Plan based on many smaller plans from across the province. Many other First Nations are also writing their own community plans along with Kitasoo Xai'xais. In fact, one of DFO's four objectives is Indigenous Relationships and Reconciliation. The others are transitioning to better practices that reduce impacts on wild salmon, improving trust and transparency, and fostering innovation in BC salmon farming



Background of Salmon Farming in KX Territory

Salmon farming in KX Territory began in the 1990s. As a result of community consultation, Kitasoo Xai'xais chose to pursue a partnership with Nutreco in 1999. The original agreement with Nutreco started what is now commonly known in industry and education as the KITASOO XAI'XAIS MODEL.

The Kitasoo Xai'xais Model is our Nation's own management approach to the salmon farming industry that we've been practicing for decades.

THE KX MODEL HAS BEEN THE HIGHEST STANDARD ACROSS BC FOR YEARS. AS OTHER NATIONS LEARN ABOUT IT, THEY HAVE ADAPTED IT TO THE INTERESTS OF THEIR OWN COMMUNITIES.

Although the Kitasoo Model has become a renowned framework, it is also an evolving representation of Kitasoo Xai'xais standards, and the community's input is crucial to making it better.

What is sustainable finfish aquaculture?

Sustainability is usually evaluated by three or four environmental, economic, and social factors.

Sustainable aquaculture is a dynamic concept. Our expectations and social interests may change over time. Science, research, innovation, and technologies also change and increase our understanding of aquaculture, wild salmon, and the general ecosystem.

As a community, we can identify monitoring priorities and indicators, establish our own scientific monitoring protocol, and raise the industry's standards. Over time we can learn more about the industry and decide for ourselves whether it meets our ongoing community interests.

We want to know what's important to you. What do you want to learn about the industry to better understand its operations and impacts, and what kind of innovation and monitoring would you like to see become part of the Kitasoo Xai'xais Model?



Get Involved

Connect with community members and join the discussion by joining the KX Economic Development Engagement Facebook Page.

Attend community meetings in January 2023 and provide feedback and suggestions through surveys.

KITASOO FOREST COMPANY

COMMUNITY FIREWOOD PROJECT

Kitasoo Forest Company is proud to announce that this year's community firewood project is complete.

Not only will community members be kept warm through the colder months, but this project created ten local jobs. Some of the chainsaw operator positions were filled by community members who were certified through BC Forest Safety's Basic Chainsaw Operators Course, sponsored by Kitasoo Forest Company and Western Forest Products in July.

We would like to thank our corporate partners who made this project possible, including Western Forest Products, Capacity Forest Management Ltd., and Ironside Contracting Ltd. Special thanks to Gord Thompson from Ironside, who generously donated much of his time and labour to transport the logs to Klemtu.



YOUTH CENTER

When the managers of the Kitasoo Forest Company (KFC) and Western Forest Products (WFP) heard that there weren't enough spaces in Klemtu for young people, the companies donated over \$100,000 to repair the youth center. KFC Managing Director Grant Scott visited Klemtu in November and was proud to see local youth enjoying themselves in the space and putting the funds to good use. In addition, KFC and WFP will be helping to fix the roof and provide lumber to provide wheelchair access.



Pictured Above: KFC Director & KX youth playing games at the youth center

CULTURAL AWARENESS TRAINING

The Kitasoo Forest Company/Western Forest Products Joint Venture is making efforts to improve cultural awareness in the workplace. Employees and consultants of the companies are taking courses through the Indigenous Relations Academy, which deals specifically with helping corporations develop skills to engage and work with Indigenous Peoples respectfully.

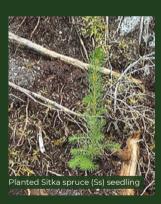
The Joint Venture also supports Kitasoo Xai'xais in developing a tailored cultural training program and policies to define acceptable behaviour when working and living within the KX Territory.

CURRENT PROJECTS

Pooley Island Conventional: 1 Project, 2 Phases

Phase 1: Pooley South

Kitasoo Xai'xais Band Council gave tentative approval to proceed with the layout of South Pooley to the cutting and road permit stage. Pooley South was first logged in 2010, and the original plan involved 129 Culturally Modified Trees and a dumpsite in crab and fish habitat. As a result of the concerns of the community, the dumpsite and road were moved farther out in James Bay which protected all 129 CMTs and reduced the impact on the marine environment. One year after logging, the cutblocks were replanted and every few years, forestry crews returned to ensure the trees were growing correctly. In 2021, the replanted cutblocks were declared "free-to-grow," which means that the planted trees reached a height where undesired plants can no longer outcompete them.









Phase 2: Pooley North

Planning for Pooley North started in 2019. Capacity Forest Management (Capfor) created digital layouts of potential block shapes and roads which were then sent to Kitasoo Xai'xais Stewardship Authority (KXSA) for review. Capfor and KXSA did fieldwork to assess planned roads and cutblocks which were revised considering visual quality, Culturally Modified Trees, and Monumental Cedars. Kitasoo Xai'xais Band Council has approved the cutting permit referral for this project.



Surf Inlet

Kitasoo Forest Company and Gitga'at Forestry Inc. started a joint venture agreement in Surf Inlet in 2020. Planning involved Kitasoo Xai'xais Stewardship Authority and Gitga'at Oceans and Lands Department.

The business venture is targeting 50,000m3 of heli logging, with both companies splitting profits equally. This joint project between GFI and KFC is the first joint project between the two Nations. Everyone involved is excited about the project and the potential to build this Pilot into a long-term relationship.

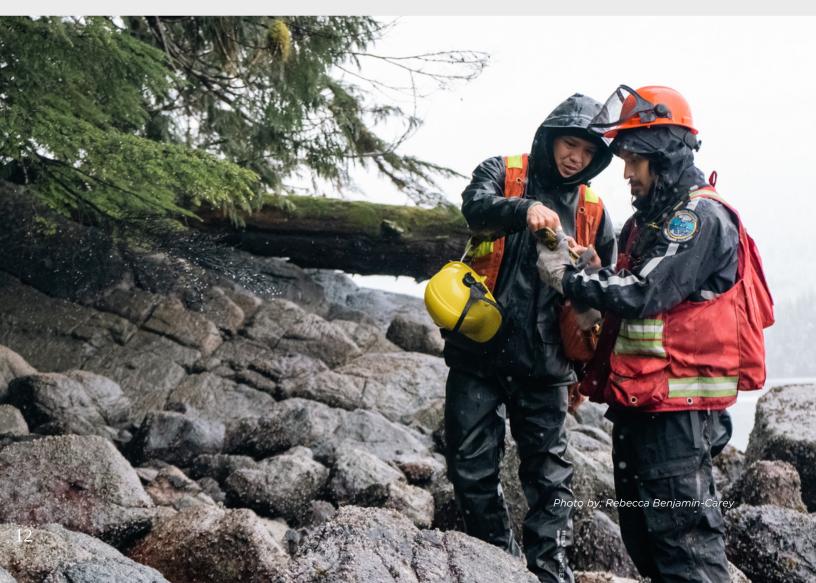
SHORELINE SURVEYS: A NEW APPROACH TO FORESTRY

Approximately 50% of Kitasoo Xai'xais forests are protected from logging. Beyond that, large areas of the remaining forested areas are removed from the commercially available regions in order to protect sensitive ecosystems, visual quality, cultural features, and monumental cedars. This leaves only about 6% of Kitasoo Xai'xais Territory available for logging. And even then, steps are taken to protect culture and ecosystems within the 6% of commercially available forests.

Cultural Feature Inventory (CFI) surveys are required to maintain and protect cultural features that may be affected by logging, road construction and associated activities.

The Kitasoo Xai'xais Stewardship Authority (KXSA) conducts these surveys prior to development in Kitasoo Xai'xais territory.

The Kitasoo Forest Company/Western Forest Joint Venture is providing funding and support to the KXSA to train community members and purchase the equipment needed for CFI Shoreline Surveys. CFI surveys have been happening for a long time, but capacity has been limited. The extra support from KFC/WFP will provide more opportunities for community members to be trained and enter the forestry workforce in a way that protects the Nation's cultural history and lays the foundation for how natural resources will be managed in the future.



FORESTRY CAREERS & TRAINING



Training Opportunity

The March 2023 Vancouver Island University's Fundamentals of Forest Harvesting Practices intake is open! This is a tremendous opportunity for individuals interested in working in Forestry.

ABOUT THE PROGRAM

- Live, learn, and explore beautiful Woss, BC
- 20% of program spent learning concepts in the classroom
- 80% of program spent in the field applying concepts
- Earn your S-100 Fire Suppression and Safety, Fall Protection, WHMIS, Level 1 First Aid with Transportation Endorsement, and Switchback
- tickets Get prepared for an entry-level logging position
- High graduate employment rate with higher-than-average starting wages in the forestry sector
- Tuition and accommodation are fully funded by various grants (only pay for your food and travel costs!)

 **Standing analytic to Provide the columns

 **Turning analytic to Provide the columns

Learn more at tradesappliedtech.viu.ca/fundamentals-forest-harvesting-practices
Contact us at250-740-6227 or heo@viu.ca



Employment Opportunities

Kitasoo Forest Company is looking for two limb-picking crews for the 2023 Surf Inlet forestry project.

Employment Type: Short-Term Contract Positions available: two 2-person crews

Wage: \$250/day

Start date: Spring 2023

KFC has refitted the Raider, which will be provided to the limb-picking crews to use for work. If you are interested in this opportunity, please submit your resume or pick up an application at the Kitasoo Development Corporation office or email HR@kitasoodevcorp.ca.

If you would like to know more about upcoming forestry jobs and training opportunities, follow us on Facebook at facebook.com/kitasooforestcompany or email capdev@kitasoodevcorp.ca

KITASOO BAND STORE

The Kitasoo Band Store is excited to announce that we have secured new suppliers, including Buy Low Meats and M&M Meats, which means we can get a much better variety of meats at wholesale rates rather than retail rates from Save on Foods.

In addition to working with new suppliers, the store welcomed two new cashiers to the team, and they are doing a great job. The store is still looking to hire an assistant manager and part-time cashier. If you are interested in either of these opportunities, you can submit your resume or pick up an application at the Kitasoo Development Corporation office or email HR@kitasoodevcorp.ca.

The Kitasoo Band Store and Mowi have been operating with Aquatrans bi-weekly for a freight initiative for four months. After ironing out a few kinks in scheduling and routes, it has been relatively seamless, and Kitasoo Devcorp is saving a lot of money on freight charges.

More space on our trucks allows us to bring larger products, such as generators and heaters, into the community. We are also working on a plan for the near future whereby we can provide freight rental space for other items. We hope to launch this in the new year.

Overall, the Band Store continues to provide exciting new alternative healthy snack options, keto and gluten-free products for community members with sensitive health issues.



FIRST NATIONS FUELS

First Nations Fuels has recently met with our close partner North Arm Transportation to discuss our relationship and how they can further support First Nations Fuel and the Nation. One item that we will have further discussions on is the option of renewable diesel. We are interested to see where this option goes as it burns 66-75% less greenhouse gas emissions and doesn't emit the soot you typically see from diesel when burned.

Also, we have recently completed a retrofit to the fuel station dock with the support of Mowi Canada West; we plan over the next year to complete additional work to ensure that the dock is fully operational.

