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QIKIQTAAALUK CORPORATION

& Group of Companies

ANNUAL REPORT

—

2018/19



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CHAIRMAN'S MESSAGE

Welcome to the 2018/19 Qikiqtaaluk Corporation Annual Report. 2018 marked QC's 35th year of operation which saw many significant and exciting opportunities. These opportunities depict a strong and impactful future for QC.



Olayuk Akesuk

Chairman

The Board of Directors continued its focus on standard business matters. A primary focus always being to ensure that every decision is in the best interest of Qikiqtani Inuit. With reinvestment in Nunavut and Qikiqtani Inuit as a guide, strategic decisions and advice were provided to promote the growth of the Company.

The Board approved acquiring full ownership of the previously majority owned joint venture company, Qikiqtaaluk Fisheries Corporation (QFC). To celebrate full ownership the Board revamped the QFC logo to reflect a true Nunavut Inuit-owned business and product.

Board members were also happy to see the construction of the Aqsarniit Hotel and Conference Centre break ground this past year – a project many of the Board members have provided support and guidance on since the inception of its vision.

On behalf of the Board, I would like to thank our exiting Board member Miali-Elise Coley. Miali-Elise has served on the Board

since 2015/16. I would like to thank her for her hard work and dedication to the Board and her invaluable contributions to the company.

We welcome Blandina Tulugarjuk to the Board, who was appointed Director. Although this is the start of a new term for Blandina, she is not new to the Board. She served as Secretary Treasurer from 2014-2017 and as a Director from 2005-2008. On behalf of the Board, I would like to welcome Blandina back and I look forward to serving on the Board with her again.

I would like to sincerely thank the entire Board of Directors, many whom have long served in various roles on the Board, for their hard work and dedication over this past year. Many Board members also serve on QC's wholly-owned subsidiary company Boards and their dedication has not gone unnoticed. We greatly appreciate your patience, continuous support and guidance in directing QC and the wholly-owned subsidiaries.

Looking forward, our 2019/20 theme of focus will be *Health and Safety*. A focused effort will be put on health and safety across all the Qikiqtaaluk Corporation Group of Companies. Health and safety of our company and our employees is paramount to growing a strong, safe, and prosperous QC.

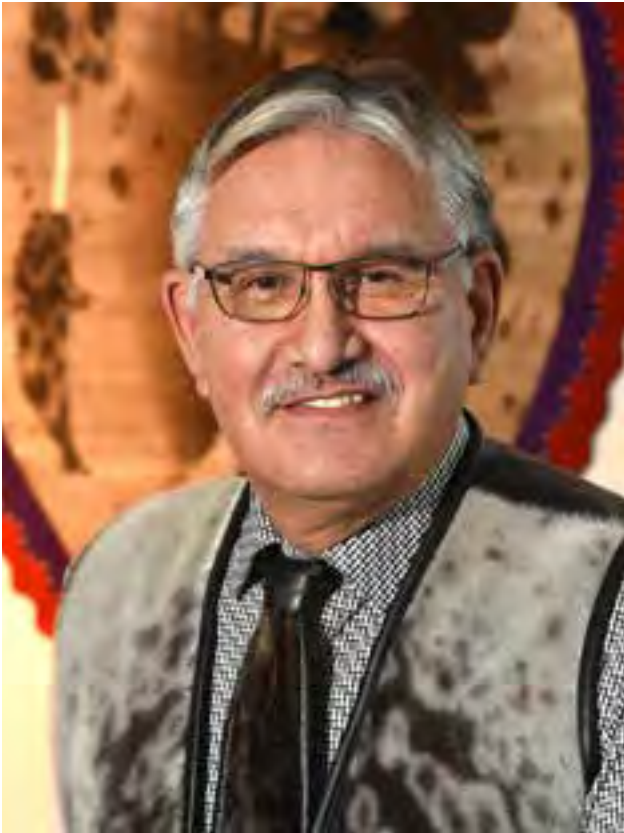
Olayuk Akesuk

Qikiqtaaluk Corporation
Chairman



PRESIDENT'S MESSAGE

Qikiqtaaluk Corporation celebrated its 35th year of operation in 2018/19. Over these 35 years, QC has grown from a one-industry, one-man operation to a multi-disciplinary company with over 500 employees. It has been a privilege be a part of QC for 22 of the 35 years and I am honoured to have served Qikiqtani Inuit as the president of their Regional Development Corporation for the past ten years.



Harry Flaherty
President

This past year saw some significant achievements for QC. We broke ground on the Aqsarniit Hotel and Conference Centre, we continue to pursue clean energy projects across the region through our new subsidiary company, Nunavut Nukkiqsautiit Corporation and QC acquired 100 percent ownership of the Qikiqtaaluk Fisheries Corporation.

The QC-owned Aqsarniit Hotel and Conference Centre broke ground in May 2018. Plans for the hotel have been in the works for several years and we were all very excited to see this hard work realized when the crew mobilized to site. I was privileged to press the detonator button for the very first blast of the foundation.

Qikiqtani Industry Ltd. has played a major role in the civil and construction works for Aqsarniit Hotel. Like all QC projects, we have promoted Inuit employment throughout



the construction process and will continue to do so through the operations of the hotel. We look forward to providing over 100 job opportunities to Inuit when the hotel is fully operational.



Last year I had the pleasure of officially announcing the creation of the Nunavut Nukkiqsautiit Corporation. QC created this wholly-owned subsidiary company to pursue clean energy projects in the Qikiqtani region. In its first year of operation, the company continued to advance several clean energy projects and is projected to have significant growth over the upcoming years. Through this company, QC will greatly contribute to building a clean and strong future for the Territory.

During the Nunavut Tradeshow in Iqaluit, I announced that QC purchased the minority partner's 49 percent share of Qikiqtaaluk Fisheries Corporation and its fishing vessel the Saputi. This was a significant announcement as QC now has full ownership which enables autonomy and independent decision-making to focus on hiring and training Inuit to operate and manage the vessel. It also means that the revenue will stay in Nunavut and benefit our region and Inuit. Having full ownership will also allow us to market products from Nunavut which will contribute not only to Qikiqtaaluk Fisheries Corporation but will help to promote the entire Nunavut offshore fishing industry.

As President of a growing company I have the opportunity to participate in many strategic and important partnerships and opportunities for Nunavut Inuit. This year, Qikiqtaaluk Corporation participated in the development of a new

national Inuit association that was officially launched in November 2018. Nunavut's three development corporations along with Makivik Corporation and the Nunatsiavut Group of Companies came together to form the Inuit Development Corporation Association. This Association was formed to promote Inuit companies benefiting from the rapid development happening across the North. Joining forces will promote a united voice representing Inuit development corporation interests across Inuit Nunangat that will shape national policy and advocate for Inuit business opportunities.

Throughout 2018/19 QC Group of Companies continued to work hard to fulfill the company's mandate of creating meaningful economic, employment and career opportunities for Inuit. All wholly-owned companies had steady output and adapted to the changing market demands and opportunities. I am proud of what the company has achieved and look forward to the next 35 years of growth and opportunities.

Harry Flaherty

Qikiqtaaluk Corporation
President



ABOUT QIKIQTAAALUK CORPORATION

COMPANY PROFILE

Qikiqtaaluk Corporation (QC) is a 100 percent Inuit-owned birthright development corporation. QC was established in 1983 by its sole shareholder Qikiqtani Inuit Association (QIA). QC is the for-profit development arm of QIA. QC’s goal to improve the social and economic well-being of Nunavut and the 15,500 Qikiqtani Inuit we represent by investing in and creating strategic business opportunities. To advance this goal, QC strives to be a major contributor to all sectors of the Nunavut economy.

MISSION:

To create meaningful economic, employment and career development opportunities for Inuit.

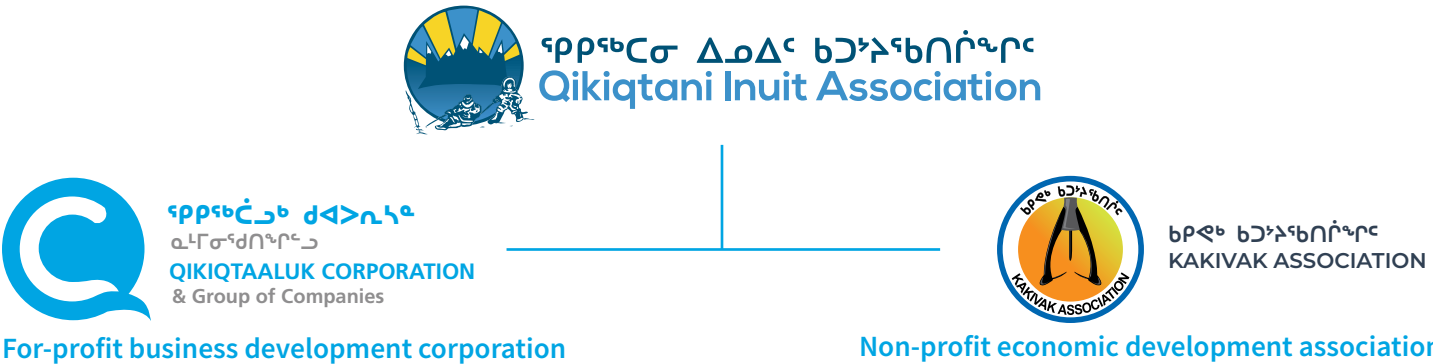
VISION:

Fostering economic development opportunities for Inuit.

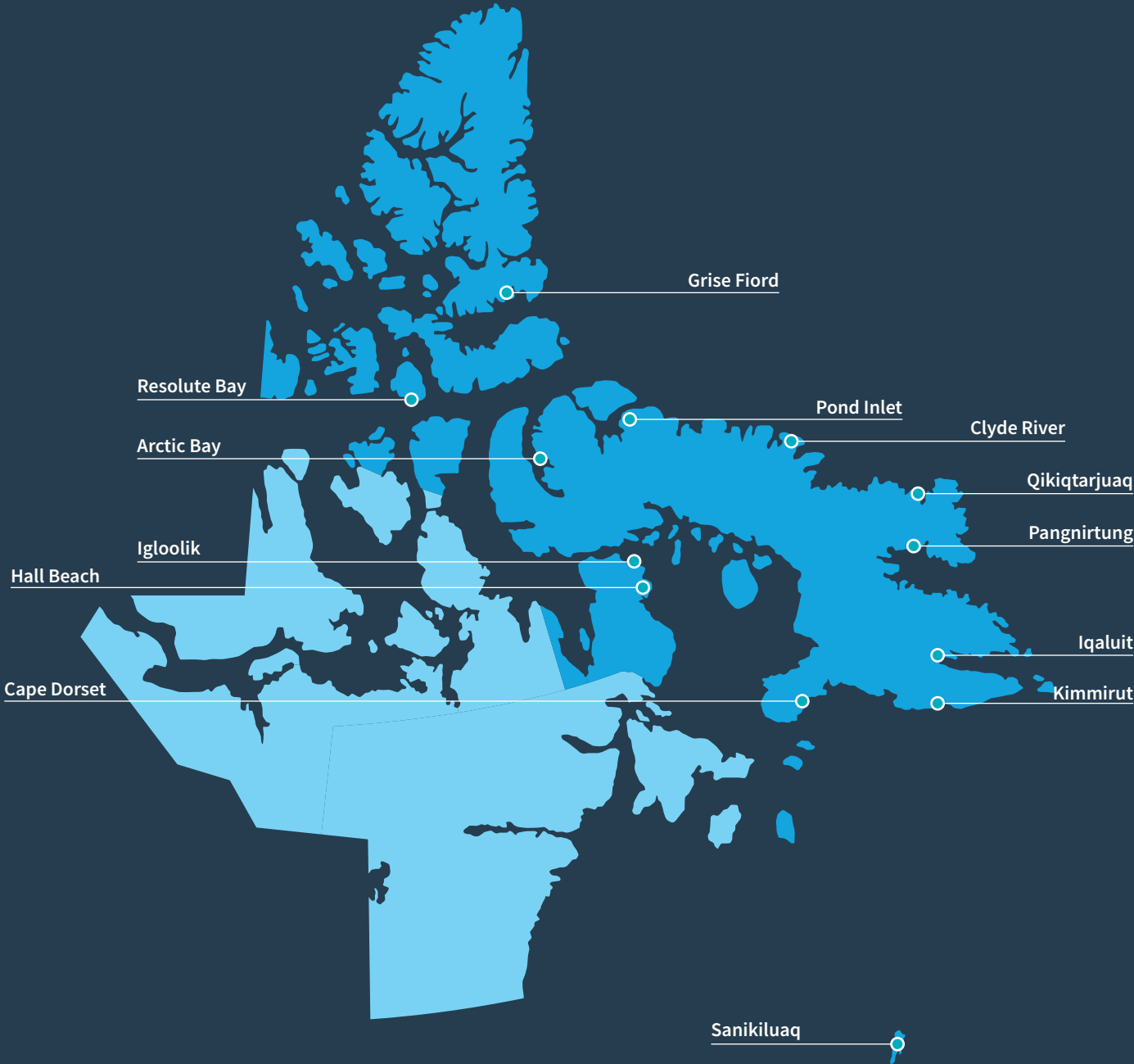
Since our creation, QC has matured into a multi-disciplinary company with 32 subsidiaries, joint ventures and affiliations. QC has eleven subsidiaries which are 100 percent owned by QC, four majority owned joint ventures, nine joint venture partnerships and eight affiliated companies. Through these companies, QC has strategically established business in the fisheries and marine service, property management and real estate, construction, fuel storage and distribution, transportation and communications, environmental service, retail and trade service, and the clean energy sector.

While fostering economic development opportunities for Inuit in the Qikiqtani region and throughout Nunavut, QC balances tradition with innovation. Through this approach QC seeks to improve both the social and economic well-being of Nunavut.

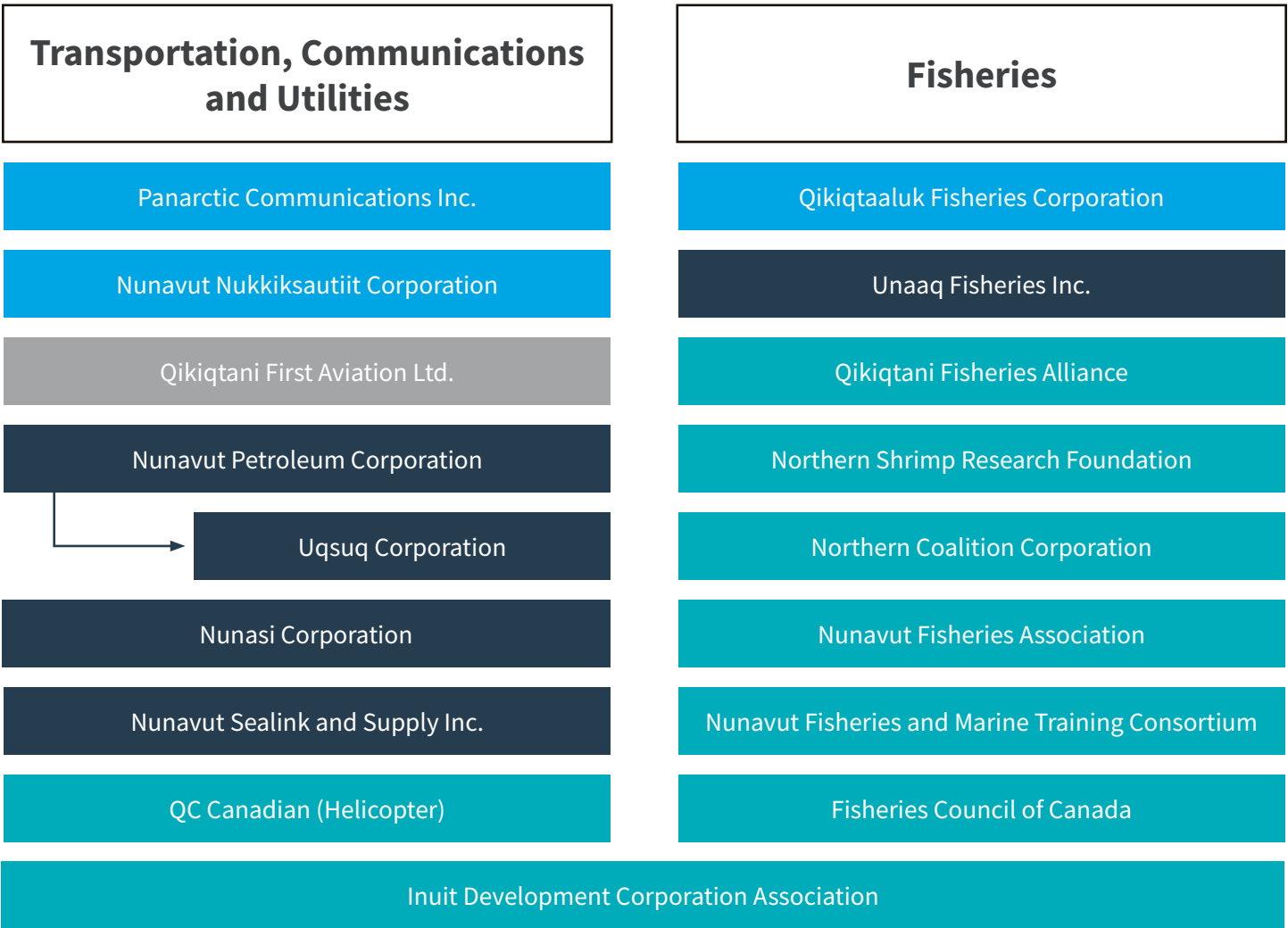
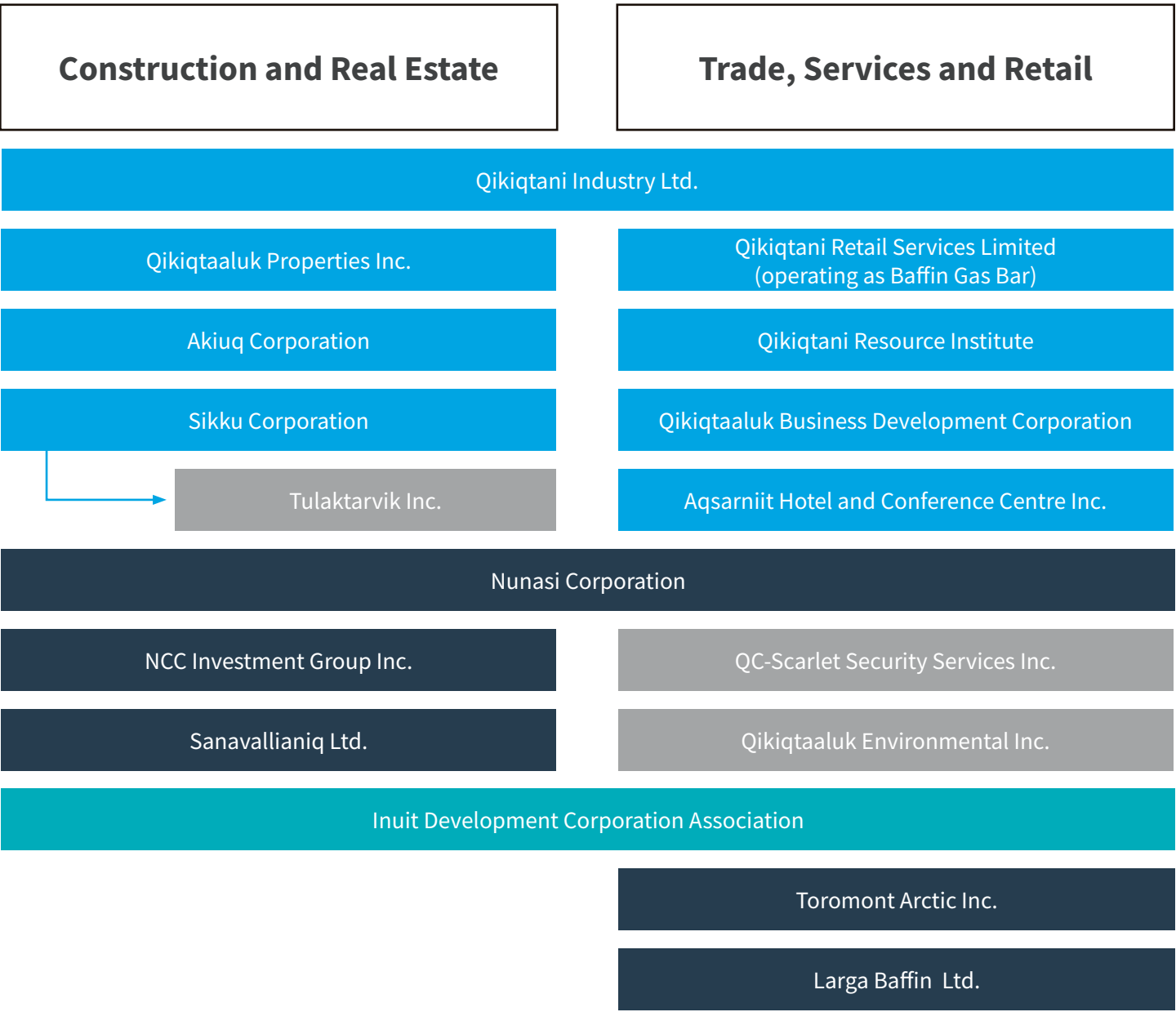
Our mission is derived from the company’s aspiration to invest in and create sound financial business opportunities that build on the spirit and culture of Nunavut and the Nunavut Agreement.



QIKIQTANI REGION



COMPANY CHART



- Subsidiaries 100% owned
- Joint Ventures Majority owned
- Joint Ventures <51% owned
- Affiliated

BOARD OF DIRECTORS

The QC Board of Directors establish policies, set corporate direction, and monitor investments and performance of the company's subsidiaries and joint venture companies. Board members are registered under the Nunavut Agreement and appointed by QIA for a three-year term. They are selected based on their experience in business and governance.

CHAIR



Olayuk Akesuk
Cape Dorset

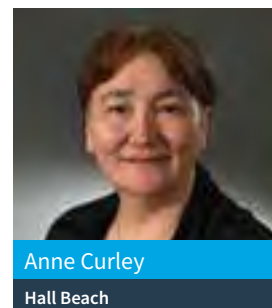
DIRECTORS



Ludy Pudluk
Pond Inlet



Blandina Tulugarjuk
Iqaluit



Anne Curley
Hall Beach



Mathew Alainga
Iqaluit

OFFICERS



Harry Flaherty
President



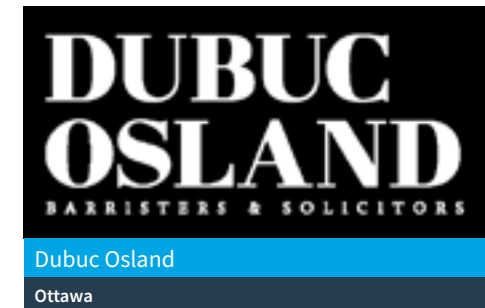
Peter Keenainak
Vice President



Mathew Alainga
Secretary Treasurer

The Board is supported by two appointed professionals:

LEGAL



Dubuc Osland
Ottawa

AUDITOR



KPMG
Ottawa

Board members oversee the 11 wholly-owned subsidiaries and through individual appointment serve on other joint venture and partner Boards.



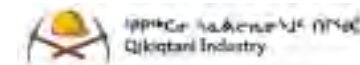
Qikiqtaaluk Fisheries Corporation (QFC)



Qikiqtani Retail Services Limited (QRS)



Qikiqtaaluk Properties Inc. (QPI)



Qikiqtani Industry Ltd. (QIL)

Qikiqtani Resource Institute (QRI)

Qikiqtani Resource Institute (QRI)

Panarctic Communications Inc.

Panarctic Communications Inc.

Akiuq Corporation

Akiuq Corporation

Sikku Corporation

Sikku Corporation



Aqsarniit Hotel and Conference Centre Inc.



Qikiqtaaluk Business Development Corporation (QBDC)



Nunavut Nukiksautiit Corporation (NNC)



2018/19 HIGHLIGHTS

AQSARNIIT HOTEL AND CONFERENCE CENTRE

May was an exciting month for QC as construction of the Aqsarniit Hotel and Conference Centre broke ground. Blasting of the foundation started in early May and the first pile was driven in June 2018. The construction crew made excellent progress, and by the end of the fiscal year the entire first floor was erected.

The hotel is designed with energy efficiency in mind. The envelope is highly energy efficient and the structure has been designed to accommodate future incorporation of renewable energy such as solar panels.

QC is using a non-conventional modular construction technique for the hotel tower. Stack Modular, a Bird Construction partnership, is custom-building the modular guest rooms and suites offsite. Fabrication of the modules commenced in 2018. The modules are anticipated to arrive in Iqaluit in July 2019 and will be fully fitted with fixtures, furniture and finishings.



“I think the Aqsarniit hotel will be a great opportunity for the City of Iqaluit and Nunavut.”

Qikiqtaaluk Corporation President & CEO, Harry Flaherty

When in operation, the hotel will employ over 100 staff. QC will be offering training to Inuit across the region in the hospitality industry to fill many of these positions.

The hotel is on schedule to open its doors in April 2020.



Aqsarniit Hotel and Conference Centre will be Nunavut's premier hotel featuring more than 90 guest rooms, including 12 suites, a 6,300 square foot conference center, an 80-seat restaurant and 186-seat lounge, and other amenities such as a fitness center.

ACQUISITION OF QIKIQTAAALUK FISHERIES CORPORATION

In September 2018, QC announced its newly acquired 100 percent ownership of Qikiqtaaluk Fisheries Corporation (QFC). After purchasing shares from its minority partner, QC became the sole owner of QFC and its harvesting vessel the Saputi. QFC owns and operates the Saputi to fish QC's allocated shrimp and turbot quota.

Acquiring full ownership of QFC will bring many opportunities for QC. It will mean more training and employment opportunities for Inuit, more money staying within the Territory and an increase of returns which allows QC to diversify their operations therefore furthering benefits and opportunities to Qikiqtanmmuit.



SAPUTI FACTS:

- QC is the sole owner
- Built in 1987 in Norway
- Length of 76 metres
- Width of 13 metres
- Freezing capacity of 50 tonnes of shrimp or 35 tonnes of turbot per day
- Gross capacity of 2634 tonnes



The Saputi is a factory freezer vessel which harvests both shrimp and turbot in Nunavut's offshore adjacent fisheries. The Saputi crew varies from 26-29 members per trip, many of which are Inuit.



CLEAN ENERGY

The announcement of QC's new clean energy developer subsidiary company was highlighted in last year's Annual Report. Nunavut Nukkiksautiit Corporation (NNC) was created to pursue clean energy projects in the Qikiqtani region. This past fiscal year was the company's first full year of operation. The company focused on advancing several clean energy projects and is projected to have significant growth over the upcoming years.

MISSION:

To pursue a diverse portfolio of clean energy projects in the Qikiqtani region that will improve community capacity and self-reliance by creating opportunities that enhance local Inuit business and individual career development prospects while alleviating fossil fuel dependency.



The energy transition in Nunavut has been hindered by uneven approaches of governments and the utility sector. Over the past year, NNC has been actively involved in advocating for harmonizing these agencies to promote an independent power production program that prioritizes Inuit, is guided by the intent of the Nunavut Agreement and is transparent and equitable.

NNC envisions a Regional-Community partnership model to advance clean energy projects in the communities. With limited resources and aging infrastructure, Nunavut communities often do not have the administrative, technical, or financial resources to independently lead large-scale renewable energy projects. A partnership with QC will ease the financial and capacity burdens of project implementation while still maintaining community ownership and leadership.

Regional-Community Partnership Model



NATIONAL AND INTERNATIONAL RECOGNITION

Top Indigenous Business of the Year – Arctic Indigenous Investment Conference

Qikiqtaaluk Corporation was awarded Top Indigenous Business of the Year at the 2019 Arctic Indigenous Investment Conference. QC president and CEO, Harry Flaherty, accepted this impressive award on behalf of QC during the conference which took place February 12-14 in Whitehorse, Yukon.



Each year, the Arctic Indigenous Investment Conference recognizes the success, drive and passion of Indigenous business leaders and entrepreneurs. The Top Indigenous Business of the Year award honours businesses with more than 49 percent Indigenous ownership that have demonstrated excellence in several key business areas such as:

- Growth and profitability
- Innovative technology
- Commitment and dedication to preservation of its cultural values and identity
- Unique and innovative marketing strategies
- Strong commitment to environmental stewardship
- Dedication to providing outstanding services/products



QC was very honoured to be nominated and voted the recipient of this award.


2019 CEO Today Global Award – Harry Flaherty

Each year, the CEO Today magazine identifies and honours outstanding CEOs from around the globe. The CEO Today team selects the very best of the best among the world's CEOs to reward and celebrate their leadership, successes, innovation and strategic vision.

QC president and CEO, Harry Flaherty, was selected as one of six CEOs in Canada to receive this prestigious award. Harry Flaherty, his achievements, and the work he has done to grow and expand Qikiqtaaluk Corporation was featured in a four-page spread in the magazine.

Award candidates are selected based on their achievements. Achievements can be growth in revenues and/or profits, successful turnaround, doing well in difficult economic or industry times, corporate social responsibility, innovation, expansion into new markets, leading market share, new products/services, new business model, and strategy.





EMPLOYMENT AND GROWTH

INUIT EMPLOYMENT

Qikiqtaaluk Corporation and Group of Companies prioritize Inuit hiring and are committed to capacity building through training and promotion within the company structure. All QC companies focus on developing Inuit leadership, expertise, and experience. Training programs are incorporated in major projects to increase Inuit involvement and promote Inuit employment in the project.



QC has 353 Inuit employees of 538 total employees. QPI continues to employ 100 percent Inuit staff and QRS and QIL both have a greater than 90 percent Inuit employment rate. With the addition of QFC to the wholly-owned subsidiaries, our overall percent Inuit employment has decreased. QC sees this as an opportunity: as we expand our company, we can offer a greater variety of employment opportunities for Inuit. We remain committed to promoting Inuit employment and training across all our companies and anticipate QFC Inuit employment rate will increase and be reflective of QC’s continued commitment to Inuit employment.

Company	2017			2018		
	Total	Inuit	% Inuit Employment	Total	Inuit	% Inuit Employment
QC	32	22	69%	30	19	63%
QPI	22	22	100%	14	14	100%
QRS	47	44	94%	42	38	90%
QIL	26	26	100%	30	29	97%
QIL-Baffinland	275	216	79%	334	224	67%
QBDC	4	1	25%	4	1	25%
QFC				84	28	33%
Total	406	331	82%	538	353	66%

EMPLOYEE CAPACITY BUILDING AND ADVANCEMENT

An integral component to capacity building is ongoing training and professional development. QC recognizes and prioritizes training and development opportunities for our employees. This year we offered various training and apprenticeship opportunities for our employees.

Employee Training:

Training	Number of employees	Status	QC Company
Client Service Excellence	2	Ongoing – nearing completion	QC
Property Management Certification	1	Ongoing	QPI
Project Management Training	3	Ongoing	QIL
First Aid	20	Complete	Various
Supervisor Safety Training	10	Complete	Various

Creating opportunities for advancement within the company structure has always been and will continue to be a priority for all QC companies. Several employees, some of whom received training to do so, were promoted internally within the company in 2018/19.

Internal Promotions:

- QIL Expeditor to Heavy Equipment Operator (training provided)
- QRS Administrative Assistant to Manager
- QBDC Project Coordinator to QIL Project Manager

EMPLOYEE GROWTH

QC Companies continue to see consistent growth. Thirty-five years ago, QC had a single employee. In 2005, the company grew to a 150+ employee operation and since then we have grown to over 530 employees.

To support QC and Group of Companies' growth and in response to acquiring 100 percent ownership of QFC, new positions were established. QFC created six new positions; three full-time and one part-time located in QFC's satellite office in Newfoundland and two full-time positions in QFC's headquarters office in Iqaluit.

QC and QPI also created new positions to better serve clients and accommodate company growth and expansion.



QFC new positions:

- General Manager – NFLD office
- Operations Manager – NFLD office
- Administrative Officer – NFLD office
- Administrative Assistant – NFLD office, part-time
- Crewing Officer – Iqaluit headquarters office
- Accountant – Iqaluit headquarters office

Other QC and Group of Companies new positions:

- Senior Business Analyst - QC
- Senior Finance Officer - QC
- Housing Maintainer Apprentice – QPI
- Carpentry Apprentice – QPI
- Help Desk Technician – QC, term position



QC's 2018 Halloween 'Dress Your Best' day. Brenda Kilabuk, QC employee for over 18 years.

QC successfully filled several positions that become available or had been vacant for several years.

- Heavy Equipment Operator – QIL
- Expeditor – QIL
- Full-time Administrative Assistant – QIL
- Project Manager – QIL Baffinland Iron Mines Corporation office
- Fisheries Division Coordinator – QC
- Director Retail Operations – QRS





REINVESTMENT IN NUNAVUT

2018 DIVIDEND TO QIA

QC was proud to present to our shareholder, Qikiqtani Inuit Association (QIA), their largest dividend cheque to date since the dividend policy was enacted. At the October QIA Board meeting, QC presented QIA with a cheque for \$4,586,392. This dividend cheque is representative of QC’s economic achievements and successes over the past fiscal year.

QC and the QIA Board of Directors created and approved the Dividends Policy. Since its creation, QC has contributed over \$7.2 million in dividends to QIA.

QC is committed to reinvestment in Nunavut. The annual dividends to QIA is just one way in which we contribute to Inuit economic and career development, and social and cultural programs and activities for Inuit within the region.

“I am pleased to see that Qikiqtaaluk Corporation is achieving economic success which provides QIA dividends that help fund programs for Qikiqtani Inuit.”

P.J. Akeeagok, QIA President



CONTRIBUTIONS AND SPONSORSHIPS

Qikiqtaaluk Corporation continues to support our communities, youth and leaders through contributions and sponsorship to events, community groups, programs and individuals. This fiscal year, QC provided over \$293,000 in contributions and sponsorships. Each year, QC seeks opportunities to provide contributions to various events, groups and programs to promote our region and Territory and to support our communities, youth and leaders.

Type of Contribution	Amount
Community Events and Programs	\$75,000
Individual Donations	\$16,800
Sport Teams and Activities	\$41,630
Students on Ice	\$10,833



COMMUNITY EVENT SPONSORSHIP

This past year QC contributed approximately \$75,000 for community events.

Toonik Tyme Festivities
Nunavut Kamatsiaqtut Help Line
Habitat for Humanity Nunavut Day
Nunavut Quest Dog Sled Race
City of Iqaluit Elders Gathering
Ilarniinut Kativvik Culture Programs



© Clare Kines

The Nunavut Quest

The Nunavut Quest is a weeklong traditional dog sled race where competitors traverse an unforgiving sea of ice and tundra. In 2019, 12 dog sled teams raced from Pond Inlet to Arctic Bay, more than 300 km away. QC is proud to contribute to this annual race that highlights a traditional method of travelling for Inuit.

Nunavut Kamatsiaqtut Help Line

Nunavut Kamatsiaqtut Help Line provides anonymous and confidential telephone counselling to Nunavummiut in crisis. Kamatsiaqtut was founded in 1989 responding to an increase in suicides. In 1990, donations supported the installation of a 800-toll free extension making the service free to anyone in need of 'a listening and non-judgmental ear'. People in crises and needing to talk are supported through this service. QC is appreciated of this service which helps to provide counselling services for Qikqitani Inuit. QC contributed to this volunteer-based service which operates three hundred and sixty-five days a year.

Toonik Tyme

Toonik Tyme is an exciting multiday event which started in 1965. QC was proud to be a Gold Level sponsor for this year's festivities. Events such as ptarmigan hunting and seal skinning contests, dog sled and snowmobile races, elder's craft fairs and a traditional Inuit clothing fashion show draw big crowds and promote our culture and heritage.

PROGRAM SPONSORSHIPS

Students on Ice

Students on Ice is a youth leadership and education program for Canadian and International students. Through this program students partake in an educational journey throughout the Arctic that exposes youth to the present and future opportunities and challenges facing the circumpolar world. QC is proud to support this amazing program that encourages and teaches youth to become polar ambassadors. This year QC provided \$10,833 to sponsor Meagan Kaslak, originally from Grise Fiord, to participate in the 2018 Students on Ice program.



“Funding me helped me learn about Inuit culture and how climate change is impacting the Arctic. I feel more connected to my culture and that's thanks to you!”

- Meagan Kaslak

“With the support and generosity of Qikiqtaaluk Corporation, these experiences were truly made possible. Thank you for making such a meaningful, generous and positive impact in the lives of youth and for contributing to the SOI program”

- Geoff Green, Students on Ice Founder and President

COMMUNITY INVESTMENT PROGRAM

Each year, QC contributes funding in support of initiatives focused on community, youth, leadership and culture. The Community Investment Program is application based and contributions and sponsorships are awarded to individuals, community-based programs, and organizations which promote cultural development, community health and youth development.

"I have returned from my trip to London and would like to thank you [QC] for the amazing opportunity you helped make possible through your donation. At International night I made a small presentation about Inuit culture and taught others some words in Inuktitut. This was a trip I won't forget!"

- Allana Nakasook-Zettler

Individual Donations \$16,800

Donations are provided to individual youth to support attending activities such as sports camps, educational and leadership conferences, pageants, and leadership programs. This year donations also supported individuals in attending the Indigenous Music Awards.

Sports Teams and Activities - \$41,630

QC is proud to support programs promoting healthy and active lifestyles, leadership and team building. Each year we provide funding to sports teams in our region to offer support for things such as registration fees, tournament fees, equipment purchases, travel and other related items. This year money went specifically to purchasing seal skin ties for Team Nunavut attending the Canada Winter Games, sending the boys volleyball team to the Nunavut volleyball territorial playoffs and supporting hockey tournaments and soccer teams in the region.

"Thank you for your sponsorship of Movie Days of Christmas 2018. Because of the generous sponsorship provided by Qikiqtaaluk Corporation and other businesses and organizations, those who attended were treated to free movies, snacks and great prizes. We saw a lot of happy faces on children and grown-ups alike."

- Astro Theatre Management and Staff

"The Zero Expectations soccer team would like to thank Qikiqtaaluk Corporation for sponsoring our soccer team! The soccer tournament was in Rankin Inlet and some Zero Expectation players were evaluated during the tournament on their soccer skills over the tournament. With that they have selected one of our players to be on the Nunavut all-star team heading to Saskatchewan and Yukon later this year."

- Zero Expectations Soccer Team



QC was proud to sponsor Bradley Nowdlak-Fraser. Bradley wanted to further his hockey training and was accepted to attend the Ontario Hockey Academy (OHA) in Cornwall, Ontario. The OHA is an elite academic and hockey prep school. Bradley excelled in both his hockey training and his schooling, receiving high grades and accolades. QC congratulates Bradley on his hard work and determination both academically and athletically.

EVENT SPONSORSHIP

2018 Qikiqtani 5th Annual Charity Gala

QC was proud to be one of the hosts of the 2018 Qikiqtani Annual Charity Gala.

The goal of the Charity Gala is to raise funds to support initiatives in the Qikiqtani region. This year the Gala raised over \$60,600. A highlight of the Charity Gala is always the silent and live auctions. 100 percent of the proceeds from these auctions go to food banks in the Qikiqtani region and the Arctic Children and Youth Foundation.

We look forward to next year's Charity Gala!



2018 27th Annual Nunavut Tradeshow

QC was a gold level sponsor of the 27th Annual Nunavut Trade Show and Conference. This is Canada's largest annual business-to-business event, and it brings together all levels of government, Inuit Corporations, Nunavut and southern businesses, investors and entrepreneurs. It provides participants the opportunity to network, learn from each other and develop strategic partnerships.

This year's conference theme was "Stronger Together". Harry Flaherty was invited to deliver a keynote luncheon address. Mr. Flaherty took the opportunity to speak about advancing economic infrastructure through partnerships with Inuit development corporations, collaboration and strategic investments. He also spoke about QC's current initiatives and the opportunities these projects will bring for Nunavummiut and Nunavut.



"Inuit Development Corporations are positioned to be leaders as we advance strong, sustainable and diversified Arctic economies."

- Harry Flaherty



WHOLLY-OWNED SUBSIDIARIES' ACTIVITY REPORTS

FISHERIES DIVISION ACTIVITY REPORT

The Fisheries Division of QC oversees all fishery and marine related activity interests of the Corporation. It represents QC on various fishery related Boards, Agencies and Associations and negotiates and advocates for fair and equitable allocations of fishing quota.

The Fisheries Division provides support to QC's wholly-owned Qikiqtaaluk Fisheries Corporation (QFC) and joint-venture Unaq Fisheries Inc (UFI). The Division is responsible for managing and distributing QC's and 50 percent of UFI's fishing quota and allocations received through the Nunavut Wildlife Management Board's Access and Allocations process.

QC's focus is to maximize its harvest of turbot and shrimp on its 100 percent Inuit owned and operated multi-species factory freezer vessel the Saputi. Any quota the Saputi cannot harvest is transacted to other vessel operators. The Fisheries Divisions negotiates these transactions to ensures the benefits from the quotas are maximized for Nunavummiut.

Quotas for harvesting by QC's companies come from:

- quota received through the NWMB access and allocation process;
- its offshore shrimp license (1.5 of 17) issued by Department of Fisheries and Oceans: one is held in full by QC and one is equally shared with Makivik Corporation through UFI; and
- quota purchased from other Nunavut turbot and/or shrimp holders, and southern companies.



2018/19 Highlights

Involvement in NWMB's 2019 Access and Allocation Policy

Periodically, the Nunavut Wildlife Management Board (NWMB) revises its policy for access and allocations to Nunavut's adjacent fishing stock. In early 2019, NWMB released its revised Access and Allocation Policy. QC Fisheries Division was an active participant in the detailed revision process that occurred over a 2-year period, attending all stakeholder meetings, presenting directly to the Board and providing written input on the Policy and proposed changes.

QC strongly advocated for a more equitable share of Nunavut's adjacent turbot and shrimp allocations. Previously, QC only had 10.7 percent of turbot and 33.6 percent of shrimp allocations; the lowest share of any of the four Nunavut fisheries. QC lobbied that investment in the industry, percent Inuit employment, and commitment to reinvestment in Nunavut and the fisheries, should all be considered in the access and allocation decision making process.

QC is content with the updated policy and feels the overall objective of a fair, open and transparent process to determine access and allocations for Nunavut-based commercial fishers in adjacent Nunavut waters will be achieved. Completion of this revised policy will have significant positive consequences for QC and its future fishery operations.



Summary of Policy Revisions

Scoring Criteria: A detailed scoring criteria that is more quantitative and less qualitative is now included.

Reporting Requirements: Less onerous reporting requirements moving forward.

Multi-year Allocations: Multi-year allocations for a period of five years to support longer term planning.

Historical Attachment and Impact of Performance on Allocations: Allocations may be reduced if an enterprise fails to meet multiple performance targets.

Quota Increases or Decreases: Addresses increases and decreases that may be available to Nunavut through DFO.

Changes to the Fisheries Advisory Committee (FAC):

The Committee will now include two representatives from each of the NWMB, NTI and GN. In addition, at least one member from each of these organizations will be required to have industry expertise and timelines have been placed on the replacement of existing FAC members.

Consideration of New Entrants: Under the revised policy new entrants will only be considered when a full call for applications has been made and only if an increase in quota has occurred since the last call for applications.

Quota Negotiations

This past fiscal year, the Fisheries Division worked hard to advocate to the Nunavut allocation holders that the turbot quotas were not distributed equitably and in particular, that QC, at only 10.7 percent, was not receiving a fair share of the overall turbot quota. QC negotiated with the other Nunavut allocation holders to correct this. QC entered into an agreement with these holders which states QC would be provided access to harvest 70 percent of the most recent 1933 ton increase in 0A/0B turbot allocations over the next two years. QC will now harvest a minimum 19 percent of the overall Nunavut turbot allocations in 2019 and 2020. This increase in allocations will allow the Saputi to better maximize its turbot harvesting capacity.

QC thanks the other Nunavut turbot allocation holders for working together to resolve some of the imbalance in the 0A/0B turbot allocations received by QC. The agreement is for two years and will be re-evaluated in the next full call for applications taking place in 2020 for implementation in the 2021 fishery.

Inshore Fishery Research and Development

This past year, the Fisheries Division continued its commitment to research and develop the inshore fishery in the Qikiqtani region.

Research Vessel: In 2018/19 funding was secured through various Federal and Territorial agencies and departments, leveraged with funding from QC, to design and construct a \$2.5 million multi-purpose research vessel. This vessel will work with the communities to do baseline research and surveys for the inshore sector.

The contract was awarded in late 2018/19 for the construction of the vessel which will commence in June 2019, with anticipated completion in late fall 2019. The vessel will be ready to start research in the Qikiqtani inshore region as soon as the ice conditions allow 2020.



Industrial Research Chair in Nunavut inshore fisheries: QC Fisheries has been working with the Marine Institute of Memorial University in St John's Newfoundland to establish a Nunavut inshore fishery research program. QC will work with the Qikiqtani communities to prioritize the inshore community projects.

Community Support

QC Fisheries Division is committed to working with Qikiqtani communities and supporting community and regional projects both through financial contributions and in-kind expertise.

- Fisheries Division provided expert advice to QBDC for building a business case for a deep-water port in Qikiqtarjuaq. QBDC, in partnership with the Hamlet of Qikiqtarjuaq, is advocating for and pursuing funding opportunities to advance this important project.
- Fisheries Division financially supported advancement of the business case as well as a number of other QBDC initiatives.
- Fisheries Division is working with QBDC to update the feasibility study on self-contained portable processing plant(s) for deployment in communities.
- Fisheries Division pursued research with the communities for winter and summer fisheries.

Looking Forward

In 2019/20 QC will initiate another round of community tours across the Qikiqtani region to review and update the needs and priorities of the communities.

In 2019/20 QC will host a Qikiqtani region community Inshore Fishery Forum. This forum will bring in two representatives from each of the communities in the Qikiqtani region: one from the Hamlet and one from the Hunters and Trappers Association. The focus will be on the needs of the communities. Guest speakers from other Indigenous jurisdictions will participate in the event to provide insight in what they have done in their community and fishery economic development.

QC looks forward to an increased focus on the development of the inshore fishery development in the Qikiqtani communities, with special emphasis on the four Hunters and Trappers Associations from the communities of Cape Dorset, Hall Beach, Igloolik and Sanikiluaq through the Qikiqtani Fisheries Alliance.





QIKIQTAAALUK FISHERIES CORPORATION ACTIVITY REPORT

Qikiqtaaluk Fisheries Corporation (QFC) is a wholly-owned subsidiary of QC. The company is a major participant in the Canadian shellfish and groundfish industries. QFC harvests shrimp and turbot quotas from QC, Unaaq Fisheries Inc., and from other Nunavut and southern quota holders.

MISSION:

To harvest QC fishing allocations through its wholly-owned vessel, a multi-species factory freezer vessel.

This past year saw significant changes for the company. QC is now the sole shareholder of QFC which meant changes to the administration and headquarters for the company. This is an exciting milestone for QFC. QFC has started rebranding and preparing marketing that showcases Nunavut. With 100 percent Inuit Ownership QFC can now place more focus on their commitment to maximizing Inuit employment.

QFC owns and operates a 76-meter multi species factory freezer vessel, the Saputi. Each trip has 26 to 29 crew members aboard the vessel depending on the length of trip and what species they are harvesting. The crew consists of a captain, mates, engineers, cooks, trawl and deck hands, factory supervisors and workers, a fishery observer and Japanese technician.



2018/19 Highlights

Company Employee Expansion

QFC has employees in Iqaluit (headquarters) and Newfoundland (satellite office). With the company now being fully owned by QC, new positions were created to facilitate the transition and continue the successful operations of the Saputi and marketing its production.

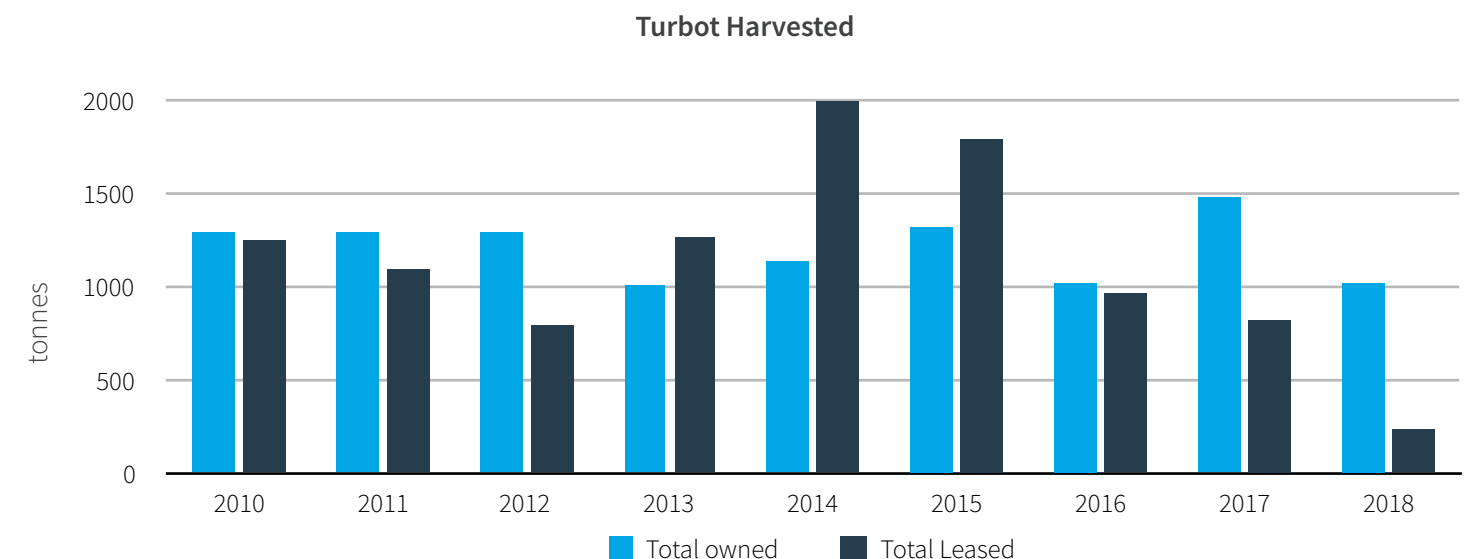
- **Crewing Officer – Lina Hutchings (Iqaluit)**
- **General Manager – Keith Coady**
- **Operations Manager – Grant Dalton**
- **Administrative Officer – Cindy King**
- **Administrative Assistant – Dianne Dunn**
- **Accountant – to be staffed June 2019 (Iqaluit)**

2018/19 Harvests

Turbot harvests 2018/19:

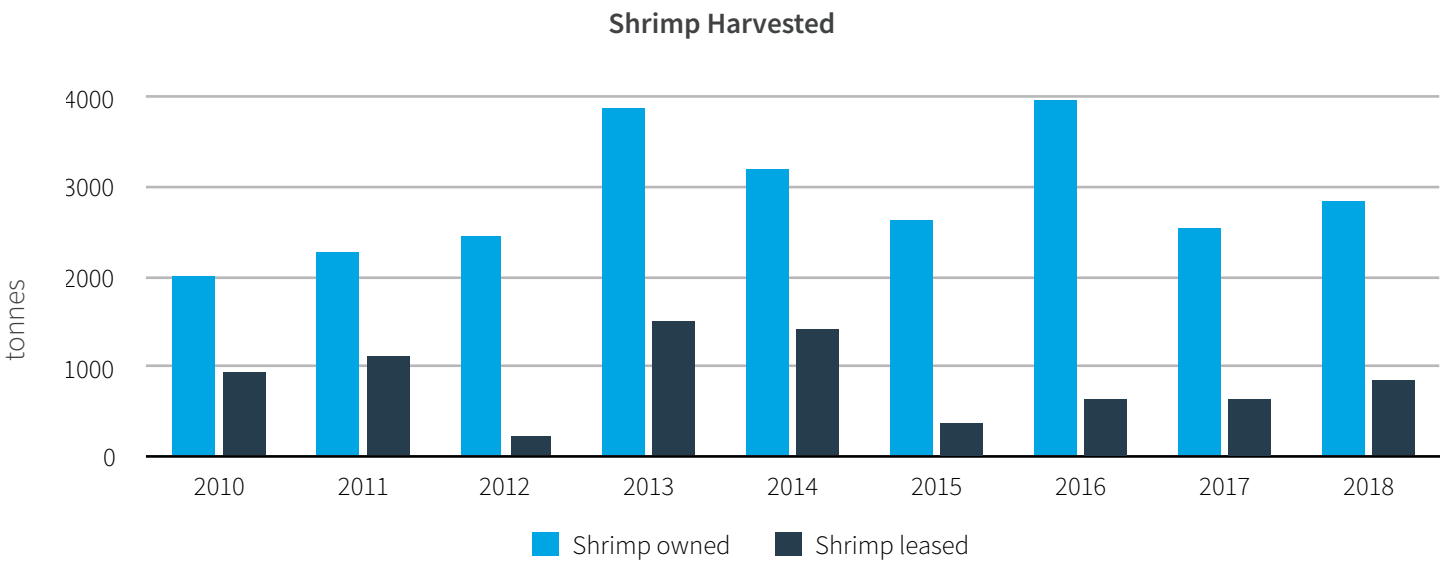
QC harvested 1,439 tonnes of turbot overall with 10.74 percent of overall Nunavut turbot allocations. While this is down considerably from its harvest in earlier years, QC will be harvesting an increase to 19 percent of Nunavut's turbot allocation in 2019 and in 2020.

Since 2010, on average, 49 percent of all turbot harvested by QC on the Saputi has come from leasing quota from other Nunavut and non-Nunavut allocation holders. This shows the imbalance in turbot quotas to QC versus other Nunavut turbot allocation holders through the previous NWMB Access and Allocation process. The Saputi has the capacity to harvest significantly more of the turbot quotas in the 0A/0B fishing zones administered by the NWMB. The changes to the Allocation Policy should ensure the Saputi can harvest more turbot in future years.



Shrimp harvests 2018/19:

In 2018/19 QC’s overall shrimp allocations (including QFC and Unaaq portion) increased by 164 tonnes over its 2017/18 quotas. During the 2018/19 year the QC portion of the Unaaq shrimp quotas were harvested by Clearwater Seafoods Limited Partnership (CSLP), however effective 2019/20 these allocations will be harvested on the Saputi.



Over the years there has been a significant difference the amount of quota sourced through DFO/NWMB and through lease. The amount of shrimp quota being sourced through DFO/ NWMB is remaining relatively consistent over the years while the amount of quota obtained through lease is decreasing.



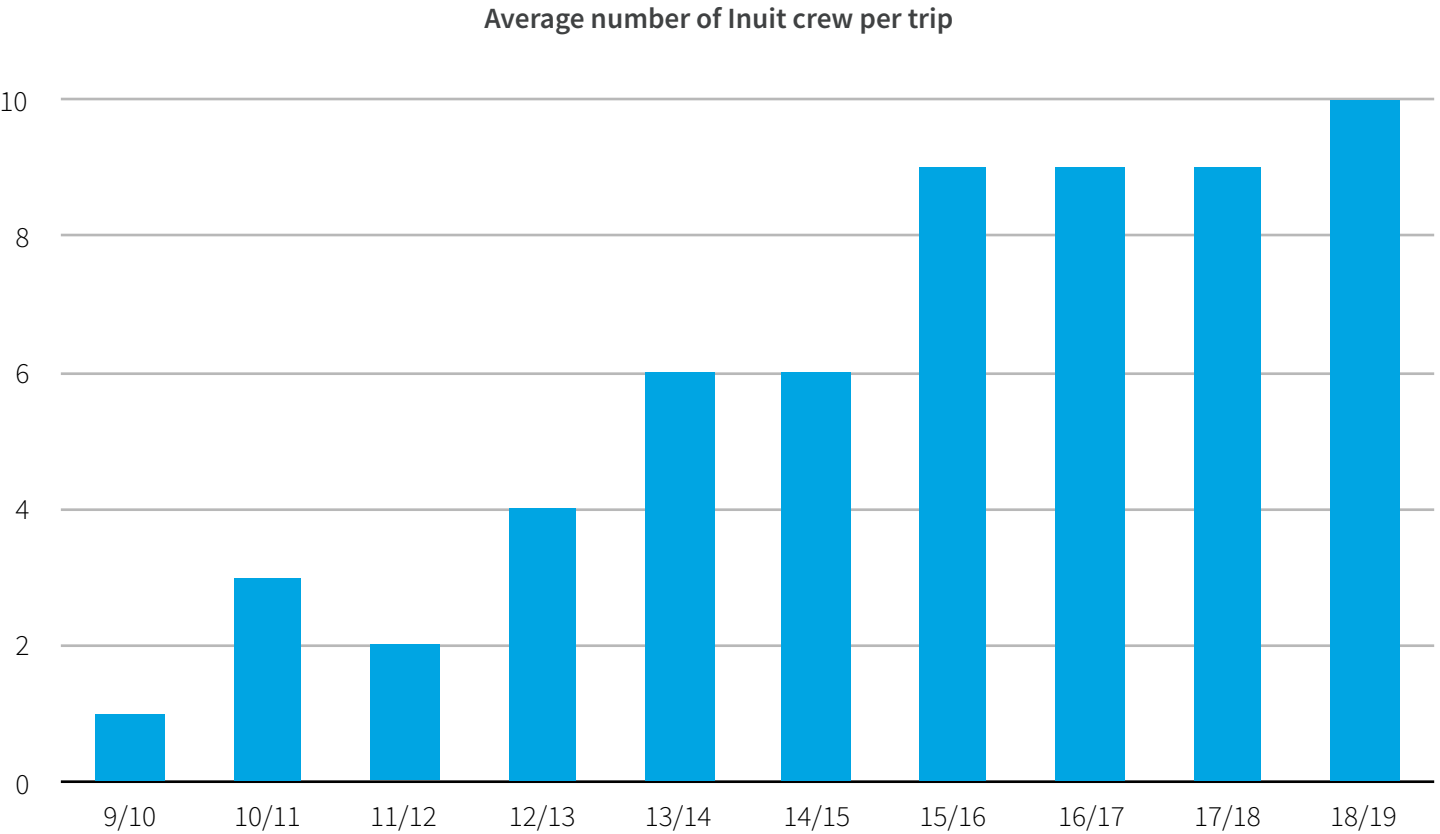
Inuit Employment

Throughout 2018/19 the Saputi had an overall average of 36.6 percent Inuit crew. The percentage of Inuit working in the factory was 93.7. The combined factory and deck crew had a 66.6 percent Inuit employment rate.

Inuit Crewing Statistics for the 2018-2019 year by trip

Trip #	1	2	3	4	5	6	7	8	Average
Total Crew	28	29	28	27	29	28	28	29	28.4
% Inuit -Overall Crew	39%	28%	39%	37%	38%	43%	39%	38%	36.6%
% Inuit -Factory Crew	100%	67%	100%	100%	92%	100%	100%	100%	93.7%
% Inuit -Factory/Deck Crew	73%	47%	67%	67%	65%	69%	73%	71%	66.6%

2018/2019 hit the highest average of Inuit on each trip in the last five years and made a decade high record. The average number of Inuit on the Saputi has been steadily increasing over the last five years.



Looking Forward

In 2019 and beyond, QC will work with QFC to focus on streamlining the operations of QFC to maximize the benefits from the operations to Nunavummiut.

In 2019/20 QFC will be constructing a 4,000 square foot facility (office and warehouse building) in St. John's, Newfoundland. This facility will have office staff for QFC's operations staff and will have storage space to store its fishing gear and equipment. It is anticipated construction will break ground in June 2019 with occupancy in January 2020.



Turbot Trends

The turbot markets in 2018 was stable and strong. We expect demand for QC turbot production to be firm for following reasons:

- Worldwide supply of turbot has been stable over the past 10 years.
- Increased European demand for Canadian turbot.
- Saputi recognized as one of the top-quality brands in the market.
- Inventories at the beginning of the year were at a manageable level.
- Japanese yen is improving against the US dollar.

Shrimp Trends

Market returns for cooked shell-on shrimp were very good until later in the year at which time it started to go through a transition period, with downward pressure on pricing. We do not see any major shifts in the market for Canadian shell-on shrimp production in 2019 for the following reasons:

- China remains the major market for cooked shell-on product. While this market has been under price pressure from our competitors, market prices should stabilize.
- The markets for industrial shrimp are mainly for the processors in Scandinavia, however more of the Canadian production will go to shrimp peeling plants in Newfoundland and Labrador and in Quebec.
- The Japanese market for raw shrimp has been difficult with average pricing per kilo going from a high of almost \$7.50 USD in 2017 to less than \$5.00 USD in 2018. However, we expect the demand for raw shrimp to increase in 2019.

Inuit Employment

QFC will continue to maximize Inuit crewing not just in the factory positions but in managerial and technical positions both on the Saputi and in the offices.





QIKIQTANI RETAIL SERVICES LIMITED ACTIVITY REPORT

Qikiqtani Retail Services Limited (QRS) was formed in 1999 under the name Baffin Gas Limited. QRS now operates one location under the name Baffin Gas Bar. In our 20 years of service to the Iqaluit community QRS has expanded and refined its services to respond to Iqaluit's needs and desires. Over the years our core service of safe and convenient delivery of gas and retail convenience items has remained the heart of our business and we strive to serve our community to the best of our abilities

MISSION:

To fulfill the retail needs of our community and work towards each of our corporate objectives.

QRS is pleased to report a successful year. With a new Director of Retail Operations, QRS is very excited about the future possibilities for the operation. It is our desire to become a solid contributor to the success of the QC Group of Companies. We look forward to the challenges ahead as our goal is to develop and grow the business while keeping operating cost as low as possible. We will continue to seek opportunities for working together for the economic and social benefit of the organization and the region.

Chris West joined the QRS team on September 4, 2018 as the Director of Retail Operations. Chris brings with him a wealth of knowledge and experience in marketing, retail, media relations and financial management. Prior to joining our team Chris was the Executive Director of the Baffin Regional Chamber of Commerce.



2018/19 Highlights

QRS Employee Development

QRS was pleased to announce the hiring of Chris West as Director of Retail Operations in September 2018. QRS has been without a director since 2015.

Throughout the year, QRS continued to motivate and enhance the capacity of our staff through providing opportunities for training and advancement. Operating one location, we employ seven full-time and six part-time positions.

This year also had a change in management for the Baffin Gas Bar with the departure of our General Manager in January. We welcomed Jackie Ropson as the new Manager who was promoted to take on this role.

Improved Customer Service

In our continued efforts to serve the needs and desires of the local community, QRS focused on streamlining our inventory. We introduced more items that would appeal to our local hunters, such as toboggans, and an expanded the fishing and outdoor products.

In efforts to offer customers the best prices, QRS negotiated with our existing suppliers and sought new suppliers. We have been successful in acquiring a variety of vendors from computers to food items.

Through our continued effort to advertise QRS we have made changes to improve our marketing strategy. We introduced new in-store signage and shelf labels. We also continue to offer promotions to benefit our customers such as our gas draw for free fuel.

New Projects

QRS is working on a major project to replace our refuelling tanks. In 2018/19 we completed the preparation work to allow us to move to the next phase of tank installation. We have a contract signed with a local company to do the installation. The installation supplies will arrive on the first ship in 2019.



QRS continues to support the Iqaluit community. Each year we provide thousands of dollars in gift vouchers to many events and fundraisers.



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**Qikiqtaaluk Business
Development Corporation**

QIKIQTAAALUK BUSINESS DEVELOPMENT CORPORATION ACTIVITY REPORT

MISSION:

To foster community capacity and self-reliance through strategic partnerships, innovation and investments that address the essential infrastructure deficit and enhance local Inuit business and individual career development.

The Qikiqtaaluk Business Development Corporation (QBDC) was created to focus on economic development opportunities within each of the thirteen Qikiqtani communities of Nunavut. To deliver this mandate QBDC supports the other QC wholly-owned subsidiaries and partner companies in seeking viable economic opportunities. QBDC strives to create a unique partnership model with each community and seeks direct and indirect investment opportunities to deliver essential infrastructure and innovative approaches to community economic and career development.

QBDC pursues infrastructure and programming that aligns with the priorities of QC and Group of Companies and QIA. QBDC endeavors to proactively align synergies and support discussions that promote advancement of projects for the Qikiqtani region.

2018/19 Highlights

Land and Infrastructure Development

Infrastructure development on the 16-hectare Inuit Owned Land (IOL) in Iqaluit broke ground in 2018 with the first pile of the Aqsarniit Hotel and Conference Centre driven into the ground. This represents a momentous step towards a new face for Federal Road, and a new opportunity for QC.

The Iqaluit land development is unique in that it encompasses a large portion of undeveloped municipal and Inuit-owned lands. This development area is located along Federal Road which is currently only serviced with water and sewer through trucked delivery. Notwithstanding the need, the City of Iqaluit's fiscal realities limit their ability to extend water and sewer pipes along Federal Road to support development of new lands.

QBDC and the City of Iqaluit have advanced discussions of a new development approach for Nunavut. It allows for QC to construct the necessary sewer infrastructure to connect the IOL to the City sewer infrastructure and recover a portion of these costs as future City lands are connected. This may also allow for QC to be a private developer of the municipal lands located adjacent and north of the IOL.



- An MOU between the City of Iqaluit and QC was executed in August 2018 committing the City and QC to working towards a Development Agreement that includes a fair and equitable cost-sharing approach for the servicing infrastructure.
- The Partnership Agreement discussion between QBDC and the City of Iqaluit to support private development of the municipal land has progressed.

The goal of the Iqaluit land development project is to undertake development in a manner that promotes best value of land. The development of this land will open opportunities for economic and social infrastructure that is much needed in Iqaluit.

Cape Dorset Metals Management Pilot Project

In 2017 Qikiqtaaluk Corporation successfully secured funding from Polar Knowledge Canada to mitigate negative environmental impacts of the Cape Dorset metals dumpsite. The project approach was a collaboration among Qikiqtaaluk Corporation, the Municipality, and the Territorial Government. The intent was to demonstrate the benefits of an Inuit-led and Inuit-delivered project.



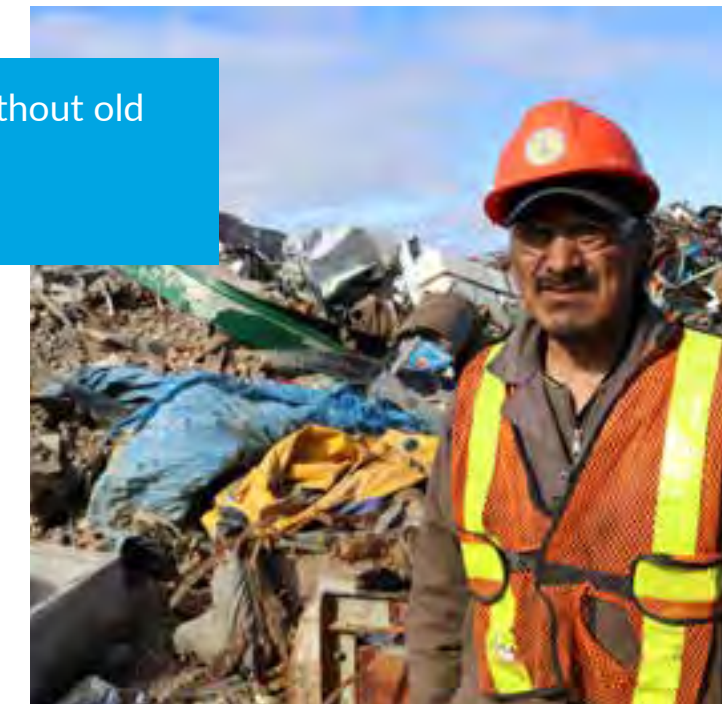
The Cape Dorset pilot project made clear the benefits of a negotiated agreement between Territorial/Federal Governments and Inuit Organizations. The negotiated agreement supported an Inuit-led and Inuit-delivered project. This made possible an approach that prioritized local jobs for Inuit. The training and transferrable skills gained through these jobs instilled worker empowerment, and community pride.

“It’s the first time I am seeing this land without old metals on it. It feels like progress.”

- Pitseolak Pudluq, Project Hire

Fifty-nine percent of the Cape Dorset pilot project funding stayed in the community in the form of wages, equipment and materials. Six community members were hired, provided four days of classroom training and certifications and three weeks of hands-on-training before beginning their work at the metals dumpsite.

Furthermore, an additional forty percent of the initial funding was leveraged beyond the original funding envelope. This money was used to expand the scope of the project to include added benefits such as a community clean up.



To promote the uptake of the Cape Dorset metals management model across Nunavut a report on the lessons learned, and the unique delivery approach was prepared. This report was distributed to Nunavut Tunngavik Inc, Government of Nunavut, the other Regional Development Corporations and the Nunavut mayors.

QBDC also created a metals baling guideline that provides easy-to-use information on baling metal that applies to Nunavut dumpsites.

Clean Energy Initiatives

QBDC has supported QC in their clean energy initiatives for several years. This past year, QBDC supported NNC in preparing several funding applications for a number of clean energy projects and studies, and continued planning and assessing the viability of several projects.

Sanikiluaq Wind Project

QBDC has been assessing the wind regime in Sanikiluaq and the viability for wind energy since 2017. Initial modelling has projected a 1MW wind farm has the potential to displace 50 percent of the community's diesel consumption used for electricity.

QBDC supported NNC in preparing and submitting federal government funding applications for a 1MW wind farm in Sanikiluaq. In September, the funding application was accepted to advance to the next phase of funding consideration. For the remainder of the fiscal year, the funding application went through a rigorous regulatory, technical and financial review.



IOL smart microgrid

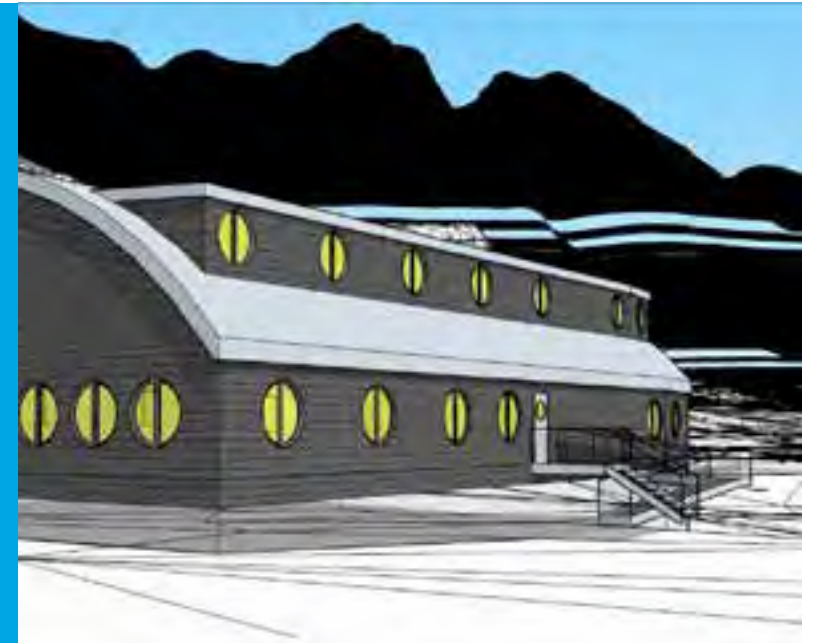
The IOL Development in Iqaluit is progressing as a clean energy development. In addition to highly energy efficient buildings, the development will pursue energy independence through a smart microgrid, renewable energy installations, combined heat and power primary power stations, and energy storage technology. It is anticipated the system will be scalable with components added as the IOL is developed.

QBDC supported NNC in preparing federal funding applications to advance the front-end engineering and design of the IOL smart microgrid. In September, the funding application was accepted to advance to the next phase of funding consideration. For the remainder of the fiscal year, the funding application went through a rigorous regulatory, technical and financial review.

QBDC support for new community-driven initiatives

Grise Fiord Lodge & Visitors Centre

QBDC and the Hamlet of Grise Fiord have identified the need for accommodations and a cultural centre in Grise Fiord. This need stems from the increased attention to Arctic tourism and the need for improved hospitality service in Canada's most northerly community. QBDC responded to an expression of interest funding call from CanNor to advance a business case for a Grise Fiord lodge. QBDC will continue to seek funding and advance the necessary desktop studies, community conversations, and stakeholder engagements to be in a state-of-readiness for when a funding opportunity should become available.



Qikiqtarjuaq Port

The Hamlet of Qikiqtarjuaq as well as QC have been actively advocating for a deep-sea port for many years. Various feasibility studies and assessments have been progressed and work undertaken to assess the viability of the infrastructure.

In Winter 2018 the Federal Government released a proposal call under the National Trade Corridors Fund, Transport Canada. QBDC and the Hamlet of Qikiqtarjuaq both expended great efforts to collaboratively prepare a proposal to the fund. The Government of Nunavut, QC and the Hamlet all committed financial and in-kind contributions to the project to leverage the federal funding.

While the proposal was unsuccessful, the selection committee indicated there may be future opportunities for such critical infrastructure as the Qikiqtarjuaq deep-sea port. QBDC will continue to advocate for this critical infrastructure and support the Hamlet in their determination to advance this infrastructure for their community, and for Nunavut.



QIKIQTAAALUK PROPERTIES INC. ACTIVITY REPORT

Qikiqtaaluk Properties Inc. (QPI) owns, manages and leases residential, commercial and institutional properties in Iqaluit. In 2006 QPI was created from the merge between Kakivak Development Corporation and Lot 521 Joint Ventures. Since, QPI has flourished in delivering its mandate of managing real estate holdings. QPI strives to create a healthy living and working environment for its tenants.

MISSION:

To provide safe, secure, functional and attractive accommodations for our tenants



QPI is responsible for providing safe, functional and attractive accommodations, delivering on four key areas:

1. Administration of QC Group of Companies' residential housing units
2. Management, including leasing and custodial services, of QPI commercial properties
3. Operations and maintenance of commercial and housing units
4. Property development

In 2018/19, QPI expanded its real estate portfolio with the construction and ownership of the new Uqsuq garage and office building. Several new lease agreements were secured and signed, two new residential buildings were purchased and numerous investments were made in building improvements to many QPI assets.

2018/19 Highlights

New Construction and Purchases

Commissioning Uqsuq Garage and Office Building

In March QPI opened the doors to the new Uqsuq garage and office building. QPI leases the building to Uqsuq Corporation, a QC joint-venture company. The building has provided Uqsuq this much-needed office space. The new building has also provided improved space for parking and servicing their fuel trucks, storage and employee training space.

QPI worked with the QC Companies, QBDC and NCC Development, to plan, manage and construct the building. The building is located on Inuit Owned Land along Federal road.



Residential Housing Units:

QPI purchased and renovated house #927. The building is currently accommodating the construction crew for the Aqsarniit Hotel.

QPI purchased house #562. QPI is currently leasing it as a residential unit with the long-term plan for the building to accommodate a youth project.

Building Improvements

Every year QPI invests in upgrades and renovations to their properties. This year, the upgrades included:

- Building 2007 – Sewage tank replacement and apartment renovations.
- Building 923 – Freezer/cooler compressor motors relocated to alleviate freezing and mechanical air handling issues.
- Building 923 – Fire alarm system upgrades completed to meet code requirements.
- Building 1106 – Paving completed after a three-year delay due to airport project.

To improve our tenant service, QPI contracted C&K Services for custodial service for three commercial properties. Issues and complaints from tenants have significantly reduced which has subsequently freed-up staff time to focus on other priorities.



Apprenticeships

QPI created two apprentice positions over the past year; one carpentry apprentice and one housing maintainer apprentice. The apprenticeship program is completed through the Nunavut Arctic College. Candidates for the apprentice program must first complete an apprentice entry exam before starting with QPI as an apprentice.

Over the course of the year, the candidate for the carpentry apprentice position was completing his course program with Nunavut Arctic College to prepare himself for the apprentice entry exam. We anticipate he will start in the position in the fall of 2019.

The Housing Maintainer apprentice, Mike Nester, completed all three levels of Nunavut Arctic College's housing maintainer program and now has journeyman housing maintainer status. He has already assisted in building a house while accumulating close to a decade's worth of carpentry and home maintenance experience.

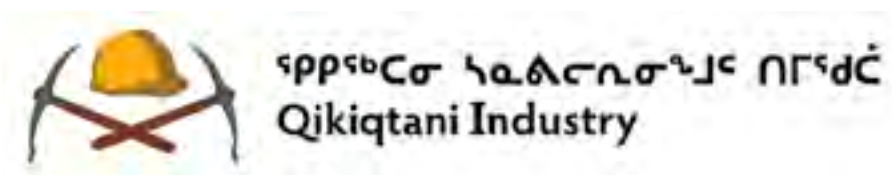


"It was the hands-on nature of the job and working with power tools that attracted me to this occupation. The apprenticeship program is very important. It gives my employer [QPI] confidence that I'm qualified now, and they can trust me more with stuff."

- Mike Nester



QPI was once again proud to support Qikiqtani communities through sponsorships. This year QPI sponsored a hockey team from Pond Inlet.



QIKIQTANI INDUSTRY LTD. ACTIVITY REPORT

Qikiqtani Industry Ltd. (QIL) was created to pursue projects and partnerships within the industrial sector in Nunavut. QIL's mandate is to provide customized and turnkey camp and logistic service solutions with a focus on maximizing Inuit participation. QIL pursues projects in collaboration with business partners either as lead contractor or sub-contractor. QIL also provides support to many of QC's other subsidiary companies, joint ventures and affiliates through providing skilled labourers, automotive and heavy equipment mechanic services, and rental of equipment.

QIL reassesses the Arctic market needs on an ongoing basis and responds accordingly by redirecting their services to meet current market demands. QIL was initially created to focus on providing support and services to project developers and companies in the Arctic mining and oil and gas sectors. The company has since expanded their services and has formed two divisions; the Human Resources Division and the Logistics Division.

- The Human Resources Divisions focuses on providing catering and housekeeping services for remote sites, as well as general recruitment and employment services to external projects.
- The Logistics Division offers varying logistics services such as snow clearing, mail delivery services, environmental remediation services, and professional moving and assembly services.

MISSION:

Provide affordable quality services to both the private and industrial sectors throughout Nunavut.

QIL continues to meet its contractual obligations with a focus on increasing Inuit employment

2018/19 Highlights

QIL Logistics

QIL continued to offer many services to local companies and government departments this year, including mail service contracts and ground transportation services as well as providing heavy equipment service and vehicle repairs of QC Group of Companies' fleet.

QIL remains the first choice for many companies for our logistical services in moving and local cartage. Our reputation of quality work is shown through our long-term customer client relationships and retention.

QIL continues to offer affordable commercial and residential snow clearing, sanding and snow removal services. QIL had been awarded a two-year snow clearing contract by the Government of Nunavut and currently provides services to QPI's and NCC's properties.

While this has been a year of stabilization, throughout this fiscal year QIL took steps towards expanding our existing successes. QIL is well-managed and fully staffed with qualified and professional employees. QIL will continue to support our employees with training to meet our ever-growing needs.

QIL purchased a fleet of equipment to prepare for the construction of the Aqsarniit Hotel. QIL will supply rental of this equipment to the project. This sound financial decision will promote risk averse growth and expansion of our fleet.

Mary River Catering and Housekeeping Contract

QIL provides catering and housekeeping services to the Mary River Mine site, serving close to 1000 people on site daily at the peak of the 2018/19 season. This contract has allowed us to hire over 300 employees, with the majority of the employees coming from the communities in the Qikiqtani region. On-the-job training is provided on site and classroom training off site. In 2018/19, two of our Inuit employees were certified through the Nunavut Arctic College as camp cooks. Eight employees have received food safe training and nine employees have received first aid training.

Employee features:

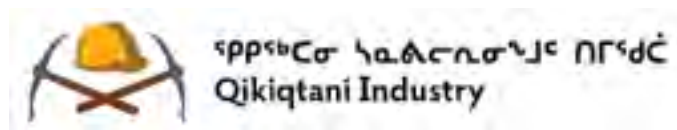
- Naomie Qumuatuq joined QIL as Project Manager for the Baffinland Housekeeping and Catering contract on September 17, 2018. Naomie is a great addition to the team bringing experience in recruitment and staffing.
- Donna Pingwartuk joined QIL as the Administrative Assistant. Donna relocated to Iqaluit to join our team from Cape Corset where she worked with the Government of Nunavut for over 20 years. Donna brings a wealth of knowledge and experience to our team and will be a great asset to QIL.





QC GROUP OF COMPANIES

WHOLLY-OWNED SUBSIDIARIES



Qikiqtani Industry Ltd. pursues projects and partnerships within the industrial sector in Nunavut. QIL provides customized and turnkey service solutions with a focus on maximizing Inuit participation.



Qikiqtaaluk Properties Inc. owns, manages and leases residential, commercial and institutional properties in Iqaluit.



Qikiqtani Retail Services Limited operates one location under the name Baffin Gas Bar. QRS provides safe and convenient delivery of gas and retail convenience items to Iqaluit.



Qikiqtaaluk Business Development Corporation fosters community capacity and self-reliance through strategic partnerships, innovation and investments that address the essential infrastructure deficit and enhance local Inuit business and individual career development.



Nunavut Nukkiksautiit Corporation pursues clean energy projects in the Qikiqtani region in partnership with the Qikiqtani communities.



Qikiqtaaluk Fisheries Corporation is a major participant in the Canadian shellfish and groundfish industries. QFC harvests QC's allocated shrimp and turbot quota on their factory freezer vessel the Saputi.



Aqsarniit Hotel and Conference Centre Inc. is a new hospitality company that owns and operates the QC hotel in Iqaluit which is currently under construction. The Aqsarniit Hotel and Conference Centre will offer a new standard in comfort, hospitality and conference capabilities in Nunavut.

Qikiqtani Resource Institute

Qikiqtani Resource Institute is a not-for-profit agency who provides specialized employment training and bridges employment opportunities between trainees and employers.

Akiug Corporation

Akiuq Corporation is the wholly-owned company created to enter into the former joint venture QC Kiewit Constructors ULC with Kiewit Corporation.

Panarctic Communications Inc.

Panarctic Communications Inc. is a newly formed telecommunication corporation owned and operated by QC. Panarctic Communications has a mission to build, own and operate a state-of-the-art telecommunications system to provide fast, reliable and secure broadband services across the Canadian Arctic.

Sikku Corporation

Sikku Corporation is the QC wholly-owned company created to enter into a joint venture with Ocean Group to form Tulaktarvik.

MAJORITY-OWNED JOINT VENTURES



Qikiqtaaluk Environmental Inc. provides consulting and engineering services including site assessment and remediation, hazardous materials management, air quality and sustainability consulting, and training. QE continues to grow in experience and breadth and are becoming a leader in waste management and site remediation in the north.



Qikiqtani First Aviation Ltd. provides a range of aviation services throughout the Qikiqtani region. Partnering with First Air to use their fleet of aircrafts enables Qikiqtani Inuit to participate immediately in the many opportunities and future development of the region's air transportation.



QC-Scarlet Security Services Inc. provides customized security services to the oil and gas, pipeline, construction and mining industries in Nunavut. Scarlet Security Services offers flexible turnkey solutions to support a variety of requirements.

TULAKTARVIK

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Tulaktarvik Inc. provides Nunavut clients with world-class integrated marine services. Tulaktarvik focuses on specialized marine services for remote communities and heavy industrial projects.



JOINT VENTURE PARTNERSHIPS



Nunasi Corporation is a 100 percent Inuit-owned and Nunavut-owned business development company. Nunasi seeks to create business ventures that will benefit career, employment and quality of life for Nunavut.



NCC Investment Group Inc. is 100 percent Inuit-owned and seeks to enhance Inuit participation in the Nunavut economy by creating wealth, employment and business opportunities through investment in real estate.



Larga Baffin Ltd. is 100 percent Inuit-owned and provides boarding rooms (located in Ottawa) and support services to Inuit who need specialized medical care not available in their home communities.



Nunavut Petroleum Corporation is 100 percent Inuit-owned created to supply and deliver refined petroleum products.



Nunavut Sealink and Supply Inc. provides reliable sealift carriage and related services to all Nunavut Eastern and Central Arctic Communities.



Toromont Arctic Ltd. sells, rents and provides customer support services for new and used equipment.



Uqsuq Corporation has been fueling Iqaluit since 1996 under contract with the Government of Nunavut for the operation of the bulk fuel storage and distribution system.



Unaaq Fisheries Inc. develops partnerships with major national and international fishing companies. Unaaq Fisheries shares a shrimp licence with Makivik Corporation to fish in Canadian waters.

Sanavallianiq Inc.

Sanavallianiq Inc. is a joint venture between QC, Inuit Broadcasting Corporation, NCC Properties Inc. and Atuqtuarvik Corporation. It was created to build the Inuit Broadcasting Corporation building in Iqaluit.

AFFILIATIONS

	<p>Northern Coalition Corporation is not-for-profit organization working to ensure adjacent marine resources are responsibly and sustainably managed and that the sensitive Arctic marine ecosystem is protected.</p>
	<p>Nunavut Fisheries Association includes the four Nunavut offshore allocation holders (Arctic Fishery Alliance, Baffin Fisheries, Pangnirtung Fishers and Cumberland Sound Fisheries, and Qikiqtaaluk Corporation). NFA advocates for the continued growth of the Nunavut fishing industry and provides a unified industry voice on issues of concern.</p>
	<p>Nunavut Fisheries and Marine Training Consortium is a not-for-profit organization created in 2005 to provide training opportunities to Nunavut Inuit interested in pursuing careers in the fishing industry.</p>
	<p>QC-Canadian Helicopters is a commercial partnership between QC and Canadian Helicopters Ltd. which is the largest helicopter operator in Canada. QC supports Canadian Helicopters in providing helicopter transportation services in the Qikiqtani region.</p>
	<p>Inuit Development Corporation Association is the united voice for Inuit development corporation interests across Inuit Nunangat. The Association is made up of the Inuvialuit Development Corporation, Nunatsiavut Group of Companies, Kitikmeot Corporation, Qikiqtaaluk Corporation, Sakku Investments Corporation and Makivik Corporation.</p>

Qikiqtani Fisheries Alliance

Qikiqtani Fisheries Alliance is a not-for-profit organization between the Hunters and Trappers Associations of Cape Dorset, Hall Beach, Igloolik and Sanikiluaq working to expand the Nunavut fishery and providing economic benefit to their communities.

Northern Shrimp Research Foundation

Northern Shrimp Research Foundation works collaboratively with the Department of Fisheries and Oceans to conduct shrimp research surveys in the Eastern and Western Assessment zones.



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QIKIQTAAALUK CORPORATION
& Group of Companies