
REVENUE ADVANCE CONSOLIDATION AGREEMENT

between

NISICHAWAYASIIHK CREE NATION,

-and-

THE MANITOBA HYDRO-ELECTRIC BOARD,

-and-

TASKINIGAHP POWER CORPORATION.

DATED June 28, 2006.

THIS MEMORANDUM OF AGREEMENT made the 28th day of June, 2006.

AMONG:

NISICHAWAYASIIHK CREE NATION,
(hereinafter called "NCN"),

-and-

THE MANITOBA HYDRO-ELECTRIC BOARD,
(hereinafter called "Hydro"),

-and-

TASKINIGAHP POWER CORPORATION,
(hereinafter called "TPC").

WHEREAS:

- A. NCN and Hydro entered into an agreement dated August 15, 2002 (the "2002 Advance Agreement"), pursuant to which Hydro agreed to provide a repayable financial contribution of \$700,000 to NCN and NCN agreed to repay to Hydro, or to cause its nominee investor in the Limited Partnership to repay to Hydro, such amount, together with the sum of \$35,000 advanced by Hydro to NCN on March 27, 2002 and the sum of \$50,000 advanced by Hydro to NCN on May 29, 2002, for a total repayable financial contribution of \$785,000 (the "2002 Contribution"), on and subject to the terms and conditions set out in the 2002 Advance Agreement;
- B. NCN and Hydro entered into an agreement dated March 3, 2003 (the "First 2003 Advance Agreement"), pursuant to which Hydro agreed to provide a repayable financial contribution of \$1,000,000 (the "First 2003 Contribution") to NCN and NCN agreed to repay, or to cause its nominee investor in the Limited Partnership to repay, such amount to Hydro on and subject to the terms and conditions set out in the First 2003 Advance Agreement;
- C. NCN and Hydro entered into an additional agreement dated March 3, 2003 (the "Second 2003 Advance Agreement"), pursuant to which Hydro agreed to provide a repayable financial contribution of \$1,000,000 (the "Second 2003 Contribution") to NCN and NCN agreed to repay such amount to Hydro on and subject to the terms and conditions set out in the Second 2003 Advance Agreement;

- D. Hydro has agreed to provide an additional repayable financial contribution to NCN in an amount not to exceed the sum of \$2,900,000 (the "Final Contribution"), a portion of which amount has already been advanced by Hydro to NCN pursuant to certain letter agreements as more particularly described herein;
- E. Hydro and NCN have agreed to revise the terms and conditions of the First 2003 Contribution, in the manner and on the terms and conditions set out in this Agreement;
- F. Hydro, NCN, TPC, 5022649 Manitoba Ltd. and Wuskwatim Power Limited Partnership (the "Limited Partnership") entered into the Wuskwatim Project Development Agreement dated the date of this Agreement (the "PDA"), pursuant to which, among other things, TPC, a corporation beneficially owned and controlled by NCN, is investing in the Limited Partnership as a limited partner and Hydro and TPC are entering into the TPC Financing Agreement as as defined in the PDA and Hydro, NCN and TPC are entering into the NCN Financing Agreement as defined in the PDA (collectively, the NCN Loan Agreements); and
- G. The parties hereto wish to amend and restate the 2002 Advance Agreement, the First 2003 Advance Agreement, the Second 2003 Advance Agreement, the agreements to provide the Final Contribution and the agreement to revise the terms of the First 2003 Contribution (collectively, the "Advance Agreements") and consolidate each of the Advance Agreements into this Agreement in the manner and on the terms and conditions set forth in this Agreement;

NOW THEREFORE in consideration of the premises and of the sum of One Dollar by each party to the other paid, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1

THE ADVANCES

Preamble

- 1.1 The preamble hereto shall form an integral part of this Agreement.

The 2002 Contribution

- 1.2 The parties hereto acknowledge and agree that Hydro has advanced the 2002 Contribution to NCN as follows:

- (a) the sum of \$35,000, on March 27, 2002, which NCN hereby represents was used to complete the preliminary environmental and geotechnical assessments for the proposed location of the Atoskiwin Training and Employment Centre (“ATEC”);
- (b) the sum of \$50,000, on May 29, 2002, which NCN hereby represents was used to retain an architect to commence the architectural conceptual design of ATEC and related residential facilities for students and instructors; and
- (c) the sum of \$700,000, on August 15, 2002, which NCN hereby represents was used for the purpose of constructing structures at Nelson House, including necessary sewer and water, road and site development (the “Interim Work”), which would serve as interim training facilities until completion of the construction of ATEC.

The First 2003 Contribution

1.3 The parties hereto acknowledge and agree that Hydro advanced the First 2003 Contribution to NCN in the sum of \$1,000,000 on March 28, 2003. NCN hereby represents that the First 2003 Contribution was used for the purpose of constructing the ATEC facilities in accordance with the funding proposal submitted by NCN to Indian and Northern Affairs Canada (the “ATEC Work”).

The Second 2003 Contribution

1.4 The parties hereto acknowledge and agree that Hydro advanced the Second 2003 Contribution to NCN in the sum of \$1,000,000 on March 28, 2003. NCN hereby represents that the Second 2003 Contribution was used for the purposes of the ATEC Work.

The Final Contribution

1.5 The parties hereto acknowledge and agree that Hydro has advanced a portion of the Final Contribution to NCN as follows:

- (a) the sum of \$445,950, on August 12, 2005, which NCN hereby represents was used solely to fund the June, 2005 progress payment for the ATEC Work;
- (b) the sum of \$525,940.43, on September 16, 2005, which NCN hereby represents was used solely to fund the July, 2005 progress payment for the ATEC Work;
- (c) the sum of \$255,149.58 on October 13, 2005, which NCN hereby represents was used solely to fund the August, 2005 progress payment for the ATEC Work;

- (d) the sum of \$223,747.55 on November 18, 2005, which NCN hereby represents was used solely to fund the September, 2005 progress payment for the ATEC Work;
- (e) the sum of \$114,475.23 on December 16, 2005, which NCN hereby represents was used solely to fund the October, 2005 progress payment for the ATEC Work;
- (f) the sum of \$166,780.20 on January 27, 2006, which NCN hereby represents was used solely to fund the November, 2005 progress payment for the ATEC Work;
- (g) the sum of \$83,869.15 on March 3, 2006, which NCN hereby represents was used solely to fund the January 2006 progress payment for the ATEC Work; and
- (h) the sum of \$181,840.37 on March 23, 2006, which NCN hereby represents was used solely to fund the February, 2006 progress payment for the ATEC Work.

Payment of the Balance of the Final Contribution

1.6 The parties hereto acknowledge and agree that Hydro shall advance to NCN an additional amount or amounts from time to time, not to exceed the balance of the Final Contribution, upon satisfactory evidence being provided by NCN to Hydro of the progress of construction of the ATEC instructors' and students' residences. Upon the completion of construction, the final payment will be made by Hydro upon receipt of a certificate of substantial completion.

No Additional Contributions or Obligations

1.7 Hydro shall not be responsible, directly or indirectly, for any expenses or other amounts incurred by NCN or TPC in connection with the Interim Work or the ATEC Work, the operation or maintenance of the ATEC facility or the implementation of this Agreement. Notwithstanding, Hydro has agreed to provide the balance of the Final Contribution as provided in section 1.6.

ARTICLE 2

REPAYMENT AND SECURITY

Repayment of the 2002 Contribution

2.1 As of and from the date hereof, NCN hereby agrees to repay, or cause TPC to repay, to Hydro, on demand, the 2002 Contribution, plus interest thereon or on the amount thereof from time to time outstanding, at a rate per annum equal to the prime rate of interest

established from time to time by the Royal Bank of Canada (the “RBC Prime Rate”), calculated and compounded annually, not in advance, from the date of advance to the date of payment.

Security for the Repayment of 2002 Contribution

2.2 As security for the repayment of the 2002 Contribution plus interest thereon calculated as aforesaid, TPC shall execute and deliver in favour of Hydro in form and content satisfactory to Hydro, each of:

- (a) a guarantee of the due payment and discharge of all of NCN’s indebtedness and liability to Hydro with respect to the repayment of the 2002 Contribution plus interest thereon; and
- (b) an irrevocable assignment (the “2002 Contribution Assignment”) of all distributions which TPC is or may become entitled to receive from the Limited Partnership (“Partnership Distributions”), up to the amount of the 2002 Contribution plus interest thereon, which irrevocable assignment shall include an assignment, pledge and hypothecation to Hydro of, and a grant to Hydro of a security interest in, each of the units in the Limited Partnership registered in the name of TPC.

Set-Off of the 2002 Contribution

2.3 Hydro may at any time and from time to time after demand, without notice to NCN or TPC, any notice being expressly waived by NCN and TPC, set-off and compensate and apply any and all amounts of the 2002 Contribution outstanding from time to time, together with interest thereon, against and on account of any indebtedness and liability of any nature or kind of Hydro to NCN or TPC, except for amounts payable or which may become payable by Hydro to NCN pursuant to an adverse effects settlement, whether mitigatory or compensatory, if any, or by Hydro to TPC or NCN pursuant to any credit facilities under the NCN Loan Agreements.

Amount Outstanding under the 2002 Contribution

2.4 The parties hereby acknowledge and agree that the full amount of the 2002 Contribution (\$785,000) together with all accrued interest thereon remains outstanding as of the date hereof. (Interest accrued to January 31, 2006 is \$125,888.21).

Repayment of the First 2003 Contribution

2.5 Subject to the terms hereof, as of and from the date hereof, NCN hereby agrees to repay, or cause TPC to repay, to Hydro, on demand, the First 2003 Contribution, plus interest thereon or on the amount thereof from time to time outstanding, at the RBC Prime Rate,

calculated and compounded annually, not in advance, from the date of advance to the date of payment.

Security for the Repayment of First 2003 Contribution

2.6 As security for the repayment of the First 2003 Contribution plus interest thereon calculated as aforesaid, TPC shall execute and deliver in favour of Hydro in form and content satisfactory to Hydro, each of:

- (a) a guarantee of the due payment and discharge of all of NCN's indebtedness and liability to Hydro with respect to the repayment of the First 2003 Contribution plus interest thereon; and
- (b) an irrevocable assignment (the "First 2003 Contribution Assignment") of all Partnership Distributions, up to the amount of the First 2003 Contribution plus interest thereon, which irrevocable assignment shall include an assignment, pledge and hypothecation to Hydro of, and a grant to Hydro of a security interest in, each of the units in the Limited Partnership registered in the name of TPC.

Amount Outstanding under the First 2003 Contribution

2.7 The parties hereby acknowledge and agree that the full amount of the First 2003 Contribution (\$1,000,000) together with all accrued interest thereon remains outstanding as of the date hereof. (Interest accrued to January 31, 2006 is \$130,082.74).

Repayment of the Second 2003 Contribution

2.8 Subject to the terms hereof, as of and from the date hereof, NCN hereby agrees to repay the Second 2003 Contribution, plus interest thereon or the amount thereof from time to time outstanding at the RBC Prime Rate, calculated and compounded annually, not in advance, from the date of advance to the date of payment, by way of equal, consecutive annual payments of \$75,000 each on or before the 1st day of April in each year until the Second 2003 Contribution plus interest thereon has been repaid in full. Payments shall be applied firstly on account of accrued interest and secondly on account of principal.

Manner of Repayment of the Second 2003 Contribution

2.9 The Second 2003 Contribution, plus interest calculated as aforesaid, shall be repaid by NCN using funding received by NCN from the Province of Manitoba for the construction of ATEC and the operation of training programs through ATEC pursuant to an agreement between NCN and Keewatin Community College ("KCC", now known as University College of the North) dated March 13, 2003 (the "MOU").

Security for Repayment of the Second 2003 Contribution

2.10 As security for the repayment of the Second 2003 Contribution plus interest calculated as aforesaid, the parties hereby acknowledge and agree that NCN has executed and delivered in favour of Hydro an assignment dated March 3, 2003 (the "Second 2003 Contribution Assignment"), a copy of which is attached as Schedule "A" hereto, of all of NCN's right, title and interest in and to the proceeds receivable by NCN under the MOU up to a maximum amount of \$75,000 per year, until the full amount of the Second 2003 Contribution, plus interest calculated as aforesaid, shall be repaid in full. The Second 2003 Contribution Assignment shall be incorporated by reference herein. The parties also acknowledge and agree that, pursuant to the Second 2003 Contribution Assignment, NCN has authorized KCC to pay directly to Hydro those monies which would, in the absence of the Second 2003 Contribution Assignment, be payable to NCN under the MOU.

If MOU Terminated

2.11 If the MOU is terminated for any reason prior to the Second 2003 Contribution plus interest being repaid in full, NCN will make all necessary arrangements with the Province of Manitoba and/or KCC for replacement funding so as to permit NCN to repay to Hydro the Second 2003 Contribution plus interest. To the extent that NCN enters into further or other funding agreements with the Province of Manitoba or KCC in whole or in part in respect of the Second 2003 Contribution, NCN will assign to Hydro all or a portion of any such funding, not to be less than \$75,000 per year, as security for the repayment of the Second 2003 Contribution plus interest. The parties hereby acknowledge and agree that the Province of Manitoba has provided a letter to Hydro dated February 11, 2003 (the "Second 2003 Contribution Undertaking"), a copy of which is attached as Schedule "B" hereto, in which the Province of Manitoba confirms that if the MOU is terminated prior to the Second 2003 Contribution plus interest being repaid in full, the Province of Manitoba will make necessary arrangements with NCN for replacement funding so as to permit NCN to repay to Hydro the Second 2003 Contribution plus interest. The Second 2003 Contribution Undertaking shall be incorporated by reference herein.

Second 2003 Contribution Non-Recourse to NCN

2.12 Subject sections 2.11 and 2.13 hereof, Hydro hereby agrees not to seek repayment from NCN of the Second 2003 Contribution plus interest using a source of funds other than funds received or receivable by NCN pursuant to the MOU or pursuant to any replacement funding as provided in section 2.11.

Non-Recourse Limitation

2.13 NCN hereby acknowledges and agrees that notwithstanding the provisions of sections 2.8 to 2.12, inclusive, if at any time NCN fails to pay to Hydro the sum of \$75,000 per year from its funding from the Province of Manitoba and/or KCC or from any funding it receives in replacement of the Province of Manitoba and/or KCC funding as provided in section 2.11, then Hydro may at any time and from time to time without notice to NCN, any notice being

expressly waived by NCN, set-off and compensate and apply any and all amounts of such arrears in annual payments, together with interest thereon, against and on account of any indebtedness and liability of any nature or kind of Hydro to NCN, except for amounts payable or which may become payable by Hydro to NCN pursuant to an adverse effects settlement, whether mitigatory or compensatory, if any or by Hydro to NCN pursuant to any credit facility under the NCN Financing Agreement.

Amount Outstanding under the Second 2003 Contribution

2.14 The parties hereby acknowledge and agree that \$902,033.25 of the principal amount of the Second 2003 Contribution (in the original amount of \$1,000,000) remains outstanding as of the date hereof. (Interest on the principal amount accrued to January 31, 2006 is \$993.67).

Repayment of the Final Contribution

2.15 Subject to the terms hereof, as of and from the date hereof, NCN hereby agrees to repay, or cause TPC to repay, to Hydro, on demand, the Final Contribution, plus interest thereon or on the amount thereof from time to time outstanding, at the RBC Prime Rate, calculated and compounded annually, not in advance, from the date of each advance to the date of payment.

Security for Repayment of the Final Contribution

2.16 As security for the repayment of the Final Contribution plus interest thereon calculated as aforesaid, TPC shall execute and deliver in favour of Hydro in form and content satisfactory to Hydro, each of:

- (a) a guarantee of the due payment and discharge of all of NCN's indebtedness and liability to Hydro with respect to the repayment of the Final Contribution plus interest thereon; and
- (b) an irrevocable assignment (the "Final Contribution Assignment") of all Partnership Distributions, up to the amount of the Final Contribution plus interest thereon, which such irrevocable assignment shall include an assignment, pledge and hypothecation to Hydro of, and a grant to Hydro of a security interest in, each of the units in the Limited Partnership registered in the name of TPC.

Amount Outstanding under the Final Contribution

2.17 The parties hereby acknowledge and agree that such portion of the Final Contribution as has been advanced by Hydro to NCN as of the date hereof, together with all accrued interest thereon remains outstanding as of the date hereof. (Interest accrued to January 31, 2006 is \$27,060.32).

Application of Partnership Distributions

2.18 Notwithstanding that the 2002 Contribution, the First 2003 Contribution and the Final Contribution are repayable on demand, the parties agree that all Partnership Distributions shall be applied by TPC to repay the 2002 Contribution, the First 2003 Contribution and the Final Contribution in the order of priority set out in Article 3 hereof and for so long as such repayments are being made Hydro agrees not to make demand on the 2002 Contribution, the First 2003 Contribution or the Final Contribution. Notwithstanding the foregoing, Hydro may make demand of the 2002 Contribution at any time after the date that is twenty-five years from the Final Closing Date (as that term is defined in the PDA).

Forgiveness

2.19 The parties agree that the amount of the First 2003 Contribution and the Final Contribution, plus interest thereon outstanding, if any, as of the Repayment Termination Date, after the application of Partnership Distributions as provided for in section 2.18 up to and as of such date, shall be forgiven by Hydro as of such date and Hydro hereby agrees not to seek repayment from NCN or TPC of such amount and all security granted in connection therewith shall be released and discharged. For this purpose, the Repayment Termination Date means the earlier of the following:

- (a) the Final Closing Date (as that term is defined in the PDA), if as of and from the Final Closing Date TPC is no longer a limited partner in the Limited Partnership as provided in the PDA;
- (b) the Adjustment Date (as that term is defined in the PDA), if as of and from the Adjustment Date TPC is no longer a limited partner in the Limited Partnership as provided in the PDA;
- (c) the date TPC ceases to be a limited partner in the Limited Partnership as a result of the exercise of its Non-Completion Sale Right (as that term is defined in the PDA), as provided in the PDA;
- (d) the date TPC ceases to be a limited partner in the Limited Partnership as a result of the exercise of its Term Sale Right (as that term is defined in the PDA), as provided in the PDA;
- (e) the date TPC ceases to be a limited partner in the Limited Partnership as a result of Hydro exercising its rights over the units in the Limited Partnership registered in the name of TPC pursuant to any loan or security document between Hydro and TPC; and

- (f) the date that is twenty-five years from the Final Closing Date (as that term is defined in the PDA).

ARTICLE 3

PRIORITIES

Subordination and Postponement

3.1 The parties hereby agree that all Partnership Distributions shall be applied by TPC to repay the 2002 Contribution, the First 2003 Contribution and the Final Contribution, in the following order:

- (a) firstly, to repay the First 2003 Contribution;
- (b) secondly, to repay the Final Contribution; and
- (c) lastly, to repay the 2002 Contribution.

3.2 The parties hereby also agree that the security interests in the Partnership Distributions created by the 2002 Contribution, the First 2003 Contribution and the Final Contribution shall have the following priorities as against one another:

- (a) the security interest created by each of the 2002 Contribution Assignment and the Final Contribution Assignment is hereby postponed and subordinated in all respects to the security interest created by the First 2003 Contribution Assignment; and
- (b) the security interest created by the 2002 Contribution Assignment is hereby postponed and subordinated in all respects to the security interest created by the Final Contribution Assignment.

3.3 The subordinations and postponements contained herein shall apply in all events and circumstances regardless of:

- (a) the date of execution, attachment, registration or perfection of any security interest held by Hydro; or
- (b) the date of any advance or advances made to NCN by Hydro; or

- (c) the date of default by NCN or TPC under any of the security granted hereunder;
or
- (d) any priority granted by any principle of law or statute, including *The Personal Property Security Act* (Manitoba).

ARTICLE 4

FURTHER ASSURANCES AND REPORTING

Further Assurances

4.1 Each of NCN and TPC hereby agree that, from time to time subsequent to the date of this Agreement, each of them will, at the request of Hydro, execute and deliver all such documents and do all such other acts and things as Hydro, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the obligations intended to be created hereby or thereby.

Access to Information

4.2 Each of NCN and TPC hereby agree to cooperate and offer reasonable and practical assistance when Hydro requires access to information in order that Hydro may inspect and record on its own behalf the activities, works and measures undertaken as part of the ATEC Work.

Reports

4.3 At the conclusion of the ATEC Work, TPC and/or NCN shall provide Hydro with a report, supported by invoices provided by any contractors retained to carry out the the ATEC Work, as the case may be, detailing how the funds were spent and the nature of the work completed.

Audit

4.4 Hydro shall have the right to appoint an independent auditor to conduct an audit of all financial statements and records of TPC and/or NCN in relation to any of the 2002 Contribution, the First 2003 Contribution, the Second 2003 Contribution or the Final Contribution (collectively, the "Contributions") or any portion thereof. TPC and/or NCN shall maintain comprehensive financial statements and records of all funds comprising the Contributions and shall make all such records available in the event that an audit is carried out. The costs of such an audit, if undertaken, shall be the responsibility of Hydro.

No Representations

4.5 Hydro makes no representations that the Interim Work or the ATEC Work will fulfill any or all of the purposes contemplated by TPC or NCN.

No Further Obligations

4.6 Other than as provided in section 1.6, nothing in this Agreement will oblige Hydro to participate in, or fund, future training programs or infrastructure development. Further, this Agreement does not imply or involve any commitments by Hydro in relation to the Wuskwatim Project.

Discharge

4.7 Hydro agrees to release and discharge all assignments and security hereunder and any related registrations when all amounts owing to it hereunder have been repaid in full.

ARTICLE 5

MISCELLANEOUS

Termination of Prior Agreements

5.1 This Agreement supersedes and replaces each of the Advance Agreements and the Advance Agreements shall be deemed to have been terminated as of the date hereof. This Agreement does not supersede and replace, but rather incorporates by reference herein the Second 2003 Contribution Assignment and the Second 2003 Contribution Undertaking.

NCN and TPC Responsible

5.2 TPC and/or NCN, as the case may be, are solely responsible for and will make any and all deductions or remittances, which may be required by law with regard to the implementation of works and measures pursuant to this Agreement.

Assignment

5.3 None of the parties hereto will assign or transfer this Agreement or any of the rights or obligations pursuant to this Agreement, without first obtaining written permission from all of the other parties hereto. No assignment or transfer of this Agreement shall relieve the assigning party of any obligations pursuant to this Agreement, except to the extent of full and proper performance by the permitted assign(s).

Time

5.4 Time shall be of the essence in this Agreement.

Amendments

5.5 No amendment, change to, or modification of this Agreement is valid unless it is in writing and signed by all of the parties hereto.

Laws

5.6 This Agreement will be interpreted, implemented and enforced in accordance with the laws in force in the Province of Manitoba.

Notice

5.7 All notices and other communication provided for in this Agreement shall be in writing, and shall be given by personal delivery or sent by registered mail or facsimile, charges pre-paid and confirmed by telephone, to the applicable addresses or facsimile numbers set out in this section, or to addresses or facsimile numbers which a party may from time to time designate to the other parties. Any such communication shall be deemed to have been validly and effectively given on the date of such delivery, if such date is a business day and such delivery has been made during the normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the business day next following such date of delivery. The addresses for the parties are:

To NCN:

Nisichawayashik Cree Nation
Attention: Chief and Council
General Delivery
Nelson House MB ROB 1AO
Fax Number: 204-484-2392

To TPC:

Taskinigahp Power Corporation
Attention: President
General Delivery
Nelson House MB ROB 1AO
Fax Number: 204-484-2392

To Hydro:

Manitoba Hydro
Attention: General Counsel
3rd Floor, 820 Taylor Avenue
Winnipeg MB R3C 2P4
Fax Number: 204-474-4947

Binding Effect, Enurement

5.8 This Agreement and the covenants contained herein will enure to and be binding upon the successors and any permitted assigns of the parties hereto.

Headings

5.9 The headings contained in this Agreement are for convenience of reference only and will not affect the interpretation of this Agreement.

Counterparts


5.10 This Agreement may be executed in several counterparts each of which when executed shall be an original and all of which taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

NISICAWAYASIIK CREE NATION

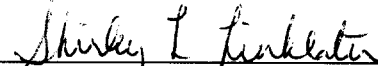


Jerry Primrose, Chief



Jimmy Hunter-Spence, Councillor

D'Arcy Linklater, Councillor



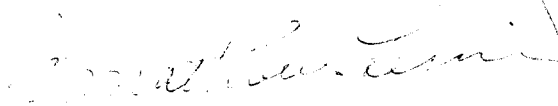
Shirley L. Linklater, Councillor



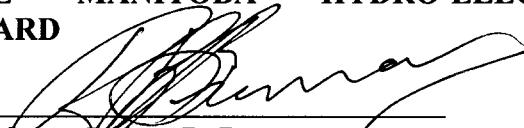
Agnes M. Spence, Councillor

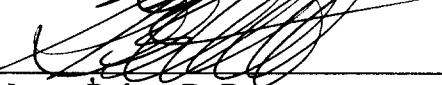


William Elvis Thomas, Councillor

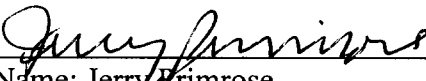



THE MANITOBA HYDRO-ELECTRIC BOARD


Per: 
Name: Robert B. Brennan
Title: President and Chief Executive Officer

Per: 
Name: Robert D. Beltner
Title: Assistant Corporate Secretary

TASKINIGAHP POWER CORPORATION

Per: 
Name: Jerry Primrose
Title: President

Per: 
Name: William Elvis Thomas
Title: Vice-President

Per: 
Name: Shirley L. Linklater
Title: Secretary-Treasurer

SCHEDULE "A"

THIS ASSIGNMENT made this 3rd day of March, 2003.

BETWEEN:

NISICHAWAYASIIK CREE NATION
(hereinafter called "Assignor"),

OF THE FIRST PART,

- and -

THE MANITOBA HYDRO ELECTRIC BOARD
(hereinafter called "Assignee"),

OF THE SECOND PART.

WHEREAS:

A. The Assignor is indebted to the Assignee in the sum of \$1 million plus interest thereon or the amount thereon from time to time outstanding at a rate per annum equal to the prime rate of interest established from time to time by the Royal Bank of Canada calculated and compounded annually and not in advance, repayable by way of equal consecutive annual instalments of \$75,000.00 each until the principal plus interest thereon has been repaid in full (the "Indebtedness");

B. The Assignor has entered into an agreement with Keewatin Community College ("KCC") dated the 13th day of March, 2003 (the "MOU") for the funding of the Atoskiwin Training and Employment Centre ("ATEC") and the operation of training programs through ATEC; and

C. The Assignor is desirous of assigning a portion of its funding under the MOU to the Assignee in repayment of the indebtedness;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the sum of \$1.00 and other good and valuable consideration now paid by the Assignee to the Assignor (the receipt and sufficiency of which is hereby acknowledged), the parties hereto hereby agree as follows:


1. The preamble hereto shall form an integral part of this Agreement.

2. The Assignor hereby assigns to the Assignee, all of the Assignor's right, title and interest in and to the proceeds receivable by the Assignor under the MOU up to a maximum of \$75,000.00 per year.

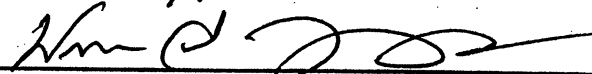
3. The Assignor and the Assignee hereby acknowledge and confirm that the assignment of the proceeds under the MOU of up to \$75,000.00 per year shall be set off against the Indebtedness each year as it is received by the Assignee.
4. The Assignor hereby authorizes KCC to pay directly to the Assignee those monies which would, in the absence of this Assignment, be payable to the Assignor under the MOU.
5. Time shall in all respects be of the essence of this Assignment.
6. This Assignment shall be construed in accordance with and governed by the laws of the Province of Manitoba.
7. This Assignment may be executed in several counterparts each of which when executed shall be an original and all of which taken together shall be deemed to constitute one and the same instrument.
8. This Assignment shall bear as its formal date of execution the same date as the last of the parties to have executed the same.

IN WITNESS WHEREOF the parties hereto have executed this Assignment on the dates written below:

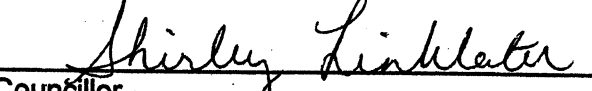
NISICHAWAYASIIHK CREE NATION



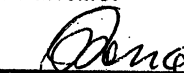
Chief



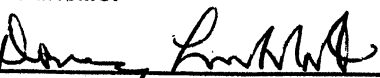
Councillor -



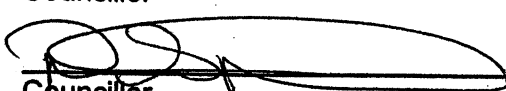
Councillor -



Councillor -



Councillor -



Councillor -

Councillor -

On the 3 day of 3, 2003.

THE MANITOBA HYDRO-ELECTRIC BOARD

Per: *[Signature]*

Per: *[Signature]*

On the 26 day of March, 2003.

SCHEDULE "B"

Manitoba



Community and Economic Development
Committee of Cabinet
Room 648, 155 Carlton Street
Winnipeg MB R3C 3H8

Eugene Kostyra, Secretary
(204) 945-8328 Fax: (204) 945-8229
e-mail: ekostym@gov.mb.ca

February 11, 2003

Mr. R. B. Brennan
CEO and President
Manitoba Hydro
820 Taylor Avenue
Winnipeg MB R3M 3T1

Dear Mr Brennan:

We met in early January to discuss the mutual undertakings of Manitoba and Manitoba Hydro to support the ongoing viability of Nisichawayasihk Cree Nation's (NCN) Atoskiwin Training and Employment Centre (ATEC) facility as a venue for training under the Hydro Pre-Project Training Initiative.

You advised that Manitoba Hydro will make a loan of \$1 million to NCN to be applied towards the costs of constructing the ATEC facilities.

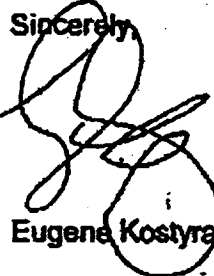
Manitoba will support the ATEC's operations under the College Expansion Initiative. Keewatin Community College (KCC) and NCN are currently negotiating a Memorandum of Understanding (MOU) that will provide funding from KCC to NCN to support the ATEC as a regional centre for the delivery of provincial education and training in the North.

I understand that the current level of funding under this MOU will provide NCN with sufficient funds to re-pay the loan over time and that NCN will assign to Manitoba Hydro \$75.0 of the annual funds payable under the MOU to secure repayment.

Mr. R.B. Brennan

The Department recognizes that Hydro has made a long-term financial commitment to NCN and the ATEC and that Manitoba's continued financial support of the ATEC is integral to Hydro's commitment. I confirm that if the KCC-NCN MOU is terminated before NCN has satisfied its obligation to Hydro, the Department will work with NCN to enable NCN to meet its obligations to Hydro in this respect.

I trust that this letter is satisfactory for your purposes as you move forward to conclude your own arrangements with NCN.

Sincerely,

Eugene Kostyra

cc: Pat Rowantree, Deputy Minister, Advanced Education and Training
Chief Jerry Primrose, Nisichawayasihk Cree Nation