

By Fiscal Year and by Investor

Nunavut Broadband Progress

Nunavut Broadband Development's Corporation's (NBDC) objective is to ensure every Nunavut resident has access to affordable broadband services delivered by the private sector. As a not-for-profit corporation, NBDC has initiated the development of one of the most advanced broadband and Internet networks in the world.

The QINIQ Network - Infrastructure and Applications

The QINIQ network was launched in 2005 as NBDC's first broadband project. It consists of tangible assets such as satellite dishes as well as applications that use the infrastructure. QINIQ serves all 25 Nunavut communities, and has 4,000 subscribers - half of all households.

Support by Community Service Providers (CSP)

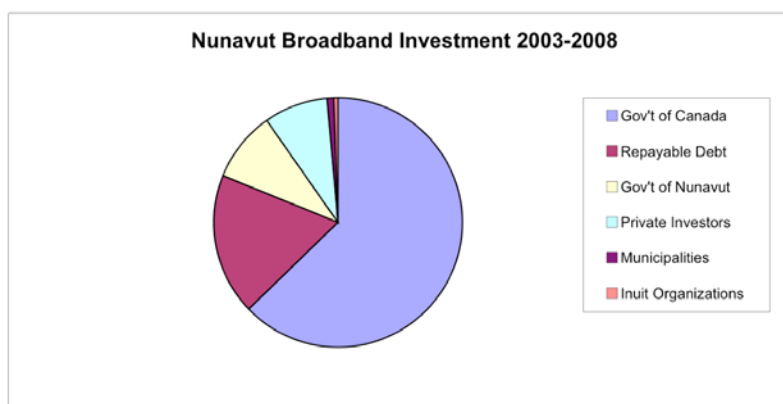
Every Nunavut community has a trained CSP to provide local support and assist in administration. 20% of the QINIQ customer revenue is allocated to the CSPs. Eighteen of the 21 CSP companies involved are Inuit-owned.



*Satellite Dish & Wireless Antenna,
Qikiqtarjuaq, Nunavut*

Funding for the QINIQ Network and NBDC activities

NBDC has conducted R & D in a wide range of applications and processes, as well as capacity building training for CSPs. The chart below shows the source of investment for both the QINIQ network and NBDC's work from 2003 to 2008.



The immense success of the QINIQ network, the need for continued advocacy for broadband services to residents, and increasing financial responsibility means NBDC must increase its own capacity. NBDC will continue to develop the broadband sector in Nunavut for the benefit of residents and the economy, and are working to increase NBDC's capacity to help the broadband sector evolve.

Investment in Nunavut Broadband



By Fiscal Year and by Investor

| Investment 2003-2004 | | | |
|--|---|-----------|-----------|
| Operations Funding | | | |
| | GN Sustainable Development (Core Funding) | 50,000 | |
| | INAC (Business Plan funding of \$35,000 from 2002-2003) | 35,000 | |
| | Industry Canada BRAND Phase 1 (Business Plan) | 30,000 | |
| | David E. Smith, Lorraine Thomas (unpaid contractors) | 91,480 | |
| | Travel Assistance from various sources for advisory committee, research | 35,000 | 241,480 |
| Project Funding | | | |
| | INAC, Innovation Fund, Workshop Project with ISPs | 100,000 | 100,000 |
| Investment 2004-2005 | | | |
| Operations Funding | | | |
| | GN EDT | 50,000 | 50,000 |
| Project Funding* | | | |
| | INAC, Innovation Fund, (6 Projects) | 506,000 | |
| | GN Education (Community Skills) | 281,000 | |
| | KPID (Training) | 38,000 | |
| | KEDC (Training) | 20,000 | |
| | Kakivak (Training) | 15,000 | |
| | Agriculture Canada (Training) | 15,000 | 875,000 |
| Infrastructure and Bandwidth Funding | | | |
| | Industry Canada BRAND Phase 2 (Infrastructure) | 3,885,000 | |
| | SSI Micro Limited (Contribution in Kind, Infrastructure) | 1,600,000 | |
| | 22 Nunavut Municipalities (Infrastructure) | 220,000 | |
| | GN EDT (Infrastructure) | 125,000 | |
| | GN CGS (Infrastructure) | 125,000 | 5,955,000 |
| Debt/Equity repayable from Customer Revenue** | | | |
| | Atuqtuarvik Corporation (\$1 million not drawn down as of May 2008) | 3,000,000 | |
| | Nunavut Business Credit Corporation (infrastructure, project mgt) | 777,000 | 3,777,000 |
| Investment 2005-2006 | | | |
| Operations Funding | | | |
| | GN EDT (Core Funding) | 200,000 | |
| | GN CGS (Professional Services Support - legal, audit, mgt) | 75,000 | |
| | GN EDT SIP Program (Infrastructure Canada negotiations costs) | 130,000 | 405,000 |
| Project Funding* | | | |
| | GN EDT, QINIQ Network Launch, Rankin Inlet | 20,000 | |
| | GN Education. Community Skills Database Project | 395,000 | |
| | Industry Canada Video Project | 88,000 | |
| | INAC Innovation Fund (7 projects) | 589,000 | |
| | GN EDT SIP Program (5 projects) | 220,000 | 1,312,000 |
| Infrastructure and Bandwidth Funding | | | |
| | Infrastructure Canada NSI Bandwidth Subsidy Year 1 (Satellite Services) | 980,000 | 980,000 |
| Debt/Equity repayable from Customer Revenue** | | | |
| | Nunavut Business Credit Corp (loan for modems) | 223,000 | 223,000 |

Investment in Nunavut Broadband



By Fiscal Year and by Investor

| Investment 2006-2007 | | | |
|---|---|-----------|---------------------|
| Operations Funding | | | |
| | GN EDT (Core Funding) | 200,000 | |
| | Nunasi Corporation and Nunavut Sealink and Supply (private sector) | 60,000 | 260,000 |
| Project Funding* | | | |
| | GN EDT, SIP Program, CSP Conference and Online Training Development | 150,000 | |
| | INAC SINED, CSP Conference and Online Training Development | 187,451 | 337,451 |
| Infrastructure and Bandwidth Funding | | | |
| | Infrastructure Canada NSI Bandwidth Subsidy Year 2 (Satellite Services) | 910,000 | 910,000 |
| Investment 2007-2008 | | | |
| Operations Funding | | | |
| | GN EDT (Core Funding) | 200,000 | |
| | GN EDT - supplemental funding for legal costs | 50,000 | 250,000 |
| Project Funding* | | | |
| | Private sector contributions for legal costs | 34,000 | |
| | GN EDT, NEFF Program, Infrastructure Phase II and Online Training | 135,000 | |
| | INAC SINED, Infrastructure Phase II | 80,000 | 249,000 |
| Infrastructure and Bandwidth Funding | | | |
| | Infrastructure Canada NSI Bandwidth Subsidy Year 3 (Satellite Services) | 980,000 | 980,000 |
| Investment 2009-2013 | | | |
| Contributions | | | |
| | Infrastructure Canada NSI Bandwidth Subsidy Year 4-8 (Satellite Serv.) | 4,960,000 | 4,960,000 |
| Total all NBDC Broadband Investment to March 31st, 2008 | | | \$21,864,931 |

Notes: * Projects allocate 10 to 15% of cost toward the administrative and financial operations of NBDC. All other project funds are used for the development of services and applications largely by Nunavut-based organizations.

** Repayment of the debt and equity is by the network operator, SSI Micro Limited from Customer revenue.

Investment in Nunavut Broadband



By Fiscal Year and by Investor

| Community | Trained CSP** | Inuit Recognized under the NLCA | Company/Organization | Inuit Owned Business/Organization |
|--------------------|---|---------------------------------|---|-----------------------------------|
| Arctic Bay | Jack Willie | Y | sole proprietor | Y |
| Arviat | Leah Muckpah | Y | Padlei Co-operative | Y |
| Baker Lake | Hugh Tunnug | Y | Arctic Net | Y |
| Cambridge Bay | Darrell Ohokannoak | Y | Polarnet* | Y |
| Cambridge Bay | Richard Evalik | Y | Polarnet* | Y |
| Cape Dorset | Mike Perry | N | Kingait Cable Vision | N |
| Chesterfield Inlet | Gardner Walters | N | sole proprietor | N |
| Clyde River | Mike Jaypoody | Y | Iliasaqviik Society | Y |
| Coral Harbour | Leonie Pameolik | Y | sole proprietor | Y |
| Gjoa Haven | Wally Porter | Y | Polarnet* | Y |
| Grise Fiord | Ray Richer | N | Grise Fiord Co-operative | Y |
| Hall Beach | Tommy Issigiatok | Y | sole proprietor | Y |
| Igloolik | Ike Haulli | Y | Savik Enterprises | Y |
| Iqaluit | Dave Fulgham | N | QITC | Y |
| Kimmirut | Cam Bobinski | N | sole proprietor | N |
| Kugaaruk | Tars Angutingunirk | Y | Polarnet* | Y |
| Kugluktuk | Darryl Havioyak | Y | Polarnet | Y |
| Pangnirtung | Peter Wilson | N | Uqqurmiut Inuit Arts | Y |
| Pond Inlet | John Henderson | N | Black Point Lodge | Y |
| Qikiqtarjuag | Peter Kakkie | Y | Pittau Allivinga | Y |
| Rankin Inlet | Naanasee Onalik | Y | Sakku | Y |
| Repulse Bay | Randy Kopak | Y | Archemedia | Y |
| Resolute Bay | Aziz Kheraz | N | South Camp Inn | Y |
| Sanikiluaq | Robert McLean | N | Sanny Internet Services | Y |
| Taloyoak | Jayko Neeveacheak | Y | Polarnet* | Y |
| Whale Cove | Recreation coord | Y | Hamlet | N |
| Summary | Number of Inuit as CSPs for QINIQ: | 17 of 26 (65%) | Number of Inuit companies/orgs.: | 18 of 21 (86%) |

*Polarnet operates in five Kitikmeot communities and is treated as one company for the calculations.

** CSP Data as of June 2008