

Energy sector draws northern mayors together

Pipeline, processing plants and natural gas export projects are creating new regional linkages across northern B.C.



Spectra Energy's McMahon gas plant in Taylor, B.C. has for decades processed sour gas into a number of saleable products, including natural gas, butane and sulfur

A new era of political collaboration is underway as communities across northern B.C. prepare for a thrust of investment activity in the natural gas sector. Last month, mayors and community representatives from Prince Rupert, Port Edward and Prince George crossed the Rocky Mountains into the Peace Region on a fact-finding mission focused on the province's natural gas sector.

Although the northwest, north central and northeast regions of the province have traditionally differed both economically and politically, investment in new pipelines, processing facilities and liquefied natural gas (LNG) export terminals has created a need for more inter-regional collaboration, said Fort St. John Mayor Lori Ackerman.

"We have a commodity in northeast British Columbia that we need to get to market," said Ackerman. "LNG plants out in the northwest are very important. Having other mayors up to the northeast really

helps dispel the myths around the industry."

Prince Rupert Mayor Jack Mussallem joined Dave MacDonald, Mayor of Port Edward, and Shari Green, Mayor of Prince George, among other officials, on the tour. Mussallem said a big take away from the trip for him was the high level of safety standards that natural gas companies rely on every day to ensure their products are extracted, processed and transported in a safe and efficient manner.

He also said the tour was an opportunity to build closer ties

"Having other mayors up to the northeast really helps dispel the myths around the industry"

Lori Ackerman,
Mayor,
Fort St. John

between B.C.'s differing northern communities. "It pulls us closer together," said Mussallem.

Energy sector draws northern mayors together - continued on page 3

Fort Nelson flight numbers soar

The natural gas sector has helped the Northern Rockies Regional Airport become one of the busiest airports in the country.



Gas patch workers from the Horn River Basin account for a significant volume of the traffic in and out of Fort Nelson these days.

Fort Nelson is home to one of the busiest airports in the country thanks to the ongoing boom in the natural gas sector.

The Northern Rockies Regional Airport had the busiest month on record in July, reporting 4,053 total aircraft movements compared with the previous record of 2,732 in August 2011.

That number placed the airport first nationally among all tier two airports, a group that includes Ottawa, Grande Prairie, Prince George and Red Deer, among others.

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Northern Development at a glance

\$111 The millions of dollars in funding the Trust committed to 1,043 projects since its inception

5,154 The number of jobs that have been created

1,831 The number of funding partners the Trust has teamed up with to attract more than \$1 billion in new funding to the region

73% The percentage of investments in communities with less than 5,000 people

\$199 The millions invested in new capital and training by supported companies

3,000 The number of grant writers trained to date, including 124 First Nations

IN THIS ISSUE

The Nechako Lakes School District's business development arm has opened its first school in China, helping Chinese students to earn B.C.-certified diplomas

The province's official gemstone is driving a mining boom in northwest B.C. thanks to insatiable demand from China

North Central and Northeast B.C. are the latest regions to collaborate and launch groundbreaking investment portals to attract new business

Terrace's Magnum Road Builders has laid the ground work to land big-ticket contracts with major projects, in part thanks to Northern Development's Competitiveness Consulting Rebate program

Enter To Win An Apple iPad!

Do you have a photo that showcases community members enjoying an event or facility that's been supported by Northern Development, people working who are employed as a result of a project, or the construction phase of a project?



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The frontier of the new British Columbia

Northern B.C. is quickly shedding its reputation as the province's backwater for a fresh status as a region where anyone can successfully carve out a vision for their career and lifestyle. We in the north already knew that, but people from the 'great clear cut in the south', otherwise known as Metro Vancouver, are just waking up to it. This is the frontier of the new British Columbia, a landscape of plenty where the traditional resource-based economy is celebrated, embraced and fused with the technological, environmental and social values of the 21st century. And professionals and working families from across Canada are fast learning the opportunities are limitless.

Take Kam Ghuman, for example. Born and raised in the Lower Mainland, Ghuman packed up his family and moved to Prince George a few years ago to work for 3Phase Power Systems, a high-tech industrial supply company. Now he's the president of that company, and has opened satellite offices in Calgary, Edmonton, Vancouver and Winnipeg. But thanks to competitive operational costs and a first-class quality of life, Ghuman and 3Phase still call Prince George home. Carla Johnston's story is similar. The communications specialist had an excellent career in Vancouver, but said the Lower Mainland's oft-congested road system and lack of easily accessible wilderness getaways made her feel trapped. So she began to look for opportunities up north – and now she has an equally fantastic career, a larger house and she's only a half hour from world-class hiking and skiing trails.



Janine North
Chief Executive Officer
Northern Development
Initiative Trust

"This is the frontier of the new British Columbia"
Janine North,
CEO,
Northern Development Initiative Trust

From Haida Gwaii to Dawson Creek, northern B.C.'s economy is diversifying across a broad spectrum of industries. In fact, the number of major projects proposed in northern B.C. totals \$70 billion, or approximately 52% of the total capital investment proposed in the province. On the north coast, B.C.'s proximity to Asia is driving major investment in shipping, logistics and liquefied natural gas (LNG) sectors. Further inland, Terrace and Smithers are benefitting from new mining exploration and development and clean energy projects along the Highway 37 corridor.

In the northeast, communities such as Fort Nelson, Fort St. John, Dawson Creek, Tumbler Ridge and Chetwynd are capitalizing on massive natural gas and coal resources. Prince George, B.C.'s northern capital, is leading the way in education and healthcare advancements. And the Cariboo is benefitting from the added economic kick that stems from major expansions at the Mount Polley and Gibraltar mines. This widespread economic activity is creating jobs, boosting construction and driving growth in retail, service and supply businesses. It's also having the added benefit of shedding light on the north's natural recreational gifts – from world-class hunting and fishing, to hiking, mountain biking, skiing and sightseeing.

Truly, the future is looking very bright for northern B.C.

Northern Development rebate program helps Terrace road builder land major contract

Major project investments across northern B.C. are driving new business for Terrace's Magnum Road Builders Inc.

The company, which specializes in gravel and rock crushing and aggregates, was focused on short-term municipal contracts a few years ago when owner Mike Scott decided there was an opportunity for his business to cash in on the wave of investment occurring across the region.

Although the company remains happy to bid on municipal contracts, major mining projects have created new growth opportunities that didn't exist a few years ago for his business. "The main reason we've gone in that direction is the opportunities have been available, which they haven't been up until the last few years," explained Scott.

But in order to land a major contract, Scott recognized that his company needed to ratchet up its health and safety program to meet the mining industry's stringent requirements.

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Nechako Lakes school district opens first school in China

Exchange program designed to help Chinese students qualify for North American universities, and stimulate economic growth in northern B.C.

Nechako Lakes School District 91 has opened its first offshore school in China to help students there earn B.C.-certified diplomas and stimulate economic development in northern B.C. The school, which is being operated under the name Canadian Pathways, opened its doors to students in Xianghe, China this fall, marking a significant milestone for a project that's been two years in the making.

"That's a major accomplishment to have achieved that in less than two years of working together," said Ray LeMoigne, president, School District 91 Business Company. "We've managed to do very well to get to the point where we have B.C. certified teachers and an administrator and ESL instructor working in that school."

LeMoigne said the plan is to open two more schools in China in the near future, with at least one located in Beijing.

"That's a major accomplishment to have achieved that in less than two years of working together"

Ray LeMoigne,
president,
School District 91 Business Company

The schools have already been twinned with Lakes District Secondary School in Burns Lake, and Nechako Valley Secondary School in Vanderhoof to develop cooperative exchange programs.

China driving jade boom in northwest B.C.

From mining to cutting, polishing, carving and eventually selling, B.C. businesses are leading the global trade for jade.



The former asbestos mine in Cassiar, B.C. is long gone, but the local jade business has created a global trade

Twenty years have passed since the Cassiar asbestos mine in B.C.'s far northwest was shutdown and the town around it auctioned off, but the quiet valley is alive again with the sound of picks and shovels thanks to China's insatiable demand for jade.

"China is driving the demand and we just can't keep up with it," said Kirk Makepeace, president of Surrey-based Jade West Group of Companies. His company operates three jade mines in B.C., and is the largest producer and exporter of nephrite jade in the world, with retail stores in Juneau and Ketchikan Alaska, as well as Vancouver, Victoria and Playa Del Carmen, Mexico.

Although jade has been mined in B.C. for decades, the business took off following the 2008 Beijing Games when nephrite jade was incorporated in Olympic medals.

Since then, prospectors and miners have flocked to northwest B.C. near Dease Lake to claim jade deposits, driving what Makepeace called a new "gold rush" for B.C.'s official gemstone.

In the Cassiar valley, where an asbestos mine operated until 1992, miners have been able to extract jade boulders from old mine tailings, generating new activity in an area that has been a ghost town for the last two decades.

Jade West and the Cassiar Mountain Jade Store, which is located along Highway 37 north of Dease Lake, are two of a select few B.C. jade retailers



School District 91's first offshore school in Xianghe, China opened its doors this fall

The schools operate under School District 91's new business company, which collects tuition fees from students that cover the program's operating costs. The fees allow the students to earn a B.C. dogwood diploma and qualify for admission to North American universities.

Northern Development and Community Futures Development Corp. have provided seed funding for the program.

LeMoigne said the next focus of the initiative is to market and promote the program to increase enrolment in the near future to 60 students.



that have capitalized on the abundance of the province's native stone. Approximately 90% of the world's jade is produced in B.C.

The family that owns the Jade Store has been mining jade in the region for some 40 years, and today the products chiseled from B.C.'s native gemstone boulders are sculpted into jewelry and sold to tourists who drive the Stewart-Cassiar Highway, and online to clients in China, New Zealand, Russia and Australia.

Although the greatest concentration of jade mined in B.C. today is located in the far northwest corner of the province, the Lillooet area was home to the first jade mines in B.C.

During the 1950s and 1960s, Lillooet shipped more jade worldwide than any other place on earth.

Today, the town is home to the "jade walk", which celebrates its mining history with jade displays throughout Lillooet. Makepeace said as long as Asia continues to drive demand for the gemstone, the future looks bright for B.C.'s jade industry.

"The jade is there," said Makepeace, "and because the money is there I would say the jade activity in the province is going to be very strong for the next 30 years."

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Jade

www.northerndevlopment.bc.ca

5 Fort Nelson flight numbers soar

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Three 737s on the Northern Rockies Regional Airport taxiway is not an uncommon site these days

The Northern Rockies Regional Airport also tallied more itinerant movements (flights from one airport to another) than 13 of 42 tier one airports across Canada, ranking Fort Nelson's landing spot as the 29th busiest airport in Canada.

"It's a reflection of activity in the gas patch ... no question about it," said Mike Gilbert, community development officer with the Northern Rockies Regional Municipality (Fort Nelson).

Airport statistics show a 59% increase in traffic in the last six years.

In the first eight months of 2012, aircraft movements grew 19.7% to 19,217 compared with the same period in 2011, while passenger traffic climbed 1.2% to 21,563.

The number of wildfires in northeast B.C. this past summer also played a significant role in aircraft movement numbers.

In terms of passenger traffic, charter flights for workers in the gas patch now account for approximately 70% of all traffic.

The question is, can the airport handle the congestion?

"That's the challenge," noted Gilbert. "We're running an infrastructure a good proportion of which was built in the 1940s for the war effort. Since that time, the capital investment that would be required [to upgrade it] just hasn't been available to us."

Meantime, the terminal building remains too small to house the constant stream of passengers moving through the airport, forcing many to line up outdoors.

Gilbert said the infrastructure upgrade would cost approximately \$50 million, and the municipality is asking the federal government for help.

"We're making the case over and over and over to senior government that this is an economic engine in the province"

Mike Gilbert,
community development officer,
Northern Rockies Municipality

He added that the airport is a key economic engine in the region, driving business for local helicopter and bus companies as well as other service and supply contractors; without it, workers in the Horn River Basin would have to be transported via road from Fort St. John nearly five hours away.

"We're making the case over and over and over to senior government that this is an economic engine in the province, it will be for the foreseeable future and it's in their interest to help us maintain that infrastructure."

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Fort Nelson

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North Central and Northeast launch groundbreaking investment portals

New web portals feature major projects, and key community information to link potential investors with opportunities in north central and northeast B.C.

Communities throughout north central and northeast B.C. have joined forces to launch the Invest North Central BC and Invest Northeast BC websites, banking on the success of the Invest Northwest BC investment portal that began operations last fall.

As the geographic centre of B.C. and home to the province's northern capital, north central B.C. has shed its 'mill town' reputation to become a sustainable, knowledge-based resource economy connected to the world.

Meantime, northeast B.C. is breaking new ground as the frontier of responsible energy exploration and development, capitalizing on new natural gas, hydroelectric and wind energy



developments while maintaining its traditional agricultural base. With a plethora of opportunities across a diverse array of sectors including bioenergy, tourism, manufacturing, education, energy, mining, transportation and agriculture, both regions are poised to be among Western Canada's leading economic engines in the years ahead.

Both web portals feature interactive maps of key major projects throughout the region and comprehensive profiles of each community, including transportation infrastructure information, tax incentives and a list of key contacts.

"The Invest in North Central BC web portal is an invaluable tool to promote the north central region of British Columbia," stated City of Prince George Mayor Shari Green. "In conjunction with the other regional web portals, the Invest in North Central

"The Invest in North Central BC web portal is an invaluable tool to promote the north central region of British Columbia"

Shari Green,
Mayor,
City of Prince George

web portal effectively showcases the significant amount of economic investment taking place across northern B.C."

Fort St. John Mayor Lori Ackerman called the Invest Northeast BC portal the "doorway" for new business to her region.

"When people are looking to invest they want to make sure there's a good return on their investment, and the northeast B.C. investment portal is going to provide that information at the touch of a finger," said Ackerman.

Invest North Central is a partnership between the Regional District of Bulkley-Nechako, the Regional District of Fraser-Fort George, the City of Prince George, the District of Vanderhoof, the Village of McBride, the Village of Valemount, the Village of Fraser Lake, the District of Fort St. James, the District of Mackenzie and Northern Development.

Invest Northeast is a partnership between the Northern Rockies Regional Municipality, the Peace River Regional District, the District of Chetwynd, the City of Dawson Creek, the City of Fort St. John, the District of Tumbler Ridge, the District of Hudson's Hope, the Village of Pouce Coupe, the District of Taylor and Northern Development. The Cariboo-Chilcotin region, in partnership with Northern Development, plans to launch its investment portal later this year.

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Natural Gas

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Investment

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Energy sector draws northern mayors together

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"When I spoke to them I mentioned that the port of Dawson Creek is the Port of Prince Rupert, the port of Fort St. John is the Port of Prince Rupert, the port of Prince George is the Port of Prince Rupert. There are these lineages."

The tour came just weeks after Houston-based Spectra Energy inked a development agreement with BG Group to build a \$6 to \$8 billion pipeline to transport natural gas from northeast B.C. to a proposed LNG export facility in Prince Rupert.

The project is the latest in a series of planned or proposed LNG export terminals on the north coast, including the Apache Corp.-led Kitimat LNG terminal, the Haisla First Nation's BC LNG project in Kitimat and Royal Dutch Shell's proposed terminal, which is also in Kitimat.

Malaysia's state-owned oil and gas company Petronas also has plans for a terminal near Prince Rupert.

Each of the projects is aligned through ownership or partnerships with tight gas reserves in northeast B.C., and pipeline builders have lined up to build the infrastructure needed to ferry the gas from the Peace Region to the north coast.

Although weak natural gas commodity prices have taken a bite out of new exploration in the northeast and royalty streams to the province, Ackerman said gas producers are still very active in her region.

"There may not be as much exploration and production right now, but the building of the facilities and the plants to get that LNG process moving is really taking a leap forward."

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Natural Gas

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Clean energy and exploration driving new activity in Stewart 6

Sleepy Stewart B.C. is humming with activity amidst port activity, a major clean energy project and a renewed fervor for mining exploration in the region.

The town of 500, which shares a border crossing with Alaska, is jam-packed with workers from the \$90 million Long Lake hydroelectric project, and geologists who spend their days traversing hanging glaciers and mountainscapes in search of the next major mineral strike.

Thanks to ocean access via the Portland Canal, the town's break bulk terminal is also fielding new investment interest from mining companies in search of an outlet for their commodities.

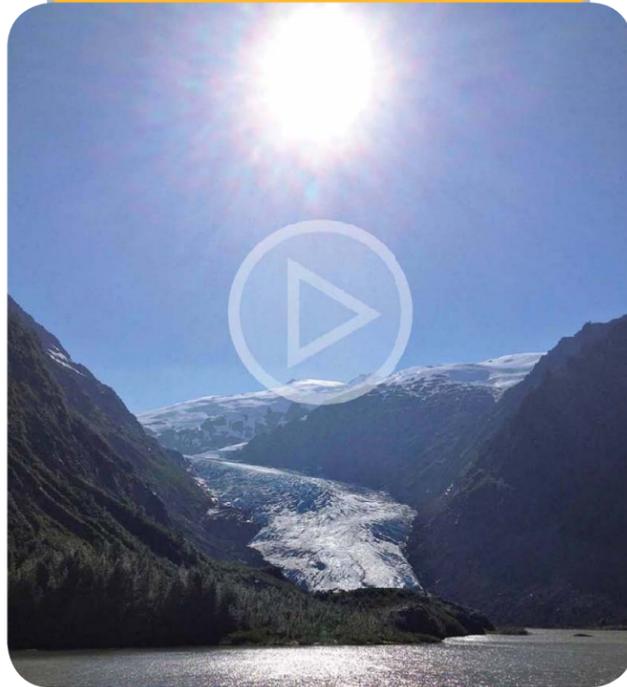
To learn more about this hidden B.C. gem, check out Northern Development's website.

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Stewart

www.northerndevlopment.bc.ca

Watch this video story online now



The Bear Glacier is just one of the stunning vistas that greet visitors on their way to Stewart, B.C. and Hyder, Alaska

Northern Development rebate program helps Terrace road builder land major contract

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With the help of Business Development Bank of Canada consultants, and Northern Development's Competitiveness Consulting Rebate program, Magnum was able to source and share the cost to hire a consultant to help the company improve its health and safety program.

"Northern Development recognized that there's businesses out there that need that guidance to get to the next level"

Mike Scott,
owner,

Magnum Road Builders Inc.

"It was a very worthwhile experience, something we really needed to do," said Scott. "Northern Development recognized that there's businesses out there that need that guidance to get to the next level."

Since then, Magnum has landed a multi-year contract at Thompson Creek Metals' \$1.4 billion Mt. Milligan copper-gold mine under construction near Fort St. James.

Scott said ongoing major investments in northwest B.C., notably liquefied natural gas terminals in Prince Rupert and Kitimat, are also creating new opportunities for local businesses like his to grow. "It looks like there's going to be several years of opportunities here and we really want to stay focused and take advantage of them."

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Magnum

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