

# The Business Connection

Quarterly Newsletter from your local Business Centre—GEDC  
QR 2 2014

## AGM 2014



Ross Houghton, Moe Lavigne, Lori Belzile, Kathy Durocher, Mary-Jane Dunn, and Frank Hildebrandt. Missing - Nelson Turcotte.

Having continued with a business development focus over the last year, we recently completed the 2013 / 2014 Business Retention and Expansion (BR+E) project with great support and input from the local business community. In addition, GEDC was excited to release its Investment Readiness update report at the AGM which provides updates on recommendations noted during the 14 Northern Communities Investment Readiness (NCIR) projects undertaken by GEDC between 2009 and 2011. A copy of each report is available on our website [www.gedc.ca](http://www.gedc.ca) and also in hard-copy at the office.

The process of doing the NCIR Update report allowed for in-depth review of various sectors that have undergone significant changes; most recently the Mining Sector both locally and regionally. On a local level - Premier Gold Mines Limited hold regular open house information sessions which GEDC regularly attends; there were two sessions June 24, 2014. On a regional level we had our keynote speaker; Mr. Moe Lavigne, who gave a presentation about the Ring of Fire development challenges. See page 3 for more information.

The AGM saw the departure of our long time Board Member and President Deanna Thibault, who was wished well in her new endeavours and graciously thanked for her many years of service. GEDC welcomed back former Board member Kathy Durocher and new board member Lori Belzile to the Board of Directors.

### The 2014 GEDC Board of Directors comprises of:

Kathy Durocher: President  
Mary-Jane Dunn: Vice-President  
Moe Lavigne: Secretary  
Frank Hildebrandt: Treasurer  
Ross Houghton: Director  
Lori Belzile: Director  
Nelson Turcotte: Director

GEDC held its AGM (Annual General Meeting) June 23, 2014 to address corporate matters and update the membership on activity over the last year.

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### In this issue

AGM P.1  
GEDC Services P.2  
CED Activity P.3  
NOYEI P.4

### What is GEDC?

Greenstone Economic Development Corporation (GEDC) is your local Community Futures Development Corporation (CFDC).

We provide FREE services to both the business community and inspiring entrepreneurs. We assist with all your business needs. Check out our website for more information: [www.gedc.ca](http://www.gedc.ca)

#### MISSION

Foster and encourage the start-up and operation of successful enterprise in all economic sectors within the Greenstone Service Area.

#### MANDATE

Strategic community planning and socio-economic development

Support for community based projects

Business information and planning services

Access to capital for small and medium sized businesses and social enterprises



# GEDC'S BUSINESS DEVELOPMENT DIVISION

At GEDC, we offer a wide range of programs and services to encourage and foster business development throughout our communities. We assist in small business start-ups, and in the expansion and/or modernization of existing companies through a variety of programs which include business development loans, entrepreneurial training, and services designed to address issues impacting rural communities. Our financial and support services assist entrepreneurs in attaining their goals, while providing opportunities throughout our region.

## GEDC's services

- Access to Capital
- Free business counselling
- One on one business consultations
- Guidance with business plans
- Access to business resources
- Grant information
- Seminars/workshops
- Self-help resource center (computer workstation)
- Bilingual services



## Access to Capital

### **General Loans**

- Repayable loans up to \$150,000  
When financing through financial institutions are insufficient or declined
- Guided approval process to be completed
- Primary objective is to invest in sound businesses that created and maintain sustainable employment in all economic sectors within the Greenstones services area

### **Regional Loans (Northwestern Ontario Investment Pool)**

- Repayable loans up to \$500,000
- A partnership of six Community Futures Development Corporations (CFDC) in Northwestern Ontario
- Application will be taken through your local CFDC
- Comprehensive business plan will be evaluated by a third party consultant

If you are interested in starting or expanding your business contact our Executive Director - Sylvie Goulet at 1-807-854-2273 ext 27 or email [sylvie@gedc.ca](mailto:sylvie@gedc.ca) for a consultation.

**LET GEDC HELP YOU UNLOCK YOUR POTENTIAL**

# Community Economic Development (CED) Activity / Projects



## BR+E Update

Following the completion of the BR+E Project, Stakeholders have been advised of the report recommendations and which ones may fall under their mandates. GEDC staff will be conducting follow-up calls to all stakeholders in the near future; however there have been a few advancements on some of the recommendations tasked to GEDC. Through a partnership with the Business Development Bank of Canada (BDC) "Succession Planning" workshops with Crupi Consulting Group were held June 23, 2014 in Longlac and Geraldton.

## Investment Fund Strategic Plan

GEDC have developed a comprehensive Investment Fund Strategy, pending finalization, which will look at a new IF Strategy Goals through Micro Loans, Growth Development, Professional Development Seminars / Workshops, Advertising and Business Services.

## AGM: Ring of Fire Development Challenge: Where do we go from here?

*GEDC's AGM keynote Speaker: Mr. Moe Lavigne, Vice-President Exploration Development, KWG Resources Inc. / Canada Chrome Canada*

The initial optimism about the economic impact of the proposed Ring of Fire developments was riding a wave of high metal prices from 2010 to the end of 2012, largely driven by China's appetite for metals needed for their growth. That appetite has now subsided, resulting in a dramatic price drop for chromium and iron. Miners with the highest production cost are the first to be impacted as the value of their product drops below their cost of production. Such is the case with Cliffs Labrador iron deposits in which they invested more than 5 billion dollars, much of it borrowed. As a result, Cliffs have had to close mines and curtail their expenditures on new projects, the Black Thor chromite project being one of them.

The negative impact of metal price downturns can be avoided by striving to be the lowest cost producer, not the highest. When a new deposit is being developed, every effort must be made to make it the lowest cost producer, without compromise. In order to be successful, the Ring of Fire chromite mines must strive to be the lowest cost producers.

The Ring of Fire deposits are handicapped by being the farthest from the market resulting in transportation cost being the largest proportion of total cost. Transportation cost is a determining factor on the economic viability of the Ring of Fire chromite deposits.

Without low cost transportation, the deposits are not economic. The low cost solution is rail transport, or alternatively, a slurry pipeline. One of the benefits of the availability low cost rail transport is that it would make it permissible for miners to contemplate transporting raw ore from the swamps of the lowlands to Nakina, where both infrastructure cost and operating cost are much lower, avoiding building expensive tailings impoundments in the swamp.

The second largest component of total cost is energy. Again, the Ring of Fire deposits are handicapped by being located in a jurisdiction with very high electricity cost needed to power the electric arc furnaces that reduce chromite to ferrochrome.

KWG has invested in metallurgical research that has successfully reduced chromite to ferrochrome using natural gas, resulting in a total energy cost reduction of at least 50%. This is not entirely new technology, the iron ore miners have also been using natural gas to reduce iron ore. This would be the first time that it is applied to chromite.

The production cost reduction resulting from rail transport and natural gas reduction of chromite will ensure that the Ring of Fire producers can insert themselves successfully in the world market, and with time, grow its share of that market. A low cost producer will survive the cyclical up and downs in the market that result in frequent shutdowns, which is very similar to other commodities, like wood fiber.



## Northern Ontario Youth Entrepreneurship Initiative



Attention Greenstone!!! The Northern Ontario Youth Entrepreneurship Initiative (NOYEI) is running at full speed with many stops along the way. We will be working to deliver contests and workshops to your children. We want to plant the seed of entrepreneurship and get the youth excited about staying in our area.

Some of the programs available are:

### Create a Logo (Grades 3-6):

This workshop/contest will get kids thinking about what a company logo really means, who are our entrepreneurs, and if they themselves can be one too!

### Market Your Thoughts (Grades 7&8):

This media presentation workshop/contest will allow our youth to use their technology skills and create their very first business plan.

### Kids Invent Toys (Ages 9-12):

Repurposing used items are one of many ways to think of a business idea. We will explore different items and how they can be used for different things as well as building our own toys.

### Generation E (Grades 9-12):

This workshop/contest is to introduce high school aged youth to entrepreneurship as a viable career choice. It will allow them to relate to characteristics of an entrepreneur and what skills they currently possess that they could use to start a business.

### Youth Enterprise Day Camp (Ages 9 -13)

This camp was held in Geraldton from August 25 to 29. Spend 5 days enjoying summer activities all while learning about the world of business including a chance to start your very own business, taking your product from conception to market and even making a little money.

For more information on the programs we offer visit us online at: [www.headstartinbusiness.com](http://www.headstartinbusiness.com) or [www.lancetoiennaffaires.com](http://www.lancetoiennaffaires.com)

### **Madison Schell**

Youth Entrepreneurship Coordinator



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#### GEDC Staff:

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