



BY EMAIL ONLY

March 31, 2022

Luc Lainé

Chairperson

COMEX: Environmental and Social Impact Review Committee

675 René –Lévesque East, 6th floor.

Québec (Québec)

G1R 5V7

SUBJECT: Hybrid Power Plant project Questions and comments from the public following the public hearing

Mr. Lainé,

On behalf of the Kuujuaraapik Whapmagoostui Renewable Energy Corporation (KWREC), I wanted to thank the COMEX's members for providing the questions from the public hearing held on February 23, 2022, in a timely manner.

You will find below our responses to the two questions that were put forward after the hearing:

QC-1. How are the dividends going to be distributed amongst the shareholders of members in both communities of Whapmagoostui & Kuujuaraapik? Will there be a report to show how much shares are given to be more transparent of those that will be operating the Hybrid Power Plant project? (Submitted by Sandy Petagumskum)

AN-1. This question was also asked by the COMEX representative, Mr. Robert Joly and the response is shown on the COMEX Livestream starting at 4h 29 m 52 s on the following link: <https://livestream.com/accounts/8792434/events/10174532/videos/229522418>.

In summary, the dividends are going to be divided 50% - 50% between the communities of Whapmagoostui (Nimschu Iskudow Inc) and Kuujuaraapik (Sakkuq Landholding Corporation of Kuujuarapik). No shares are given to the project Operation & Maintenance contractor (IKAYU Energy Inc); all the Inuit community shares of Kuujuaraapik Whapmagoostui Renewable Energy Corporation (KWREC) are detained by Sakkuq Landholding Corporation of Kuujuarapik.

The return of the project (dividend to be paid to the communities) was established in respect with the Energy Board of Quebec policies (like all other wind project developed by First Nation in Quebec). The dividends will be paid on a yearly basis from the revenues of the sale of electricity from the wind turbines, after all yearly operational and financial expenses for the project are paid. A yearly report will be produced to show revenues, costs and profits. Audited financial statements will be produced by KWREC. Each dividend recipient will have the right to determine how the revenues will be allocated, which includes support to the respective traditional activities of Whapmagoostui and Kuujuarapik.

QC-2. Having an experience in maintenance to the organization I work for and who have started using electric heating system at a small capacity, I wanted to ask if the Wind Turbine would be sufficient and ideal that electric heating system could replace the oil furnace system that is detrimental to the health of our members of Whapmagoostui, especially elders and those with respiratory issues. Furthermore, it would also help the quality of air if each household would have a good exhaust system other than the furnace and other exhaust systems that we currently have that tends to bring in dust from outside into a household, which also results in mold build-up. (Submitted by Isaac Rupert)

AN-2. The Whapmagoostui-Kuujuaraapik Hybrid Power Plant Project will provide clean, renewable, and locally produced electricity to reduce diesel consumption from Hydro-Quebec's diesel substation supplying electricity to the dual community of Whapmagoostui and Kuujuaraapik. The reduction of diesel consumption will have a significant impact on air quality in the community, resulting in a reduction of 4 000 tons CO₂ equivalent per year.

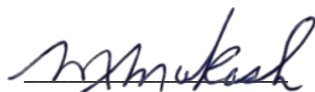
The wind turbines will not provide 100% of electricity needed by the community nor will it be able to replace the heating requirements of each household for now. Additional clean and renewable energy production systems will be needed to address heating needs.

As with diesel powered electricity, we agree that oil heating systems reduces air quality and clean energy solutions need to be proposed to reduce their impact on the community. Note that Quebec eventually wants to do away with the use of diesel for heating and electricity generation in all remote communities. Nimschu Iskudow plans to propose a sustainable energy solution to HQ. Technical studies are currently undertaken by NI to evaluate potential green heating solutions but are not part of this environmental review.

We understand that the COMEX is acting diligently to finalize this consultation process and will submit its report and its recommendation to the Regional Administrator as soon as possible. We would like to offer to the COMEX our help and full support in completing this process and look forward to a positive response for this very important project for the community.

Thank you very much for your attention.

Regards,



Matthew Mukash
President

Cc: Mandy Gull-Masty, Grand Chief GCC(EI)
Matthieu Féret, Pesca Environnement
Chief Robby Kawapit, Whapmagoostui First Nation
Mayor Anthony Ittoshat, Kuujuaraapik