

**Indigenous Leadership: Governance and Development Project**

## **Case Study**

# **Beardy's and Okemasis Cree Nation and Willow Cree Development Corporation | Fishing Lake First Nation and FLFN Ventures**

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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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# Beardy's and Okemasis Cree Nation and Willow Cree Development Corporation | Fishing Lake First Nation and FLFN Ventures

*Using partnerships to create capacity*

## Overview and Key Learnings

- Beardy's and Okemasis Cree Nation (BOCN) and Fishing Lake First Nation (FLFN) historically had limited business experience.
- BOCN set up Willow Cree Development Corporation and FLFN set up FLFN Ventures to access business opportunities related to the BHP potash mine near Jansen, Saskatchewan.
- With limited capital and expertise to undertake large industrial work, but with opportunities related to the BHP potash mine, the Willow Cree/FLFN Ventures partnership allowed BOCN and FLFN to find private sector partners that would give them the capacity to bid on work.
- Finding the right partners is not automatic and it takes significant intentional work.
- Knowledge transfer is an important element in the First Nation partnership.
- The ability to earn consistent and reliable income is a crucial factor in developing greater business competence and capacity.

## Background and History

This case study examines how two First Nations, Beardy's and Okemasis Cree Nation (BOCN) and Fishing Lake First Nation (FLFN), used their respective economic development corporations, Willow Cree Development Corporation and FLFN Ventures, to partner with each other to secure contract work related to the construction of the BHP potash mine near Jansen, Saskatchewan.

### *Willow Cree Development Corporation (Willow Cree)*

Prior to 2017, Beardy's and Okemasis Cree Nation (BOCN) had limited involvement in business ventures, with only a gas bar along the highway from Saskatoon to Prince Albert. The nation had explored several potential business opportunities, but none had materialized due to a lack of business capacity and capability.

In 2008, Chief and Council began to consider creating an economic development corporation. It took almost ten years for them to agree to make it happen. One of the biggest challenges was that the leaders were used to overseeing everything in the community, and they felt like they were giving up control by creating a separate entity to handle business matters. As well, community members expected the leaders to be in charge, so it was difficult for them to believe that delegating authority could make things more effective.

Willow Cree Development Corporation (Willow Cree) was formed in 2017 by BOCN.<sup>1</sup> The purpose of Willow Cree is to create wealth and opportunities for the nation and its membership. Willow Cree utilizes the rights of the Nation to access business opportunities. The approach is to engage in business ventures, limited partnerships, and joint ventures where they can successfully bid on and win contracts with industries to generate revenue.

To implement the decision to set up Willow Cree, including the delegation of authority to it, Chief and Council called for applications from community members interested in serving on the board of directors.

The board is currently comprised of five Nation members, with the potential to increase the board size to seven and to include non-members with specific skill sets.

In the early stages, significant work was needed to clarify roles and relationships, including how the development corporation was to report to the BOCN's leadership and membership. Willow Cree has an agreement with the Nation that a portion of every dollar earned is shared with the nation, with some of the shared money going into a Legacy Trust Fund. Since the creation of Willow Cree, BOCN has several carefully selected business partners who are aligned with their long-term values and visions.

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*A key part of our preparation has been to prepare a Business Charter. It is a document that Chief and Council approve that provides the Development Corporation with its mandate and purpose. It also explains the roles, responsibilities, and reporting of the Chief and Council and the Development Corporation when it comes to nation-owned businesses. Having this clarity upfront is crucial. Beardy's and Okemasis never had a shortage of opportunities; what it lacked was the capacity to execute them.*

*Dennis Esperance, Willow Cree, Board Chair*

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#### *FLFN Ventures (Ventures)*

Before 2015, development and business activities in Fishing Lake First Nation (FLFN) involved leasing agricultural land with minimal revenues, primarily due to the low price per acre for agricultural land. FLFN also operated a convenience store that lacked proper land tenure to operate under the Indian Act.

FLFN Ventures was created in 2015 to operate and manage the corporate and business affairs of FLFN. Ventures acts as FLFN's agent in business and investment affairs, with the goal to preserve, grow, and further develop assets assigned or delegated by the nation. Ventures investigates and develops new economic or business opportunities while maintaining existing relationships and subsidiaries, marketing the business products and services of Ventures, and reporting to the nation's shareholder representatives, the Chief and Council.

As is common in First Nations' businesses, Ventures acts as the general partner while FLFN acts as the limited partner in their various business endeavours. Ventures has a focus on the convenience retail operation, the development of business opportunities, the provision of support services for the Nation, and the work at BHP. The CEO and assistant manager manage the day-to-day operations.

#### **Willow Cree/FLFN Ventures Partnership**

The partnership between Willow Cree and FLFN Ventures came about because of the location of the two first Nations, the desire by BHP to work with Indigenous communities in the vicinity of their potash mine (e.g., to obtain the social license to operate), and the desire by BOCN and FLFN to address their lack of ability to undertake industrial work. The remainder of this section examines these issues.

In the early 1990s, Beardy's and Okemasis purchased about 74 quarters of land through the Treaty Land Entitlement (TLE) process in an area that is now in the vicinity of the BHP mine. With the conversion of

the land to reserve status, Beardy's and Okemasis is now one of six First Nations in the BHP mine's vicinity. Fishing Lake First Nation is also one of the six. The partnership between Willow Cree and Ventures enables the two First Nations to participate in the job and career opportunities created by the opening of BHP's Jansen mine. The first opportunity took the form of the Two Lakes Horizon North Limited Partnership.

#### *Two Lakes Horizon North Limited Partnership*

Two Lakes Horizon North Limited Partnership is a partnership involving Willow Cree, FLFN Ventures, and Horizon North Camp & Catering Partnership, which is owned by Horizon North Logistics Inc. Two Lakes Horizon North provided camps and catering services for infrastructure and construction projects for BHP from 2015 through early 2023.<sup>2</sup> In 2020 Horizon North Logistics Inc. merged with Dexterra Integrated Facilities Management to form a new company, Dexterra Group Inc.

Revenue from Two Lakes Horizon North provided Willow Cree and FLFN Ventures with sufficient funds to finance their operations. In 2023, BHP awarded the camp and catering contract to Wicehtowak Frontec Services, which is a joint venture between ATCO Frontec Ltd. and George Gordon Developments Ltd.

#### *Social License*

Most developments require the goodwill of local communities and other stakeholders to operate. This requirement for a community's acceptance, endorsement and support is referred to as social license.<sup>3</sup> Earning and maintaining social license are crucial for any project, since developments will not be able to proceed or operate without it. The community's endorsement is rooted in its beliefs, opinions, and perceptions of the project, and thus can change as a result of new information and events.

Although there are no First Nations in the immediate area of its mine, BHP has identified six communities in the vicinity that it would like to work with. While they are not legally obligated to do so as per their license from the Province of Saskatchewan, BHP still wants the local communities' support and the province's backing to operate the mine. This support is crucial to creating stable and positive relationships with Indigenous communities.

#### *Industrial Work Experience*

The challenge faced by many First Nations is a lack of economic opportunities and limited capacity for business development on reserve. Access to a company like BHP presents an opportunity for the community to develop and generate revenue from outside the reserve. However, the industrial work required by BHP requires significant capacity – deep subject matter expertise, the ability to execute at a high level, significant management expertise, and strong finances – that takes years to build. Since Willow Cree and FLFN Ventures do not currently have the expertise and capacity to provide the services required by BHP, they must partner with companies that possess it. Many of these partners are non-Indigenous companies.

By partnering with Indigenous companies like Willow Cree and FLFN Ventures, non-Indigenous companies increase their ability to get contracts and demonstrate their commitment to and support for reconciliation. For their part, Willow Cree and FLFN Ventures benefit by developing the capacity

required to participate actively in the mining sector and by generating capital that they can use to further develop their operations.

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*Picking partners can be hard. You have to be careful that you don't pick a partner that wants the First Nation to stay on the sidelines and receive the occasional benefit. It has to be a real partnership based on knowledge and mutual respect.*

*We have to be at the boardroom table where the key business decisions are being made. We have to act in the best interests of the business and also make sure that our rights and interests are being heard and are reflected in the business decisions of the partnership.*

*Bob Kayseas, Board of Directors, FLFN Ventures*

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While FLFN Ventures and Willow Cree are free to pursue outside partnerships and contracts on their own, the two development corporations work together to pursue larger contracts in construction and catering to increase their impact and make their proposal more attractive. These larger contracts typically require partnering with an industry partner.

There can be challenges when partnering with large companies. For instance, the operational processes of the companies may not align with the practices of the Indigenous partners. As an example, one of Willow Cree/FLFN Ventures' partners decided to resubmit a bid without consulting them, resulting in significant changes to the initial understanding of revenue sharing. This resulted in a strained relationship with the company. Another challenge is that large non-Indigenous companies have often been operating for many years, making it difficult for Indigenous communities to compete for work. Nevertheless, there are still opportunities that can be realized.

Some companies expect their Indigenous partners to remain passive and to only offer occasional benefits to them. Willow Cree and FLFN Ventures policy is to not work with such companies. While the contracts with non-Indigenous partners often stipulate the benefits that need to be provided, such stipulations need to be constantly monitored. For example, Willow Cree and FLFN Ventures hire people to ensure the employment provisions in contracts are met.

In addition, FLFN Ventures and Willow Cree negotiated a revenue model that allows for more certainty on distributions. While 51%/49% profit sharing sounds great, it is not always so good in practice, since companies that provide day-to-day management have been known to manage the business's finances in such a way that profits are always negligible. The negotiated revenue model removes this as a source of potential conflict.

It is critical that partnerships be win-win. Having the contract terms and rights clearly specified in the founding legal agreements is a key part of the process. In addition, it is important for the First Nations to be active in the business and to make sure their needs are being addressed while at the same time making the partnership work.

## **Creating Mutual Benefits: BHP's Opportunity Agreement with First Nations**

The Jansen Stage 1 Potash Project is a significant investment for BHP, with a value of CAD \$7.5 billion. The project, which is located 140 km from Saskatoon, is expected to become one of the world's largest potash mines, producing approximately 4.35 million tonnes of potash per year.

BHP has been working with local First Nations communities since 2012 to support training initiatives and employment opportunities in the potash industry. BHP recognizes that Indigenous people in Saskatchewan are underrepresented in both the general workforce and the potash industry. To address this issue, BHP has signed Opportunities Agreements with six local First Nations, providing opportunities for employment, business and economic development, education, and training. BHP aims to develop a long-term relationship based on mutual respect, understanding, and trust.

Willow Cree and FLFN Ventures spent considerable time searching for partners with whom they could work. With Opportunities Agreements in hand, both groups were highly sought after, since the agreements provided preferred access to opportunities. Willow Cree and FLFN Ventures met with multiple industry groups to pick the right partners. This meant finding companies that had the competence and capability to do the work and that also had the right attitude and commitment to working with First Nations.

The process of identifying suitable partners starts with developing relationships and trust. Once the right partner is selected, there is the lengthy process of finalizing legal agreements, which in turn means dealing with the practical aspects of how the partnership will work. Willow Cree and FLFN Ventures recognize the benefit of securing excellent legal advice, which protects the interests and rights of all the parties.

Once a partnership is identified and created, it is then able to bid on contracts. Bidding on contracts is an expensive and time-consuming process. At a minimum, the partnership must have the ability to do the work safely, on time, and on budget. While the inclusion of Indigenous partners provides a competitive advantage, winning contracts was not automatic.

### *Bird Construction*

Willow Cree, FLFN Ventures, and Bird Construction came together in August of 2021 by signing an MOU, "to coordinate their efforts in order to actively seek and obtain business opportunities in the region." The MOU outlines the shared commitment to building a strong and mutually beneficial relationship and serves as the foundation for ongoing collaboration, allowing the parties to work together on projects and initiatives that benefit everyone.<sup>4</sup> Since 2021, Bird's priority has been to establish a strong relationship with both FLFN and BOCN that is focused on mutual respect, understanding, and collaboration.

In October 2021, Bird participated in a Pipe Ceremony with both nations, which was a powerful symbol of the deepening relationship between the organizations. This ceremony was a way to honour shared history and culture, and to commit to working together with respect, honesty, and integrity. Bird also sponsored and participated in a Pow Wow hosted by both nations and that celebrated Indigenous culture and traditions.

After a period of relationship building and legal negotiations, 2Nations Bird Construction Limited Partnership was formed with Willow Cree and FLFN Ventures owning a majority share and Bird Construction Industrial Services Ltd. having a minority share. The creation of 2Nations Bird Construction required the establishment of a board of directors that oversees the company and a services agreement with Bird Construction, which manages the day-to-day affairs of the business.

To be effective, a partnership requires trust, disclosure, and the sharing of knowledge. When there is a knowledge and experience imbalance, as is the case with 2Nations Bird Construction, it is critical that there be full transparency.

To develop as strong businesses, Willow Cree and FLFN Ventures must create capacity. 2Nations Bird Construction contributes to this outcome by prioritizing businesses owned by Willow Cree and FLFN Ventures for all subcontracts. This prioritization strengthens the 2Nations Bird partnership and provides opportunities for Willow Cree and FLFN Ventures to develop their skills and capacity.

2Nations Bird Construction is also committed to developing business and career skills with FLFN and BOCN members. Activities include training and education programs, mentoring opportunities, and internships. By investing in the capacity of community members, 2Nations Bird Construction is building a stronger workforce and creating more sustainable and resilient communities. This approach ensures the business is aligned with the values and priorities of the communities, and helps to build strong, mutually beneficial relationships.

In March 2023, the hard work of forming the partnership and bidding on construction work related to BHP paid off when 2Nations Bird Construction Limited Partnership was awarded two contracts for work on the Jansen Stage 1 Potash Project in Saskatchewan.<sup>5</sup> The contracts awarded include a CAD \$62 million contract for concrete foundations work for four main non-process buildings and a CAD \$110 million three-year site services agreement with approved subcontractors, KDM Constructors, owned by Kawacatoose, Day Star, and Muskowekwan Nations along with the Saskatchewan-based SECON Group of Companies and George Gordon First Nations Wicehtowak Workforce Development. The site services agreement includes general site services during the execution of Jansen Stage 1 and maintenance of various facilities currently in operation to service the site.

### **Lessons Learned**

Willow Cree and FLFN Ventures, each with limited business expertise, realized they had an opportunity to gain experience by using the Opportunities Agreements with BHP. They did the hard work of preparing themselves organizationally and of seeking credible business partners who had the ability to perform complex industrial construction work and who also had values that aligned with those of the First Nations.

Picking the right partners and negotiating the legal agreements, however, was not the end of the story. Willow Cree and FLFN Ventures are active at the board level of their business partnerships, working to ensure there are opportunities that will benefit First Nation members. For this to truly occur, the First Nation partners must be active in the business. They must know what they want and be prepared to make sure their interests are being served in the partnerships.



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*Because of how difficult it is and how long it takes to be successful in business, it is important that there be an arms-length relationship between the community leadership and the development corporation. Community leadership, because of the urgent needs of the members, often have much shorter timeframes for success. They have so many priorities that they are unable to dedicate the time that it takes to build a successful development corporation. It takes hours and hours of dedicated time.*

*The development corporation must also have business acumen and strong relationships with potential customers. Trust, openness, and honesty between the community leadership and the development corporation is vital. There must be a sense of partnership between the two bodies to make both stronger.*

*Dennis Esperance, Board Chair, Willow Cree*

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Both FLFN and BOCN have the goal of improving the quality of life for the membership. They are not focused on getting rich or creating a lot of profit for individual shareholders. Instead, they want to create opportunities for band members to improve their standard of living and to improve the socio-economic conditions in their community. As an example, FLFN Ventures has used some of its profits to fund security services to help with drug addiction challenges in the community.

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*We want to see an increase in the quality of life for our people. We're not asking to get rich. We want people in our communities to be able to put food on their tables. That is how we will know if we have been successful.*

*Garnet Eyahpaise, Acting CEO, Willow Cree*

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Many groups want to aim for big goals and deals, which is great, but they often forget about starting small and taking baby steps to get there. Making millions is something everyone wants, but it's not easy and it requires a lot of hard work and patience. While Willow Cree and FLFN Ventures have had some successes, they've also had a lot of setbacks. It's like riding a roller coaster with some highs and lots of lows. They've tried many projects before finally getting some traction after three years. To be successful, they understand that patience is key, and that they'll face more lows than highs. Success comes from slow and steady growth; there are no shortcuts or overnight successes. Slow and steady wins the race.

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*Ventures has been fortunate in having the support of their community leadership who understand the goal of creating long-term growth. The leadership occasionally asks if the company has funds to support certain projects and the company issues dividends. However, there is no pressure to transfer all assets and revenue to the nation's operations. While there is a need to balance current needs with long-term goals, it hasn't been too much of an issue as the company recognizes the importance of being present for the long term.*

*Bob Kayseas, Board of Directors, FLFN Ventures*

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In summary, running a business is difficult and even non-Indigenous businesses struggle to sustain themselves. Indigenous-owned ventures face even greater challenges due to the historical barriers created by colonization and lack of acceptance by mainstream societies. To overcome these challenges, Willow Cree and Ventures believe it is important to:

- Take advantage of legal and business opportunities (e.g., the need for social license; the desire to provide Opportunity Agreements) available to Indigenous nations.
- Partner with businesses that have the required experience and who are committed to sharing their knowledge and expertise.
- Ensure there is an alignment of values with the external partners and that they are willing to be involved in the community for the long term.
- Ensure there is full transparency, with the First Nation partners learning the business through technology transfer.
- Participate actively in the partnership – e.g., develop the skills required to work in the business.
- Be patient and take a long-term perspective.
- Have a goal of making money that can be invested into the communities to promote growth and sustainability.

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#### *Willow Cree*

*In the future, the Willow Cree hopes that community members express that the implementation of the development corporation was the best decision made by the nation. Willow Cree wants to be known for its ability to bring in revenue and create opportunities for career growth, ultimately improving the quality of life for the membership.*

#### *FLFN Ventures*

*FLFN Ventures aims to be a good partner for industry and build a reputation as a reliable Indigenous community partner. They also want to establish a well-governed company that people want to work with. This is important for their strategy of pursuing business development not just within traditional reserve lands but also in urban areas and other locations where they have lands. The ultimate goal is to be seen as a diversified and well-managed company with ample resources and opportunities.*

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## Notes

1. Willow Cree (2023).
2. Beardy's & Okemasis First Nation (2015).
3. Social License (N. d).
4. Raine, N.C. 2021
5. Bird (2023), Wrubleski (2023).

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