



Communication on Progress

for the

UN Global Compact

- 2014 -





November 30, 2014

H.E. Ban Ki-moon
Secretary-General
United Nations
New York, NY 10017
USA

Dear Mr. Secretary-General,

With the submission of our first Communication on Progress (COP), I am pleased to reaffirm Native American Resource Partners' (NARP) support for, and continued commitment to, the UN Global Compact (UNGC). The Ten (10) Global Compact Principles are central to our founding business philosophy, our partnership spirit, our daily operations, and our vision of the future.

NARP's business model is founded in the concept of assisting people in Indigenous Communities to develop sustainable financial sovereignty. By doing so NARP helps people to attain the fundamental **Human Rights** associated with self-determination. In the process of aligning interests and incentives with our partners, and among all stakeholders, NARP creates collaborative business structures that consistently promote observance of all related **Labour, Environment, and Anti-Corruption** goals outlined in the UNGC Principles.

I am pleased and proud to report that NARP has actively endeavored to enhance our commitment to the UNGC by participating in enrichment activities such as:

- **Global Compact – Canada Network (GCNC)** – NARP actively participates in 2 Working Groups: “*Long-Termism vs. Short-Termism*”; and “*Environmental Stewardship*”;
- **UN Economic and Social Council (ECOSOC)** – NARP attended forums at the UN on Partnerships in 2013, 2014;
- **Canadian Public Policy Forum CPPF** – NARP attended forums, participated in ‘Roundtable Discussions’, and contributed to publications on creating Partnerships with Indigenous Communities in 2012, 2013, & 2014.

Commitment to our Indigenous Community partners is at the core of NARP's values. As a private enterprise that works exclusively in building business partnerships with Indigenous Communities, NARP views all Human Rights doctrine as fundamental, intrinsic, and inalienable. NARP is an active supporter, defender, and implementer of the *UN Declaration on the Rights of Indigenous Peoples (UNDRIP)*. In the past NARP has contributed legal comment to the UNGC's *Free, Prior and Informed Consent - Human Rights Good Practice Note*. In addition, NARP provided the perspective of a case history that is now part of the *UNDRIP Business Reference Guide* (2013). Currently, NARP is working to expand its UNDRIP-related activities. In the future I envision NARP as a significant force in advancing the UNDRIP in many parts of the world.

I am also happy to report that NARP's partnerships are producing many positive changes for the employment situation in Indigenous Communities. *Tribal North Energy Services* (Tribal North) is a partnership between NARP and the First Nations of northern Alberta (Canada). Tribal North is an energy services provider positioned to facilitate active participation by First Nations in the development of resource projects both on-Reserve and in the Traditional Territories surrounding their communities. Tribal North is committed to and proud of its First Nation labour content, which is completely intrinsic to the NARP identity, how we function, and our unique place in the market today. Similar and equally exciting impacts for local labour forces are reported on in our COP in connection with NARP's partnership with the Blood Tribe (*Kainai Energy*) in southern Alberta.

NARP maintains the highest environmental standards and safeguards in the operations it oversees while ensuring the cultural and spiritual customs and Traditional Territory rights of our Indigenous Community partners are respected and honored. The combination of industry best practices, strict regulatory guidelines, new and effective technologies to protect and enhance environmental quality, and NARP's partnership approach provide unprecedented opportunities to care for the earth. NARP's Indigenous Community partners have an active role and a determinant voice in partnership decisions regarding all environmental and land use issues. As deeply-connected stewards of the land our Indigenous partners have a special regard for, knowledge of, and relationship with the earth. The guidance of this Traditional stewardship, together with NARP's technical expertise, adds a level of accountability to NARP's actions and operations that essentially defines all modern environmental '*Best Practices*'.

The creation of NARP-style authentic, transparent, and sustaining partnerships requires a level of mutual respect and trust that leaves no space for corruption in any form. NARP works constantly to encourage trust through communication, relationship-building activities, and education. It is the heart of our business. Given the nature of our partnerships – *Pari passu* with Indigenous Communities – across cultural boundaries, and the need for close and accurate communication to assure project success, NARP is ever diligent to structure and conduct its business to the highest ethical standards. While we have put many policies and procedures in place, we will continue to grow and enhance our abilities to assure against corruption in all of its myriad forms. We expect to provide meaningful measurement data in the future to demonstrate our success.

Mr. Secretary-General, I look forward to reporting on our progress again next year. At that time I expect to report on an even more robust and growing relationship between NARP and the spirit of intent embodied in the UNGC Principles. When we report, we will again share credit for our progress equally with our Indigenous Community partners who create the reason and supply the resource that makes NARP a successful business entity.

Best regards,

John P. Jurrius
President and CEO
Native American Resource Partners, LLC



The UN Global Compact

Communication on Progress

Table of Contents

President's Letter of Continued Support

Native American Resource Partners and the United Nations Global Compact	1
• About Native American Resource Partners	1
• The Unique Native American Resource Partners Business Model	2
• Benefits of the NARP Business Model	3
• Social Needs and Business Objectives Addressed	4
• Outlook	5
 Commitment to Human Rights	 6
Assessment, Policies, and Goals	6
Implementation	6
Measurement	8
 Commitment to Labor	 10
Assessment, Policies, and Goals	10
Implementation	10
Measurement	12
 Commitment to Environment	 13
Assessment, Policies, and Goals	13
Implementation	13
Measurement	15
 Commitment to Anti-Corruption	 17
Assessment, Policies, and Goals	17
Implementation	18
Measurement	20

Native American Resource Partners and the United Nations Global Compact

Native American Resource Partners (NARP) is committed to supporting, advocating, and implementing all of the UN Global Compact's (UNGC) principles in our office locations, with all of our Indigenous Community partners, provincial, state, and federal governments, contractors, and private individuals throughout our operations. NARP takes an active role in promoting adherence to all of the Principles and in encouraging all of those that we work with to consider membership in the UNGC.

NARP's founding tenets and core values are a strong and precise reflection of the UNGC Principles. As such, all of NARP's operations and activities are an extension of the values that the UNGC Principles endeavors to instill in the global community. The unique role that NARP serves to fill the gaps between Indigenous Communities, commercial interests, and governments provides a powerful and advantageous launch-point from which to disseminate the spirit embodied in the UNGC Principles.

The core of NARP's unique business model – *the creation of "Pari passu" business partnerships with Indigenous Communities* – provides a natural, holistic, elegant, and effective method to protect and promote the advancement of all **Human Rights, Labour, Environment, and Anti-corruption** principles. Currently operating successfully in the US and Canada, NARP's business model and its seamless integration of UNGC Principles, is in turn a guide for all people groups throughout the world who strive to create a balanced and equitable sharing of rewards from collaborative efforts.

NARP was formally accepted into the UNGC in 2013 and continues to embrace and add support to all of the UNGC Principles.

About Native American Resource Partners

NARP is a private company that specializes in sourcing, securing and implementing capital and providing technical expertise exclusively for natural resource and other business development opportunities with Indigenous Nations. Founded by its CEO and President John Jurrius in 2008, NARP identifies and incubates opportunities with the goal of assisting its partnering Indigenous Nations to attain financial sovereignty through equity ownership in *"Co-partnered Tribal Companies."* As such, NARP occupies a unique niche in the overlapping business areas of natural resource extraction, capital financing, and Indigenous Nations economic development.

NARP currently employs approximately 20 people in offices located in Calgary, Alberta (Canada) and Denver, Colorado (US). Nearly 1 dozen co-partnered Tribal energy companies have been created through implementation of the NARP business model as well 1 co-partnered Tribal service company (*Tribal North Energy Services Co.*) in northern Alberta. Our partnering Indigenous Nations have benefited directly from these cooperative enterprises through active participation in the management of the partnership's business, the creation of jobs for members of the community, opportunities for community contractors, and in many other ways that benefit the environment, social services, and the development of good and effective governance.

The Unique Native American Resource Partners Business Model

Fundamentally different than traditional sources of capital, NARP's business is founded on the alignment of the objectives and incentives between financial investment interests (i.e., return on investment) and the self-determined goals of Indigenous Nations (i.e., social needs, environmental protection, cultural preservation, etc.). This alignment of interests, and the identification of shared goals, values, and incentives, greatly facilitates communication and understanding throughout the operation of the partnership enterprise. As a result, an optimally incentivized, inherently productive, and holistic business environment – one that nourishes all stakeholders – emerges and generates synergies, value, and benefits in virtually every area of operation.

NARP President and CEO, John Jurrius, is the originator of the NARP business model. For over 28 years, Mr. Jurrius has been advising and creating “co-partnering businesses” with Indigenous Nations in an effort to assist Native communities the US and Canada. The NARP business model allows Indigenous Nations to lever their lands, rights and the associated resources into viable energy and other resource companies. This arrangement provides both the potential for strong returns for investors and a solid underpinning for a new economy built upon the commercial revenues for the participating Indigenous Nation. Co-partnering provides the Nation with an operating model that secures a broader economic participation in the development of each Nations’ own resource lands and rights thereby promoting, effectively, a new currency, improved access to capital, and, ultimately, financial self-determination. Mr. Jurrius and the NARP business model are directly responsible for building several Tribal Energy Companies, whose assets have each grown in excess of \$1 billion, resulting in a great degree of financial independence for the participating Nations.

To ensure success with the model Mr. Jurrius has aligned with private equity funds for the purpose of accessing the capital needed for the NARP projects. While this alignment has worked well in the past to ensure that capital is available for each NARP project, NARP is currently in the process of promoting and securing the first ever “Aboriginal Investment Fund”. The opportunity to access investment capital that is dedicated exclusively to funding projects in Indigenous Communities will ensure appropriate risk assessment, effective project execution, and certainty of access to long term capital within this niche. Further, it will expand the number of Indigenous Communities and the range resources that can be levered so that many more Nations can participate in the growth of their own economies.

Benefits of the NARP Business Model

Under the NARP business model, management structures each investment to create a source of revenue for the partnering Indigenous Nation. Revenues can provide social and economic programs for the Nation's members, independent of government oversight and regulation. As such, Nations can use those *new* revenues to improve the living conditions of their members by directly addressing education issues, unemployment, elder care, substance abuse, infant mortality, and diabetes among others. The NARP business model provides a "*socially responsible investment*" that meaningfully addresses the social conditions of Nations by enabling their economic sovereignty through their own sourced revenues paid directly to Nation's Government.

An important aspect of the NARP business model is that Indigenous Communities become equity owners in their own holdings and share (as *active* commercial participants) in all aspects of the various resource and other business development decisions. NARP, as capital, technical and capacity providers, shares only in the revenues created by the resultant commercial ventures. This is a real-time demonstration of how effective a 'shared-value' business approach can be in generating successful enterprises. Given the power and potential to catalyze game-changing economic conditions within communities that do not currently have access investment capital, the NARP business model can be introduced and made available to other investment interests and Indigenous Nations worldwide. By creating a greater awareness of the NARP's goal-aligned/shared-value approach, both the Indigenous and investment communities can benefit from the substantial wealth creation and essentially, the creation of an emerging economy.

The NARP business model defines a significant paradigm shift for a wide spectrum of both business and Indigenous Nation interests. By designing equal and authentic partnerships and, effectively, systemically incorporating shared value into commercial enterprises, all stakeholders can access opportunities and benefits that were separately beyond their reach. This is a significant business breakthrough and, with the documentation of the social benefits that have accrued, it is a confirmation of the NARP business model.

Social Needs and Business Objectives Addressed

By providing access to capital, NARP enables Indigenous Nations to participate in a much greater share of the wealth represented by their inherent ownership interests and rights in the resources that they own or otherwise control. Concurrently, investment interests can access resource and other development opportunities that have largely been out of reach for a variety of reasons. By leveraging (sharing) the value of the resource endowments present in and on their lands, Indigenous Nations can share in a much greater portion of the wealth it contains. Empowered in this fashion Indigenous Nations are able to positively and comprehensively impact the current social needs of their members while creating a lasting legacy for many generations of members into the future.

Further, through thoughtful financial planning, NARP assists its partners in establishing segregated investment funds with a view to converting their non-renewable resource wealth into a permanent, renewable financial resource. The accumulated wealth can provide for the long-term socio-economic needs of the Indigenous Nation and ultimately for their “Financial Sovereignty”. This most powerful (and necessary) step towards true self-determination then becomes an attainable goal.

Equity investment plays a potentially vital part in giving new opportunity to Indigenous Nations that have been historically relegated (because of the lack of access to capital) to vastly undervalued interests (Royalties, etc.) from their rightful and lawful endowment of commercially-valuable resources. By addressing the issue of financial sovereignty, partnership vehicles like NARP empower Indigenous Peoples to develop their own resources and to drive economic growth for themselves and their host communities in the most culturally appropriate and socially effective manner possible. In doing so, the NARP business model provides an innovative blueprint for stakeholders worldwide to equitably remediate the counter-productive remnants of colonialism (and to reverse the damaging anachronistic mindsets of paternalism) that impede relations between Indigenous Nations and their host federal governments.

Outlook

Through active participation in business partnerships founded on the creation of shared values and the careful alignment of commercial and social interests among the various parties, Indigenous Nations have the realistic opportunity to accomplish their most important and ascendant goals. Effectively, this new business and investment model provides Indigenous Nations with a blueprint for creating a *'new currency'* – one that is outside of non-Tribal government control – to accomplish their self-determined goals and to address their most urgent needs.

In the past, Indigenous Nations have had rights, but they often lacked the tools, needed to lever those rights and create economic opportunity. Further, they rarely have been involved in creating the most desired vision for their Nations in any meaningful way. Above all, they lacked sufficient capital to finance development of their resource assets. Now, through a unique and innovative model, NARP has established a track record for helping Indigenous Nations everywhere to access the capital needed to empower significant changes from within the community. Now it is time for this new investment model to proliferate and to build upon that record.

NARP's partnership approach to indigenous business development is the embodiment of a business model that benefits everyone within its influence. It is extremely effective in creating true *"win-win-win..."* results that positively impact all stakeholders through the generation of wealth. The dramatic and demonstrable financial and social progress that is directly attributable to the model can help evolve business mindsets everywhere. More importantly, the NARP business model can set the standard for the world as evidenced in the protection of human rights such as the United Nations' Declaration on the Rights of Indigenous Peoples (2007).

The alignment of interests – investment interests and the Indigenous Nations' interests – is the key to the future for Indigenous and non-Indigenous stakeholders alike. In the case of business, goals for return on investment (ROI) thresholds need to be identified, analyzed for technical risk, and communicated so that expectations and goals for short- and long-term goals can be clearly understood and managed. Likewise, Indigenous Nations' goals for those time frames must also be clearly delineated so that an alignment of interests and the creation of a common goal set can be accomplished.

COMMITMENT TO HUMAN RIGHTS

Assessment, Policies, and Goals:

The Native American Resource Partners (NARP) business model is based on a foundational policy of forming long term, meaningful business partnerships with Indigenous Native American Tribes in the U.S. and Canadian First Nations (the “Native Nations”). The initiation and implementation of business partnerships with Native Nations is NARP’s exclusive brand. The goal of these partnerships is to create co-partnered (50/50) Tribal energy and service companies that:

- i. Allow the Native Nations to participate in a greater portion of the resource revenues from the lands, resources and rights that are held in Trust for them by host governments and that they otherwise control;
- ii. Create unique, valuable and previously inaccessible investment opportunities for capital providers; and,
- iii. Produce revenues that fulfill both the investment return expectations of capital providers and that provide the Native Nation with an additional revenue stream to serve the social and cultural needs and goals of indigenous community today and into the future.

Critical to this business model is the development of a deep understanding of, and respect for, the inherent human rights and sovereign powers of NARP’s Native Nation partners. NARP facilitates its partnering Native Nations to play an active role in establishing the goals, as well as both the ongoing management and administration, of the partnered energy or service companies. This active role requires a policy of constant input, assessment, and open dialogue. By nurturing this ongoing business relationship, and encouraging the capacity and skills transfer that can ultimately lead to full Native Nation ownership and control of the partnership, NARP plays a significant role in assisting Native Nations to realize their goals of financial sovereignty and self-determination.

The creation of a long term, meaningful and respectful relationship with an Indigenous Community partner is built upon strict adherence to all articles of the **UN Declaration on the Rights of Indigenous Peoples** including, importantly, the Right of “Free, Prior and Informed Consent” (FPIC); NARP contributed to the recent **UNDRIP Business Reference Guide** (2013), as well as providing comments for the **FPIC Human Rights Good Practice Note**.

Implementation:

As a private investment firm NARP specializes in structuring, financing, and implementation of natural resource projects with Native Nations, NARP identifies and incubates business development opportunities with the goal of assisting Native Nations to attain financial sovereignty through equity ownership in co-partnered “Tribal Energy & Service Companies.” Using its staff of technical, financial, and legal experts, NARP evaluates resource and service opportunities and then structures transactions which benefit all stakeholders. NARP provides access to capital for investment through capital providers, including firms specializing in natural resource investments.

The **Kainai Energy Company (KEC)** is an example of the implementation of a partnered Tribal energy company. NARP created KEC in partnership with the Blood Tribe, a Canadian First Nation in southern Alberta. The formation of KEC has positioned the Blood Tribe to be able to more fully realize the value and opportunity associated with oil and gas development on and adjacent to their Reserve, including,

- i. the ability to access capital to secure equitable participation rights negotiated with industry partners;
- ii. the ability to influence the pace and quality of natural resource development as well as the timing of royalty payments from on-Reserve development; and,
- iii. the ability to obtain exclusive rights to develop oil and gas resources outside of their Reserve.

The implementation of the KEC partnership also ensures that the Blood Tribe will have access to both the expertise and investment capital necessary to evaluate and fund oil and gas exploration and development costs. Development of its mineral estate is necessary for the Blood Tribe to create the financial sovereignty and stability that it needs to provide long term social and economic benefits for its membership; the Kainai Energy partnership is enabling the Nation to meet its goals in a manageable progression.

The **Kawacatoose Energy Company**, another partnered energy company, was created between NARP and the Kawacatoose First Nation of Saskatchewan. Pursuant to the *Saskatchewan Treaty Land Entitlement (TLE) Framework Agreement (1992)*, the Kawacatoose First Nation was granted the rights and funding, through a tripartite agreement among Saskatchewan First Nations, the Federal Crown government of Canada, and Provincial Crown government of Saskatchewan to purchase approximately 110,000 acres of Reserve land that the Nation is entitled to through historical treaties. The TLE Agreement is intended to resolve the errors made by the Canadian Federal Government during the original Reserve creation (late 19th to early 20th centuries) and to honour the spirit and intent of the historical treaties that established the size of each Native Nation's Reserve.

By 2010 however, due to rapidly rising land values and other political and economic factors the First Nation had only been able to purchase about 20% of its acreage allocation – far short of its goal. A business partnership was formed with NARP so that the Kawacatoose First Nation could access the capital needed to purchase its remaining TLE acreage allocation.

Upon forming the business partnership with NARP in 2010, Kawacatoose began to prepare the Nation's members to vote to opt into the "moneys management" portion (Section 7) of the *First Nations Oil and Gas and Moneys Management Act* (FNOGMMA). FNOGMMA is a Federal Crown legislative mechanism in Canada (made into law in 2005) that allows a First Nation to take direct control of the revenues associated with development of oil and gas on its own Reserve lands. If approved by a referendum vote of the Nation's eligible voters, FNOGMMA would allow the Nation to participate in, and directly benefit from, business partnerships designed to generate revenues from oil and gas production. Without FNOGMMA this associated revenue would be held in trust by the Canadian Federal Crown government and would not be available for capital repayment.

NARP's commitment to fund future land purchases gave the Kawacatoose First Nation members sufficient confidence to pass the referendum in favor of FNOGMMA. The Kawacatoose First Nation was accepted into FNOGMMA early in 2014 and became the only First Nation to complete the process to date. Together, Kawacatoose First Nation and NARP implemented an historic positive step toward a new era in Indigenous community governance and financial sovereignty. The Nation gained an improved and independent ability to attract investment so as to fulfill their rights to additional Reserve lands. Further, the adoption of FNOGMMA will establish the Kawacatoose First Nation as an example for other Native Nations who also want to implement business partnerships to develop oil and gas resources and to strengthen their economies and to exercise their rights through TLE and other laws.

Additional Partnerships - NARP endeavors to expand its breadth and sphere of influence in the future. Though currently co-partnering with 7 First Nations in Canada and 1 Tribal Nation in the US, NARP expects to enter into many more partnerships in the coming years. With multiple meetings and presentations held in the business environment, at cultural events, during 'open houses', and at other community activities, NARP has conducted dozens of consultations and educational forums, and will continue to conduct many more in the future.

Indigenous Community Empowerment Foundation - Within the next year NARP has committed to create the "*Indigenous Community Empowerment Foundation*", a non-profit organization created to benefit the Indigenous communities in North America where NARP builds co-partnered Tribal energy and service companies. The mission of the Foundation is to assist with funding projects aimed at promoting an inspired, empowered, and self-determined environment in the communities in which NARP does business. The Foundation will concentrate

its efforts in life-long learning and sustainable outcomes for individuals and their communities. These areas reflect NARP's values and the positive differences we seek to make in the communities where we work and live.

Measurement:

NARP is fully committed to produce measureable benefits for each of its partnerships with First Nations:

Kainai Energy Company (KEC)

i. As a measure of financial commitment, NARP has committed \$100 million in capital investment in KEC. This measure of investment, and the equity participation it represents through the partnership for the Blood Tribe, far exceeds any like investment in their mineral estate in the Blood Tribe's past;

ii. Given the anticipated success of the current investment, KEC will look to expand its focus both on and outside of the Blood Tribe Reserve. Such ability in the past, especially to expand prospective oil and gas exploration and development to off-Reserve areas, was severely restricted by limited access to capital;

iii. As a result of KEC's enhanced abilities through the partnership with NARP, the Blood Tribe's equity participation in its own mineral estate has increased from 45,000 acres in 2010 to over 208,000 acres in 2014.

Kawacatoose Energy Company

i. As a measure of financial commitment through the Kawacatoose Energy Company partnership with NARP, Kawacatoose First Nation has become empowered to begin the purchase of lands to add to their Reserve. Because of a combination of financial challenges including lack of access to capital, land purchases represented only 20% (~30,000 acres) of their TLE allotment since signing on to the TLE Agreement in 2001, before the partnership with NARP; through the partnership with NARP (formed in 2010), Kawacatoose First Nation is now in process on the acquisition of an additional 55% (~82,000 acres) of their original TLE allotment to add to their Reserve lands.

ii. The new lands are selected based on their potential to produce revenues through oil and gas production. Once oil and gas production are established, the anticipated new revenues will assist the Nation in addressing priority social issues that have been determined by a survey Nation's members by the Nation's leadership including (in order of priority):

1. Education
2. Healthcare
3. Healing and wellness
4. Housing
5. Economic development
6. Elder care
7. Employment
8. Child care
9. Youth
10. Recreation
11. Business
12. Urban membership
13. Governance.

It is the goal of the membership of the Kawacatoose First Nation that all of these social services will ultimately be benefited by oil and gas production revenue generated by the Kawacatoose Energy Company through the acquisition of TLE lands. This is the first time the Kawacatoose leadership surveyed the Nation's membership to establish these priorities. In addition, newly available revenues generated from oil and gas production may, upon approval of the Nation's membership, be used for fulfilling its acquisition of allotted TLE lands.

iii. In the process of adopting FNOGMMA, significant and measurable administrative changes were instituted by the Nation that changed the way finances were governed and administered for the benefit of the Kawacatoose First Nation membership. As part of the requirements for entering into FNOGMMA, the Nation, with financial and capacity support from NARP, developed several governance and administrative advancements that were adopted by a vote of the Nation's membership:

- A *Payment Agreement* that sets out the terms and processes for the transfer of the funds generated by oil and gas development from the Consolidated Revenue Fund of Canada to the Nation's new *Corporate Trust Account*;
- A *Financial Code and Trust Agreement* to govern the management and expenditure of the Nations funds; and,
- A *Community Development Account*;
- Amendments to the *Financial Code*, *Trust Agreement*, and *Community Development Account* can only be accomplished by a vote of the membership.

iv. Perhaps the greatest measure of positive change in respect to the proclamation of Human Rights is that the Kawacatoose First Nation is pioneering new relationships with government and industry in order to provide for the future of its membership – an important step in building its right of self-determination (addressed Articles 3-6 of UNDRIP). This is a significant milestone in the history of Aboriginal governance – becoming the first Canadian First Nation to successfully opt into, by a referendum of the membership, the portion of FNOGMMA and to take control of, and responsibility for, its own resource moneys that were previously controlled by the government. As a consequence of opting into FNOGMMA, the Kawacatoose first Nation is now in a here-to-fore unreachable position to access capital for economic development for the benefit of both current and future generations of Kawacatoose First Nation members.

COMMITMENT TO LABOUR

Assessment, Policies, and Goals:

NARP

Employee Manual

NARP's Employee Manual describes important information about NARP. Employees are encouraged to consult with their Manager regarding any questions not answered in the Employee Manual.

Tribal North Energy Services Co.

Tribal North Energy Services ("Tribal North") is a First Nations service company created by NARP in partnership with Treaty 8 First Nations in northern Alberta, Canada. Tribal North provides oilfield services to the energy industry operating within the area covered by Treaty 8. NARP encourages the employment of First Nation members through Tribal North, with its company charter specifying a preference for members for partner Nations. By creating job training and employment for members of the greater Indigenous Community, Tribal North is helping Treaty 8 Nations to move positively towards economic and social independence and sustainability.

Kainai Energy Company (KEC)

NARP also encourages the employment of First Nation members through Kainai Energy Company (KEC). By fostering economic development through partnership with NARP, KEC has implemented job training and employment for members of the Blood Tribe Community.

Implementation:

NARP

All employees acknowledge that the information in the Employee Manual is received, read and understood. Each employee has the responsibility to read, understand and comply with the policies, guidelines and procedures included in the Employee Manual and to similarly understand and comply with any revisions.

Tribal North Energy Services Co.

Tribal North employees are offered competitive compensation packages with an emphasis on "on-the-job" training programs to ensure safety and efficiency within the company. The company has three main health, safety and environment ("HSE") policies, which are provided on the website, and clearly state Tribal North's commitment to the rights and responsibilities of all employees pertaining to environmental protection, corporate safety and drug and alcohol abuse. NARP will continue to use their role within Tribal North to refine the labor policies and further incorporate Global Compact labor principles.

Tribal North offers advancement opportunities to all of its employees by allowing them to work with and alongside experts in order to become familiar with various types of equipment and their operation. The Company hires both full time and seasonal which can include apprentice and summer positions.

Tribal North is positioned for active participation in the development of resource projects both on Reserve and in the surrounding Traditional Territories of its First Nation Owner's communities. Through its partnership with NARP, Tribal North has secured a long term commitment to provide capital for expansion and growth, and the expertise to incubate the success of the LP and build First Nation capacity.

Tribal North is committed to working directly with the First Nations and its communities to engage its members in employment and training opportunities to build Nation and member capacity and expertise.

Tribal North's formal Hiring Policy clearly references its obligation to give preference to its First Nation Partners and to their members for employment opportunities on their Reserve and in their Traditional Territories. Currently, the percentage of the Company's workforce which is First Nations is 80%.

Tribal North offers advancement opportunities to all of its employees by allowing them to work with and alongside experts in order to become familiar with various types of equipment and their operation. The Company hires both full time and seasonal which can include apprentice and summer positions.

Tribal North supports, endorses and covers the cost of all training and personal and professional development programs and courses for its Aboriginal employees. These programs include:

- In house training and development on all Company equipment, including the operation and maintenance thereof;
- certification of various industry standard operating and safety tickets including *H2S Alive, Emergency First Aid, WHMIS, TDG GODI, Class 1 Drivers, Fall Arrest and Confined Space Training*; and,
- other professional development programs/courses .

Written Tribal North's HSE policies is a provision stating that all employees have the right and responsibility to refuse to do work that does not comply with the HSE policies. This is one of the mechanisms that enable NARP to ensure that Tribal North is complying with labor laws.

Kainai Energy Company (KEC)

KEC generates many employment opportunities associated with project development. Typically, KEC hires Blood Tribe members who are contractors offering services that are required for natural resource development including:

- Land excavation
- Land reclamation
- Trucking
- Equipment Rentals
- Safety Equipment and Services
- Scouting
- Water Management
- Drilling

Written into KEC's HSE policies is a provision stating that all employees have the right and responsibility to refuse to do work that does not comply with the HSE policies. This is one of the mechanisms that enable NARP to ensure that KEC is complying with labor laws.

Measurement:**Tribal North Energy Services Co.**

- 2013 – At year-end 2013, First Nation members were employed by Tribal North.
- 2014 – By year-end 2014, it is anticipated that approximately 12 First Nation members will be employed by Tribal North.
- 2015 – By year-end 2015. It is expected that approximately 20 First Nation members will be employed by Tribal North.

Kainai Energy Company (KEC)

KEC began operations in 2013: the following employment milestones on the Blood Tribe Reserve have been achieved:

- 2013
 - \$1.2 million earned by Blood Nation contractors;
 - 63 Tribal members employed (in just 1 well);
- 2014
 - 4 wells drilled (with associated jobs for Blood Tribe members)
 - A \$600,000, 5 Km Agency Road Upgrade Project - Employed 11 Blood Tribe member contractors & a total of 34 Blood Tribe members;
- 2015

Expanded well development program; based on the results and success of the current program, approximately one dozen additional wells are contemplated for 2015 (with associated jobs for Blood Tribe members).

COMMITMENT TO ENVIRONMENT

Assessment, Policies, and Goals:

A thoughtful approach to the environment plays a significant role in how NARP conducts its business. In most circumstances NARP does not conduct the actual resource development within our co-partnerships with Indigenous Nations (such as Kainai Energy Company). Typically NARP evaluates the economic viability of the resource for the Indigenous Community and then oversee the full scale resource development with an appropriate industry operator. The environmental standards that NARP and the partnering Indigenous Communities share and jointly develop must be followed closely by the industry operators; these standards include a solemn responsibility to protect the environment.

Similarly, environmental protection is critical to the business philosophy of Tribal North in its delivery of oilfield services. Tribal North Energy Services strives to minimize the impact of its activities on the environment in order to strike a balance between the effects of the operations on the environment and the contributions that the partnership makes to the society as a whole. All employees have a set of expectations and responsibilities that ensure cooperation toward the goal of minimal environmental impact; these are stated in the Environmental Protection Policy on the company website. Within the company's Corporate Safety Policy, also on the website, there are programs that aim to align the protection of employees, property and the environment.

Implementation:

NARP

NARP supports a precautionary approach to environmental challenges by dedicating a significant investment of time, resources, and patience to the creation of a partnership agreement that specifies all aspects of environmental challenges (and potential benefits) that will be generated by natural resource development; and to fully disclose the impacts and risks associated with each.

NARP also provides education and training members of our partnering Indigenous Communities in the latest environmental technologies, regulations, and industry best practices.

NARP, together with our Indigenous Community partners, exercise thorough investigations of the history and practices of the operators that we contract with to develop the various resources. We diligently seek out industry operators and contractors that consistently employ 'best practices' in managing and mitigating environmental impacts.

NARP conducts meetings with Indigenous Community leaders and members, and participates in frequent open houses to educate and exchange ideas on initiatives that support greater environmental responsibility.

Importantly, NARP's partnership model provides our Indigenous Community partners with a determinant voice regarding land use, resource development, and environmental stewardship. NARP's First Nation partners bring a valuable wealth of traditional land use and environmental knowledge that forms the basis of most modern environmental '*Best Practices*'.

NARP has in place a certified Corporate Emergency Response Plan ("ERP") and requires all contractors to adhere to its requirements and application. The ERP addresses all aspects of HSE protection throughout all of NARP's projects and partnerships. Before being put to work on a field project all Tribal North employees are provided with comprehensive training on dealing with hazardous situations and occurrences, and they are

therefore expected to uphold Tribal North's standards for environmental protection through their work.

With NARP's active involvement in natural resource development, we research environmentally friendly technologies. Moreover, we closely scrutinize our contract developers to determine if the methods and technologies that they employ are as environmentally friendly as possible. Further, we review our own activities in an attempt to develop and uncover more environmentally friendly methods of operation.

Tribal North Energy Services Co.

Tribal North periodically assesses potential effects of their resource development actions and integrates protective measures to prevent or reduce risk; towards this goal each employee is expected to propose potential improvements to the existing program implemented by the company based on their experience on the field. Within Tribal North's *Environmental Protection Policy* it is stated that any environmental damage that occurs due to actions of the company is expected to be corrected in a timely and efficient manner, and that disciplinary and legal actions will be accorded those who do not comply.

Kainai Energy Company

There are three main activities by Kainai Energy Company that demonstrate the company's (and NARP's) commitment to environmental protection.

i. In 2011, through Kainai Energy Company (KEC), NARP took over the development operations of another oil and gas exploration and production company on a portion of the Blood Tribe Reserve. NARP's first and most urgent task once on Reserve was to evaluate all of the wells, leases and access roads in that area to determine if they were all still in use. When it was determined that the area was not currently, and could not in the future, be used for further resource development, it was promptly closed and reclaimed for use by the First Nation for agriculture or other appropriate uses.

ii. KEC views the Blood Tribe membership, and specifically land occupants and residents, as active partners in the company's resource development venture. It follows from this that Kainai Energy values a long term relationship with the Tribe and nurtures it through complete and fully documented consultation before any project proceeds. For example, before a new well can be drilled the pipeline route serving the well must be carefully planned with the cooperation of land occupants and residents, to minimize impact to agriculture and to maintain spacing for area residents.

iii. KEC consults extensively with the Blood Tribe's resource development company, Kainai Resource Company, as well as Blood Tribe scouts and the Blood Tribe land management group, when proposing new surface leases for drilling operations or infrastructure projects in order to ensure consistent understanding of environmental concerns, as well project goals, by all parties. With NARP's active involvement in natural resource development, we are always researching environmentally friendly technologies. Moreover and in alignment with our commitment to bring technical capacity to the partnership, we closely scrutinize our contractors and industry operators to determine if the methods and technologies that they employ are as environmentally friendly as possible. Further, we review our own activities in an attempt to develop and uncover more environmentally friendly methods of operation. NARP also closely monitors the ever-evolving governmental regulations that address environmental issues. Improvements are constantly in progress and can be measured by our commitment to activities that promote environmental stewardship.

- a. **Full Disclosure:** NARP conducts meetings with the Leaders, Elders, Executives and ultimately the full Membership of each potential Indigenous Community partner to address all issues and

concerns. NARP is currently partnering with 7 First Nations in Canada and expects to enter into many more co-partnering relationships in the coming year. With multiple meetings and presentations held in the business environment, at cultural events, during 'open houses', and other community activities, NARP has conducted many dozens of consultations – and will continue to conduct many, many more.

- b. **Dissemination of Information:** NARP, together with our partners, use all appropriate forms of media (print, electronic, social, etc.) to reach the widest audience possible.
- c. **Contractor Relations:** NARP, together with our partners, maintain constant communication with development contractors. Certified Emergency Planning is a centerpiece of this relationship.
- d. **Frequent Meetings with Indigenous Community Leaders:** NARP's partnership model provides our Indigenous Community partners with a determinant voice regarding land use, resource development, and environmental stewardship. Our partners bring a valuable wealth of traditional environmental knowledge that forms the basis of most environmental 'best practices'. NARP is responsible to provide our partnering community leaders with additional and specific technical information on environmental aspects associated with resource development (i.e., Hydraulic Fracturing, water use and recycling, air emissions, etc.) so that informed decisions can be made for the benefit of the community. NARP initiates these leadership forums to promote a greater collective understanding of environmental challenges.
- e. **Frequent Meetings with Community Members:** Our Indigenous Community partners have valuable Traditional knowledge regarding environmental stewardship. NARP invites discussion of environmental issues among all community members as a way of increasing a collectively accountability to employ 'best practices'. These meetings afford opportunities to meet in large- and small-group forums.
- f. **Open House:** NARP voluntarily participates in 'Open House – type' gatherings in the community. These forums allow NARP to present specific information on environmental issues, hands-on demonstrations, in-depth discussions with community members, and one-on-one conversations.

Measurement:

With NARP's active involvement in natural resource development, we research environmentally friendly technologies. Moreover, we closely scrutinize our contract developers to determine if the methods and technologies that they employ are as environmentally friendly as possible. Further, we review our own activities in an attempt to develop and uncover more environmentally friendly methods of operation.

Ongoing operations are specific examples of directed and employed by our partnering activities:

- **Before KEC partnership formation:** Water was trucked in from distant locations at high expense and consumed solely for well site operations;
After partnership formation: KEC is directing the construction of multi-purpose water storage containment facilities constructed to capture water high runoff and provide water resources for irrigation, fire suppression, etc. as well as natural resource development.

- **Before KEC partnership formation:** Well site construction and development was controlled by operator(s) to satisfy corporate goals;
After partnership formation: KEC directs well site construction and development to coincide with the seasons such as winter construction conditions, which minimize environmental, cultural, and other impacts.
- **Before KEC partnership formation:** Operators generally observe minimum regulatory requirements when constructing roads and well sites;
After partnership formation: KEC uses advanced geo-textile materials (neo-Kevlar) as protection for natural terrains (used as a base under gravel roads and pads) and for re-use and distribution of gravels.
- **Before KEC partnership formation:** Operators generally employ diesel and electric power (where tie-in to electric grid available) to power all systems on well sites and other facilities;
After partnership formation: KEC employs solar technologies (where feasible) to power certain systems on development sites.
- **Before KEC partnership formation:** Operators generally observe minimum regulatory requirements to conserve topsoil when constructing roads and well sites;
After partnership formation: KEC employs 'Topsoil Mulching' to conserve soil and preserve its quality (the technique prevents soil admixing and degradation and enhances reclamation effectiveness).
- **Before KEC partnership formation:** Operators generally observe minimum regulatory requirements to install underground pipelines;
After partnership formation: KEC employs advanced technology in pipeline installation by utilizing rolled/coiled flex pipe to speed underground installation and reduce surface impact.
- **Before KEC partnership formation:** Operators generally observe minimum regulatory requirements regarding water recycling, hydraulic fracturing, site air emissions;
After partnership formation: KEC actively researches and pursues technology advancements regarding water recycling, Hydraulic Fracturing, site air emissions, etc.
- **Before KEC partnership formation:** Operators were not required by the Alberta Energy Regulator (AER) to monitor air quality during certain operations to record air quality off leased sites in the immediate area of activities.
After partnership formation: KEC supports an extra level of diligence to verify that operations do not adversely impact air quality. Measurements can be made for trace amounts (fractions of parts per billion) for Sulfur Dioxide, Hydrogen Sulfide, Nitrogen Oxide, Ozone and Organic Compounds.

COMMITMENT TO ANTI-CORRUPTION

Assessment, Policies, and Goals:

The NARP business model is based on forming long-term, meaningful business partnerships owned in equal parts by NARP and the partnering Tribes or Nations. These partnerships are designed with 50/50 ownership (NARP/Nation) structures and can only survive if built on a foundation of mutual respect and trust built between the partners. The building of trust requires the mutual assurance of zero-tolerance for corruption.

Key to NARP's Tribal North, Kainai Energy, and Kawacatoose Energy partnerships is a positive commitment to ongoing dialogue and meaningful cooperation with the entire community. By engaging in an open transparent manner with the entire community, with the goal of assisting the Nation in its goals of achieving self-determination and financial sovereignty, the opportunity for corruption to play any role in NARP's commercial activities is removed.

Employee & Consultant Manual of Policies, Guidelines and Procedures

NARP provides all employees and consultants with an *"Employee & Consultant Manual of Policies, Guidelines and Procedures"*. Excerpts include:

Ethics Policy

NARP requires the highest standards of professional and ethical conduct from its Employees. NARP's reputation for honesty and integrity is a key to the success of our business. No employee is permitted to achieve results through a violation of any Applicable Laws, or through unscrupulous dealings. NARP intends that its business practices will be compatible with the economic and social priorities of each jurisdiction in which we operate. Although customs and standards of ethics may vary in different business environments, honesty, integrity and accountability must always characterize our business activity. This Ethics Policy reflects NARP's commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies with which all employees are expected to comply.

Political Activities and Contributions

NARP respects and supports the right of employees to participate in political activities. However, these activities should not be conducted on NARP time or involve the use of any of NARP's resources. Employees will not be reimbursed for personal political contributions.

NARP may make limited contributions to political parties or candidates in jurisdictions where it is legal and customary to do so. NARP may pay related administrative and solicitation costs for political action committees formed in accordance with Applicable Laws. No employee is allowed to make or commit to political contributions on behalf of NARP without approval.

Illicit Payments

Unlawful or unethical behavior from employees is not tolerated, including soliciting, accepting, or paying bribes or other illicit payments for any purpose. Situations where judgment might be influenced or appear to be influenced by improper considerations must be avoided. Payment or acceptance of any "kickbacks" from a contractor or other external party is prohibited.

Payments to Officials

Employees must comply with Applicable Laws prohibiting improper payments to officials. Although certain types of “facilitation” payments may not be unlawful, NARP’s policy is to avoid such payments. If any Employee finds that adherence to NARP’s policy would cause a substantial, adverse effect on operations, that fact should be reported to an appropriate member of the management team who will determine whether an exception may lawfully be authorized. If the facilitation payment is made, such payment must be properly entered and identified on the books of NARP and all appropriate disclosures made.

Community Investment Policy

NARP is an organization that strives to ensure the communities where we operate and the Native Nations with whom we have partnered are stronger and better off as a result of us being there. NARP wants these communities to share in the benefits associated with our operations. One of the ways this is accomplished is through our community investment program, where we look to create shared value through our partnerships with community organizations, and our sponsorship of community events.

Building better futures together is at the heart of our community investment strategy. NARP concentrates its efforts in three core areas: learning; safety and well-being; and sustainable communities. Our activities reflect our values and what we stand for: being involved and making a positive difference. NARP supports a wide range of organizations and events that focus on the needs that matter most to the local communities in which we operate.

Implementation:

Reporting of any Illegal or Unethical Behavior

NARP has a strong commitment to conduct our business in a lawful and ethical manner. Employees are encouraged to talk to any member of the management team or other executive when in doubt about the best course of action in a particular situation. Employees are required to report violations of Applicable Laws or the Ethics Policy. NARP prohibits retaliatory action against any employee who, in good faith, reports a possible violation. It is also unacceptable to file a report knowing it to be false.

Defining the Role of Directors in the Ethics Policy

To the extent that the management team is unable to make a determination as to whether a breach of this Ethics Policy has taken place, the NARP Board reviews any alleged breach of this Ethics Policy to determine if a breach has, in fact, occurred. Any waiver of the Ethics Policy for executives is to be made only by the NARP Board or a committee of the NARP Board.

Designating a Disclosure & Information Officer

The Disclosure & Information Officer has the responsibility to be up to date on any pending material developments. Generally, the Disclosure & Information Officer and the Chief Executive Officer are the only individuals authorized to communicate with analysts, the news media and investors about information concerning NARP or a NARP Partner.

Community Investment Policy

Focus Areas

NARP's community investment program strategically concentrates its efforts in three (3) core areas - *learning, safety and well-being, and sustainable communities*. These areas reflect NARP values and the positive differences we want to make in the communities where we work and live.

- *Learning: Building Strong and Prosperous Futures*

Investing in education helps ensure a vibrant, dynamic future for our communities and NARP's Native Nation partners. NARP aims to help address this education imperative by supporting high impact programs that improve students' likelihood of staying in school, increase graduation rates in our communities, and provide life skills that create better futures.

- *Safety and Well-Being: Enhancing Personal Health and Safety*

Strong communities start with healthy communities. Investing in programs that enhance and strengthen the safety and well-being of our communities is one of NARP's top priorities. NARP assists programs that advance continuous safety improvement and wellness programs enriching the quality of life through mind, body and spirit. Emphasis is put on results-oriented programs promoting healthy activities and empowering people - through education and prevention - to live healthier lives (eg. the sponsorship of athletic tournaments or competitions, or the purchase of team uniforms or jerseys).

- *Sustainable Communities: Fostering Environmental Innovation, Preserving Local Traditions and Strengthening Community Capacity*

The future relies on healthy and resilient communities that respect the environment, preserve local traditions and advance community capacity. By partnering with organizations that foster environmental conservation and economic development, NARP contributes to the strength and sustainability that will fuel healthy growth in our partnering communities for years to come.

Eligibility Guidelines

Guidelines have been established for our interactions with our partnering Native Nations.

The requesting community organization:

- must be sanctioned by a partnering Native Nation;
- must be located in the vicinity of the sanctioning Native Nation and serve the nearby communities;
- should be a registered charity which is eligible to issue official tax receipts for donations, or an established not-for-profit community organization; and,
- must be in sound financial condition or be able to demonstrate that it has an effective plan for eliminating any financial difficulties.

Also, the objectives of the community organization must reflect the principles of NARP's three pillars of giving - learning, safety and well-being, and sustainable communities.

Ineligible Recipients

Except in special circumstances as determined by the President and Chief Executive Officer, community investment donations will not be made in support of the following: individuals; religious organizations (except for those with non-faith based purposes); third-party fundraisers; professional conventions, conferences or seminars, unless industry related; travel for individuals or groups; or political events.

Pre-Election Blackout Period

In order to avoid any inference of influence or impropriety, NARP will not make any community investment donations to any Native Nation for two (2) months prior to any election.

Measurement:

The nature of the NARP business model demands a constant commitment to transparency as well as to strict adherence to the rules, regulations and spirit that guide authentic partnerships. As mentioned above, these partnerships can only survive if built on a foundation of mutual respect and trust between the partners. The building of trust requires the mutual assurance of zero-tolerance for corruption.

To date, the functioning of all of NARP's partnerships have demonstrated, through their successful operation and longevity, the commitment of the partners to the UN Global Compact's Principle 10 on Anti-Corruption. However, while NARP is focused on the highest standards, we believe that our commitment to Anti-Corruption can be further measured and confirmed by additional metrics specific to this issue.

In the coming year, NARP and its partnering companies will be working with the UN Global Compact, the Global Compact Network – Canada, and others to provide additional measurement of our continued progress in this realm. As we grow further in our Anti-Corruption efforts we will be reporting on our progress to effectively measure of what we believe to be exemplary behavior in this realm.