



For Immediate Release:

(October 22, 2019 – Rankin Inlet, Nunavut) Nunavut Tunngavik Incorporated's (NTI) 2018-2019 fiscal year was a financial milestone. The long-term loan from the Nunavut Trust has been paid off and there is a budget surplus of \$27,275,520.

"This achievement is the result of a joint effort between the Nunavut Trust, NTI and the Regional Inuit Associations," said NTI President Aluki Kotierk. "The membership today decided to allocate these funds in two ways. Inuit are investing half towards fulfillment of NTI's strategic priorities, while the other half will allow us to reduce the likelihood of another long-term loan by establishing an Operating Fund."

NTI's Niriuttaarijat strategic priorities are Inuit employment, a Nunavut education system reflective of Inuit culture, Inuktitut as the primary working language of the territory, closing the infrastructure gap and full implementation of Article 32.

Clear vision and sound management of Nunavut Inuit assets further enable Regional Inuit Associations to deliver programs and services to Nunavut Inuit in their region, while NTI fulfills the central function of planning, advocating and monitoring for results.

The Operating Fund will help to move Inuit organizations away from requiring short-term advances for annual operations, which will, in turn result in more funds for the Nunavut Trust to invest. Kotierk adds, "Thank you to Nunavut Trust, to our membership and to everyone who worked towards getting us to this point."

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For further information:

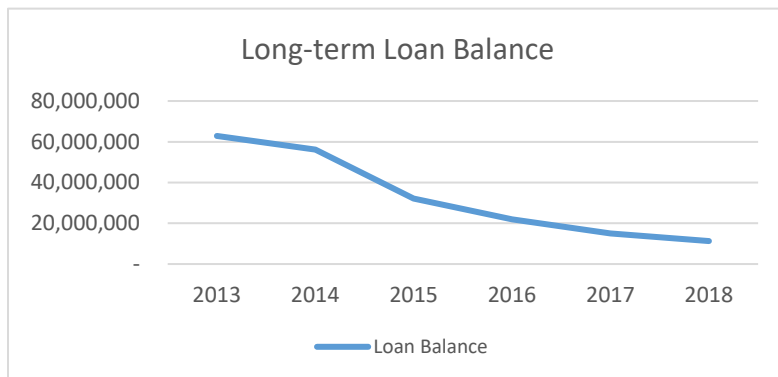
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The Long-Term Loan Backgrounder

When the Nunavut Agreement was signed, Section 29 set out a schedule of payments that were made by the Government of Canada to the Nunavut Trust between 1993 and 2007. The Trust's role is to invest this money, provide income to Nunavut Tunngavik Incorporated (NTI) and protect the capital. In the beginning, the Trust did not earn enough to fully fund the operations of NTI, Inuit Heritage Trust (IHT), Qikiqtani Inuit Association (QIA), Kitikmeot Inuit Association (KIA) and Kivalliq Inuit Association (KIA).

The Nunavut Trust, NTI and Regional Inuit Associations (RIAs) agreed that NTI would temporarily borrow Trust capital for the early years, which also included funds required for NTI's \$70 Million capital investment in Atuqtuarvik Corporation, a funding agency for small Inuit businesses. This is called the long-term loan.



In some years, the Trust earns more than anticipated, or the Inuit organizations requests less than the distribution. In these years, the extra income is used to pay down the long-term loan. In other years, the trust earns less than anticipated, or the Inuit organizations request more than the distribution and the long-term loan increases. There were several

years that the budget requests were larger than the distribution and the long-term loan increased to \$119,046,268 in 2005.

Since then, the Nunavut Trust modified its investment strategy to stabilize the income. NTI Board of Directors have also taken steps to responsibly manage its finances. Currently, the Inuit organizations receive a short-term advance from the Nunavut Trust for annual operations. Figure 2 outlines the timing. The advance is an estimated 4% of the capital of the Trust assets. Of this amount, the Board set aside at least 5% annually towards repaying the long-term loan.

As a result of a combination these factors, fiscal 2018-2019 saw the long-term loan paid off and a surplus generated.