



annual report 2005-06

Niskamoon Corporation



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About

Niskamoon Corporation



Message from the President



I have the privilege and honour to present the annual report of the Niskamoon Corporation for the financial year 2005-2006. Hallmarks for this past year include the further development of partnerships with all nine Cree Nations and regional entities such as the Cree Regional Authority, Cree Trappers' Association, Cree Board of Health,

and the Cree School Board.

Overall, Niskamoon has provided funding of not less than \$19 million for an extensive range of projects approved under our three main programs, namely: (1) Training and Employment, (2) Fisheries and Health, and (3) Remedial Works. Altogether, these projects created a minimum of 23,715 person-days of employment in Cree communities – not a negligible figure given the considerable needs for employment in our communities.

Last year, 10 students graduated from the electro-mechanics program and were hired in permanent positions at Hydro-Québec's installation in Eeyou Istchee. This year, 7 students graduated from the Polymétier Centre, also in electro-mechanics, and 5 students graduated from Centre de formation professionnelle de la Jamésie in Chibougamau from the apparatus mechanics program. All of these candidates should start working for Hydro-Québec in the weeks ahead. There is still a lot of work to be done in order to attain the objective of 150 permanent jobs at Hydro-Québec, but please be assured that we are deploying our best efforts to reach this objective by 2017.

The Fisheries and Health Program is also a high priority for Niskamoon, where projects covering fish consumption, healthful physical activities, and the transfer of traditional knowledge from one generation to the next were prioritized.

The Remedial Works Program plays an important role in supporting Cree trappers in their hunting, trapping, and fishing activities. By providing funding for the building of snowmobile and ATV trails as well as cabins and goose corridors and ponds, this program ensures the further use of our land in a manner that is respectful of our traditional values.

The Niskamoon Corporation and the Cree Nation of Chisasibi have developed an ambitious program for the replacement of housing units following the relocation initiative from Fort George Island. The Chisasibi House Replacement Program should allow the construction of 163 housing units in the Community of Chisasibi, which should help offset the backlog of requests for housing in the community and provide better living conditions for the families who benefit from this program.

Finally, in the event that the EM1A/Rupert River Diversion project receives the green light from the government, the Niskamoon Corporation is ready to implement the Boumhounan Agreement. Our experience in the implementation of the Nadoshtin Agreement (EM-1 Project) will serve as an important guide in that respect.

I would like to take this opportunity to thank all members of the Board of Directors, the Regional and Community Coordinators, and all the other people and organizations that have contributed to Niskamoon's success.

The Niskamoon Corporation is committed to ensuring that the Crees enjoy maximum benefits from the Cree-Hydro-Québec Agreements – and our team will continue to work tirelessly to fulfill this important mandate.

Dr. Billy Diamond
President

The Niskamoon Corporation

The Agreement Concerning the Administration of the Cree-Hydro-Québec Agreements and the Niskamoon Corporation (hereafter the Niskamoon Agreement) was executed on August 31, 2004 between the Grand Council of the Crees (Eeyou Istchee), the Cree Regional Authority, the Cree Nation of Chisasibi, the Whapmagoostui First Nation, the Cree Nation of Wemindji, the Eastmain Band, the Waswanipi Band, the Cree Nation of Nemaska, the Crees of the Waskaganish First Nation, the Cree Nation of Mistissini, the Crees of Oujé-Bougoumou, Hydro-Québec, and the *Société d'Énergie de la Baie James* (SEBJ). The Niskamoon Agreement is designed to aid in the administration of the Cree-Hydro-Québec Agreements. For further information on the principal purposes of the Niskamoon Agreement, see the section titled "Mandates and Objectives."

One of the latest agreements executed between the Crees and Hydro-Québec is the Agreement concerning a "New Relationship Between Hydro-Québec and the Crees of Eeyou Istchee." The Niskamoon Corporation has been identified as the recipient of the Hydro-Québec and Eeyou Fund, and Niskamoon Corporation has the mandate to implement this Agreement. The third "whereas" of this Agreement stipulates:

WHEREAS the parties place behind them the previous disputes which have tarnished their relationships, and have rather decided to pursue a forward looking relationship based on mutual respect, good faith, reconciliation, partnership, meaningful participation and mutually beneficial economic and social arrangements.

Section 3 of the Niskamoon Agreement provides for the establishment of the Niskamoon Corporation, a non-profit corporation incorporated under Part III of the Québec Companies Act. The Letters Patent of the Corporation were delivered on August 24, 2004. The head office of the Corporation is located on Category 1A lands of Nemaska. The members of the Corporation are the Cree Regional Authority and the Grand Council of the Crees (Eeyou Istchee). The Corporation is managed by a Board of Directors consisting of 8 individuals appointed by the members of the Corporation; however, in accordance with the provisions of Section 3.3.2 of the Niskamoon Agreement, 3 of these Directors have been previously identified by Hydro-Québec.

The Niskamoon Agreement

During the past 25 years, the Crees and Hydro-Québec have executed many agreements, such as the Opimiscow Agreement, the Mercury Agreement (2001), the Cree Employment Agreement, the Nadoshtin Agreement, the Boumhounan Agreement and, more recently, the Agreement Concerning the New Relationship between Hydro-Québec/SEBJ and the Crees of Eeyou Istchee (hereafter "the Cree-Hydro-Québec Agreements").

The Cree-Hydro-Québec Agreements provided for the creation of numerous corporations such as the Opimiscow Company, Eeyou Namess Corporation, Apatisiwin Corporation and Nadoshtin Company. These entities had similar mandates, causing a great deal of confusion in the Cree world.

Recently, the Grand Council of the Crees (Eeyou Istchee), the Cree Regional Authority, the nine (9) Cree Nations (Chisasibi, Whapmagoostui, Wemindji, Eastmain, Waswanipi, Nemaska, Waskaganish, Mistissini and Oujé-Bougoumou), Hydro-Québec and SEBJ have executed an agreement titled "Agreement Concerning the Administration of the Cree-Hydro-Québec Agreements and the Niskamoon Agreement" (hereafter the "Niskamoon Agreement").

Principles Objectives of the Niskamoon Agreement

The Niskamoon Agreement provides for the creation of a non-profit corporation, the Niskamoon Corporation, and its principal objectives are the following:

- A. To facilitate, simplify and speed up access to the benefits, measures, resources and programs under the Cree-Hydro-Québec Agreements for the Crees, the Cree communities and for other Cree entities;
- B. To provide a more efficient framework for cooperation between the Crees and Hydro-Québec in respect to the implementation of the Cree-Hydro-Québec Agreements;
- C. To provide more effective mechanisms for the implementation of the Cree-Hydro-Québec Agreements;
- D. To streamline and render more effective the administrative costs to the Crees associated with the implementation of the Cree-Hydro-Québec Agreements;
- E. To bring better coherence to the implementation of the Cree-Hydro-Québec Agreements;
- F. To regroup under the Niskamoon Corporation large parts of the administration and management of the Cree-Hydro-Québec Agreements.

Operating Budget and Service Agreements of the Niskamoon Corporation

Operating budget

The Niskamoon Corporation adopted Resolution 2005-17 approving the budget of the Corporation from April 1, 2005 to March 31, 2006 for a total amount of \$3,330,580. This amount is drawn from the Funds managed or controlled by the Corporation in accordance with the provisions of Sub-section 3.7.2 of the Niskamoon Agreement.

Service agreement with the Cree Regional Authority

Corporation and the Cree Regional Authority executed an Agreement titled "Agreement Respecting the Supply of Administrative Services between the Cree Regional Authority and the Niskamoon Corporation" (hereafter, the CRA Service Agreement).

The CRA Service Agreement provides for the supply of the following: a Treasurer; an Executive Assistant (3) Regional Coordinators, one (1) Communications/Administrative Officer, three (3) Student Life Animators, one (1) Accountant, (1) Administrative Assistant to the Regional Coordinators, payment of costs related to the meetings of the Board of Directors and vehicles.

Niskamoon Community Contribution Agreement

On September 1, 2004, the Niskamoon Corporation executed nine (9) Community Contribution Agreements with each of the Cree communities: the Cree Nation of Chisasibi, the Whapmagoostui First Nation, the Cree Nation of Wemindji, the Eastmain Band, the Waswanipi Band, the Cree Nation of Nemaska, the Crees of the Waskaganish First Nation, the Cree Nation of Mistissini, and the Crees of Oujé-Bougoumou. Each of these Agreements provides for the services of a Community Coordinator. The Niskamoon Corporation has paid an amount of \$75,000 to each of the communities for such services.



The Niskamoon Board of Directors

The Niskamoon Board of Directors is composed of 8 people appointed by the members of the Corporation, which are the Grand Council of the Crees (Eeyou Istchee) and the Cree Regional Authority. It is important to note that Hydro-Québec is not a member of the Corporation. However, three (3) directors are recommended by Hydro-Québec to the members of the Corporation.

The Directors of Niskamoon Corporation are:

Dr. Billy Diamond, President
Mrs. Violet Pachanos, Vice-President
Mr. Stanley Gilpin
Mr. Lawrence Jimiken
Ms. Robin McGinley

The Directors recommended by Hydro-Québec are:

Mr. Réal Courcelles
Mr. Pierre Grégoire
Mr. Luc Lévesque

Niskamoon is dedicated to ensuring that the Crees of Eeyou Istchee enjoy maximum benefits from the Cree-Hydro-Québec Agreements



*Dr. Billy Diamond
President*



*Mrs. Violet Pachanos
Vice-President*



Mr. Stanley Gilpin



Mr. Lawrence Jimiken



Ms. Robin McGinley



Mr. Réal Courcelles



Mr. Pierre Grégoire



Mr. Luc Lévesque

Regional Coordinators

Niskamoon Corporation will be mainly involved in three (3) sectors of activity and programs managed by three young, dynamic Crees: Kathy Shecapio, Regional Coordinator of Training and Employment;

Denise Pérusse-Pelchat, Regional Coordinator of Fisheries and Health; and Robbie Tapiatic, Regional Coordinator of Remedial Measures.



Kathy Shecapio



Denise Pérusse-Pelchat



Robbie Tapiatic

Niskamoon Staff

Gisèle Parker, Treasurer
Guy Morin, Secretary
John Paul Murdoch, Secretary
Maya Riel Lachapelle, Executive Secretary
Melissa Brousseau, Communications & Administrative Officer
Emma Mettawashish, Accountant
Robin Pachanos, Student Life Animator – Hull
Colette Allen, Student Life Animator – Rouyn-Noranda
Sylvianne Legault, Student Life Animator – Rouyn-Noranda



Gisèle Parker
Treasurer



Guy Morin
Secretary



John Paul Murdoch
Secretary



Maya Riel Lachapelle
Executive Secretary

Niskamoon Corporation Schedule of Activities for 2005-2006

Below are listed the meetings, conference call, and information sessions held by the Board of Directors, Regional Coordinators, and Local Coordinators of the Niskamoon Corporation, respectively, for the period covered by this annual report.

Board of Directors

Meetings

April 19-21, 2005 in Val d'Or
May 26, 2005 in Val d'Or
June 14-16, 2005 in Mistissini
August 17-18, 2005 in Oujé-Bougoumou
September 7, 2005 in Rouyn-Noranda
September 20-22, 2005 in Montreal
October 26-28, 2005 in Montreal
November 29-December 1, 2005 in Gatineau
February 14-16, 2006 in Montreal
March 14-16, 2006 in Chibougamau

Conference calls

July 11, 2005
July 26, 2005

Regional Coordinators

Conference calls

Every Monday at 11:00 AM since November 2004

Information sessions

October 5-6, 2005
April 18, 2006 (with the participation of the Board of Directors)

Community Coordinators

Conference calls

Every Monday at 9:30 AM since February 2005

Information sessions

October 5-6, 2005
April 18, 2006 (with the participation of the Board of Directors)

Niskamoon Community Coordinators

The Role of Community Coordinators

Each Cree community has a local coordinator to represent it and serve as a liaison between it and the Corporation. Local coordinators are entrusted with the following mandates.

1. To report regularly to the Chief and Council and members of the community on the progress of the activities of the Niskamoon Corporation, for example, the status of specific projects and funds available for projects.
The Board of Directors of the Corporation requires the assistance of the local coordinators in ensuring that information reaches the community when necessary. The Niskamoon Corporation strives to operate in a clear and transparent manner.
2. To inform the Chief and Council and members of the community on the nature of the projects that may be eligible from the different funds managed by the Niskamoon Corporation through reports, information sessions and or community workshops. The local coordinator has access to programs managed by the Corporation. Further, as financial resources are limited, it is important to promote particular types of projects.
3. To assist promoters of projects in the preparation of proposals and reports required under project approval agreements or conditions.
To facilitate access to programs and benefits to community members, coordinators help draft proposal requests and complete necessary administrative tasks when required.
4. To act as a liaison with other Niskamoon coordinators.
Local coordinators require the assistance of the Regional Coordinators to process project applications. Regional coordinators require the assistance of local coordinators to ensure local implementation of programs and benefits.
5. To direct proposals for projects to the appropriate Niskamoon regional coordinator for approval by the Board of Directors of the Niskamoon Corporation, including ensuring that the proposals respect the guidelines provided by Niskamoon Corporation for a specific program and that the required information is included in a submission.
Due to the number of proposals and the amount of information that must be processed by the



*Simeon Trapper
Waskaganish*



*Daniel Mark-Stewart
Eastmain*



*Edward Georgekish
Wemindji*



*Ernest Nakogee
Mistissini*



*George Sandy
Whapmagoostui*



*Stella Jolly
Nemaska*



*Jackie Barney
Waswanipi*



*Wally Wapachee
Oujé-Bougoumou*

- Board of Directors, regional and local coordinators work closely together to ensure that the proper information is provided to the Board of Directors to permit informed decision-making.
6. To coordinate and organize all communication between individual communities and Niskamoon Corporation, including communication with other coordinators working for Niskamoon Corporation. As stated earlier, it is the goal of the Board of Directors to operate in a transparent manner; this requires an efficient communication network where local community coordinators play a key role.
 7. To facilitate the participation of people from his or her community in the activities of Niskamoon Corporation.
If the Cree communities are to enjoy maximum benefit from negotiated agreements, it is important that community interest be properly identified. It is the community members themselves who must participate in the design and execution of projects.

8. To monitor approved projects for reporting to the Board of Directors of Niskamoon Corporation. Local coordinators are called upon to evaluate the success of approved projects or their continued support.
9. To carry out all duties and tasks as directed by the Board of Directors of Niskamoon Corporation.

As new mandates are set for Niskamoon Corporation, regional and local coordinators may be required to take on new responsibilities.

How to contact your community coordinator

Head Office:
2 Lakeshore Road
Nemaska, Québec
Canada J0Y 3B0
(819) 673-2600 / (819) 673-2111
President: Dr. Billy Diamond
Executive Assistant: Maya Riel Lachapelle

Chisasibi

*Robbie Tapiatic has been promoted to the position of Regional Coordinator for Remedial Works. The Cree Nation of Chisasibi will be appointing a new local coordinator shortly.

Waskaganish

Simeon Trapper
P.O. Box 60
Waskaganish, Québec J0M 1R0
(819) 895-2662 / (819) 895-2800
s_trapper@hotmail.com
strapper@niskamoon.org

Eastmain

Daniel Mark-Stewart
147 Shabow Meskino
P.O. Box 90
Eastmain, Québec J0M 1W0
(819) 977-0211, #325 / (819) 977-0281
dmarkstewart@eastmain.ca
dmarkstewart@niskamoon.org

Wemindji

Edward Georgekish
16 Beaver Road, P.O. Box 60
Wemindji, Québec J0M 1L0
(819) 978-0264 / (819) 978-0258
niskamoon@creenet.com
egeorgekish@niskamoon.org

Mistissini

Ernest Nakogee
187 Main Street
Mistissini, Québec G0W 1C0
(418) 923-3461, #328 / (418) 923-3115
niskamoon@nation.mistissini.qc.ca
enakogee@niskamoon.org

Whapmagoostui

George Sandy
P.O. Box 390
Whapmagoostui, Québec J0M 1G0
(819) 929-3384 / (819) 929-3203
gsandy@whapmagoostuifn.ca
gsandy@niskamoon.org

Nemaska

Stella Jolly
1 Lakeshore Road
Nemaska, Québec J0Y 3B0
(819) 673-2512 / (819) 673-2542
stellajolly@hotmail.com
sjolly@niskamoon.org

Waswanipi

Jackie Barney
Diom Blacksmith Building
Waswanipi, Québec J0Y 3C0
(819) 753-2441, ext. 24 / (819) 753-2904
jbarney@waswanipi.com

*Jackie has been replaced by Marcel Happyjack (mhappyjack@niskamoon.org). You may reach him at the same coordinates as you did for Jackie.

Oujé-Bougoumou

Wally Wapachee
207 Opemiska Meskino
Oujé-Bougoumou, Québec G0W 3C0
(418) 745-3911 / (418) 745-3426
wawapachee@yahoo.ca
wwapachee@niskamoon.org

As of September 1, 2006 niskamoon.org email accounts for each staff member will become effective. Thank you.

Funds

Under Management



Funds Under Management

Hydro-Québec and Eeyou Fund

The Hydro-Québec and Eeyou Fund was established pursuant to Chapter 4 of the Agreement Concerning a New Relationship between Hydro-Québec and the Crees of Eeyou Istchee. The Fund consists of an annual contribution of \$7,131,644 (in 2005 dollars) paid by Hydro-Québec. As provided by Sub-section 4.3 of the Agreement, this Fund is to be used for the purposes set out in Schedule A of the Agreement.

Chisasibi House Replacement Program

The Chisasibi House Replacement Program, developed in close collaboration with the Cree Nation of Chisasibi, consists essentially in the replacement of 122 housing units relocated from the Fort George Island, the construction of 21 new units to offset overcrowded homes, and the erection of 20 prefab units to be used as transit homes during the implementation of the program. At the completion of the program (expected in 2010), these transit homes will become permanent housing. The total cost of the project is estimated at \$33 million, including the cost of the financing necessary to speed up the implementation of the program over a 4-year period. The Niskamoon Corporation has committed from the Hydro-Québec and Eeyou Fund an amount of \$3.5 million a year for approximately 10 years to implement the program.

Allocation of Funds

The total allocation from the Hydro-Québec and Eeyou Fund was \$9,333,695. This figure includes Remedial Works – for details regarding these projects, see the section on Remedial Works. Below are listed projects that received allocations from the Hydro-Québec and Eeyou Fund.

Projects Funded

Listed below are brief descriptions of the projects financed under the Hydro-Québec and Eeyou Fund.

Waswanipi Traditional Gathering Chiiwetau

This project proposed a cultural gathering organized by the community of Waswanipi to celebrate its ties to the “Old Post” site; \$88,504 was allocated to realizing the project.

Chisasibi Mamoweedow Traditional Gathering

This project, which called for financial assistance for a traditional gathering to celebrate family and community life prior to hydro-electric development, received an allocation of \$100,000.

Wemindji Nashababishju 2006

This project called for financial assistance for a journey designed to acquaint the youth of Wemindji with traditional pursuits and active living; \$18,000 was allocated to executing the project.

Mistissini Chiseinuu Chiskamaachewin Project

A total of \$210,619 was allotted to this project for the purpose of promoting traditional forms of healing and problem-solving.

Chisasibi Remedial Works Projects

This project received \$255,700 for the purposes of clearing a snowmobile trail along the Long Point Road; the allocated funds went toward paying workers and supervisors and defraying material costs.

Waskaganish Remedial Works Program

A total of \$34,675 was allocated to this project for remedial work to the Goose Pond and the clearing of the Portage and Canoe pathway.

Wemindji Remedial Works Projects

This project, involving remedial work to 4 Skidoo trails, received \$80,546.

Chisasibi Remedial Works

A total of \$322,572 was allocated to remedial projects involving Skidoo and ATV trails for improved access to Chisasibi traplines.

Chisasibi New Remedial Works Projects

This project, designed to clear a portage to enhance safety and improve access to the Goose Pond, received \$384,190.

Wemindji Remedial Works

This project was designed to prepare a cleared area for hunters and trappers and received an allocation of \$125,384 for this purpose.

Waskaganish Projects R14-1 and R01a-1

A total of \$71,638 was allocated for the construction of a goose pond and goose corridor as well as a walking trail.

Oujé-Bougoumou Health Trail and Cultural Village

The project for the development of a community health trail designed to promote good health and physical conditioning received \$153,115.

Nemaska Projects N20-2, M2A01, N21-A and R21-1

A total of \$105,900 was allocated for various initiatives involving the construction of portage and Skidoo trails for improved hunting and travelling conditions.

Mistissini Projects M9-1, M9-2, M1-4 and M1B-3b

These projects, designed to build snowmobile trails, docks, and boat ramps, received \$163,403.

CSB Cree Words and Stories

This project, targeting the preservation and strengthening of Cree language and culture, received an allocation of \$325,820.

Waskaganish Aashuumiih Winter Journey 2006

A total of \$10,000 was allocated to help make the winter journey a reality.

Nemaska, a Walk to Remember

This project, designed to teach youth about Cree culture and traditions within the framework of a snowshoe walk, received \$10,000.

Nemaska Snowmobile Trails

A total of \$65,404 was allocated to the building of a snowmobile trail for enhanced access in the area of Km 132.

Nemaska 2006 Trappers' Festival

This project, designed to promote knowledge of ancestral and traditional practices within the Nemaska community, received \$10,000.

Wemindji Skidoo Trail Project VC19-1

This project, calling for the extension of a new snowmobile trail, received \$13,361.

Wemindji New Cabin for Annual Canoe Expedition

\$30,000 was allocated to the building of a cabin as part of the yearly canoe excursion.

Wemindji Old Factory Visit 2006

This project, designed to organize a week-long event to preserve and promote traditional and cultural activities, family-oriented activities, and knowledge of the history of the Wemindji community, received \$55,000.

Oujé-Bougoumou Wellness Journey Project

This health-oriented project received \$10,000.

Waskaganish Project N-04 Skidoo Trail

For this project, \$17,334 was allotted to create a new snowmobile trail and cut brush on an existing path.

Chisasibi Remedial Works

These projects cover a wide range of initiatives, from snowmobile trail construction to portage building to site salvaging and received a total allocation of \$301,670.

Waskaganish Aashuumiih Summer Program 2006

The summer program received \$10,000 to instill pride and confidence in youth in the practice of traditional culture and deter unhealthy lifestyle choices.

Wemindji Remedial Works-Project VC16-1

A total of \$7,883 was allocated to the clearing of snowmobile trails in the vicinity of Yasinski Lake.

Nemaska Traditional Gathering Nad Nemiscau Wanoo

A total of \$78,039 was allocated to this project calling for cultural gathering to celebrate the former site of the Nemaska community through storytelling, a canoe brigade, a slide show, and other cultural activities.

Wemindji Canoe Expedition, 2005

This project was designed to ensure the ongoing annual organization and coordination of the canoe expedition; \$4,000 was allocated to executing the project.

Mistissini Canoe Excursion and Maamuuteusiitau

This project proposed a canoe excursion as a learning opportunity for youth in bush and survival skills and developing for the land and its resources; \$72,813 was allocated to realizing the project.

Whapmagoostui Traditional Gathering

A total of \$50,000 was allocated to realizing this project whose aim is to organize and hold a traditional gathering featuring cultural activities and Elder-run workshops designed to transmit knowledge and skills to younger generations.

Wemindji 12th Annual Canoe Expedition 2006

This project, designed to teach youth about Cree culture and traditions within the framework of a canoe excursion, received \$10,000.

Waskaganish Youth Annual Canoe Brigade

This project, designed to teach youth about Cree culture and traditions within the framework of a canoe excursion, received \$10,000.

Waswanipi Annual Canoe Brigade 2006

This project, designed to teach youth about Cree culture and traditions within the framework of a canoe excursion, received \$10,000.

Mistissini Traditional Cree Fishing

This important and ambitious project, which combines two separate but interrelated initiatives, calling for the restoration and strengthening of cultural identity, the nurturing of physical and mental health, and the promotion of traditional knowledge, problem-solving skills, and fishing practices was granted \$736,550.

Volume of work created through funding initiatives

In total, the above projects account for 2,219 person-days of work in the Cree communities.

The Cree Employment Fund

The estimate of the yearly basic financial contribution of Hydro-Québec to the Employment Fund for the financial year 2005-2006 was an amount of \$6,651,800. As provided by Section 4.7.1 of the Cree Employment Agreement, the Employment Fund is held and disbursed by Hydro-Québec but subject to the control of the Niskamoon Corporation.

In accordance with Section 4.5 of the Cree Employment Agreement, the Fund is to be used for the purposes of funding the T.E.H.Q., more fully described in Chapter 5 of that Agreement, and for funding Remedial Works described in Chapter 6 and Schedule B of that Agreement.

Please refer to page 13 of the Niskamoon Audited Financial documents for more details near the end of this report.

Funds under the Mercury Agreement (2001)

As provided by Sub-section 4.1 of the Mercury Agreement (2001), the Mercury Funds consist of:

- the Names Fund (Sub-section 4.1.1 of the Mercury Agreement (2001))
- the EM 1 Mercury Fund (Sub-section of the Nadoshtin Agreement)
- the Eastmain 1A / Rupert Mercury Fund (Sub-section 5.2 of the Boumhounan Agreement)

The Eastmain 1A / Rupert Mercury Fund will become available if the EM1A Rupert River Division Project receives authorization.

The Names Fund

The Fund was established pursuant to Sub-section 4.2 of the Mercury Agreement (2001) and initially consisted of an amount of \$24,000,000 (in 2002 dollars) made available by Hydro-Québec in accordance with Sub-section 4.5.5 of this Agreement. This Fund is held by Hydro-Québec but is under the control of the Niskamoon Corporation and is to be used for the types of works or programs set out in Chapters 5 and 6 of the Mercury Agreement (2001).

The EM 1 Mercury Fund

The EM 1 Mercury Fund is designed to address the impact of the impoundment of the Eastmain 1 Reservoir on the concentration of mercury in fish.

This Fund was established pursuant to Sub-section 4.5 of the Nadoshtin Agreement and initially consisted of an amount of \$3,000,000 (in 2002 dollars) made available by Hydro-Québec in accordance with Sub-section 4.5 of that Agreement. This Fund is held by Hydro-Québec but is under the control of the Niskamoon Corporation and is to be used for the type of works or programs set out in Chapters 5 and 6 of the Mercury Agreement (2001).

The Fund addresses the needs of the Cree Nations of Eastmain, Mistissini, Nemaska, and Waskaganish. According to a decision made by the Crees, the allocation of the Fund is as shown in the table below.

Community	Percentage
Eastmain	47
Mistissini	23.5
Nemaska	23.5
Waskaganish	6

The EM 1 Mercury Fund may also be used for the following types of measures:

- Access to alternative fishing sites
- Fishing and hunting subsidies
- Fish and wildlife habitat enhancement
- Development of waterfowl hunting ponds

Please refer to page 13 of the Niskamoon Audited Financial documents for more details near the end of this report.

The Nadoshtin Agreement

The main objective of the **Nadoshtin Agreement** is to provide for the construction, operation and maintenance of the Eastmain 1 Project, while respecting the rights of Crees and providing them with benefits as defined in the *Nadoshtin Agreement and the Agreement Concerning a New Relationship between the Government of Québec and the Crees of Québec*.

With regards to the Cree, this means reducing the negative aspects of the Project, particularly on the people of Eastmain, Mistissini, Nemaska, and Waskaganish by providing environmental, remedial, and mitigating measures; by allocating compensation where appropriate; and by managing road access and fish and wildlife use in the Project area during the construction phase of the Project.

It also means enhancing community development by ensuring contract, employment, and training opportunities in connection with the Project for Crees and Cree enterprises.

Finally, the intent of the Agreement is to promote better relations between the Parties by fostering understanding and respect. To this end, it is hoped the Nadoshtin Agreement will provide an efficient and effective framework for cooperation between the Parties with regards to the Project, Cree traditional activities on the land, and job creation.

Please refer to page 13 of the Niskamoon Audited Financial documents for more details near the end of this report.

Nadoshtin Remedial Measures Fund

The Remedial Measures Fund was established to provide the means to address negative impacts of the Eastmain 1 Project so as to permit the continued pursuit of traditional activities by the Crees, including in areas affected by the Project. The purpose of the Fund is to enhance the biological and visual quality of the environment, and its productivity. Where pertinent it will assist in the regeneration of habitats. Consisting of \$18,000,000 (in 2002 dollars) to be disbursed over a period of fifteen years, the Fund is held by Hydro-Québec but subject to the control of the Niskamoon Corporation. The measures undertaken by the Fund are in addition to those Hydro-Québec is to assume.

Community	Percentage
Eastmain	47
Mistissini	23.5
Nemaska	23.5
Waskaganish	6

Please refer to page 13 of the Niskamoon Audited Financial documents for more details near the end of this report.

The Archaeology and Cultural Heritage Fund

The Archaeology and Cultural Heritage Fund is designed to ensure the inclusion of information about Cree perceptions, knowledge, history, and use of the environment in archaeological work.

The Fund was established pursuant to Chapter 10 of the Nadoshtin Agreement and initially consisted of an amount of \$2,500,000 (in 2002 dollars).

The Fund is used to carry out the Archaeology and Cultural Heritage Program (ACHP). The ACHP is designed to document and protect various aspects of the cultural heritage of the area affected by the EM-1 Project. This includes archaeological and burial sites as well as the knowledge and stories of families from the three communities affected by the Project: Eastmain, Nemaska, and Mistissini.

The ACHP, which is described in Schedule 5 of the Agreement, includes three components: (a) Archaeology; (b) Traditional Cree Values and Knowledge; and (c) Burial Sites. Components (a) and (b) are designed to preserve as much as possible the cultural heritage of the area affected by the Eastmain 1 Project for future generations. They are also designed to provide opportunities for employment and training for local Cree residents, especially from the affected communities (Eastmain, Nemaska and Mistissini). Component (c) is designed to commemorate those who died or were buried in the project area and provide for the relocation and reburial of individuals. The program will be carried out over a period of approximately five years, with most of the research conducted in the first three years, prior to the flooding of the area beginning in fall of 2005. Communication, training and other activities will then continue for an additional 2 years.

Activities undertaken for 2005-2006

This is the fourth year of the program and the third year of on-the-land activities, including archaeological research, interviews with Elders and living heritage events. For the 2005 field season, some 42 people were employed – a majority of whom were Cree from the four signatory communities of the Nadoshtin Agreement (Mistissini, Eastmain, Nemaska, and Waskaganish).

An important focus of the 2005 field season was the excavation of sites from the modern period. In particular, several habitations dating to the late 1940s and early 1950s were excavated in the Wiishaakushiuu Saakahiikan (Lake Pivert). This corresponds to an important period in the history of the area as recounted by the Elders, who witnessed the excavations with interest and offered

contextual information and explanations. A large site in the Kaawaapaachuun area used in the 1970s by George Cannashish's family, as well as other families from Mistissini, was surface-collected. The artifacts will help illustrate this critical period in the history of the area.

Overall, the 2005 season produced a huge amount of archaeological material and information that will contribute considerably to our knowledge of Cree history.

Project Funded

CRA-Nadoshtin Archaeology and Cultural Heritage Program Work Plan and Budget for 2006-2007

A total of \$402,500 was earmarked to support the CRA's archaeological and cultural preservation activities.

Please refer to page 13 of the Niskamoon Audited Financial documents for more details near the end of this report.

Eenou Indohoun Fund

The Eenou Indohoun Fund is primarily designed to create opportunities for the trappers of Eastmain, Mistissini and Nemaska directly affected by the Eastmain 1 Project. The Fund promotes traditional activities and provides the means to mitigate the effects of the Project.

The Fund was established pursuant to Chapter 11 of the Nadoshtin Agreement and consisted of an amount of \$3,900,000 (in 2002 dollars). As provided by Section 11.5 of the Nadoshtin Agreement, this Fund is to be used for the types of work, services, contributions, subsidies, grants, and programs described in Schedule 7 to that Agreement.

The allocation of the Fund is as shown in the table below.

Community	Percentage
Eastmain	50
Mistissini	25
Nemaska	25

Project Funded

Sibi Enterprises–Cree Traditional Knowledge

A total of \$73,319 was allocated to land-based training for youth aged 14 to 17 in Cree knowledge, values, and skills, including hunting, trapping and equipment fabrication and use.

Please refer to page 13 of the Niskamoon Audited Financial documents for more details near the end of this report.

The Nadoshtin Training Fund

As per the Nadoshtin and Apatisiwin Agreements, other employment and training programs provided funding to various companies for Cree training and employment activities.

The Cree Construction and Development Company (CCDC) provided almost 37,000 hours of on-the-job training for over 300 positions. They were proud to report that over 60% were retained in their jobs by the company. The training positions ranged from office jobs and operators to labourers, kitchen workers, and janitors. Congratulations go to CCDC for such a successful endeavour.

Nemao was also a beneficiary of the Nadoshtin training funds for training and certifying twenty 20 forestry workers. The Nadoshtin Institutional Training Program supported this project in view of providing certification and increasing Cree employability for Hydro-Québec contracts. This project was admirable for its application of the cooperative education approach. This method of training provided a productive learning environment as well as an opportunity to directly apply the acquired knowledge of the trainees.

Please refer to page 13 of the Niskamoon Audited Financial documents for more details near the end of this report.

Opimiscow Indoho Fund

The Indoho Fund was established pursuant to Chapter 9 of the Opimiscow Agreement and consists of annual contributions of \$500,000 (in 1994 dollars) paid by Hydro-Québec to the Niskamoon Corporation on the first working day of every year until 2043. The annual payment for 2006 was a total amount of \$664,017. The Fund is to be used for the type of works and programs set out in Sub-section 9.4 and Schedule C of the Opimiscow Agreement.

This Fund is allocated as follow:

Community	Percentage	Amount
Chisasibi	70	\$464,812
Wemindji	30	\$199,205

Please refer to page 13 of the Niskamoon Audited Financial documents for more details near the end of this report.

A scenic landscape photograph of a lake with a forested island and rocky shore. The foreground shows dark, jagged rocks in the water. In the middle ground, a large island covered in dense evergreen trees sits in the center of the lake. The background is a bright, overcast sky. The overall color palette is muted, with blues, greys, and dark greens.

Programs and
Initiatives

Programs and Initiatives

Technical Employment with Hydro-Quebec (TEHQ) Program

As with the James Bay and Northern Quebec Agreement (JBNQA) of 1975, the Apatisiwin Agreement, under Niskamoon Corporation's TEHQ Program, aims to provide Hydro-Quebec with a minimum of 150 qualified Crees for permanent positions for the first 150 qualified Crees within the James Bay territory in the following occupations:

- Automation Electronics Technicians
- Telecommunications Technicians
- Apparatus Electricians
- Apparatus mechanics

These positions are appropriate targets for the Cree since trades and technician posts represent about 76% of Hydro-Quebec's labour force in the James Bay territory. Another is that the Cree should, can and do partake in development activities in the territory. Accordingly, in partnership with Hydro-Quebec, Niskamoon Corporation designs, develops, manages and implements the TEHQ Program.

Activities in 2005-2006

The 2005-2006 year saw many rewarding accomplishments for the Niskamoon Corporation. One outstanding Cree accomplishment recalls the graduation in June 2005 of 10 Cree graduates from the Centre Polymétier of Rouyn-Noranda and their subsequent hiring as permanent employees at Hydro-Québec.

The graduates in 2005 are Russel Blackned, Jason Loon, Gordon Cookish, David Pachano, Eric Grondin, Frankie Tapiatic, Ronald Stephen, Brian Sealhunter, Lesley Mattawashish and Alain Fireman. They all received their Diplomas and qualified themselves to become Apparatus Electricians with Hydro-Québec in August of 2005 after completing their 2-year program in Automated Systems Electro-Mechanics in the French-language vocational training program. Once again, Niskamoon Corporation congratulates this very accomplished group of Cree graduates for overcoming many challenges and surmounting cultural and language barriers.

In addition to the 8 Cree permanent employees as per the JBNQA from the FIMA program, another 10 potential permanent Cree employees are added for Hydro-Quebec hiring as per the JBNQA and the Apatisiwin Agreement under the TEHQ Program.

The Niskamoon Corporation continues to endeavour to fulfill its objective of providing the first 150 qualified Crees within the James Bay territory by March 31, 2017 as per the Apatisiwin Agreement.



Management and Administration of TEHQ

In its ongoing management efforts to realign the Apatisiwin Agreement Employment and Training Program, Niskamoon Corporation reviewed its current policies and adopted the TEHQ Program Policy. This policy essentially establishes the terms and conditions as per the TEHQ Program's objectives and outlines provisions such as support measures in relation to students' socio-academic and economic needs.

The TEHQ Program also aims to:

- 1) Offer Crees training programs that lead to the required qualifications in the respective disciplines of study
- 2) Provide training to Crees that leads them to meet Hydro-Québec hiring requirements
- 3) Facilitate Cree enrollment in all targeted training programs
- 4) Support and encourage successful completion of training programs
- 5) Underline merit and recognize Niskamoon DEP and DEC level students who pursue success in their training programs
- 6) Foster student responsibility
- 7) Further support the measures aimed at providing Hydro-Québec with a minimum of 150 qualified Cree people to work in the James Bay area

In light of the above, Niskamoon Corporation continues to offer a Student Support Centre for student use in Rouyn-Noranda, Quebec. The Centre supplies students with computer access, counselling services, and other important services and activities.

Moreover, the Corporation also provided Student Activity Funds to students and their families to facilitate their integration into urban and rural lifestyles. It has been demonstrated that such support measures alleviate culture shock resulting from the relocation of students from their communities of origin.

In addition to the measures outlined above, Niskamoon Corporation provided a Summer Student Employment Program to encourage students to apply their acquired academic knowledge in a workplace environment during the summer period. Summer 2005 saw 8 students hired: some in their respective fields of study to practice and maintain their training through various employment opportunities; and others simply to enrich their employer-employee relations.

This year saw also the establishment and implementation of the Niskamoon Employment and Training Committee as well as the hiring of Student Life Animators and a Communications/Administration Officer.

Many new administrative measures have been pivotal in establishing new and rewarding relationships with students, staff and partners alike. To a large extent, the deciding principles of the Niskamoon Board of Directors and Niskamoon Training Management Committee have been an excellent source of information in managing, publicizing, and promoting the TEHQ Program.



Finally, Niskamoon Corporation continued working in partnership with the Training Institutions, the Cree School Board and Hydro-Québec.

These partnerships have also played a vital role in the management and administration of the program. In fact, establishing and implementing sometimes challenging decisions on program orientations is supported by expert and professional opinion. It is also these partnerships that contribute to our current training and employment deliverables and results.

Recruitment Campaign 2006

Once a year, Niskamoon Corporation tours the Cree communities as well as some urban areas to provide information on our training programs.

More specifically, during the period from January 15 to February 9, 2006, Niskamoon Corporation, in partnership Hydro-Québec and the Cree School Board, visited all 9 Cree communities as well as EM-1, Val d'Or, Montreal and Gatineau to promote its TEHQ Training Program.

These tours provide a great opportunity to meet with all Niskamoon Corporation stakeholders and inform them on TEHQ Program orientations and benefits. We also spoke of the application process and those of the training programs requirements as well as Hydro-Québec job opportunities, hiring requirements, work environment, and employment benefits.

It was great to see as many as 340 participants come and listen to our presentations. We hope to keep on seeing many participants during our next tours. We will continue to use local radio stations, posters and the help of local Niskamoon coordinators as well as regional radio stations to advise you of our next visits to your community. We were glad to hear that many people enjoyed the video "Open Doors to the Future."



Finally, 42 applicants enrolled for the 2006-2007 academic years. We wish all of next year's new and returning students the best as they take on the challenge of furthering their education and training and/or continuing their programs. We know they will emerge better prepared to take on the challenges of the job market and to surmount the many cultural and language barriers as they move toward new and rewarding job opportunities.



Academic and Other Training Investments

Summer 2005 saw ten Cree participants benefiting from the French Immersion Program at the *Centre d'Immersion française de Ste-Hyacinthe*, Quebec. Having prepared to enroll in a French language of instruction program, many of those who completed the program entered the Pre-requisites Training Program at the Centre Elizabeth Bruyère in Rouyn-Noranda, Quebec.



In the fall of 2005, in addition to the 22 students already enrolled in Vocational, Technician and University programs, some 16 students entered the Pre-requisites Training Program for 2005-2006.

Twelve students were enrolled in Vocational Programs. Seven students enrolled in their second year of Automated Systems Electro-mechanics in Rouyn-Noranda and 5 others in their second year of Industrial Construction and

Maintenance Mechanics in Chibougamau, Quebec. These vocational training programs also provided internship opportunities with Hydro-Québec as part of their curriculum.

Another 10 students returned to their second year of a three-year technician program in Electronics Technology in Telecommunications/Computers at Heritage College in Gatineau, Quebec.

Finally, 1 student returned to his Electrical Engineering Program at Carleton University in Ottawa, Ontario. In 2004, this student expressed interest in working for Hydro-Québec and the Niskamoon Corporation has been sponsoring him in his endeavours through its TEHQ Program.

The following table illustrates student enrollment in the various training programs leading to Hydro-Québec employment:

#	Name	Origin	Centre Polymétier in Rouyn-Noranda
1	Isik Mapachee	Waskaganish	2nd year/2 year program
2	Gilles Pelchat	Chisasibi	2nd year/2 year program
3	Jacqueline Pelchat	Ville Marie (Chisasibi)	2nd year/2 year program
4	Nancy Pelchat	Chisasibi	2nd year/2 year program
5	Christopher Swallow	Chisasibi	2nd year/2 year program
6	Stuart Wapachee	Senneterre (Mistissini)	2nd year/2 year program
7	Sam Weistche	Val d'Or (Waswanipi)	2nd year/2 year program
#	Name	Origin	Centre de formation professionnelle de la Jamésie in Chibougamau
1	Gabriel Cooper	Waswanipi	2nd year/2 year program
2	David Simon	Mistissini	2nd year/2 year program
3	Gaetan Verville	Val d'Or (Waswanipi)	2nd year/2 year program
4	Adam Voyageur	Mistissini	2nd year/2 year program
5	Sarah Voyageur	Mistissini	2nd year/2 year program
#	Name	Origin	Heritage College in Gatineau
1	Doreen Blacksmith	Waswanipi	2nd year/3 year program
2	Ghislain Bobbish	Chisasibi	2nd year/3 year program
3	Patricia Bobbish	Chisasibi	2nd year/3 year program
4	Bonnie Fireman	Chisasibi	2nd year/3 year program
5	Jason Pachano	Chisasibi	2nd year/3 year program
6	Hugo Rupert	Chisasibi	2nd year/3 year program
7	Maureen Salt	Ouje-Bougoumou	2nd year/3 year program
8	Stephen Serafinowicz	Chisasibi	2nd year/3 year program
9	Joseph Shecapio	Mistissini	2nd year/3 year program
10	Daniel Taylor	Waskaganish	2nd year/3 year program
11	Philip Voyageur	Mistissini	2nd year/3 year program
#	Name	Origin	Carleton University in Ottawa
1	Gary Chewanish	Chisasibi	2nd year/3 year program
#	Name	Origin	Centre Elizabeth Bruyere in Rouyn-Noranda
1	Amanda Coon	Waskaganish	1 Year Prerequisites Training
2	Johnny Chewanish	Chisasibi	1 Year Prerequisites Training
3	Jason Grondin	Waswanipi	1 Year Prerequisites Training
4	James Chiskamish	Chisasibi	1 Year Prerequisites Training
5	Cathy Iserhoff	Chisasibi	1 Year Prerequisites Training
6	Daniel Gull	Waswanipi	1 Year Prerequisites Training
7	Kristen Iserhoff	Chisasibi	1 Year Prerequisites Training
8	Clarence House	Chisasibi	1 Year Prerequisites Training
9	Tyrone Jolly-Grant	Waswanipi	1 Year Prerequisites Training
10	Cheyenne Picard	Chisasibi	1 Year Prerequisites Training
11	Jason Kistabish	Washa Sibi	1 Year Prerequisites Training
12	Michel Lameboy	Chisasibi	1 Year Prerequisites Training
13	Janice Napash	Chisasibi	1 Year Prerequisites Training
14	Frank Sam	Chisasibi	1 Year Prerequisites Training
15	Paul Sealhunter	Chisasibi	1 Year Prerequisites Training
16	Brian Sam	Chisasibi	1 Year Prerequisites Training
#	NAME	ORIGIN	Centre d'Immersion française in Ste-Hyacinthe
1	Neil Blacksmith	Mistissini	8/8 Weeks French Immersion
2	James Chiskamish	Chisasibi	8/8 Weeks French Immersion
3	Daniel Gull	Waswanipi	8/8 Weeks French Immersion
4	Jason Grondin	Waswanipi	8/8 Weeks French Immersion
5	Terry Hester	Waskaganish	8/8 Weeks French Immersion
6	Michel Lameboy	Chisasibi	8/8 Weeks French Immersion
7	Benjamin Mitchell	Mistissini	8/8 Weeks French Immersion
8	Janice Napash	Chisasibi	8/8 Weeks French Immersion
9	Frank Sam	Chisasibi	8/8 Weeks French Immersion
10	Paul Sealhunter	Chisasibi	8/8 Weeks French Immersion

Niskamoon Corporation is proud to sponsor such remarkable endeavours and recognizes the promising Cree employment opportunities for these students once they graduate from their respective programs of study.

Cree Employment at Hydro-Québec and Integration Activities

As per the Apatisiwin Agreement provision on Hydro-Québec temporary employment opportunities in James Bay, Hydro-Québec received one Cree applicant on their posting for a Security Guard.

There was also a posting announcing their hiring forecast for one 1 Plumber, 3 Heavy Machinery Operators, and 1 Air Conditioner Mechanic.

Hydro-Québec hiring forecasts are sent to Niskamoon Corporation, and we forward them to the Cree Human Resources Department of the Cree Regional Authority for public posting. Cree candidacies are kept in a Hydro-Québec database for future reference and are given priority consideration when the position must be filled.

Given the historical links between the Cree and Hydro-Québec, proper and respectful integration of Cree workers at Hydro-Québec is given due consideration. As more and more Crees aim to enter the Hydro-Québec workforce, the Niskamoon Corporation reviews the hiring and integration practices of Hydro-Québec in collaboration with the utility.

In short, both partners work together to facilitate the Cree, Hydro-Québec workers and supervisors in their transition to their new relationships.

Other TEHQ Program Labour Market Investment Activities

Niskamoon Corporation recognizes there is vested interest in ensuring that the future Cree labour market participants are provided with an opportunity to harvest and enjoy the benefits of learning math and sciences. Accordingly, the Corporation once again sponsored High School Level Math and Science Projects as well as Primary Level Science Projects in the Cree School Board (CSB) schools during the 2005-2006 academic years.

At the request of the Cree School Board, the Niskamoon Corporation added the management and administration of the Math and Science Enrichment Program for 2005-2006 to the Funding Agreement with the CSB.

Math & Sciences Enrichment Program

The Funding Agreement provided for 2 teaching positions in Mistissini, where one was to cover an enrichment program in Math 436 and the other for Physical Science 436. There was also a provision for another teaching position in Chisasibi for both subject matters. Regretfully, due to a housing shortage in Chisasibi, the Cree School Board was unable to fulfill this part of its sub-contract for 2005-2006.

In short, the funding for the Math & Science Enrichment Program allowed 4 teaching positions to share the workload of teaching Math 416, 426 and 436 and Physical Sciences to a total of 9 Secondary 4 and 5 Mistissini students both in the English and French sectors. At the time of the report, it was yet undetermined how many students had passed their exams. However, the school staff and its management held very high hopes for those students who enjoyed the benefits of the Math & Science Enrichment Program.

High School Level Science Clubs & Fairs, Science Camps and Orientation Trips

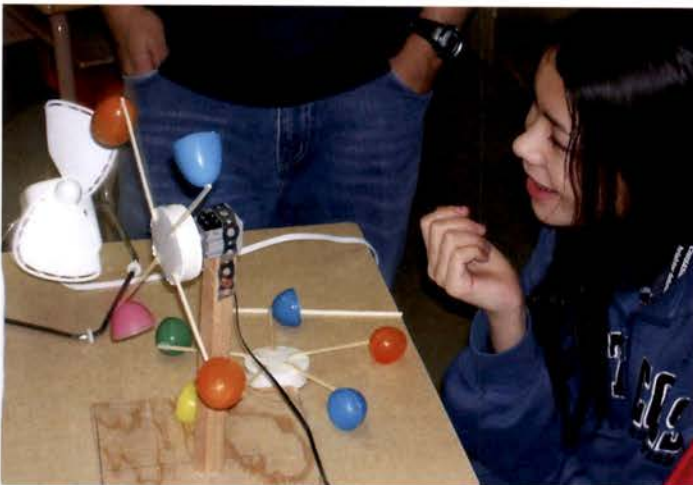
Science Camp

The Science Camp is intended to run throughout the academic year with science and technology-related activities for the high school sector. The activities are meant to enrich the current science curriculum being delivered to the students. Four schools have made use of the funds by integrating computer camps facilitated by IBM. Other schools invited organizations such as Elephant Thoughts and Mad Science to deliver hands-on scientific activities and entertainment.



Science Clubs & Fairs

The Science Club & Fair fund was offered to schools to encourage students to work on science-related projects during the year and hold a Science Fair toward the end of the year to display their creations. Topics ranged from using telescopes to learning different computer applications and software to discovering the wonders of digital cameras. Five schools have participated in this exciting program where some competed at the local Science Fairs.



Orientation Trips

Four schools have benefited from the funding available to Secondary 5 students of each local school. The Orientation Trips are meant to introduce students to actual workplaces related to Hydro-Québec (e.g. EM-1, LaGrande, etc.) or to science-related attractions (e.g. Centre des Sciences de Montréal) within the province of Quebec to spark interest in these fields of study. The aim is to promote mechanical and electrical technical and professional training as a future area of study. The students have the opportunity to ask questions about these specific work-

places and see where they could possibly find work upon completing their studies.

Primary Level Science Projects

To include elementary students, Niskamoon invited Elephant Thoughts, a highly recommended non-profit charity organization that helps promote high standards of education despite economic or geographic barriers, to provide the kids with a different approach to science. The Elephant Thoughts team visited each of our community's elementary sectors for a week filled with activities and projects relating to sciences and technology. Approximately 1,420 elementary students enjoyed hands-on experiments with telescopes, computers, and even robots. Elephant Thoughts was also around and available during the evenings to invite parents and community members to view the stars and sky through telescopes.



Remedial Works Program

Along with the implementation of the *Hiring Initiatives* aiming to increase the number of Cree occupying permanent positions in Hydro-Québec operations, the Niskamoon Corporation is also responsible for designing, developing, approving, managing and implementing a set of temporary employment initiatives. Seven hundred fifty (750) projects have been funded since 2002. The projects financed were distributed among the nine (9) Cree communities affected by the La Grande Complex. The cost of this second series of projects amounts to over five million dollars. This year 15,224 person-days were created. Altogether 26,724 person-days have been created since 2002.



Project selection criteria

Projects are selected in accordance with the important priority of generating employment for the Crees. Temporary Employment projects are aimed at the employment of Cree Youth or trappers and their family directly affected by the La Grande Complex. The criteria applied to the selection of project also take into account the technical feasibility of the proposed works.



Scope of the projects

As it has been the case since the launch of the Temporary Employment Programs, nearly all the projects submitted by Cree proponents can be classified in one of the three (3) main categories of priority employment projects as originally defined by the Apatisiwin Corporation. The priority projects are improvement of the access to the territory, improvement of shelter during traditional activities, and enhancement of harvesting conditions (hunting territory and wildlife habitats). The following lists identify the different types of projects included in each of the categories.

Improvement of access to territory

- Snowmobile trails
- ATV trails
- Portages
- Upgrading access roads
- Construction of parking areas
- Construction of hauling ramps and canoe racks (manual jobs)
- Cleaning and marking navigation corridors
- Cleaning streams (for navigation)
- Snow ploughing on secondary access roads

Improvement of shelter

- Construction of new trapper cabins
- Construction of individual storing facilities (sheds)
- Construction of community storing facilities (warehouses)

Enhancement of hunting conditions and wildlife habitat

- Water-flow areas (creating goose ponds, flyways and goose-feeding areas)
- Shore-cleaning on hydro-electric reservoirs
- Renewal of tree-cutting (moose yards)



Projects Funded

Listed below are brief descriptions of the projects financed under the Remedial Works Fund.

Mistissini, Temporary Employment

A total of \$275,790 was allocated to realizing this project which aims to stimulate temporary employment in the Caniapiscou area affected by the La Grande Complex.

CTA 2005-2006 Cabin Program

A total of \$1,000,000 was earmarked for the design, acquisition of building materials, and construction of roughly 30 cabins for the use of trappers.

Chisasibi Temporary Employment Program

A total of \$539,299 was allotted to this project that aims to support temporary employment programs in Chisasibi.

Whapmagoostui Skidoo/ATV Trails

This project received \$233,089 for the purpose of designing and installing new Skidoo and ATV trails and improving access to traplines.

Oujé-Bougoumou Remedial Works Projects

A total of \$92,144 was allotted to remedial projects for traplines in the community.

Nemaska N-24A Portages Trails

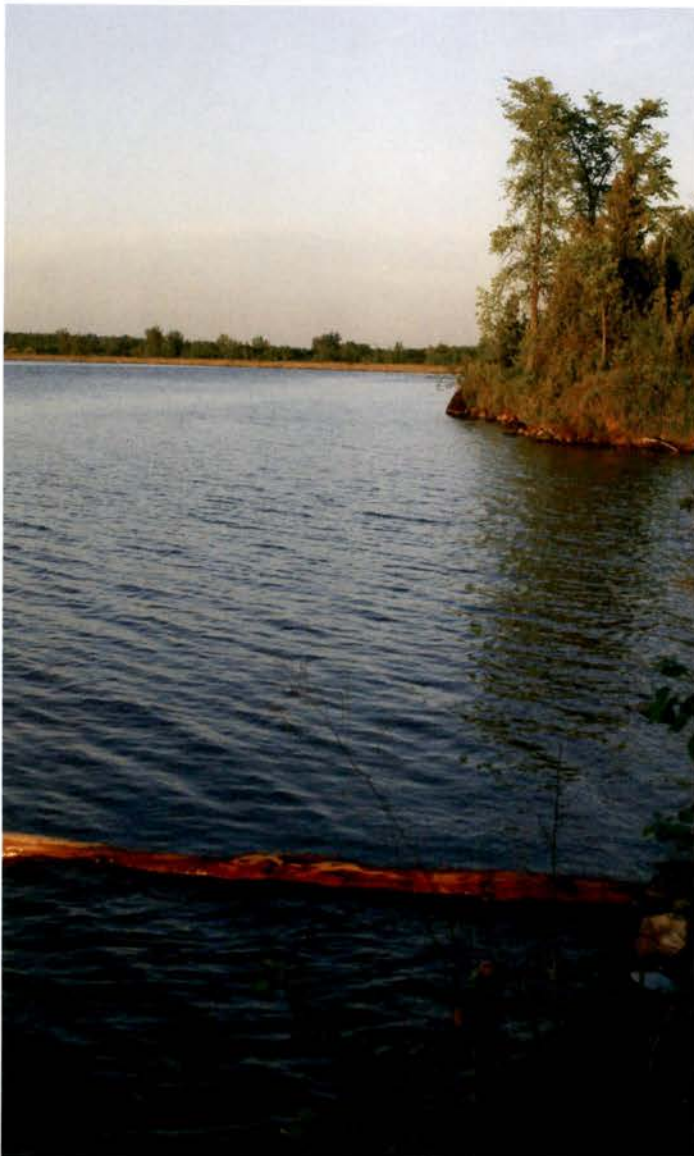
This project, designed to improve access to hunting grounds and wilderness trips via new trails, received \$15,745.

Mistissini M-48 Skidoo Trail

\$50,071 was allocated to the construction of a snowmobile trail for improved access in the area.

Sibi Enterprises Nenaskamoon Gathering

A total of \$26,328 was allocated to this project for a gathering of Eastmain River Talleyman, planned, coordinated and administered by Sibi Enterprises.





Old Nemaska Forest Fire Protection Measures

This project called for the building of a firewall to protect ancestral homes and woods in Old Nemaska; \$76,400 was allocated to this end.

CTA Remedial Works Proposal

A total of \$40,023 was set aside for this project to build a snowmobile trail for use by Mistissini trappers.

Nemaska Wood Supply for Elders

This project was designed to help Elders in Nemaska pursue traditional activities and live off the land from time to time; this initiative received an allocation of \$21,335.

Table 1: Distribution of the financial Allocations and Employment created in the Cree Communities by category of projects from April 2005 to March 2006

Cree Employment Fund				
Communities	Categories of projects			Total
	Improvement of access	Amelioration of shelter	Enhancement of hunting conditions and habitat	
Chisasibi				
Number of projects	50	1	4	55
Budget allocated	\$1,090,500	\$24,630	\$386,631	\$1,501,761
Total employment (person-days)	(2649)	(64)	(720)	(3,433)
Eastmain				
Number of projects	n/a		2	3
Budget allocated	\$325,339		\$37,064	\$362,403
Total employment (person-days)	n/a		(94)	(95)
Mistissini				
Number of projects	10		1	11
Budget allocated	\$508,602		\$562,925	\$1,071,527
Total employment (person-days)	(1021)		(1512)	(2533)
Nemaska				
Number of projects	12		9	21
Budget allocated	\$1,424,507		\$217,864	\$1,642,371
Total employment (person-days)	(3436)		(4005)	(7441)
Oujé-Bougoumou				
Number of projects	11			11
Budget allocated	\$92,144			\$92,144
Total employment (person-days)	(372)			(372)
Waskaganish				
Number of projects	21		2	23
Budget allocated	\$110,895		\$71,638	\$182,533
Total employment (person-days)	(522)		(180)	(702)
Wemindji				
Number of projects	17	n/a	3	21
Budget allocated	\$370,909	\$30,000	\$42,790	\$443,699
Total employment (person-days)	(770)	n/a	(137)	(908)
Whapmagoostui				
Number of projects	n/a			1
Budget allocated	\$233,089			\$233,089
Total employment (person-days)	(770)			(1)
Regional Cree Trappers Association				
Number of projects		40		40
Budget allocated		\$1,000,000		\$1,000,000
Total employment (person-days)		(2000)		(2000)
TOTAL				
Number of projects	121	50	12	~187
Budget allocated	\$5,155,985	\$1,272,494	\$1,110,048	\$7,538,527
Total employment (person-days)	(8772)	(6070)	(382)	(15,224)

The allocated budgets correspond to the total cost of the projects, including transportation cost, fringe benefits and administration fees. The total employment is expressed as the total number of 10-hour working days generated for each category of projects.

Please note that figures are reflective of project proposals submitted and approved by the Corporation.

Fisheries and Health

A current priority of the Board of Directors of the Niskamoon Corporation is the Fisheries and Health program. This program's chief purpose is to foster projects that are designed to:

- restore and strengthen Cree fisheries through initiatives that respond to Cree aspirations and needs
- support Public Health Authorities in the development and delivery of services as part of risk-management programs relating to human exposure to mercury

In approving projects, the Board of Directors has to balance a number of concerns from the management of fish resources to optimizing results with limited financial resources to ensuring that the Cree Nation as a whole benefits from these initiatives.

In balancing these concerns, the Board of Directors has developed the following project criteria, which, if respected, will help ensure approval:

- self-sustaining project
- community involvement
- employment growth
- respect and promotion of traditional values
- increasing health benefits through fish consumption
- involvement of youth

Projects under consideration

A number of possible projects are being considered as part of the Fisheries Restoration and Development Program, including the ones listed below:

- assessment of potential harvestable fish stocks
- monitoring harvested fish stocks by the Cree
- infrastructure for fish harvesting, processing, storage and transportation
- feasibility of a commercial fishery, including fish marketing
- sports-fishing marketing

Also under consideration are mitigating and remedial measures aimed at restoring subsistence fisheries, including:

- subsidizing community fisheries
- providing or facilitating access to fishing sites



- implementing wildlife enhancement schemes
- enhancing camp sites for fishing purposes
- providing technical training to generate relevant local expertise
- preserving traditional knowledge of fishing and related activities
- providing fishing and related equipment
- developing and testing fishing gear
- fish farming and restocking of lakes and other bodies of water

Projects Funded

Listed below are brief descriptions of the projects financed under the Fisheries and Health Fund.

Nemaska Sturgeon Fishing Project

This project was designed to perpetuate and preserve the tradition of sturgeon harvest and preparation; \$59,324 was allocated to executing the project.

Waswanipi, Cultural Fishing

This project was designed to promote fishing practices, including the making, repairing, and cleaning nets, among youth, thus providing them with summer employment opportunities; \$46,564 was allocated to realizing the project.

Whapmagoostui Fishing and Preparation

A total of \$57,525 was allocated to realizing this project in which tallymen and Elders transmit knowledge and skills in fish preparation to 10 youths.

Wemindji 2005 Revitalization

A total of \$143,792 was allocated to this project whose goal is to restore a sustainable fisheries program and train youth in fishing and fish preservation practices.

Waswanipi Dock Development Program

This project called for the building of a dock at the Waswanipi Old Post; \$44,850 was allocated to this end.

COTA Implementation 3-Year Strategic Marketing

A total of \$93,643 was set aside for this project to continue the implementation of COTA's 3-year plan to promote tourism in the Cree Nation.

Wemindji Program for Monitoring Fish Populations

A total of \$31,706 was allotted to the revitalization of the Wemindji coastal fisheries program.

Waswanipi Cree Model Forest Fish Habitat Project

This initiative to encourage the development and adoption of innovative sustainable forest management practices, especially with regard to aquatic fauna, received a total of \$21,725.

Kiskimaastakin Camps

A total of \$30,000 was allocated to the development of sport fishing packages at LA-1 Reservoir.

Wemindji Walleye Status in Yasinski Lake

This project was designed to monitor the status of walleye in Yasinski Lake, collect complementary field data, and establish appropriate corrective measures (along with associated costs); this initiative received an allocation of \$67,936.

CRA Role of Fish

A total of \$42,200 was earmarked for the CRA's initiative of hiring an anthropologist with personal knowledge of Cree culture and fisheries to devise a strategy to restore Cree fisheries in light of mercury exposure.



Waskaganish Sturgeon Fish Project

This project, designed to encourage the consumption of fish as a healthy lifestyle choice, received \$32,395.

Whapmagoostui First Nation Fishing and Preparation

This project, designed to transmit traditional knowledge in the culling and preparation of fish to younger generations, received \$79,075.

Old Nemaska and Nemaska Lake Docking Facilities

This project called for the construction of docking facilities at Old Nemaska, Nemaska Lake landing and Genawmee Camp for the benefit of all users and visitors and received \$182,038.

Waskaganish Project N-02, Upgrading of Smokey Hill Access Road

A total of \$60,257 was earmarked for the upgrade of the access route from the access road at KM 22 toward the Rupert River.

Environmental Health Contaminants Program

This project was designed to foster a contaminant-free environment through a set of initiatives that include risk management strategies, a database of fish contaminant level, the appointment of an environmental health contaminant program officer; \$1,148,400 was allocated to realizing the project.

Mistissini, Traditional Cree Fishing

This project, consisting of traditional fishing and related activities designed to transmit knowledge from the Elders to youth, was granted an allocation of \$354,046.

Volume of work created through funding initiatives

In total, the above projects account for 6,272 person-days of work in the Cree communities.

THE MONITORING AND RESEARCH PROGRAM

The Monitoring and Research Program was created to deal health issues that may affect Crees arising from the presence of mercury in the environment in the James Bay region. The Program will publicize the benefits associated with the consumption of fish and demonstrate how to reduce mercury-related risk.

The following studies and activities are under consideration and subject to a Management Process:

- Monitoring exposure to mercury and other contaminants
- Epidemiological & toxicological studies
- Investigation of the pattern of exposure to mercury
- Studies on health benefits of fish consumption
- Investigation of patterns of fish consumption

The following studies and activities are under consideration and are not subject to a Management Process:

- Ongoing review and evaluation of scientific literature on mercury, other contaminants, and related issues on health & nutrition
- Investigation of patterns of fish harvesting and distribution
- Investigation by the Crees on perceptions of mercury and other contaminants focused on traditional Cree knowledge and values
- Evaluation of experience acquired under other jurisdictions in the fields of risk assessment and evaluation with respect to mercury and other contaminants in the environment
- Information campaigns to support and implement consumption guidelines issued by public health bodies regarding the risks and benefits of fish consumption
- Equal participation of representatives of both parties of Names to international conferences on mercury
- Support the establishment of registries on nutrition or contaminant-related diseases
- Assistance with the creation of health-related databases related to mercury and other contaminants

Activities in 2005-2006

A major project within the Monitoring and Research Program in the past year has been a multi-community environment and health longitudinal study in Iiyiyiu Aschii. A total of 290 individuals took part in the study – of whom 228 participated in the dietary component of the study. The study has four major objectives, namely to: (1) assess exposure to mercury and other environmental contaminants; (2) investigate health effects of exposure to contaminants; (3) determine the links between wildlife health, quality of aquatic habitats, and human health; and (4) facilitate communication and training for capacity-building.



The Eastmain 1 Project

The Eastmain 1 Project is located on the Eastmain River immediately upstream from the reservoir created for the Eastmain-Opinaca diversion into the La Grande Complex. The main components of the Project are:

- The powerhouse, located on the left bank (facing downstream) of the Eastmain River, 203 kilometres from the mouth of the river. It has three turbine/generator units with a capacity of approximately 480 megawatt hours (with average flows).
- The main dam, approximately 217 kilometres from the mouth of the Eastmain River. It is about 890 metres long and 70 metres high. Thirty dikes are required to close the reservoir.
- The reservoir has a flooded area of about 603 square kilometres at its maximum level. Its annual drawdown is roughly nine metres. The headwater level is 283 metres at its highest and 274 metres at its lowest. The Village Lakes will not be affected.
- The spillway, located on the right bank (facing downstream) of the Eastmain River upstream from the powerhouse at the north end of the dam.
- A temporary camp and an 85-kilometre permanent access road linking the main dam to the Nemiscau substation. In addition, a temporary 69-kilovolt line, supported by wooden poles, running from Muskeg substation will be installed to supply electricity to the construction site.
- An approximately 70-kilometre, 315-kilovolt line between the powerhouse and Nemiscau substation to integrate production into the transmission network.

Technical and Environmental Committee

The Technical and Environmental Committee (TEC) is a joint Cree/Hydro-Québec Committee made up of four members appointed by Niskamoon Corporation: two representatives of the Crees and two from Hydro-Québec. René Dion and Lawrence Jimiken represent the Crees, while Réjean Gagnon and Réal Courcelles represent Hydro-Québec. The mandate of the TEC, as set forth in Chapter 8 of the *Nadoshtin Agreement* includes, but is not limited to, the following:

- To assist the Niskamoon Corporation with support, advice and information in the study, planning, evaluation and execution of the environment-related activities that fall within its mandate.
- To assist Cree tallymen and trappers, particularly those from Eastmain, Mistissini, Nemaska and Waskaganish, with support, advice and information regarding the work, services, projects and programs provided for under the *Nadoshtin Agreement*.
- To coordinate and carry out the Lake Sturgeon Study and Management Program jointly with the Niskamoon Corporation.
- To ensure participation of the Crees and inclusion of their concerns in specific environmental follow-up studies and to ensure that they are consulted with respect to Hydro-Québec's Eastmain-1 Environmental Monitoring Program (PSE-EM-1).
- To receive information on environmental and other activities and disseminate it to the Niskamoon Corporation and affected Cree communities.

This report summarizes the activities carried out by the TEC in 2005-2006.

Activities of the Technical and Environmental Committee in 2005-2006

During the period from April 1, 2005 to March 31, 2006, the TEC carried out its mandate through a number of activities. To do so, the TEC held four meetings, which included joint meetings with other groups and committees.

Following are the main activities carried out by the TEC during this period:

- Validation of study specifications
- Finalization of the PSE-EM-1 program and the special monitoring program to be carried out during impoundment

- Optimization and follow-up of the program to produce and strengthen lake sturgeon populations
- Follow-up of the mitigation measures carried out by SEBJ/HQ
- Dissemination of information

The results presented in this report were submitted to the members of the TEC, and were, for the most part, filed with the Niskamoon Corporation on November 30, 2005. The members of both entities submitted their comments concerning the surveys and work to SEBJ/HQ.

1 Validation of Environmental Study Specifications

Before the following environmental studies were undertaken, study specifications were reviewed, commented on and validated by the Cree members and SEBJ/HQ:

- Follow-up study on wetlands and land areas
- Follow-up study on large wildlife and additional activities
- Follow-up studies on social environment and mitigation measures
- Archaeological inventories and digs, phase 4 and additional digs
- Study on the potential for developing commercial fisheries and producing sturgeon caviar in Eastmain 1 Reservoir (proposed by the Work Group on the Use of the Fisheries Resources in Eastmain 1 Reservoir)
- Study on the potential for developing tourism and outfitting on Eastmain 1 Reservoir (proposed by the Work Group on the Use of the Fisheries Resources in Eastmain 1 Reservoir)

2 Study Results and Mitigation Measures

2.1 Environmental follow-up program (PSE-EM-1)

The final version of the PSE-EM-1, which was jointly developed by SEBJ/HQ and the Crees through the TEC, was submitted to the *Ministère du développement durable, de l'environnement et des parcs* (Quebec department of sustainable development, the environment and parks) in April 2005. The PSE-EM-1 provides a means of following up on the modifications to the physical, biological and social environments, as well as the effectiveness of the mitigation measures, both before and after impoundment. The TEC is responsible for implementing and monitoring the program.

The studies undertaken as part of the approved program and the results of those studies are presented below.

Biophysical environment

- **Bank characterization on the lower Eastmain River:** The reduced-flow section between KP 202 and 217 of the Eastmain River has been under study since 2003. A series of field surveys carried out in summer 2005 made it possible to characterize the geomorphology of this stretch of river and establish a baseline. The results showed that 94% of the riverbanks presented little or no sensitivity to erosion, whereas 1% was highly sensitive to erosion. The data collected were used to establish mitigation measures to stabilize the more sensitive sections of riverbank and maintain the quality of wildlife habitat areas.
- **Study on greenhouse gases (GHGs):** This study was carried out in 2005 to characterize the GHG emissions from water bodies within the boundaries of the future Eastmain 1 Reservoir. The baseline conditions served as a reference from which to determine the magnitude and duration of the emissions associated with impoundment of the reservoir.

- **Large wildlife inventories:** Large wildlife inventories were conducted to determine to what extent the 9,000-km² territory is used by moose and caribou and to assess the impact of construction work and forest fires on their populations. The Weh-Sees Indohoun Corporation also uses these data to validate its wildlife protection plan.

Social environment

- **Study on Cree land use:** The first step of the follow-up study on land use, which covered the period from 2002 to 2004, was completed in 2005. In order to factor in the impacts of the reservoir impoundment, more interviews with land users will be conducted in 2006. The main results of the study show that the users of traplines directly affected by the reservoir essentially hunted, fished and trapped in the same way as they did before construction work began. The main differences observed are associated with the changes in the way the traplines are accessed and the participation of the Crees in the work and surveys. Hunting,



fishing and trapping was more intensive in the trapline areas to be flooded, with the exception of the areas immediately surrounding construction and land-clearing sites.

- **Follow-up study on sport hunting and fishing within the territory managed by the Weh-Sees Indohoun Corporation:** The purpose of this study was to determine how these activities are practised by the workers from Nemiscau and Eastmain work camps and to ascertain their impacts on the environment. Analysis of the 2004 results, which was completed in 2005, shows that the workers do not hunt very frequently. The preliminary data from 2005 indicate that six moose were killed. Moreover, about 19% of the workers fish in their spare time. The preliminary data from 2005 show that 1,500 fishing licenses were issued that year and that 3,500 fish were caught, of which 74% were walleye, 15% were brook trout, and 11% were northern pike. Of the 45 water bodies used for fishing, five were closed during the season because their catch quotas had been reached.
- **Follow-up on economic spin-offs:** The follow-up study on economic spin-offs will be completed in 2006 in order to factor in all of the data from 2005. However, some of the preliminary results as at 31 December 2005 can be presented here. Cree workers represented 15% of the jobsite workforce; 1,039 Crees worked at the Eastmain-1 jobsite, which represents a payroll of \$42 million. Under the *Nadoshtin Agreement*, SEBJ and Hydro-Québec undertook to award contracts worth at least \$300 million to Cree enterprises. By December 31, 2005, this obligation had not only been fulfilled, but surpassed; in fact, Cree enterprises had obtained \$370 million in contracts, which represents 30% of the total value of contracts awarded.

Special monitoring program during impoundment

The monitoring program to be conducted during impoundment was developed and carried out jointly with the families of the five tallymen directly affected by the creation of Eastmain 1 Reservoir. The tallymen met with the SEBJ representatives before impoundment to develop the action and communication plans for the program. They met on two more occasions during impoundment to ascertain the status of the project, to take note of the tallymen's specific needs and recommendations, and to optimize the action plan.

The main elements covered by the monitoring program during impoundment are as follows:

- Ice cover and user safety
- Wildlife movement and measures to be implemented
- Progression of impoundment and its impact on access to the traplines

Monitoring of the ice cover revealed that the Eastmain River, including the stretch downstream of the reservoir, was safe for users, whereas the ice cover on the upstream portion of the reservoir was not safe. Therefore, a helicopter service was made available to transport the Cree users, their families and equipment across the Eastmain River at PK-307.

Moreover, monitoring of large wildlife made it possible to determine the animals' movement and the impact of impoundment of their populations, and to intervene in the case of animals at risk. There was no evidence of any animals drowning, and the caribou migrated normally. The tallymen found it necessary to take action on two occasions: a black bear trapped in its den by the rising waters and a moose stranded on an island had to be harvested.

Lastly, fly-overs carried out with the tallymen also helped them visualize the progression of the rising water in each section of their respective traplines. There was a minor problem with access to one trapline.

2.2 Optimization and monitoring of the program to produce and strengthen lake sturgeon populations

The program to produce and strengthen lake sturgeon populations involves the following activities:

- Study and characterization of lake sturgeon populations
- Production and stocking of lake sturgeon fry
- Development of lake sturgeon spawning grounds

Lake sturgeon study program

In 2005, this program focused on characterizing the reproduction and movement of lake sturgeon in the Eastmain River, and tagging the fish with transmitters so that the population could be tracked telemetrically after impoundment. In total, 59 sturgeons were tagged with new transmitters, of which 39 were already in the Eastmain River, and 20 were caught in the Opinaca River and transferred to the Bauerman River in the upstream section of Eastmain 1 Reservoir.

Production and stocking of lake sturgeon fry

In 2004, SEBJ began to produce lake sturgeon for the purpose of stocking them in the Eastmain River. The purpose of the program, which will continue until 2008, is to maintain the population affected by the reduced flow downstream of KP 217, by stocking 30,000 sturgeon juveniles about 1.5 inches long, and 5,000 about 6 inches long, in the river every year. However, a large volume of production was lost in 2005 due to forest fires, and only 10,000 1.5-inch-long sturgeons and 19 about 6 inches long were stocked in the Eastmain River.



At the request of Cree users from Mistissini, a program to stock sturgeon in the Eastmain 1 Reservoir was developed in cooperation with the Niskamoon Corporation and the affected Cree users. The joint program is being carried out over a 10-year period, from 2005 to 2014. SEBJ/HQ will be responsible for implementing the program for the first four years, and the Niskamoon Corporation will take over as of 2009. During the program's first year (2005), 29 juvenile and adult lake sturgeons were caught in Opinaca reservoir with the help of the Wemindji trappers, and 57 sturgeons about 6 inches long were stocked in the Bauerman River, which is one of the largest tributaries in the upper portion of Eastmain 1 Reservoir.

Development of sturgeon spawning grounds

Two new sturgeon spawning grounds were created in winter 2005-2006: one at KP 207 of the Eastmain River and the other at KP 0.8 of Rivière à l'Eau Claire.

2.3 Follow-up on SEBJ/Hydro-Québec mitigation measures

SEBJ and Hydro-Québec have undertaken to carry out a series of mitigation measures in accordance with the conditions governing the certificates of authorization, the contents of the draft-design report and the provisions of the *James Bay and Northern Québec Agreement*, and to implement an environmental monitoring and follow-up program.

- **Land clearing in the reservoir:** In 2005, work was done to clear 2,132 ha, 391 ha of which were cleared by the tallymen to complete the land-clearing plan. From 2003 to 2005, a total of 5,070 ha were cleared in the reservoir area. All of the land-clearing contracts except one were awarded either to Cree enterprises or directly to the tallyman concerned.
- **Development of embanked bays BE-07 and BE-05:** This measure consisted in building a dike to separate a particular area so that it is no longer affected by water-level fluctuations in the reservoir, and turning the area into a suitable environment for a number of wildlife species. Bay BE-07 was first created in 2004 in the trapline (RE-1) of Mr Ernie Moses, and corrective measures were implemented in the new bay and the islets developed for waterfowl were seeded in 2005. Bay BE-05 was developed in the trapline of Matthew Wapachee (R-19) in winter 2006. Each of the two bays has a weir, a fish pass and small islands developed for waterfowl.
- **Beaver trapping-out program:** The beaver colonies in the sections of trapline affected by

the impoundment of Eastmain 1 Reservoir were harvested over two seasons: winter 2004–2005 and fall 2005. An exhaustive inventory of beaver colonies was conducted in fall 2005 to assess the number of beavers remaining after the 2004–2005 trapping-out program, and to plan the trapping activities to be completed before impoundment. The colony density (1.38 colonies per 10 km²) was lower than that observed in 2004 because of the trapping-out activities conducted the previous winter. Out of 83 colonies inventoried, 78 would be affected by the impoundment of Eastmain 1 Reservoir. In fall 2005, 65 of the 78 beaver colonies inventoried and found to be at risk from the rising waters were trapped out. Six more colonies were found during trapping, bringing the total number of trapped-out colonies to 71. The remaining 13 colonies were not trapped out because of the lack of Cree labour and the speed with which Eastmain 1 Reservoir was filling at the beginning of impoundment.

- **Archaeological excavations:** The 2005 field survey made it possible to complete excavations at the sites selected as part of the SEBJ/HQ program and the Archaeology and Cultural Heritage program provided for under the *Nadoshtin Agreement*. The 40 or so sites excavated in 2005 revealed evidence of occupation from all eras since the very first human occupation, some 4,400 years ago. The digs yielded thousands of stone chips as well as hundreds of tools and pottery fragments, and allowed for extensive bone analysis.
- **Installation of osprey nesting platforms:** It is estimated that five or six osprey nests were lost during impoundment of Eastmain 1 Reservoir. In order to mitigate the possible impact of this loss and help ensure the species' survival in the region, ten nesting structures were erected around the edges of the reservoir. The first one was put up in 2004, and the remaining nine were erected in 2005. All of the work was done in collaboration with the affected tallymen.
- **Creation of a network of snowmobile trails for trappers:** As a result of consultations with the affected tallymen, nine snowmobile trails were created to criss-cross some of the traplines affected by the project: three were cleared in 2005 and six more will be created in 2006, for a total of 110 km of trails. The land was cleared by the concerned tallymen.
- **Reforestation of affected sites:** This corrective measure was carried out in 2005 for the second



consecutive year. An area of 181 ha was replanted with jack pine and green alder in the right-of-way for the Nemiscau-Eastmain-1 road, as well as in eight pits, while hydroseeding was carried out over 81.6 ha (mostly along the Nemiscau–Eastmain road) and at Eastmain work camp. In June and July 2005, a little more than 732,000 green alder seedlings and 265,000 jack pine seedlings were delivered to SEBJ in order to reforest various sites affected by the project. New production of a million green alder seedlings was undertaken for the 2006 program to reforest sites affected by the project.

3 Dissemination of Information

In July and August of 2005, the members of the TEC organized an information tour of Eastmain, Waskaganish, Mistissini, and Nemaska – the four Cree communities directly affected by the impoundment of Eastmain 1 Reservoir. The purpose of these visits was to inform the general public on the progress of the Eastmain-1 Project, the results of the surveys and environmental work conducted during the year, and the environmental activities yet to be completed. In addition, these information sessions gave people from the communities the opportunity to submit their questions and comments to the members of the TEC.

Lastly, atlases, maps and CD-ROMs illustrating the stages in the reservoir impoundment, both in overall terms and by trapline, were produced and submitted to the people concerned, i.e., the tallymen and the local Niskamoon Corporation coordinators.

Contracts and Employment

One of the main objectives of the Nadoshtin Agreement is to promote employment for the Crees and to award contracts associated with the EM-1 Project to Cree enterprises.

Altogether, some \$380 million in contracts have been awarded to Cree enterprises, out of which, more than \$17 million in contracts have been secured by Cree enterprises through the regular call for tender process, and more than \$8.5 million of clearing contracts were awarded to trappers directly impacted by the EM-1 project.

No fewer than 20 Cree-owned enterprises executed the contracts related to the construction of the EM-1 project. Since the beginning of the construction of the EM-1 Project in April 2002, at least 1,039 Crees have been hired to work on the project.

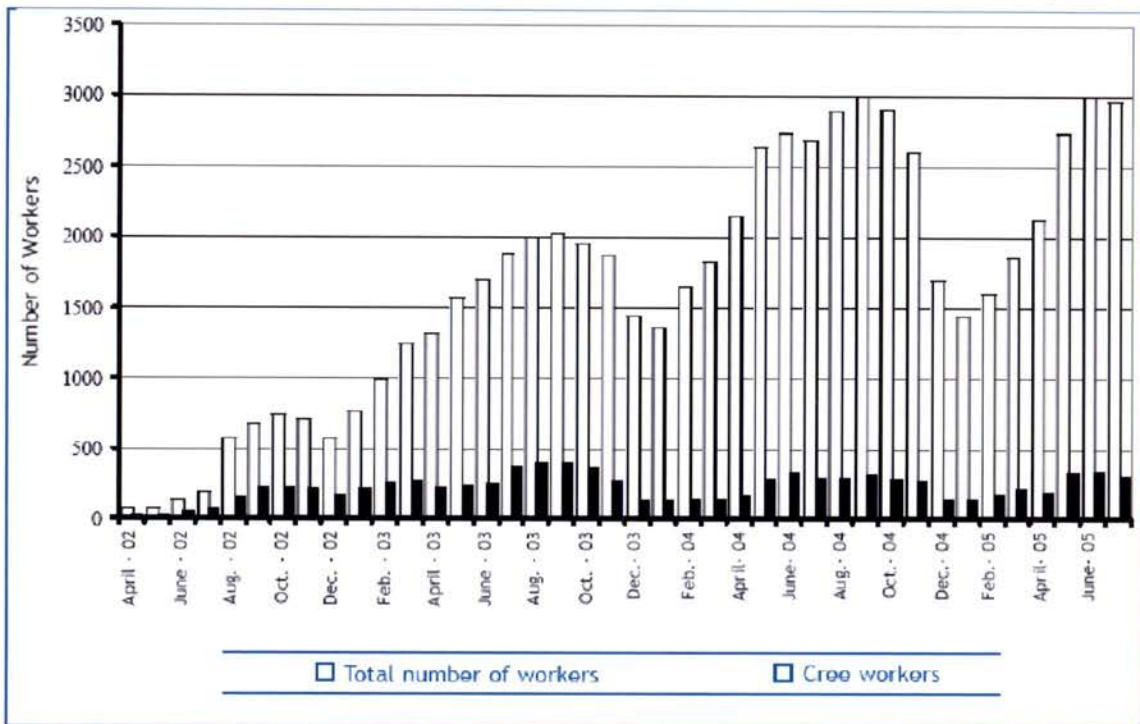
The monthly average of Crees working on the EM-1 project consisted of 217 Crees, representing an average of 13% of the total workforce.

The average duration of employment of Crees was 97.5 days.

No less than 77% of the total Cree workforce was hired by Cree enterprises.

A minimum of \$42 million in salaries was paid to Cree workers representing a substantial economic spin-off for our communities.

Number of Cree workers employed at the Eastmain 1 worksite by month from April 2002 to July 2005



Work Group on the Use of the Fisheries Resources in the Eastmain 1 Reservoir – Activities in 2005

The objective of the Work Group on the Use of the Fisheries Resources in the Eastmain 1 Reservoir is to facilitate the harvesting of the fish and related resources in the Eastmain 1 Reservoir by Cree parties. Part of the Work Group's mandate is to establish a strategy for harvesting these resources in consultation with the Cree communities concerned. Based on the strategy selected, the Work Group makes recommendations to the Technical and Environmental Committee concerning elements to be integrated into the environmental monitoring program.

In 2005, two mandates were discussed and prepared with the Cree parties affected by the EM-1 Reservoir. The objective of the first mandate was to document the feasibility

of commercially harvesting the reservoir's fish resources; the objective of the second mandate was to document the feasibility of developing outfitting businesses on the reservoir and some of its tributaries.

Following consultations with the Tallymen affected by Eastmain 1 Reservoir, the Work Group decided to initiate a study on the feasibility of setting up a commercial fishery on Eastmain 1 Reservoir, but with special emphasis on assessing the viability of producing and marketing lake sturgeon caviar. The study got under way in July 2006. The second mandate, concerning the development of outfitting businesses on Eastmain 1 Reservoir, is also slated to begin in 2006.

The Geo-referenced Database and Document Management System

In order to organize and streamline information and knowledge management and use, the Niskamoon Corporation has commissioned the creation of web-based geo-referenced database and document management system. The proposal for the database and document management system has identified the approach, functionalities, software, system architecture, work plan, and budget required for building an effective and integrated web-based resource.

User-friendly web portal

To optimize access and use of information and knowledge for authorized users, a web portal will be designed for information retrieval and publishing purposes for both the geo-referenced and text content.

The geo-referenced database

This database is designed to meet the specific requirements of the Niskamoon Corporation for the management of geographic and related information for programs linked to remedial works, fishery restoration and development, and use of the Eenou Indohoun Fund.

The geo-referenced database requires functionality for two primary categories of information. The first specifies the actual geographic data in the form of shape files for geographically defined points, lines and areas of the

territory of Eeyou Istchee that are covered by Niskamoon Corporation mandates. The second specifies the geographically referenced tabular data or other types of descriptive text, numerical or graphic information. Both categories of information will be made accessible to users through the development of customized map interfaces or customized search criteria such as drop-down menus and input fields.

The document management system

The Document Management System (DMS) is designed to meet the specific requirements of the Niskamoon Corporation in terms of organizing a broad range of document types and formats – including agreements, minutes of meetings, reports, maps, PowerPoint presentations, videos, general correspondence and others in Microsoft Word format or Adobe PDF files – and making their content accessible to designated users.

The DMS is an archival application that allows storing, organizing, and retrieval of electronic files easily by different users. Depending on the user's permission level, the DMS provides the opportunity to upload, view, and download files and other relevant documents. The DMS will feature an efficient search engine to facilitate retrieval of documents.

Unlimited access will be provided to the public.

Cree Harvesting Claims

Activities related to the construction and operation of the EM 1 Project may damage Cree installations, camp facilities, equipment, supplies, and harvest products. A Cree harvesting claim is a monetary claim for items lost or damaged as a result of the construction or operation of EM 1.

A Cree Harvesting Claims procedure has been put in place. It includes an application claim form. Below are instructions on how to complete the form.

How to file a claim

The claim is filed by completing a form which can be obtained by post or fax at:

Niskamoon Corporation
Cree Harvesting Claim
2 Lakeshore Road
Nemaska, Quebec
J0Y 3B0
Fax: (819) 673-2111

On (or along with) the form, the following information is required:

- Name and address of claimant
- Trapline number of the claimant
- Date when the damage or loss was discovered
- A detailed description of the event surrounding the damage or loss
- The security report or police report
- A description of the item for which the claim is filed (model, date of purchase, receipt)
- An independent estimate of the value of the items damaged or lost
- After completing the form and attaching a copy of the necessary documents, the claimant needs to sign the solemn declaration included with the form, witnessed by the Band Chief, Coordinator, Secretary or Oath Commissary
- The Band Chief, Councillor, Secretary or Cree Counsellor must verify the validity of the claim and sign the Witness section of the form

The form must be sent to the address mentioned above.

The Niskamoon Corporation will forward the claim to Hydro-Québec.

Upon reception, Hydro-Québec has 45 days to accept or refuse the claim or demand more information regarding the claim.



Audited

Financial Statements



Niskamoon Corporation

Financial Statements

March 31, 2006

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Raymond Chabot Grant Thornton LLP
Chartered Accountants

Raymond Chabot Grant Thornton

Auditors' Report

To the members of
Niskamoon Corporation

We have audited the balance sheet of Niskamoon Corporation as at March 31, 2006 and the statements of revenue and expenditures, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Niskamoon Corporation management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Niskamoon Corporation as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

Val-d'Or
June 27, 2006

Place du Québec
888 3rd Avenue
Val-d'Or, Québec J9P 5E6
Telephone: (819) 825-6226
Fax: (819) 825-1461
www.rcgt.com

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Niskamoon Corporation Revenue and Expenditures

Year ended March 31, 2006

	2006			2005
	Administration Fund	Programs Funds	Inter-funds transactions	Total
	\$	\$	\$	\$
Revenue				
Grants				
Hydro-Québec		22,218,122		6,490,308
Cree School Board				177,237
Interest	61,765	380,987		119,607
Contribution from Programs Funds	3,417,793		(3,417,793)	
	<u>3,479,558</u>	<u>22,599,109</u>	<u>(3,417,793)</u>	<u>6,787,152</u>
Expenditures				
Projects expenditures		19,181,316		4,451,975
Contribution to Administration Fund		3,417,793	(3,417,793)	
Service agreement - Cree Regional Authority- Council (Note 3)	1,260,000			673,750
Contribution to Communities for Local Coordinators (Note 4)	675,000			393,750
Salaries and benefits	288,819			234,018
Legal fees (Note 5)	475,361			514,736
Professionnal fees	352,234			164,973
Office expenses	39,216			9,005
Advertising and promotion	34,080			50,090
Travel	36,896			62,783
Communications	21,053			9,263
Rent	14,600			22,576
Insurance	8,002			6,606
Repairs and maintenance	1,690			4,020
Bad debts (Note 6)	54,013			
Administration charges	172,971			156,721
Bank charges	2,397			2,742
Loss on disposal of property and equipment	31,783			
Amortization of property and equipment	11,443			20,763
	<u>3,479,558</u>	<u>22,599,109</u>	<u>(3,417,793)</u>	<u>6,777,771</u>
Excess of revenue over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,381</u>

The accompanying notes are an integral part of the financial statements.

Niskamoon Corporation Changes in Net assets

Year ended March 31, 2006

	2006		2005	
	Invested in property and equipment	Unrestricted	Total	Total
	\$	\$	\$	\$
Balance, beginning of year	88,086	(88,086)	-	(9,381)
Excess (deficiency) of revenue over expenditures	(11,443)	11,443	-	9,381
Invested in property and equipment	(1,046)	1,046	-	-
Disposal of property and equipment	(54,216)	54,216	-	-
Balance, end of year	21,381	(21,381)	-	-

The accompanying notes are an integral part of the financial statements.

Niskamoon Corporation

Cash Flows

Year ended March 31, 2006

	2006	2005
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenditures		9,381
Non-cash items		
Amortization of property and equipment	11,443	20,763
Loss on disposal of property and equipment	31,783	
Changes in working capital items (Note 7)	166,747	2,682,774
Net cash generated	209,973	2,712,918
INVESTING AND FINANCING ACTIVITIES		
Due from Cree Regional Authority - Council	3,128,668	(3,128,668)
Due to Cree Regional Authority - Council	453,393	
Term deposits	(2,157,535)	343,596
Obligations	(262,777)	(1,500,145)
Property and equipment	(1,046)	(23,015)
Disposal of property and equipment	24,525	
Net cash generated (used)	1,185,228	(4,308,232)
Net increase (decrease) in cash	1,395,201	(1,595,314)
Cash (bank overdraft) , beginning of year	(988,252)	607,062
Bank overdraft, end of year	406,949	(988,252)

The accompanying notes are an integral part of the financial statements.

Niskamoon Corporation Balance Sheet

March 31, 2006

	2006	2005
	\$	\$
ASSETS		
Current assets		
Cash	406,949	
Term deposits, 3% to 3.25% (2.17% in 2005), maturing until March 2007	4,214,575	2,057,040
Obligations, 2.9% and 3.5% (2% in 2005), expiring until March 2007 (market value \$6,941,787; \$6,693,986 in 2005)	6,941,787	6,679,010
Grants receivable from Hydro-Québec-Apatisiwin - Cree Employment Fund		1,432,305
Receivables (Note 8)	354,745	734,204
Due from Cree Regional Authority - Council, without interest		3,128,668
Prepaid expenses	3,911	3,911
	<u>11,921,967</u>	14,035,138
Property and equipment (Note 9)	21,381	88,086
	<u>11,943,348</u>	<u>14,123,224</u>
LIABILITIES		
Current liabilities		
Bank overdraft		988,252
Accounts payable and accrued liabilities	580,241	172,545
Projects expenditures payable (Note 10)	1,060,991	1,680,131
Deferred revenue (Note 11)	9,848,723	11,282,296
Due to Cree Regional Authority - Council, without interest	453,393	
	<u>11,943,348</u>	<u>14,123,224</u>
NET ASSETS		
Invested in property and equipment	21,381	88,086
Unrestricted net assets	<u>(21,381)</u>	<u>(88,086)</u>
	-	-
	<u>11,943,348</u>	<u>14,123,224</u>

The accompanying notes are an integral part of the financial statements.

On behalf of the Board


Director


Director

Niskamoon Corporation

Notes to Financial Statements

March 31, 2006

1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

Niskamoon Corporation, was incorporated under Part III of the Québec Companies Act on August 24, 2004. Niskamoon Corporation is a non-profit corporation without share capital and without pecuniary gain to its members. The organization was created in accordance with the Agreement concerning the Administration of Cree-Hydro-Québec Agreements and the Niskamoon Corporation.

Its activities mainly consist in the implementation of the Cree-Hydro-Québec Agreements (the Opimiscow Agreement, the Mercury Agreement (2001), the Cree Employment Agreement, the Nadoshtin Agreement, the Boumhounan Agreement, and the Agreement concerning a new relationship between Hydro-Québec / SEBJ and the Crees of Eeyou Istchee) which provides for the management of the Opimiscow Indoho Fund, the Nadoshtin Archaeology Fund, the Nadoshtin Training Fund, the Nadoshtin Indohoun Fund and the Hydro-Québec and Eeyou Fund and the control of the Employment Fund, the Mercury Funds (Nameess & EM 1 Mercury Funds) and the Nadoshtin Remedial Measures Fund.

2 - ACCOUNTING POLICIES

Accounting estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that organization may undertake in the future. Actual results may differ from these estimates.

Revenue recognition

The organization follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are reported as direct increases in net assets.

Amortization

Property and equipment are amortized over their estimated useful lives according to the diminishing balance method at the following annual rates:

	<u>Rates</u>
Office furniture and equipment	20%
Computer equipment and software	30%

Fair value of financial instruments

The following methods and assumptions were used to determine the estimated fair value of each class of financial instruments:

Niskamoon Corporation Notes to Financial Statements

March 31, 2006

2 - ACCOUNTING POLICIES (Continued)

– Short-term financial instruments:

The fair value of the short-term financial assets and liabilities approximates their carrying amount given that they will mature shortly;

– Loans without interest:

The fair value of the advances from Cree Regional Authority - Council could not be determined since it is practically impossible to find a financial instrument on the market having substantially the same economic characteristics.

– Obligations:

The fair value of obligations corresponds to market value which is based on the current bid price.

3 - SERVICE AGREEMENT - CREE REGIONAL AUTHORITY - COUNCIL

On September 1st, 2004, Niskamoon Corporation has entered into an agreement with the Cree Regional Authority - Council for the supply of administrative services.

Under this agreement, the Cree Regional Authority - Council shall provide Niskamoon Corporation with the corresponding financial and administrative support :

- a) Treasurer for the Corporation
- b) An executive assistant to the Board of Directors
- c) Board of Directors meetings expenses
- d) Travel for Regional Coordinators
- e) Committee Expenses duly created by the Board of Directors

For the current year, the total service agreement is established to \$1,260,000 (\$ 673,750 in 2005)

Furthermore, following the agreement dated September 1st, 2004, an Addendum (Addendum # 1) was signed on the same date.

As per this addendum, the Cree Regional Authority - Council shall provide Niskamoon Corporation with the corresponding services :

- a) Regional Coordinators and administrative assistance
 - Training and Employment
 - Fisheries and Health
 - Remedial Works

Niskamoon Corporation Notes to Financial Statements

March 31, 2006

3 - SERVICE AGREEMENT - CREE REGIONAL AUTHORITY - COUNCIL (Continued)

- b) Offices space in Chisasibi including all communication fees and any other equipment or services
- c) Vehicles for Regional Coordinators

A second addendum (Addendum # 2) was signed on December 15, 2005. As per this addendum, the Cree Regional Authority - Council shall provide Niskamoon Corporation with the corresponding services :

- a) Under the Regional Coordinators and administrative assistant
 - Three (3) students life Animators
 - Communications/Administrative officers

As at March 31 2006, the Cree Regional Authority - Council has an unspend cumulative balance of \$ 949,778, which will be applied against the service agreement expenses for the future years.

4 - CONTRIBUTION TO COMMUNITIES FOR LOCAL COORDINATORS

Niskamoon Corporation has entered into agreements with the Cree Communities, to provide yearly contribution to cover the costs of the local coordinators of each community.

5 - LEGAL FEES

	<u>2006</u>
	\$
Corporate secretary	190,295
Funding and other Agreements	107,894
General matters	86,576
Committees	46,322
Local Coordinators	28,996
Annual report and audited financial statements	<u>15,278</u>
	<u>475,361</u>

6 - INFORMATION CONCERNING THE REVENUE AND EXPENDITURES STATEMENT

The revenue and expenditures statement include expenditures approved by Niskamoon Corporation for the period ended March 31, 2006. This statement could also include expenditures engaged by Nadoshtin Company, Apatisiwin Corporation, Eeyou Nameess Corporation and Opimiscow Agreement - Indoho Fund before September 1st, 2004, according to Section 3.9.3 of the Agreement concerning the Administration of Cree-Hydro-Québec Agreements and the Niskamoon Corporation.

Niskamoon Corporation
Notes to Financial Statements

March 31, 2006

7 - INFORMATION INCLUDED IN THE STATEMENT OF CASH FLOWS

The change in working capital items are detailed as follows:

	<u>2006</u>	<u>2005</u>
	\$	\$
Grants receivable	1,432,305	(1,432,305)
Receivables	379,459	(656,331)
Prepaid expenses		14
Accounts payable and accrued liabilities	407,696	(536,329)
Projects expenditures payable	(619,140)	1,680,131
Deferred revenue	(1,433,573)	3,627,594
	<u>166,747</u>	<u>2,682,774</u>

Cash flows relating to interest on operating activities are detailed as follows:

	<u>2006</u>	<u>2005</u>
	\$	\$
Interest received	385,402	109,795

8 - RECEIVABLES

	<u>2006</u>	<u>2005</u>
	\$	\$
Projects expenditures recoverable	199,352	
Accrued interest	109,101	51,755
Sales taxes receivable	45,102	
Travel advances	1,190	10,813
Opimiscow Agreement Indoho Fund		664,012
Others		7,624
	<u>354,745</u>	<u>734,204</u>

9 - PROPERTY AND EQUIPMENT

	<u>2006</u>	
	Cost	Accumulated amortization
	\$	\$
	\$	\$
Office furniture and equipment	14,734	6,431
Computer equipment and software	25,644	12,566
	<u>40,378</u>	<u>18,997</u>
		<u>21,381</u>

Niskamoon Corporation

Notes to Financial Statements

March 31, 2006

9 - PROPERTY AND EQUIPMENT (Continued)

	2005		
	Cost	Accumulated amortization	Net
	\$	\$	\$
Vehicles	76,195	15,567	60,628
Office furniture and equipment	13,688	4,912	8,776
Computer equipment and software	25,644	6,962	18,682
	<u>115,527</u>	<u>27,441</u>	<u>88,086</u>

10 - PROJECTS EXPENDITURES PAYABLE

	2006	2005
	\$	\$
Goose Hunting Area	422,193	
Cree Words and Stories	244,365	
Archaeology and Cultural Heritage Program 2004/2005	190,131	190,131
Wemindji Remedial Works Project	94,038	
Archaeology and Cultural Heritage Program 2005/2006	76,580	
Nemaska Wood Supply Program for Elders	16,001	
Nemaska Sturgeon Fishing Training Project	8,662	
Remedial Works	8,420	
Wemindji Canoe expedition	600	
Hiring Initiatives project		1,432,035
Cisco Traditionnal Fishing Sites		36,240
Whapmagoostui - Ski-doo Trails Project		12,495
BFPF Development Corporation Mandate		9,230
	<u>1,060,990</u>	<u>1,680,131</u>

11 - DEFERRED REVENUE

	2006	2005
	\$	\$
Apatisiwin - Cree Employment Fund	1,228,886	257,204
Names Mercury Fund	1,436,084	626,253
Opimiscow Indoho Fund	642,763	499,119
Hydro-Québec Eeyou Fund	1,123,969	3,676,020
Nadoshtin Funds		
Remedial Measures Fund	888,235	
Archaeology & Cultural Heritage Fund	694,901	1,363,342
EM1 Mercury Fund	3,691	
Training Fund	813,680	1,354,945
Eenou Indohoun Fund	3,016,514	3,505,413
	<u>9,848,723</u>	<u>11,282,296</u>

Niskamoon Corporation
Notes to Financial Statements

March 31, 2006

12 - FINANCIAL COMMITMENTS

By resolutions, the Board has committed a cumulative amount of approximately \$7 million as grants, since the beginning of the operations in August 2004.

Niskamoon Corporation
Supplementary Information to Financial Statements
Revenue and expenditure - Programs Funds
 Year ended March 31, 2006

	Nadoshtin										Total	2005	
	Apatisiwin - Cree Employment Fund	Names Mercury Fund	Optimiscow Indocho Fund	Hydro-Québec Eeyou Fund	Remedial Measures Fund	Archaeology & Cultural Heritage Fund	EM1 Mercury Fund	Training Fund	Indochoon Fund	Enou Fund			
REVENUE													
Grants Hydro-Québec													
Deferred revenue, beginning of year	257,204	626,253	499,119	3,676,020		1,363,341		1,354,945	3,505,414		11,282,296	7,654,703	
Contributions 2005-2006	6,936,117	2,891,922	644,261	7,131,644	2,994,361	(694,901)	186,244	(813,680)	(3,016,514)		20,784,549	10,117,901	
Deferred revenue, end of year	(1,228,886)	(1,436,084)	(642,763)	(1,123,969)	(888,235)	668,440	(3,691)	541,265	488,900		(9,848,723)	(11,282,296)	
	5,964,435	2,082,091	500,617	9,683,695	2,106,126	668,440	182,553	541,265	488,900		22,218,122	6,490,306	
Cree School Board													
Interest	126,558	51,241	11,948		55,530		3,454		132,256		380,987	100,998	
	6,090,993	2,133,332	512,565	9,683,695	2,161,656	668,440	186,007	541,265	621,156		22,599,109	6,768,543	
Projects expenditures	4,673,420	1,488,332	506,346	9,333,695	1,437,336	623,440	59,087	479,265	580,395		19,181,316	4,451,975	
Contribution to Administration Fund	1,417,573	645,000	6,219	350,000	724,320	45,000	126,920	62,000	40,761		3,417,793	2,316,568	
Total expenditures	6,090,993	2,133,332	512,565	9,683,695	2,161,656	668,440	186,007	541,265	621,156		22,599,109	6,768,543	
Excess of revenue over expenditures													

Niskamoon Corporation
Supplementary Information to Financial Statements
Financial commitments

Year ended March 31, 2006

	Resolution number	Approved projects	Amount disbursed	Amount to be disbursed
		\$	\$	\$
Hiring Initiatives Project - Cree School Board	2004-11	3,580,088	3,222,079	358,009
Cost of the priority small scale projects - Nemaska	2004-12	150,276	112,707	37,569
Chisasibi Coastal and Inland Fisheries Program Data	2004-22	11,026		11,026
Eeyou Nameess Short Story Contest	2004-24	15,000		15,000
Video «Open Doors to the Future»	2004-40	27,650	25,595	2,055
Geo-Referenced Database and Document Management System	2004-41	49,840	43,410	6,430
Fish Consumption Advice Map / Geographic Database	2004-43	11,600		11,600
Cisco Traditional Fishing Sites and Cold Water river Feasibility Study - Eastmain	2004-46	538,000	53,800	484,200
Eastmain River Bank Stabilization Project	2004-49	591,525	443,644	147,881
Northern Fish Nutrition Guide	2004-51	67,000		67,000
Recruitment Campaign Trip Budget	2005-11	50,000	19,591	30,409
Traditional Cree Fishing Project - Mistissini	2005-19	354,046	177,023	177,023
Environmental Health Contaminants Program - Cree Health Board	2005-25	1,148,400	976,140	172,260
Traditional Cultural Camp and Fly / Satellite Camp - Nemaska	2005-28	136,529	68,265	68,264
Nemaska Traditional Gathering, Nad Nemiscau Nanoo	2005-39	78,039	66,326	11,713
Waswanipi Traditional Gathering	2005-41	88,504	75,228	13,276
Role of Fish and Local Fisheries in the Contemporary Cree Food Economy	2005-47	42,000		42,000
Nadoshtin Archaeology and Cultural Heritage Program	2005-48	510,131	459,178	50,953
Cree Trapper of Mistissini «MIA-3» Ski-Doo Trails	2005-53	42,902	25,741	17,161
Wemindji Remedial Works Projects	2005-54	194,408	145,806	48,602
Heli-Pad Project	2005-55	43,700	32,775	10,925
Clearing Contract work in the EM-1 Reservoir	2005-60	1,117,603	1,005,842	111,761
Mamaweedow Chisasibi Traditional Gathering	2005-65	100,000	85,000	15,000
Cree Word and Stories	2005-67	325,820	244,365	81,455
11th Annual Canoe Expedition 2005	2005-68	4,000	3,400	600
Nashababichju 2006	2005-69	18,000	15,300	2,700
Field Forestry Training	2005-70	132,018	112,215	19,803
Balance carried forward		9,428,105	7,413,430	2,014,675

Niskamoon Corporation
Supplementary Information to Financial Statements
Financial commitments

Year ended March 31, 2006

	Resolution number	Approved projects \$	Amount disbursed \$	Amount to be disbursed \$
Balance brought forward		9,428,105	7,413,430	2,014,675
Eastmain River Bank Stabilisation Project	2005-76	37,064	27,798	9,266
Improvements/Repairs to Nemaska Lake Road	2005-77	69,780	52,335	17,445
Whapmagoostui Ski-Doo/ATV Trails	2005-78	233,089	174,817	58,272
Mistissini Remedial Works Projects	2005-80	232,888	139,733	93,155
Waswanipi Cultural Fishing	2005-81	46,564	34,923	11,641
Whapmagoostui Fishing and Preparation Training	2005-82	57,525	44,144	13,381
Wemindji Coastal Fisheries Program	2005-83	143,792	107,844	35,948
Whapmagoostui Traditional Gathering	2005-88	50,000	42,500	7,500
Waswanipi Dock Development	2005-95	44,850	36,123	8,727
CTA Cabin Program	2005-97	750,000	445,500	304,500
Chisasibi Temporary Employment Program	2005-98	539,299	485,369	53,930
Canoe Route Portage Maintenance	2005-103	19,719	16,761	2,958
Canoe Excursion and Maamuu- teusiitau - Project 1 and Project 2	2005-104	72,813	61,891	10,922
Chiseinu Chiskamaachuuin Project	2005-105	210,619	179,026	31,593
Implementation of the three-year Strategic Marketing Plan for COTA Trade Show - Strategy 2005	2005-115	62,163	54,576	7,587
Implementation of the three-year strategic marketing action plan for COTA tradeshow strategy 2006	2005-116	93,643	84,279	9,364
Training Plan 2005-2006 for the hiring initiatives program	2005-119	651,267	325,634	325,633
Waswanipi Cree model forest fish habitat project	2005-126	21,725	16,294	5,431
Mistissini Rest Area Improvement Project	2005-128	36,320		36,320
Mistissini Beach Improvement 2005- 2006	2005-128	232,048		232,048
Remedial Works Projects	2005-129	540,260	405,195	135,065
Chisasibi Remedial Works Projects	2005-131	322,572	241,929	80,643
Nenaskamoon Gathering	2005-132	26,328	22,379	3,949
Old Nemaska Forest Fire Protection Measures	2005-139	76,400	64,940	11,460
Remedial Works Projects	2005-151	1,083,481	799,945	283,536
Cree Ngobe Community Development Project	2005-152	200,000	7,700	192,300
School Projects & Math & Science Enrichment Program	2005-163	270,000	135,000	135,000
Balance carried forward		15,552,314	11,420,065	4,132,249

Niskamoon Corporation
Supplementary Information to Financial Statements
Financial commitments

Year ended March 31, 2006

	Resolution number	Approved projects	Amount disbursed	Amount to be disbursed
		\$	\$	\$
Balance brought forward		15,552,314	11,420,065	4,132,249
Wemindji Trappers Association - Project VC16-1	2005-169	7,883	6,700	1,183
Eastmain River Bank Stabilization Project	2005-170	325,339		325,339
Development of Sport Fishing Packages for LA1 Réservoir, Marketing Plan, Kiskimaatakin Camps	2006-003	30,000		30,000
The Walleye Statusin Yasinski Lake Goose hunting Area	2006-005	45,291		45,291
School Cree Culture Bush Camp	2006-009	562,925	422,193	140,732
Nemaska Ski-Doo Trails	2006-010	60,000	45,000	15,000
Ski-Doo Trail project VC-19-1	2006-011	65,404	49,053	16,351
Ski-Doo Trail project VC-19-1	2006-012	13,361		13,361
Cree Trappers of Nemaska 2006 Trappers' Festival	2006-015	10,000	7,500	2,500
Nemaska Wood Supply Program for Elders	2006-016	21,335	16,001	5,334
New Cabin for the Annual Canoe Expedition	2006-017	30,000		30,000
Old Factory Visit 2006	2006-018	55,000		55,000
Wellness Journey Project	2006-020	10,000		10,000
Cree Traditional Knowledge and skills training project	2006-021	73,319	54,989	18,330
Waskaganish Sturgeon project	2006-029	32,395		32,395
Whapmagoostui Fishing and Preparation Training	2006-030	79,075		79,075
Training of Crees workers (EM1 and Nemiscau)	2006-032	24,780		24,780
Chisasibi's Office	2006-033	150,000		150,000
Portage Trails	2006-034A	15,745		15,745
Trapline R-18 - Ski-Doo Trails	2006-035	13,734		13,734
Waswanipi Local Cree Trappers - Snow removal of the access road to the Theodat River	2006-036	14,520		14,520
Ski-Doo Trails - M-48	2006-040	50,071		50,071
Old Nemaska and Nemaska Lake Docking facilities	2006-041	182,038		182,038
Upgrading of Smokey Hill Access Road	2006-042	58,810		58,810
Ski-Doo Trails - N-04	2006-042A	17,334		17,334
Chisasibi - Remedial Works Projects	2006-043	301,670		301,670
Snow removal - Caniapiscau Road	2006-044A	16,000		16,000
Balance carried forward		<u>17,818,343</u>	<u>12,021,501</u>	<u>5,796,842</u>

Niskamoon Corporation
Supplementary Information to Financial Statements
Financial commitments

Year ended March 31, 2006

	<u>Resolution number</u>	<u>Approved projects</u>	<u>Amount disbursed</u>	<u>Amount to be disbursed</u>
		\$	\$	\$
Balance brought forward		17,818,343	12,021,501	5,796,842
Aashuumiih Summer Program 2006	2006-047	10,000		10,000
Traditional Cree Fishing and Chiseinu Chiskamachewin Projects 2006- 2007	2006-049	736,550		736,550
Nadoshtin Archaeology and Cultural Heritage Program	2006-050	402,500		402,500
Wemindji 12th Annual Canoe Expedition 2006	2006-054	10,000		10,000
Waskaganish Youth Annual Canoe Brigade	2006-054	10,000		10,000
Waswanipi Annual Canoe Brigade 2006	2006-054	10,000		10,000
		<u>18,997,393</u>	<u>12,021,501</u>	<u>6,975,892</u>

Statements of payments

**Cree Employment Agreement
Employment Fund**

March 31, 2006

AUDITORS' REPORT

To the directors of **Hydro-Québec**

We have audited the statement of cumulative payments made in connection with the **Employment Fund** of the **Cree Employment Agreement** [the "Agreement"] as at March 31, 2006 and the statement of periodical payments for the year then ended, established in accordance with the provisions of the Agreement. This financial information is the responsibility of Hydro-Québec's management. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, these statements of cumulative and periodical payments present fairly, in all material respects, the balance available of the Employment Fund as at March 31, 2006 and the cumulative payments made by Hydro-Québec in connection with the Employment Fund as at March 31, 2006 as well as the payments made for the year then ended in accordance with the provisions of the Agreement.

Montréal, Canada
June 14, 2006

Chartered Accountants

**Cree Employment Agreement
Employment Fund**

STATEMENT OF PERIODICAL PAYMENTS

[in Canadian dollar]	Year ended March 31, 2006 \$
Balance available as at March 31, 2005	2,212,929
Fund contribution <i>[note 2]</i>	6,651,800
Payments <i>[note 2]</i>	
Cree – Hydro-Québec employment incentives and temporary employment programs	(4,468,080)
Cree – Hydro-Québec hiring initiatives for permanent positions in Hydro-Québec operations	(2,441,311)
Operating expenses of the administration Fund corporation <i>[note 3]</i>	(1,347,027)
	(8,256,418)
Net variation of the Fund	(1,604,618)
Balance available as at March 31, 2006 <i>[note 2]</i>	608,311

See accompanying notes to the statements of payments.

**Cree Employment Agreement
Employment Fund**

STATEMENT OF CUMULATIVE PAYMENTS

<u>[in Canadian dollar]</u>	Cumulative March 31, 2006 \$	Cumulative March 31, 2005 \$
Funds contribution [note 2]	27,115,446	20,463,646
Payments [note 2]		
Cree – Hydro-Québec employment incentives and temporary employment programs	(17,395,887)	(12,927,807)
Cree – Hydro-Québec hiring initiatives for permanent positions in Hydro-Québec operations	(5,785,733)	(3,344,422)
Operating expenses of the administration Fund corporation [note 3]	(3,325,515)	(1,978,488)
	(26,507,135)	(18,250,717)
Balance available as at March 31 [note 2]	608,311	2,212,929

See accompanying notes to the statements of payments.

**Cree Employment Agreement
Employment Fund****NOTES TO THE STATEMENTS OF PAYMENTS**

March 31, 2006

1) FUND DESCRIPTION

The Employment Fund [the "Fund"] relative to the Cree Employment Agreement signed in February 2002 [the "Agreement"] provides for a yearly financial contribution of \$5,000,000 and an additional yearly financial contribution equal to the annual interest on a capital amount of \$30,000,000, at a rate equivalent to the average of the weekly rates of the calendar year ended 15 months prior to the fiscal year-end of the Fund, as published in the document "Average weighted bond yields Provincial, weekly [series No. B113868]" by the Bank of Canada. This Fund is used for the purpose of funding the hiring initiatives and the employment incentives and temporary employment programs, within the framework of the Agreement. This Agreement will mature when the objective of Cree employment in the Bay James region within Hydro-Québec is achieved but not later than March 31, 2017.

2) BASIS OF PRESENTATION**Fund contribution**

The Fund contribution corresponds to the yearly financial contribution of \$5,000,000, increased by the annual interests of \$1,651,800 [\$1,716,000 for fiscal year 2005]. The interest rate for the current year is 5.506% [5.720% for fiscal year 2005].

The Fund contribution for the next fiscal year-end will amount to \$6,457,400, composed of the fixed yearly contribution of \$5,000,000 and the annual interest of \$1,457,400, calculated at a rate of 4.858%.

Payments

Represent payments made by Hydro-Québec with respect to the Employment Fund. No provision for unpaid amounts has been recorded in connection with work performed or services rendered as at March 31, 2006 under this Agreement.

Balance available

The Employment Fund is not funded. The balance available corresponds to the amounts to be paid by Hydro-Québec in connection with the Employment Fund as of a specified date.

Statements of payments

**Mercury Agreement (2001)
Namess Fund**

March 31, 2006

AUDITORS' REPORT

To the directors of **Hydro-Québec**

We have audited the statement of cumulative payments made in connection with the **Names Fund** of the **Mercury Agreement (2001)** [the "Agreement"] as at March 31, 2006 and the statement of periodical payments for the year then ended, established in accordance with the provisions of the Agreement. This financial information is the responsibility of Hydro-Québec's management. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the presentation of the overall financial information.

In our opinion, these statements of cumulative and periodical payments present fairly, in all material respects, the balance available of the Names Fund as at March 31, 2006 and the cumulative payments made by Hydro-Québec in connection with the Names Fund as at March 31, 2006, as well as the payments made for the year then ended in accordance with the provisions of the Agreement.

Montréal, Canada
June 14, 2006

Chartered Accountants

Mercury Agreement (2001)
Names Fund

STATEMENT OF PERIODICAL PAYMENTS

[in Canadian dollar]	Year ended March 31, 2006 \$
Balance available as at March 31, 2005	21,945,137
Indexation amount <i>[note 2]</i>	531,920
Payments <i>[note 2]</i>	
Fishery restoration and development programs	
Restoring fisheries	(650,777)
Sport fishing marketing	(169,958)
Assessment of potentially harvestable fish stocks	(153,650)
Studies and monitoring	(59,094)
	(1,033,479)
Monitoring and research programs	
Health research and monitoring	(1,155,659)
Communication and information	(9,412)
Monitoring of fish consumption	(42,200)
	(1,207,271)
Operating expenses	(661,667)
	(2,902,417)
Net variation of the Fund	(2,370,497)
Balance available as at March 31, 2006 <i>[note 2]</i>	19,574,640

See accompanying notes to the statements of payments.

**Mercury Agreement (2001)
Nameless Fund**

STATEMENT OF CUMULATIVE PAYMENTS

[in Canadian dollar]	Cumulative March 31, 2006 \$	Cumulative March 31, 2005 \$
Initial amount established under the agreement [note 1]	24,000,000	24,000,000
Indexation amount [note 2]	2,686,343	2,154,423
Payments [note 2]		
Fishery restoration and development programs		
Restoring fisheries	(2,375,995)	(1,725,218)
Sport fishing marketing	(563,031)	(393,073)
Assessment of potentially harvestable fish stocks	(394,076)	(240,426)
Studies and monitoring	(300,095)	(241,001)
	(3,633,197)	(2,599,718)
Monitoring and research programs		
Health research and monitoring	(1,342,128)	(186,469)
Communication and information	(166,738)	(157,326)
Monitoring of fish consumption	(42,200)	—
	(1,551,066)	(343,795)
Operating expenses	(1,927,440)	(1,265,773)
	(7,111,703)	(4,209,286)
Net variation of the Fund	(4,425,360)	(2,054,863)
Balance available as at March 31 [note 2]	19,574,640	21,945,137

See accompanying notes to the statements of payments.

**Mercury Agreement (2001)
Nameess Fund**

NOTES TO THE STATEMENTS OF PAYMENTS

March 31, 2006

1) FUND DESCRIPTION

The Nameess Fund [the "Fund"] is used for the purpose of funding the monitoring and research programs and the fisheries restoration and development programs, established by the Mercury Agreement (2001) signed in February 2002 [the "Agreement"]. The Agreement matures on March 31, 2012. The initial amount established under the Agreement amounts to \$24,000,000. The Fund is adjusted for inflation annually, beginning January 1, 2002.

2) BASIS OF PRESENTATION

Indexation amount

The indexation amount of \$531,920 [\$420,338 for fiscal year 2005] is equal to the variation of the Canadian consumer price index [not seasonally adjusted] from January 1, 2005 to January 1, 2006, which is 2.79% $[(128.8 - 125.3)/125.3]$, times the balance available of the Fund as of March 31, 2005 less the payments made during the current year [$\$21,945,137 - \$2,902,417 = \$19,042,720$].

Payments

Represent payments made by Hydro-Québec with respect to the Nameess Fund. No provision for unpaid amounts has been recorded in connection with work performed or services rendered as at March 31, 2006 under this Agreement.

Balance available

The Nameess Fund is not funded. The balance available corresponds to the amounts to be paid by Hydro-Québec in connection with the Nameess Fund as of a specified date.

Statements of payments

Nadoshtin Agreement
EM-1 Mercury Fund

March 31, 2006

AUDITORS' REPORT

To the directors of **Hydro-Québec**

We have audited the statement of cumulative payments made in connection with the **EM-1 Mercury Fund** of the **Nadoshtin Agreement** [the "Agreement"] as at March 31, 2006 and the statement of periodical payments for the year then ended, established in accordance with the provisions of the Agreement. This financial information is the responsibility of Hydro-Québec's management. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, these statements of cumulative and periodical payments present fairly, in all material respects, the balance available of the EM-1 Mercury Fund as at March 31, 2006 and the cumulative payments made by Hydro-Québec in connection with the EM-1 Mercury Fund as at March 31, 2006 as well as the payments made for the year then ended in accordance with the provisions of the Agreement.

Montréal, Canada
June 14, 2006

Chartered Accountants

**Nadoshtin Agreement
EM-1 Mercury Fund**

STATEMENT OF PERIODICAL PAYMENTS

[in Canadian dollar]	Year ended March 31, 2006 .\$
Balance available as at March 31, 2005	3,219,759
Indexation amount <i>[note 2]</i>	84,735
Payments <i>[note 2]</i>	
Operating expenses	(126,920)
Fishery restauration program	(59,324)
	<u>(186,244)</u>
Net variation of the Fund	(101,509)
Balance available as at March 31, 2006 <i>[note 2]</i>	<u>3,118,250</u>

See accompanying notes to the statements of payments.

**Nadoshtin Agreement
EM-1 Mercury Fund**

STATEMENT OF CUMULATIVE PAYMENTS

[in Canadian dollar]	Cumulative March 31, 2006 \$	Cumulative March 31, 2005 \$
Amount established under the agreement [note 1]	3,000,000	3,000,0000
Indexation amount [note 2]	319,383	234,648
Payments [note 2]		
Operating expenses	(141,809)	(14,889)
Fishery restoration program	(59,324)	—
Net variation of the Fund	118,250	219,759
Balance available as at March 31 [note 2]	3,118,250	3,219,759

See accompanying notes to the statements of payments.

**Nadoshtin Agreement
EM-1 Mercury Fund**

NOTES TO THE STATEMENTS OF PAYMENTS

March 31, 2006

1) FUND DESCRIPTION

The EM-1 Mercury Fund [the "Fund"] is used for the purpose of funding the monitoring and research programs and the fisheries restoration and development programs, established by the Nadoshtin Agreement signed in February 2002 [the "Agreement"], in connection with the Eastmain 1 project. The Agreement matures 20 years from its date of execution. The initial amount established under the Agreement amounts to \$3,000,000. The Fund is adjusted for inflation annually, beginning January 1, 2002.

2) BASIS OF PRESENTATION

Indexation amount

The indexation amount of \$84,735 [\$61,671 for fiscal year 2005] is equal to the variation of the Canadian consumer price index [not seasonally adjusted] from January 1, 2005 to January 1, 2006, which is 2.79% $[(128.8 - 125.3)/125.3]$, times the balance available of the Fund as of March 31, 2005 less the payments made during the current year [$\$3,219,759 - \$186,244 = \$3,033,515$].

Payments

Represent payments made by Hydro-Québec with respect to the EM-1 Mercury Fund. No provision for unpaid amounts has been recorded in connection with work performed or services rendered as at March 31, 2006 under this Agreement.

Balance available

The EM-1 Mercury Fund is not funded. The balance available corresponds to the amounts to be paid by Hydro-Québec in connection with the EM-1 Mercury Fund as of a specified date.

Statements of payments

**Nadoshtin Agreement
Remedial Measures Fund**

March 31, 2006

AUDITORS' REPORT

To the directors of **Hydro-Québec**

We have audited the statement of cumulative payment made in connection with the **Remedial Measures Fund** of the **Nadoshtin Agreement** [the "Agreement"] as at March 31, 2006 and the statement of periodical payments for the year then ended, established in accordance with the provisions of the Agreement. This financial information is the responsibility of Hydro-Québec's management. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, these statements of cumulative and periodical payments present fairly, in all material respects, the balance available of the Remedial Measures Fund as at March 31, 2006 and the cumulative payments made by Hydro-Québec in connection with the Remedial Measures Fund as at March 31, 2006 as well as the payments made for the year then ended in accordance with the provisions of the Agreement.

Montréal, Canada
June 14, 2006

Chartered Accountants

**Nadoshtin Agreement
Remedial Measures Fund**

STATEMENT OF PERIODICAL PAYMENTS

[in Canadian dollar]	Year ended March 31, 2006 \$
Balance available as at March 31, 2005	18,053,178
Indexation amount <i>[note 2]</i>	270,049
Payments <i>[note 2]</i>	
Acces	(169 845)
Heritage	(330 592)
Habitat	(1 752 937)
Operating expenses	(740 987)
	(2,994,361)
Net variation of the Fund	(2,724,312)
Balance available as at March 31, 2006 <i>[note 2]</i>	15,328,866

See accompanying notes to the statements of payments.

**Nadoshtin Agreement
Remedial Measures Fund**

STATEMENT OF CUMULATIVE PAYMENTS

[in Canadian dollar]	Cumulative March 31, 2006 \$	Cumulative March 31, 2005 \$
Initial amount established under the agreement [note 1]	18,000,000	18,000,000
Indexation amount [note 2]	1,091,231	821,182
Payments [note 2]		
Acces	(169 845)	—
Heritage	(330 592)	—
Habitat	(1 752 937)	—
Operating expenses	(1 508 991)	(768,004)
	(3,762,365)	(768,004)
Net variation of the Fund	(2,671,134)	53,178
Balance available as at March 31 [note 2]	15,328,866	18,053,178

See accompanying notes to the statements of payments.

**Nadoshtin Agreement
Remedial Measures Fund**

NOTES TO THE STATEMENTS OF PAYMENTS

March 31, 2006

1) FUND DESCRIPTION

The Remedial Measures Fund [the "Fund"] is used for the purpose of funding remedial, mitigating and environmental measures and programs, established by the Nadoshtin Agreement signed in February 2002 [the "Agreement"], in connection with the Eastmain 1 project. The Agreement matures 15 years following the decision by resolution of Hydro-Quebec to proceed with the construction of the Eastmain 1 project. The initial amount established under the Agreement amounts to \$18,000,000. The Fund is adjusted for inflation annually, beginning January 1, 2002.

2) BASIS OF PRESENTATION

Indexation amount

The indexation amount of \$270,049 [\$170,389 for fiscal year 2005] is equal to the variation of the Canadian consumer price index [not seasonally adjusted] from January 1, 2005 to January 1, 2006 less 1%, which is 1.79% $[(128.8 - 125.3)/125.3 - 0.01]$, times the balance available of the Fund as of March 31, 2005 less the payments made during the current year, being $[\$18,053,178 - \$2,994,361 = \$15,058,817]$.

Payments

Represent payments made by Hydro-Québec with respect to the Remedial Measures Fund. No provision for unpaid amounts has been recorded relating to work performed or services rendered as at March 31, 2006 under this Agreement.

Balance available

The Remedial Measures Fund is not funded. The balance available corresponds to the amounts to be paid by Hydro-Québec in connection with the Remedial Measures Fund as of a specified date.



NISKAMOON CORPORATION

Head Office
2 Lakeshore Road
Nemaska, Québec
Canada J0Y 3B0

819.673.2600 / 819.673.2111
www.niskamoon.ca

