Indigenous Leadership: Governance and Development Project

Case Study

English River First Nation: Des Nedhe Group

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One of the key actions in Saskatchewan's Growth Plan 2020-2030 is to grow Indigenous participation in the economy. The success of this action depends on Indigenous nations in Saskatchewan building and maintaining their economic development activities. The Indigenous Leadership: Governance and Development project provides made-in-Saskatchewan tools for Indigenous communities to build the governance foundation that will support long-term economic development. An important part of the project involves capturing the experience of Saskatchewan Indigenous communities through case studies and toolkits based on this experience.

The case study in this document was developed by a team of researchers and their affiliates at the Johnson Shoyama Graduate School of Public Policy at the University of Saskatchewan. The project is funded by the Government of Saskatchewan's Ministry of Trade and Export Development.

The case studies are designed to be used first and foremost by Indigenous communities across Saskatchewan. The premise of the work is that economic development stories need to be shared among those involved in economic development, both in the community where the economic development activities take place and in other communities looking to undertake economic development. It is important to focus on what has and has not worked. One of the long-term goals is to develop a set of resources that is Indigenous-led and available to Indigenous communities across the province and the country. The cases may also be used as governance training components and/or strategic planning exercises, as well as in teaching.

The case studies combine material from websites and other publicly available sources with material gathered through interviews with leaders and representatives involved in economic development activities. The interviews last between two and four hours and involve a small group of economic development leaders in the community. The questions asked focus solely on the corporate entities and activities that have been developed, and those interviewed are asked questions in their role as a corporate leader.

When approaching community leaders and representatives, we begin with an informal discussion. If the leaders and representatives indicate an interest in participating, we proceed with sending them a formal letter of introduction, which they can use to obtain official permission to proceed. We know communities receive many requests for information, and they do not always see the results of the work that is undertaken. Our goal is to ensure that the case study is shared with the community in a way that is beneficial. To this end, a draft of the case study is shared with the community, and the case study is not finalized until the community gives its agreement. Once a set of case studies have been developed, leaders from the communities involved will be given the opportunity to discuss the findings.

We would like to thank the leaders and representatives for their time and effort. Their knowledge and insights are critical to understanding economic development in Indigenous communities.

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English River First Nation: Des Nedhe Group of Companies

A national leader in Indigenous entrepreneurship and economic development

Overview and Key Learnings

- Des Nedhe has a diverse portfolio of businesses and investments.
- The portfolio represents the four "Fs" that contribute to Saskatchewan's business success: food, fuel (uranium), fertilizer (potash), and First Nations.
- Des Nedhe used the 1992 Treaty Land Entitlement settlement to kickstart the development of an urban reserve outside of Saskatoon.
- In 2016, Des Nedhe shifted its governance structure from political leadership to an independent board of directors.
- As the experience of Tron Construction and Mining Business illustrates, business is always risky, even for successful groups, and continued profitability requires constant attention to good management.

Background and History

English River First Nation (ERFN) includes 19 different reserves located mainly in northern Saskatchewan in Treaty 10 territory along the Churchill River. ERFN says on its website, "As 'people of the river,' we are known for our bold and collaborative spirit and self-sufficient and humble nature. We are dedicated to the stewardship of the land and the education of future generations." The Nation's main reserve is adjacent to Patuanak, a hamlet just under 500 km northwest of Saskatoon, Saskatchewan. The 19 reserve locations are listed in Table 1.

Table 1. English River First Nation Reserves

Name	Size (hectares)
Cree Lake Indian Reserve No. 192G	1607.4
Dipper Rapids 192C	831.3
Elak Dase 192A	1390.5
English River First Nation Barkwell Bay Indian Reserve	2344.0
English River First Nation Beauval Forks Reserve 1	1.4
English River First Nation Cable Bay Cree Lake Indian Reserve	538.3
English River First Nation Cable Bay Cree Lake Indian Reserve	1071.4
English River First Nation Flatstone Lake Indian Reserve	230.5
English River First Nation Haultain Lake Indian Reserve	201.2
English River First Nation Leaf Rapids Reserve	227.5
English River First Nation Mawdsley Lake Reserve 1	1195.6
English River First Nation Slush Lake Reserve 192Q	683.1
English River Indian Reserve No. 192H	42.9
Grasswoods Indian Reserve No. 192J	54.4
Ile A La Crosse 192E	6.0
Knee Lake 192B	487.2
La Plonge 192	9487.2
Primeau Lake 192F	1690.0
Wapachewunak 192D	3180.6

Source: Government of Canada (2022).

English River First Nation is a Dene speaking nation and one of nine member nations of the Meadow Lake Tribal Council.

ERFN was one of the first 25 First Nations in Saskatchewan to sign the Treaty Land Entitlement (TLE) Framework Agreement on September 22, 1992.² Under the TLE Agreement, ERFN received over \$10 million in TLE funds, a portion of which was used to purchase over 22,000 acres of land.³ The TLE Agreement facilitated ERFN's ability to develop a major urban reserve of approximately 135 acres on the outskirts of Saskatoon, Saskatchewan.⁴ Using TLE funds to establish a reserve in Saskatchewan's largest city was a major strategic move. The urban reserve houses several ERFN corporate offices, including Tron Construction and Mining's corporate office and Grasswood Travel and Business Centre. Other First Nations organizations and businesses also lease space at the urban reserve.

English River First Nation Governance

English River First Nation has opted to use the First Nations Election Act, with the elected leadership serving a four-year term. The Chief and Councillors are each assigned portfolios that they lead with the support of the English River administration (see Figure 1).

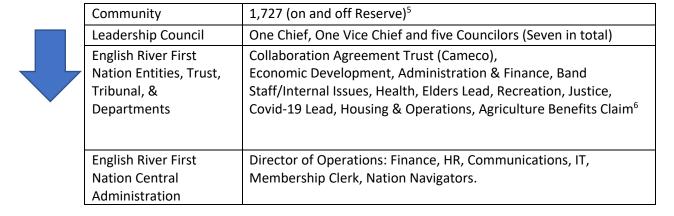


Figure 1. English River First Nation Governance Structure

Des Nedhe Group of Companies Corporate Profile

Established in 1991, Des Nedhe Development LP (now named Des Nedhe Group of Companies) pursues "sustainable employment and business opportunities for ERFN community members." Des Nedhe means 'the great river' in the Dene language. ERFN's economic development activities were kick-started by purchasing Tron Power, an electrical and instrumentation contractor, in 1997. This acquisition gave ERFN a vehicle to participate in the mining development taking place on their traditional territory, home to some of the highest-grade uranium ore deposits in the world. Tron Power expanded to a full-service mining contractor as opportunities in mining increased.

Recognizing the ups and downs of the world's commodity markets and wanting to ensure sustainable business development, ERFN moved early on to diversify its portfolio. Des Nedhe has diversified its operations and has built successful partnerships with Indigenous companies throughout Canada.

Through its business holdings, Des Nedhe operates a wide variety of enterprises, including businesses in construction, real estate, retail trade, transportation, accommodation and food services, and professional communications. Its future business interests include light industrial manufacturing.

Des Nedhe employed over 273 people throughout its businesses in 2022, of which 146 were Indigenous.⁸

Des Nedhe Business Charter and Board Structure

Until 2016, Des Nedhe's Board of Directors consisted of ERFN's Chief and Councillors. However, a shift was made towards a governance structure aligned more closely with business best practices. This change was driven by the desire to have decisions made by individuals with the appropriate business skills and experience. It also aimed to provide rigorous oversight of the CEO and Executive Team while maintaining transparency regarding company operations for ERFN leaders and members. This restructuring has increased confidence and stability for lenders, investors, partners, and the community. As the Des Nedhe's website says, the change brought "greater certainty and stability for our lenders, investors, partners and our community members."

Des Nedhe's board is guided by a business charter clearly defining the relationship between its entities and the First Nation. The charter includes processes for director nomination and appointment, expectations related to community reporting, and guidance on when the board needs to seek approval from ERFN Council. Other bylaws ensure that:

- Board Members are chosen for expertise in sectors related to existing and new investments.
- Two of the up to seven board seats must be ERFN band members who are not on ERFN council.
- One ERFN council member attends board meetings but does not have voting power.

Emerging from that change was a new business charter that supported a corporate structure that could manage the large and diverse needs of all the companies. The board appointments were a blend of respected Saskatchewan business leaders with legal, public relations, financial, and executive coaching experience. The board also included ERFN community members, Elder advisors, and past leaders. Figure 2 provides a visual representation of Des Nedhe's governance structure.

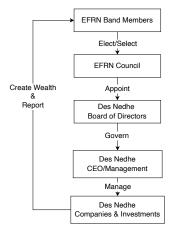


Figure 2. Des Nedhe Governance Structure¹⁰

Des Nedhe Group of Companies Business Portfolio

The Des Nedhe Group of Companies has structured its business interests into five primary categories, each representing a distinct area of focus within the organization. These categories (see Figure 3 and Table 2) are:

- 1. Des Nedhe Builds: This division is dedicated to construction and building projects, emphasizing infrastructure and development.
- 2. Retail & Property: This sector manages the group's interests in retail operations and property management, showcasing their involvement in the commercial real estate market.
- 3. Des Nedhe Utility: This category focuses on utility services, indicating the group's engagement in essential public services and infrastructure.
- 4. Professional Services: This division offers a range of professional services, highlighting the group's commitment to providing expert solutions in various business areas.
- 5. Des Nedhe Investments: This sector oversees the group's investment activities, reflecting their strategic financial initiatives and diverse investment portfolio.



Figure 3. The Des Nedhe Group of Companies

Table 2. Des Nedhe Business Portfolio Structure

Business Category	Activity
Des Nedhe Builds	
Tron Construction (100%)	Consulting, general contracting, construction management and design- build services
Mudjatik Thyssen Mining	A joint venture that focuses on supporting Indigenous communities to partner in businesses supplying services to the uranium and mining industry
Neetah LP (51%)	Multi-Service Heavy Civil and Roadbuilding Construction and Maintenance
Team Drilling JV	Provides industry-leading underground, surface and specialty drilling services
Aurora Renewables (51%)	Renewable energy design-build company
Round 2 Fibre (51%)	Fibre optic installation
Des Nedhe Retail and Property	
Des Nedhe Retail	Full-service gas stations and convenience stores, general store, gas bar and The Patch liquor store.
Des Nedhe Properties	Manages Grasswood Junction, urban retail, office, and hospitality sector businesses ¹¹
Ela Hultsi (51%)	Integrated facility management products and services across Canada.
Des Nedhe Utility	
Grasswood Wastewater Treatment Facility	Wastewater treatment facility and critical infrastructure on ERFN's Grasswood Junction, an ERFN Reserve property near Saskatoon
Des Nedhe Professional Service	es
Creative Fire (100%)	Expert strategic communications, research, and creative services, with a specialty in Indigenous engagement and relationship-building
Cedar Leaf Capital	An investment dealer in partnership with ScotiaBank
Des Nedhe Investments	
Athabasca Catering (10%) Northern Resource Trucking (3%) JNE Welding (30%)	Food services Transportation services between northern mining sites and the rest of Canada Custom steel fabricator (majority-owned by DNG and Peter Ballantyne Croe Nation)
Morsky Industrial Services Ltd. (51%) Solstice Coffee (51%)	Cree Nation) Heavy civil earthwork services to industrial clients throughout southern Saskatchewan Coffee roaster with a fully Indigenous supply chain
Tamarack North (17%)	Group purchasing company with extensive experience in the mining sector

The Des Nedhe Group of Companies stands out as a leader in developing First Nation business capacity, guided by a series of strategic approaches. These include:

- A commitment to diversified investment.
- Focus on national expansion, which forms the cornerstone of their growth strategy.
- Building powerful partnerships and collaborative spirit.
- A deep-rooted commitment to social responsibility
- Creating workplace wellness that reflects the company's core values.

Across its diverse divisions, Des Nedhe embodies the four Fs that are the key pillars of Saskatchewan's business environment: food, fuel (uranium), fertilizer (potash), and First Nations. This strategic portfolio is thoroughly managed, with Des Nedhe ensuring that business plans are consistently well-informed by market trends and industry shifts. This process aligns with board guidance and empowered management, enabling flexible decisions. This approach has positioned Des Nedhe's success.

When the demand for qualified Indigenous suppliers grows in Saskatchewan, many corporations struggle to find the necessary expertise and capacity to serve their needs and diversify their supply chains. Des Nedhe's goal is to connect First Nation entrepreneurs with industrial-sector companies and to build skills and knowledge so First Nation people can participate. The 'Entrepreneurs' section of Des Nedhe's website was established to "bring together Indigenous entrepreneurs and industrial-sector companies who share a vision and drive to create new business opportunities and change the face of Canada's supply chains." Given its deep understanding of Indigenous and non-Indigenous business, Des Nedhe ensures it is leading the way for First Nation entrepreneurship.

Des Nedhe has innovatively embraced the concept of the fourth "F" – First Nations – in leading Indigenous economic development. This was exemplified in December 2019 when the company invested in Creative Fire, a consulting agency, forging one of Canada's first Indigenous professional services companies. Beyond aligning with Des Nedhe's core activities in nuclear energy, mining, and power generation, Creative Fire uniquely focuses on strategy, communications, and Indigenous engagement, including Reconciliation Action Planning. This strategic move places Des Nedhe at the forefront of addressing critical issues in Indigenous economic development.

Des Nedhe has developed a successful portfolio based on resource, service, and technology industries. New projects, ideally, are complementary to existing investments. For instance, Des Nedhe used sales of some of its shares in existing businesses to invest in Morsky Industrial Services Ltd. (MISL) and Neetah Construction. These investments will leverage mining and road construction opportunities closely connected to Des Nedhe's work in the mining industry.

The recently announced Wastewater Treatment Facility at Grasswood involves collaboration with the rural municipality of Corman Park, SaskWater, and the Canada Infrastructure Bank. The facility provides wastewater treatment services to Corman Park residents and Grasswood businesses. The treatment plant will allow Des Nedhe to expand operations at Grasswood, opening opportunities to attract commercial and light industrial tenants.

The wastewater treatment facility is an example of how Des Nedhe has expanded its economic reach by forming strategic agreements with non-Indigenous organizations. The facility involves two service agreements: one with the RM of Cormac Park, and one with SaskWater. The latter is an operations

agreement which entrusts SaskWater to operate the technologically advanced plant on Des Nedhe's behalf.

The wastewater facility marks a significant milestone in Des Nedhe's ongoing efforts to diversify its revenue streams and underscores its commitment to innovative and sustainable growth. It is also a tangible act of economic reconciliation. As Sean Willy, Des Nedhe's President and CEO, says, "Innovative business ventures like the one we're creating between Des Nedhe Group, English River First Nation and our partners have the power to not just drive revenue in the short term, but most importantly, support long-term self-determination for the community. At Grasswood's Urban Reserve, we're leading the way with progressive environmental technologies and creating a sustainable future where economic success and environmental stewardship go hand in hand."¹³

Des Nedhe is also actively working toward realizing the potential for small and medium-sized modular reactors (SMRs) in northern Saskatchewan and it continues to make progress on the La Plonge solar farm project. The importance of diversification in growth plans, specifically on generating own-source revenue and creating employment opportunities for Indigenous people, is a critical aspect of Des Nedhe's efforts for stable growth that supports the socio-economic development of Indigenous communities.

As Des Nedhe outlines on its website, "We take a long-term view, recognizing that patience and investment are keys to building the deep, trusting relationships that lead to lasting change." Des Nedhe also notes that it is adaptable and that "We go about our work with a quiet confidence that grows from the conviction that our businesses can compete in any industry or market." ¹⁴

Business Challenges

Creating and sustaining successful partnerships can be challenging. A case in point is the creation of the Makwa-Tron joint venture in 2019 to provide services to Bruce Power in Ontario and to develop employment and economic development opportunities for First Nation communities in Ontario.¹⁵

Unfortunately, not all business ventures are successful. In May 2022, Tron Construction & Mining Limited Partnership and Tron Construction and Mining Limited filed for bankruptcy. The key cause of the financial challenge was insufficient profit margins resulting from the ceasing of uranium operations in northern Saskatchewan. The shut down in operations resulted in reduced work and contracts for the company.

In response to the loss of revenue, Des Nedhe submitted a proposal that allowed Tron to restructure and continue operations. ¹⁶ A new leadership team was put in place to streamline and improve Tron's operations, and in early 2023 TRON once again became profitable. ¹⁷ The Tron experience is a reminder that business is always risky, even for successful groups, and continued profitability requires constant attention to good management and due diligence.

Lessons Learned

Des Nedhe has made several investments in the mining industry over the years, beginning with uranium, creating the expertise needed to expand its operations to related sectors such as potash and potentially nuclear power generation. Creating an urban reserve at Grasswood outside of Saskatoon allowed English River First Nation to leverage the growth opportunities offered by proximity to Saskatoon.

Investment in the wastewater treatment facility will support and sustain these opportunities. Investing in Creative Fire has provided Des Nedhe with experience and expertise in areas outside of construction and physical operations.

The following elements are highlights of Des Nedhe's operations.

- Des Nedhe has a diverse portfolio of businesses and investments.
- The portfolio represents the four "Fs" that contribute to Saskatchewan's business success: food, fuel (uranium), fertilizer (potash), and First Nations.
- Des Nedhe used the 1992 TLE settlement to kickstart the development of an urban reserve outside of Saskatoon.
- In 2016, Des Nedhe shifted its governance structure from political leadership to an independent board of directors.
- As the experience of Tron Construction and Mining Business illustrates, business is always risky, even for successful groups, and continued profitability requires constant attention to good management.

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