

DÉVELOPPER LE FUTUR

**SDE G EDC**

Société du développement  
économique de Greenstone

Greenstone Economic  
Development Corporation

DEVELOPING THE FUTURE

## **GEDC'S INVESTMENT READINESS UPDATE**

June 2014

[www.gedc.ca](http://www.gedc.ca)



## VISION

Developing the Future.

## MISSION

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

## GOALS

- Develop and implement project-oriented regional strategic plans, prioritized according to community needs, which stimulate region-wide enterprise development and new employment.
- Develop public and private sector partnerships which provide a coordinated approach to socioeconomic development.
- Promote understanding of the importance of all sectors in the Region's economy and their value and opportunities to other stakeholders.
- Provide knowledge, support and encouragement to existing and potential entrepreneurs.



## Table of Contents

History of Investment Readiness in the Greenstone region .....	5
Purpose of Report.....	6
Greenstone Region Asset Inventories .....	7
Greenstone Region Gap Analysis and Market Study.....	10
Greenstone Region Mining Sector Strategy.....	23
Greenstone Mining Procurement Familiarization Tour in partnership with Red Lake .....	27
Greenstone Comparative Operational Study .....	31
Greenstone Labour Market Study .....	34
Greenstone Region Ambassador Training .....	38
Greenstone Region Investment Readiness Package.....	40
Greenstone Region Familiarization Tours.....	42
Future Investment Readiness .....	45

### Appendices:

Appendix A - Economic Base Theory – How Local Economies Function and the “Leaky Bucket” .....	47
Appendix B - Ring of Fire Claim Holders: May 1, 2014 – (Map) .....	50
Appendix C - Table 4 Exploration Activity in the Thunder Bay North District in 2013 (Keyed to Figures 4 and 5) .....	52

### Acknowledgement:

*The Board of Directors and staff of the Greenstone Economic Development Corporation would like to acknowledge and thank past employees Dina Quenneville and Jamie Armstrong for their work on this report.*



## History of Investment Readiness in the Greenstone region

In 2008, the GEDC Board of Directors felt that the Investment Fund Loan Portfolio was not the only way to assist the Business Community in Greenstone and therefore decided it would test out the Greenstone region's investment readiness.

GEDC participated in the 'Local Economies in Transition – LETI' program through the Economic Developers Council of Canada (EDCO). The goals of 'Local Economies in Transition (LETI)' was to assist Ontario's economic development officers (EDOs) and other persons engaged in economic development, in understanding investment attraction/retention factors, the site selection process, and to become completely 'investment-ready'. The project is also designed to assist Ontario's EDO's and other persons involved in economic development to optimize and promote the local investment conditions to support local business growth and retention. The Board of Directors wanted to closely examine the investment attraction/retention factors that could assist the Greenstone region in becoming investment-ready. Strengthening the Greenstone region's business sector would assist in strengthening the overall diversification of the local economy. Twenty communities in Ontario were selected to participate. GEDC had contacted private and public sector partners, First Nation partners and local government officials to participate in the project.

Participation in the LETI exercise subjected the community to a true test of Investment Readiness. The Greenstone region learned a great deal about its true strengths and weaknesses which set the wheels in motion to take the appropriate next steps. Recommendations from the LETI program clearly demonstrated that the Greenstone region was not prepared for new investment. Discussions held with the local Northern Development Officer of the MNDM resulted in the introduction of the Northern Communities Investment Readiness Program operated by the GO North division of the Ministry of Northern Development and Mines. As a result in late 2008 and early 2009 GEDC undertook eight different projects aimed at preparing the Greenstone region for future investment.

The Northern Communities Investment Readiness (NCIR) initiative promotes and supports a strong investment attraction climate in Northern Ontario. The NCIR initiative assists northern communities to develop the tools and capacity to attract, receive and successfully explore investment opportunities. The funding is intended to first address gaps in general investment readiness and then build upon targeted investment initiatives. The initiative aids in the development of essential and strategic community tools and capacity to help northern communities attract, receive and retain investment opportunities.





The list of completed projects included the following:

Greenstone Region Land Asset Inventory (*Available Property Database*)  
Greenstone Region Visual Satellite Imagery (*Database Enhancements*)  
Greenstone Region Visual Satellite Imagery of Asset Inventory (*Business Directory*)  
Greenstone Region Asset Inventory (*Inventory Reference Report*)  
Greenstone Region Ambassador Training  
Greenstone Region Market Study  
Greenstone Region Gap Analysis

Upon completion of the projects, the GEDC Board determined that further gaps existed and needed to be rectified. One gap in particular dealt with the mineral sector; more specifically the fact that the Greenstone Business Community had no idea what to expect if the Premier Gold Mines Limited project or Ring of Fire came to fruition and more importantly how to prepare for it. So at the end of 2010 through the beginning of 2011, GEDC undertook a second wave of projects to address the mineral sector:

Greenstone Region Mining Sector Strategy / Gap Analysis  
Greenstone Mining Familiarization Tour – Red Lake  
Greenstone Region Investment Readiness Package  
Greenstone Region Ambassador Training II  
Greenstone Comparative Operational Study  
Greenstone Labour Market Study  
Greenstone Region Familiarization Tours

The NCIR program involved fourteen individual projects, which significantly assisted in guiding our next logical steps which led to the successful completion of our reports, the development of online database applications and Familiarization tours. Without the assistance of the NCIR program, Greenstone would not be at the investment ready stage it is now.

## Purpose of Report

The purpose of this report is to update Greenstone stakeholders and the business community on the status of current and previous issues that arose from the Northern Community Investment Readiness projects undertaken by Greenstone Economic Development Corporation. The Greenstone Economic Development Corporation maintains the viewpoint that the investment readiness platform is a key function in the preparation of the Greenstone region both in short-term and long-term future investment expansions or attractions.

**Each section of the report provides an overview of the original project and recommendations made at the time; followed by a 2014 update in blue.**





# GREENSTONE REGION ASSET INVENTORIES

October 2009  
GEDC



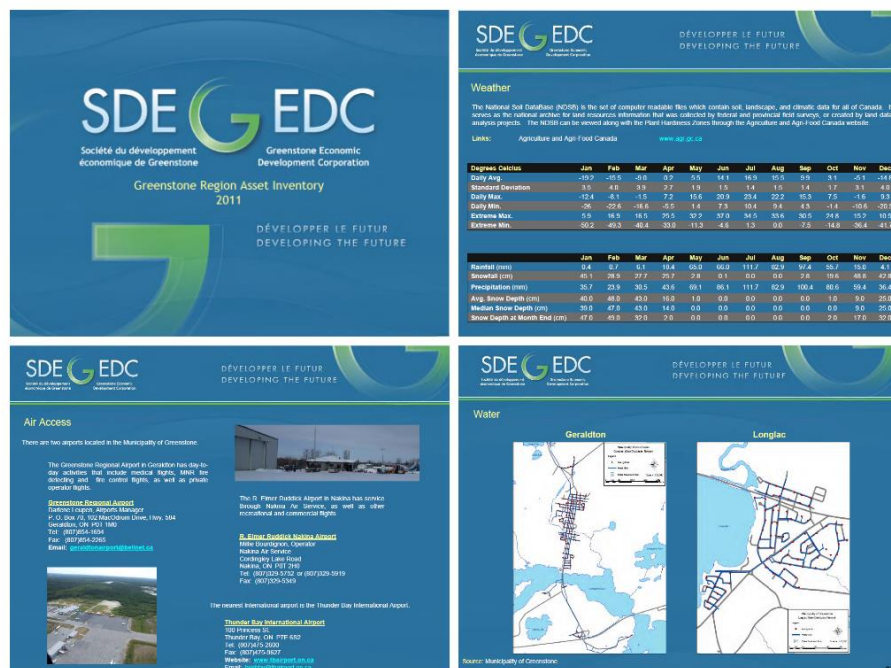
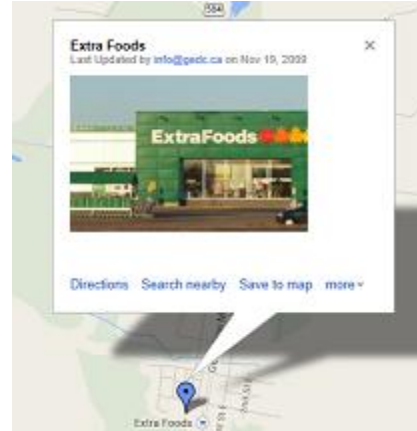
**SDE G EDC**  
Société du développement  
économique de Greenstone      Greenstone Economic  
Development Corporation

DEVELOPING THE FUTURE  
DÉVELOPPER LE FUTUR



The asset inventories projects included 4 projects in 2009 with a launch in October. A land asset inventory with visual satellite imagery and an asset inventory with visual satellite imagery were developed.

The Business Directory has been on the GEDC website for 5 years with 300+ businesses and services from across the Greenstone region. It has been utilized by citizens looking for specific services, by site selectors to see if a business could be viable in Greenstone and by visitors looking for a place to eat or sleep. All the businesses have a satellite imagery attached to them so people can get a direct map to the location of each business. Based on feedback from the community, GEDC enhanced its business directory in 2012. The new directory makes use of a powerful web based database system, which allows for storage, retrieval and handling of data any number of ways. The new system allows for in-depth sorting, searching, and filtering by sector/community/etc for example. Information can be customized and filtered to meet specific needs with printable results. The new technologies allow GEDC to incorporate new ideas based on the growing community needs.



The project included the development of a 50 plus page asset inventory that can be given to site selectors or other individuals wanting to find out more about Greenstone or the business community. The inventory includes information such as taxes, hydro rates, community events and local employers.

The land asset inventory is an inventory of all commercial property available throughout Greenstone. It can be separated into community and property type. The application on the GEDC website has been home to many properties and has aided in the sale of these lands for organizations and the relocation of other enterprises to the Greenstone area.





The inventory is very customizable to each users' needs giving satellite imagery as well as the option of photos and blueprints of the location. The inventory has also been utilized by the Municipality of Greenstone to highlight properties in the region.

Community: Any Property Type: Any Filter Listings

**CHILL on the Corner**  
 Property Type : Commercial Retail Status : For Sale View Details  
 Community : Geraldton Price : \$175,000

**310 Main Street**  
 Property Type : Commercial Status : For Sale View Details  
 Community : Geraldton Price : \$

**108 Algoma Street**  
 Property Type : Commercial Status : For Sale View Details  
 Community : Nakina Price : Call for Price

**IMEXKO Greenstone Ent.**  
 Property Type : Industrial Status : For Lease View Details  
 Community : Geraldton Price : \$

**Le Chateau Bed & Breakfast**  
 Property Type : Commercial Residential Status : For Sale View Details  
 Community : Geraldton Price :

**Imperial Rooms**  
 Property Type : Commercial Status : For Sale View Details  
 Community : Geraldton Price :

**E-F Heaters Ltd.**  
 Property Type : Industrial Status : For Sale View Details  
 Community : Longlac Price : \$225,000

**Levesque Glass**  
 Property Type : Commercial Status : For Lease View Details  
 Community : Longlac Price : \$420,000

**Levesque, Mario**  
 Property Type : Commercial Status : For Lease View Details  
 Community : Longlac Price : \$430,000

GEDC has seen a lot of changes over the last twenty-five years and ...  
[read more](#)

**Youth Enterprise Camp**  
 Youth Enterprise Camp - 12th Edition GEDC is thrilled to be offering ...  
[read more](#)

**GEDC Announces BR+E**  
 GEDC Announces Greenstone BR+E Survey Project Greenstone Economic ...  
[read more](#)

**Harper Gov't Invests to Support**  
 Harper Government Invests to Support Business Development and Growth ...  
[read more](#)

[View all News](#)

**Testimonials**  
 "I've been impressed with GEDC's professionalism and speed in providing service to us and I am especially thankful for their discretion and confidentiality with the way we've been treated."  
 Ryan Mackie  
 Regional Manager Northern Ontario Activation Laboratories

The LIVE WORK PLAY pages on the GEDC website were developed utilizing the different aspects of these projects which make the information easily obtainable for the internet visitor.

The inventories are an on-going process and GEDC is committed to keeping all the components updated and relevant.

## Update 2014

The Greenstone Region Asset inventory has gone through 2 updates since the initial launch; and is expected to undergo an overhaul in 2015.





# GREENSTONE REGION GAP ANALYSIS and MARKET STUDY

January 2010

Matthew Fischer & Assoc. Inc.



**SDE G EDC**  
Société du développement  
économique de Greenstone Greenstone Economic  
Development Corporation

DEVELOPING THE FUTURE  
DÉVELOPPER LE FUTUR

In 2009 Matthew Fischer & Assoc. Inc was tendered to complete a regional gap analysis and market study. The report went into detail about Greenstone's current situation and the basics in economic development and the key points were derived via the following methods.

The Greenstone Region Gap Analysis was conducted through face to face interviews with stakeholders in the community to identify gaps or weaknesses that exist in the infrastructure supporting the local economy as well as identifying opportunities for new economic development.

An Economic Analysis of the Greenstone Region shows which business types are under-represented in the local economy and thereby represent opportunities for entrepreneurial development.

A Market Study to identify targeted business sectors and make recommendations on programming for the Greenstone Region.

The report had *six recommendations* for Greenstone. See below.

## **INFRASTRUCTURE GAPS**

All the communities of Greenstone enjoy urban services to a greater or lesser degree. There are piped sewer and water services, hydro and natural gas, high speed internet and 3G cell service throughout most urban areas. These are advantages that other Northern communities don't always possess.

However there are gaps in the infrastructure.

### **Sewage Treatment Capacity**

Data obtained from the Ontario Clean Water Agency highlights the fact that **Longlac** and **Geraldton** are experiencing maximum flows more than double the design capacity of their sewage treatment plants. Unless this issue is resolved, it is possible that there could be a freeze imposed on new development. The sewage treatment facilities in **Nakina** are approaching capacity.

The 2009 data for the waste water plants are as follows:

Water/Sewage Capacity		Sewage	Water
Beardmore	Avg.	302 m3/day	753 m3/day
	Max.	463 m3/day	
	Design	1,362 m3/day	
Nakina	Avg.	476 m3/day	2,000 m3/day
	Max.	1,556 m3/day	
	Design	1,704 m3/day	
Longlac	Avg.	1,848 m3/day	4,550 m3/day
	Max.	<b>5,835 m3/day</b>	
	Design	<b>2,454 m3/day</b>	
Geraldton	Avg.	1,904 m3/day	6,048 m3/day
	Max.	<b>5,605 m3/day</b>	
	Design	<b>2,500 m3/day</b>	



The average and max flows are 2009 data. The design flows are per the Certificate of Approval (C of A) and/or the Ministry of Environment (MOE) inspection reports.

#### **Recommendation**

It is recommended that the Municipality of Greenstone make an urgent appeal to the Provincial government for assistance in upgrading sewage treatment capacity in the communities of Longlac and Geraldton or risk losing development opportunities arising from the development of gold mines by Premier Gold Mines Limited and other players now working in the community.

#### **Update 2014**

The 2013 data for the waste water plants are as follows:

Water/Sewage Capacity		Sewage	Water
<b>Beardmore</b>	Avg.	175 m3/day	93 m3/day
	Max.	463 m3/day	169 m3/day
	Design	1,362 m3/day	753 m3/day
<b>Nakina</b>	Avg.	462 m3/day	213 m3/day
	Max.	1,389m3/day	424 m3/day
	Design	1,704 m3/day	2,000 m3/day
<b>Longlac</b>	Avg.	1,538 m3/day	783 m3/day
	Max.	9,427 m3/day	1105 m3/day
	Design	2,454 m3/day	4,550 m3/day
<b>Geraldton</b>	Avg.	1,587m3/day	1217 m3/day
	Max.	5,455m3/day	2663 m3/day
	Design	2,500 m3/day	6,048 m3/day

The average and max flows are 2013 data. The design flows are per the Certificate of Approval (C of A) and/or the Ministry of Environment (MOE) inspection reports.

The MOE defines Rated Capacity (or Design Capacity value in the table) as the average daily flow for which works are approved to handle. By this definition all of the plants are operating within the design flows.

In the Nakina and Longlac approvals there is a wet weather flow defined and for the Geraldton plant there is a peak flow defined in the certificate of approval (also referenced in the MOE inspections).

The Nakina wet weather flow is 5030 m3/day, Longlac wet weather flow is 7270 m3/day and Geraldton peak flow is 7500 m3/day.

There have been no changes to the plants that would change the design flows.

*Source of Update: Process and Compliance Technician, Ontario Clean Water Agency*

#### **Nakina Airport Infrastructure**

There is significant growth in demand for air service out of Nakina due to the surge in prospecting throughout the north, as well as the excitement that has been generated as a result of the public announcements by Noront Resources Inc. and Cliffs Natural Resources about the development of their "Ring of Fire" properties.





Three improvements at the airport are necessary to capture this growth.

- An extension of the runway from the existing 3,500 ft to 5,000 ft.
- An increase in the fuel storage capacity from the current 50,000 liters (1½ day supply) to at least two tanks of 70,000 liters each.
- The development of commercial/industrial building lots to serve additional air service companies opening up the north.

A weather delay or other impediment to the delivery of fuel to Nakina can ground aircraft until there is delivery of additional fuel. This severely undermines the reputation of the Nakina Airport as a secure supply and service point for the north.

### **Recommendation**

It is recommended that the Municipality of Greenstone take immediate steps to extend the runway at the Nakina Airport to 5,000 ft., and add to the fuel storage capacity available on site.

It is also recommended that the Municipality develop a limited number of building lots (similar to what has been done at Geraldton Airport) to ensure the continued growth and development of air services business and the Nakina Airport itself.

### **Update 2014**

Updates on the three recommended improvements for Nakina Airport:

An Airport Business Attraction Strategy was completed in December 2011 by GCK Consulting for the Municipality of Greenstone identifying issues with the two Greenstone Airports. The Nakina Airport has been identified as the cargo airport while the Geraldton Airport has been identified as the passenger location. It has been determined that the Nakina airport runway cannot be extended due to neighbouring lake and road infrastructure, but any aircraft unable to utilize the runway can use the one in Geraldton so larger aircraft could use the Geraldton Airport.

It was recommended that an increase in the fuel storage capacity at the airport from the current 50,000 liters to two tanks of 70,000 liters each. An additional 25,000 liters of Jet A-1 fuel storage tank was installed in 2012 bringing the current capacity to 75,000 liters. In 2013 Council approved the installation of an 80,000 liters Jet A-1 fuel storage tank, so our current capacity is more than sufficient for the current and future operations.

The development of commercial/industrial building lots at the airport to serve additional air service companies opening up the north - the Municipality hired LPS Aviation Inc. to do a study in regards to airport development which was completed in April 2013. The Airports Advisory Committee is working on the outcome of the study, and hope to proceed with some development this year pending approval.

For more information please visit the link below on the Municipality of Greenstone web site where you can read the March 25, 2014 minutes of the Airport Advisory Committee.

<https://greenstone.civicweb.net/Documents/DocumentDisplay.aspx?Id=6883>

*Source of update: Manager of Airports, Municipality of Greenstone*



### Geraldton Airport – New Flight Service

Wasaya Airways LP held an Official Ribbon cutting ceremony June 2, 2011 to announce their new passenger service at the Geraldton Regional Airport. <http://www.wasaya.com/destinations/>

### **Provision of “Shovel Ready” Industrial Land in Geraldton**

Inquiries of the Municipality of Greenstone reveal that the current inventory of municipal industrial land consists of two parcels:

#### Longlac

936.5 acres of undeveloped land on the northeast side of Longlac

#### Geraldton Airport (for lease only)

- ~ 4.2 acres of partially serviced land at the Geraldton Airport
- The property is divided into 9 lots of 0.45 acres each, serviced with water (septic tanks are permitted) available for lease from the Municipality.

The large tract of land in Longlac will be of limited interest to the mining operations in Geraldton due to distance. It is however well suited for the development of a new mill sometime in the future and therefore should be held by the Municipality for future development.

The development of a small tract of building lots at Nakina Airport similar to those recently opened at the Geraldton Airport would put both facilities in a good position to attract new air service companies servicing Premier Gold Mines Limited and the Ring of Fire properties.

The Premier Gold Mines Limited site is right on the Trans-Canada Highway 11 and in fact a re-alignment of the highway around the mine is being considered. To take full advantage of this large capital investment, it is imperative that the Municipality move quickly to address the sewage capacity constraints as already referred to in our recommendations and add a supply of “shovel ready” industrial land in the Highway 11 corridor in Geraldton where most of the mining activity will take place. “Shovel ready” is a term used by Site Selectors and refers to land that is zoned, serviced and immediately available for sale to an appropriate user.

### **Recommendation**

In addition to the land recommended for development at the Nakina Airport; the creation of an industrial park between 40 and 60 acres with room to expand along the Hwy 11 corridor was recommended. The land should be zoned industrial and subdivided into serviced building lots of 2.5 to 5.0 acres.

### **Update 2014**

On February 24, 2014 the Municipality of Greenstone held a Public Meeting. The purpose of the meeting was to consider policy modifications to the 2010 Official Plan designed to implement a Growth Management Strategy for the Municipality of Greenstone. For more information on the presentation by Glenn Tunnock, Tunnock Consulting Ltd., follow this link.

<https://greenstone.civicweb.net/Documents/DocumentDisplay.aspx?Id=5816>

Source of update: Director of Protective & Planning Services, Municipality of Greenstone

### **Geraldton Airport Development**

Construction began in 2013 for The Greenstone Regional Skills Centre located at the Geraldton Airport with a tentative opening date of September 2014.

<http://investingreenstone.ca/greenstone-regional-skills-centre-p346.php>



### **Sufficient Labour Supply**

For relocating businesses the two most important site selection criteria are typically the immediate availability of land or buildings to suit their requirements and an adequate pool of labour from which to draw their potential employees. The quality of the labour pool becomes more critical as the skill levels increase.

The collapse of the forestry industry in the region was a double edged sword. It has caused anguish and pain for hundreds of families but it has also assured an ample supply of labour to meet the demands of the mining companies and their contractors currently considering new projects in the Greenstone area. However, as time progressed numerous workers had to move away while others stayed; they do rotational work out of the area.

### **Update 2014**

GEDC conducted a Labour Market Study in 2010 – 2011 which is discussed later in this document complete with updates of action items identified.

The North of Superior Workforce Planning Board released a report called the Occupational Time Continuum in Mining 2014 – 2023 discussing some mining employment projections.

<http://www.nswpb.ca/assets/files/Occupational%20Time%20Continuum%20in%20Mining%20%28March%2028-2014%29.pdf>

Premier Gold Mines Limited reported in 2014 that their labour force requirements are in the order of 340 for the operations at the Hardrock project and 125 at the Brookbank Property, with a goal of sourcing labour locally.

*Source of Update: Preliminary Economic Assessments Hardrock and Brookbank Projects  
February 2014, Premier Gold Mines Limited*

To keep updated on Premier Gold Mines Limited Greenstone Project please visit their website:

<http://www.premiergoldmines.com/s/Home.asp>

A Ring of Fire Aboriginal Training Alliance Initiative (RoFATA) was launched in October 2013 representing partnerships between Matawa First Nations – Kiikenomaga Kikenjiigewen Employment and Training Services (KKETS), Noront Resources Ltd. and Confederation College of Applied Arts and Technology. The objective was to provide training to support Mattawa First Nations people through a three tier trades program. As of May 2014 Tier 1 was complete.

*Source: Confederation College – Media Releases <http://www.confederationc.on.ca/node/13905>*

### **Security of Supply of Electricity**

Several of our interviews highlighted a problem with the electrical supply in the region. Because Greenstone is on the end of the transmission line and there is no line looping in from the east, the security of supply is limited. There are reports of frequent voltage spikes and loss of power.

Secure power supplies will be required by the mining operations for processing the ore. The issue will be an economic one; but, by working together along Highway 11, the mining companies and the Municipality of Greenstone might have a chance to influence Hydro One to twin the transmission lines serving the area thereby securing the supply for all users.



## Recommendation

It is recommended that the GEDC convene a meeting of power users who are or expect to be operating in the Geraldton/Beardmore Gold Camp, along with representatives from the Municipality and the Chamber of Commerce to develop a list of (future) power requirements for discussion with Hydro One to see if there is an economic method of improving the hydro service to the region.

## Update 2014

In January 2012, GEDC undertook a preliminary research to address the viability of a Gas Turbine being used to provide electricity for a Ferrochrome Plant for mining activity in the Ring of Fire.

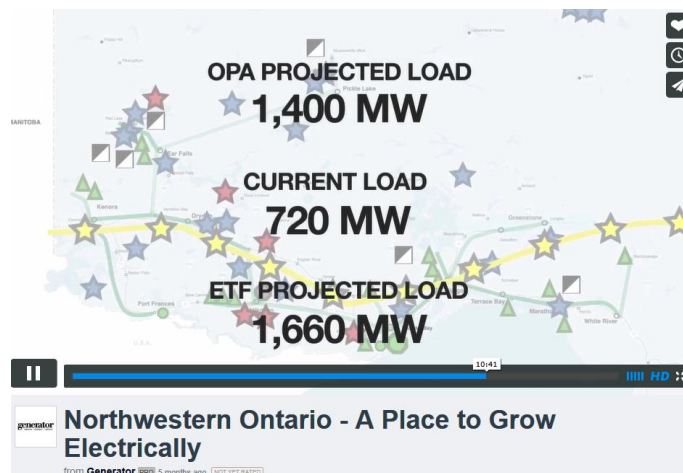
- Ferrochrome processing plants require approximately 250-300 MW of power and approximately 1,900,000 MWh's of energy per year.
- A 250 MW facility could produce approximately 1,900,000 MWh's of energy per year; whereas a 300 MW facility could produce approximately 2,300,000 MWh's of energy per year.
- Initial research of Energy production, Energy costs, Construction costs, Operation and Maintenance Costs determined that a Gas Turbine could be a comprehensive Energy Solution.

*Source: Former GEDC Executive Director, Mining and Energy Sector GEDC Board Member Representatives.*

The Municipality of Greenstone, stakeholders and consultants are actively seeking solutions to solve the regions electricity issues. The process of securing a reliable electrical supply is still ongoing pending Government and Power Supply Agency action. The Ontario Government has approved a \$40,000 grant that will be used by the Municipality of Greenstone to examine its energy needs and ensure it has the capacity to participate in future economic development opportunities.

<http://news.ontario.ca/mndmf/en/2014/04/supporting-economic-development-in-superior-north-region.html>

This problem is not unique to our region, but a Northern Ontario issue. There is an interesting video called: "Northern Ontario- A Place to Grow Electricity" viewable at <http://vimeo.com/80398490> A screenshot from the video shows current loads and anticipated loads with expected development by 2018 / 2020 – from Mineral Activity (blue stars), Mill Activity whether new / existing sawmills and pellet mills (red stars) and Trans-Canada Pipeline Activity (Yellow Stars).





## ***Opportunities in the Forestry Sector***

### Longlac Wood Industries

By 2012 a local group acquired control of the former Longlac Wood Industries mill from Kruger Industries. A new consortium called Kenogami Industries Inc. (KII) had been created made up of:

- Rocky Shore Development Corporation of Ginoogaming First Nation,
- Boreal Resource Industries, a group of former Longlac Wood Industries employees, and
- Greenstone Development Ltd., a new corporation created by the Municipality of Greenstone

The agreement with Kruger Industries transfers the title to the lands and buildings of the former plywood operation, along with a contribution from Kruger of \$500,000 towards site remediation. The property consists of two buildings: one of 150,000 square feet and the other of 231,000 square feet.

The objective of the Consortium is to preserve the asset (land and buildings) in Longlac and to seek other potential interests able to re-establish production in a value added wood products operation.

The Consortium is considering a report from Woodridge Associates (Vancouver) on a \$120 million project to establish a parallel strand lumber operation. However at this point in time no investor has been identified and concern was expressed by some interviewees that the operating costs would be too high to make the project viable under current market conditions which include a depressed construction industry, high costs and barriers to wood exports to the US.

### **Update 2014**

For the most part the Forestry Industry in the Greenstone Region remains inactive with local mills still non-operational. There is however some woodlands operations in the region as a result of the re-opening of the Terrace Bay Mill.

Aditya Birla Group purchased the Terrace Bay Mill in July 2012 and AV Terrace Bay Inc was formed. As part of the Aditya Birla Group, AV Terrace Bay's focus is to produce pulp products, with the intention of converting to specialty pulp products (dissolvable grade pulp) for the group's textile industry. The Aditya Birla Group is a 40 billion US\$ corporation in the League of Fortune 500 companies. With operations in 36 countries, the Group is anchored by an extraordinary force of over 136,000 employees, belonging to 42 different nationalities. In 2011, Aditya Birla was ranked fourth globally and first in the Asia-Pacific region, in the "top companies for leaders" study. More recently, the Group topped the Nielsen's Corporate Image Monitor 2012-13 and emerged as the Number 1 corporate, the 'Best in Class'. It is also ranked first in the production of viscose staple fiber textiles, worldwide.

The Terrace Bay Mill reopened in July 2012 and is currently producing Northern Bleach Softwood Kraft (NBSK) pulp for fine paper. They have major environmental projects planned and have completed \$25 million dollars of upgrades to the Mill. Their future plan is to convert to dissolving pulp by 2016, although there have been recent investigations into running craft pulp and dissolving pulp side by side. AV Terrace Bay Inc currently employs 350 people.

*Source: General Manager, Superior North CFDC, Terrace Bay*



### Staged Competition for Crown Wood Supply

On November 26<sup>th</sup>, 2009 the Ontario Ministry of Northern Development, Mines and Forests announced changes to the way in which wood resources will be administered in Ontario. They opened a competitive process for the use of about 11 million cubic metres of wood. The competitive process is open to anyone – including existing and new forest companies – interested in using Crown wood supply and investing in Ontario. Proposals will be evaluated on a number of criteria, including fostering effective, cooperative relationships between industry and Aboriginal communities.

This opens up new opportunities for the use of large amounts of wood that are currently controlled by businesses no longer in production.

At this stage it is not clear what the implications will be for the forest tracks around Greenstone or the supplies of wood previously reserved for the mills in Greenstone.

### Update 2014

As of March 2012, the Stage II: Provincial Supply Competitive Process was complete – Ontario issued 46 wood supply offers, of which 41 summarized in their “Final Wood Supply Offers by Management Unit”. The other 5 will not be proceeding...for more information please visit [http://www.mnr.gov.on.ca/en/Business/Forests/2ColumnSubPage/STDPROD\\_091578.html](http://www.mnr.gov.on.ca/en/Business/Forests/2ColumnSubPage/STDPROD_091578.html)

On April 5, 2011 WaWasum Corporation near Greenstone accepted a wood supply offer from the Province of Ontario. This enterprise will use the wood to produce clean-burning wood pellets for energy production. Visit <http://papasay.ca/businesses/pellet-plant/> for more information.

## ***Opportunities in the Mining Sector***

### Ring of Fire

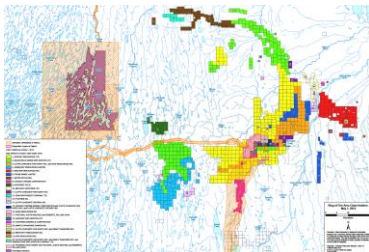
One of the most significant developments in the Canadian mining industry over the last few decades has been the discovery of huge deposits of precious metals in the area called the “Ring of Fire” in the James Bay lowlands, 300 km north of Greenstone.

Nakina stands to be the logical supply point for the Ring of Fire as well as the Victor Diamond Mine operated by De Beers which lies to the east.

### Update 2014

As of April 22<sup>nd</sup>, 2014 there were 11,756 Ring of Fire claim units in good standing covering an area of 1,881 km<sup>2</sup>. There were 21 companies and two individuals holding those claim units.

Please see **Appendix B** – Ring of Fire Claim Holders: May 1, 2014; Courtesy of Ministry of Northern Development and Mines – Ring of Fire Secretariat.



For more information about the Ring of Fire Secretariat, please visit their website at:

<http://www.mndm.gov.on.ca/en/ring-fire-secretariat>

There is currently one active exploration project which is the KWG Resources Inc / Bold Ventures Inc, Koper Lake Black Horse Chromite deposit project, whose recent May 17, 2014 press release revealed the presence of Gold in addition to



Chromite. For more information please visit: <http://kwgresources.com/news/2014/> or <http://www.boldventuresinc.com/news#!all>

Noront maybe proceeding with some Environmental Assessment Baseline work for their Eagles Nest Project; and in addition a recent May 23, 2014 press release indicated that they had acquired Cliff's Chromite Ontario Exploration Camp...

<http://www.norontresources.com/?pressreleases&pressreleasesMain=1>

Other news for the Ring of Fire includes the signing of a regional framework agreement between the Provincial Government and the Mattawa First Nations as highlighted in the March 26, 2014 press release below:

<http://news.ontario.ca/mndmf/en/2014/03/ontario-first-nations-to-work-together-on-ring-of-fire.html>



On June 17, 2014 the Northern Policy Institute released a report on the Ring of Fire Infrastructure Development, which as stated in their press release provides timely recommendations for government and industry on proposed infrastructure development in the Ring of Fire. The report is written by Nick Mulder, former Deputy Minister of Transport Canada, and discusses how a model similar to the Airport/Port Transportation Authority model would be a more effective model in the Ring of Fire Infrastructure development than a traditional Crown Corporation model. To read the press release and the report titled "Ring of Fire Authority Model by Nick Mulder" visit [www.northernpolicy.ca](http://www.northernpolicy.ca)

#### Beardmore/Geraldton Gold Camp

Geraldton was founded originally as a gold mining camp known as Little Longlac in the early 1930's. Ten gold mines fed the fires of a booming local economy for more than 30 years until a combination of market forces and a world gold price of \$35 per ounce made the gold fields uneconomic.

Now some 40 years later, the world price of gold is at record high prices (*C\$1,390 per ounce May 8, 2014*) making these properties once again attractive for mining. Premier Gold Mines Limited is currently planning mining operations to commence in the next few years on their Geraldton Hardrock and Brookbank Projects.

#### Update 2014

The Ontario Geological Survey, Ministry of Development and Mines, is a great source of information for current activity; such as the Month End Reports that can be viewed at:

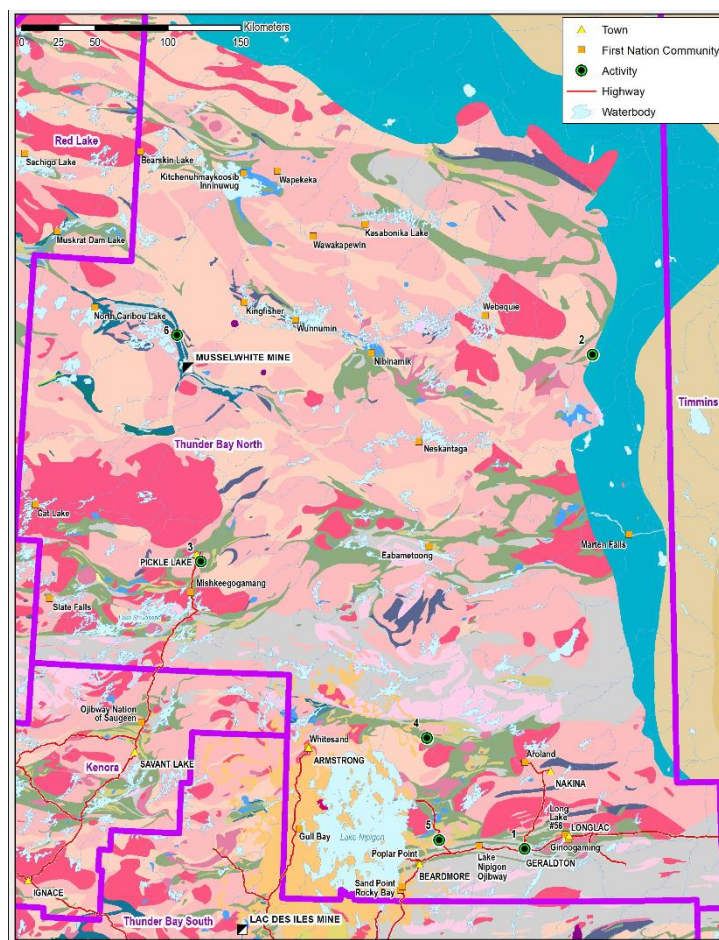
[http://www.mci.mndm.gov.on.ca/mines/ogs/resgeol/reports/default\\_e.html](http://www.mci.mndm.gov.on.ca/mines/ogs/resgeol/reports/default_e.html)

The map on the next page shows activity for March 2014, with the numbering as follows:

1. **Premier Gold Mines Limited**
2. Bold Ventures Inc/Fancamp Exploration Ltd. /KWG Resources Inc.
3. GoldON Resources Ltd.
4. Landore Resources Limited
5. **Laurion Mineral Exploration inc.**
6. Romios Gold Resources Inc.

Number 1 and 5 are in bold as they are within the Greenstone Area.





Source: <http://www.mci.mndm.gov.on.ca/mines/oqs/resgeol/reports/2014/tbn-14-mar.pdf>

On January 28, 2014 Premier Gold Mines Limited announced their PEA findings which form the basis for formal project description, to be submitted to the Federal and Provincial governments and begin the formal environmental assessment process. Following these steps would be Pre-Feasibility Study, Feasibility Study, Environmental Permitting, Consultations, Project Approval; leading to a possible construction phase in 2016. Visit their website for more information and other news releases [http://www.premiergoldmines.com/i/pdf/2014-01-28\\_PEA\\_Presentation.pdf](http://www.premiergoldmines.com/i/pdf/2014-01-28_PEA_Presentation.pdf)

In addition, Laurion Mineral Exploration has exploration activity on their Ishkoday Gold property (formerly Sturgeon River) in the Jellicoe Area. They recently completed a small diamond drill program and have future plans for extensive exploration. There also is possible activity to come from Goldstream Exploration Ltd. – Hardrock East Project east of Longlac and also Rocktech Lithium with their Georgia Lake Property

Source: Ontario Geological Survey, Ministry of Northern Development and Mines

## Opportunities in the Tourism Sector

Two of the communities in Greenstone, Geraldton and Longlac appear to have a fairly large inventory of transient accommodations (hotel and motel rooms) which undoubtedly date back to the 1970's; when both the gold mines in Geraldton and the mills in Longlac were attracting commercial and business travelers to the area.





With the exception of the Four Winds Motel in Longlac which undertook significant expansions (13 and 20 additional rooms respectively) in 1997 and 2006, most of the inventory is somewhat dated and it appears there has not been a substantial re-investment in some years.

The same can be said for Nakina. There is a motel bordering the airport but we were told there are no restaurants open currently to serve travelers heading north through Nakina Air Services.

Both the Ring and Fire and the Beardmore/Geraldton Gold Camp estimate they will become substantially underway in 2016. They will generate new demand for accommodations and food and beverage services.

Prudent entrepreneurs may wish to begin making plans to service that demand.

It is important to note that hotels, restaurants and other tourist services do not generate new economic activity themselves – they merely serve the demand that already exists for their services.

In addition to the commercial travelers visiting the mines and mills, there is a small but high value added market for outfitting hunters and fisherman heading north to the approximately 100 wilderness camps operated by the 15 outfitters, which are served by Nakina Air Service and Leuenberger Air Service.

The hunting and fishing market is currently depressed due to economic conditions, the exchange rate and the increasing difficulties Americans have travelling outside their own country; however, as access to the north is improved as a result of the development of the Ring of Fire, this could lead to additional business opportunities although it is pretty early to tell.

## **Update 2014**

The Municipality of Greenstone has hired a Tourism Coordinator who will be focusing on the development of a Greenstone Tourism Strategy and building regional partnerships. The Municipality of Greenstone along with the Longlac and Geraldton Chamber of Commerce sent 3 representatives to the CMT Trade Fair in Stuttgart Germany; to promote our region in the largest public trade fair for tourism and leisure in the world. There are forty plus Greenstone Tourism outfitters and accommodations within the region with historical ties to successful hunting and fishing markets; these businesses are experienced and knowledgeable about their clients, markets and services. The 2014 GEDC Greenstone BR+E study identified the need for improved signage, marketing packages, network creations, cellular / internet communication. Current target clients are hunters and fisherman located in Southern Ontario, and US States – Wisconsin, Michigan, Ohio and Illinois. As of May 11, 2014 a new restaurant called “LandMark Restaurant” opened in Nakina and is open seven days a week.

## ***Opportunities in the Service Sector***

The return of the gold mines and the new opportunities stimulated by the exploitation of the Ring of Fire will stimulate economic activity in Greenstone. It will be like turning on the tap in the bucket and watching the water level begin to rise. (See **Appendix A**) The re-growth of the region’s Basic Industries will stimulate a wide range of personal and business services.

GEDC’s role is obvious. As the primary provider of “Business Advisory Services” they are going to be needed to counsel potential business people and assist them in undertaking the market research and business planning that will contribute to their success.



GEDC is well placed to support increased levels of entrepreneurial activity. Their investment fund has been re-capitalized and they have 2.75 million available to support new businesses in the community.

**Recommendation**

It is recommended that Greenstone Economic Development Corporation launch an Awareness Campaign with the aim of informing the Greenstone region about the services provided by GEDC to the business community including the availability of capitalization to support all businesses in the community.

**Recommendation**

It is recommended that GEDC and the Municipality of Greenstone meet regularly to agree on roles and responsibilities in economic development programming, with particular attention paid to responding to inquiries from prospective investors.

**Update 2014**

Lending over the past 7 years has been most difficult partly due to the challenging economic times faced by the region and the uncertainty due to a collapse in the forestry sector. GEDC undertook an awareness campaign in 2010 to 2013 which was determined a success with a disbursement of 14 new loans over the period even though the economic situation of the region is not at its fullest. Since then the Board of Directors has witnessed a significant change in the area and recognizes the need to undertake a comprehensive Investment Fund Strategy, developing a 2014 – 2015 work plan. This plan will look at new IF Strategy Goals through Micro Loans, Growth Sector Development, Professional Development Seminars / Workshops, Advertising and Business Services.

GEDC, the Municipality of Greenstone and stakeholders participate in numerous events and sessions. They share information on a regular basis in order to avoid duplication of efforts and financial resources on local initiatives. In addition, GEDC is undertaking a Re-branding process which will be instrumental in clearly communicating a brand that is recognizable by potential clients and/or prospects and will clearly define the role and mission of the Corporation's Board and staff for the Greenstone region.





# GREENSTONE REGION MINING SECTOR STRATEGY

March 2010

Matthew Fischer & Assoc. Inc.

**SDE G EDC**  
Société du développement  
économique de Greenstone Greenstone Economic  
Development Corporation

DEVELOPING THE FUTURE  
DÉVELOPPER LE FUTUR



Following the Gap Analysis, the mining sector was targeted for future development for the GEDC and Greenstone as a whole. Matthew Fischer & Assoc. Inc was once again engaged and delivered the Greenstone Region Mining Sector Strategy in March of 2010.

The “Greenstone Region Mining Sector Strategy” presented an approach to ensure that the local economy derives the greatest benefit possible from the expected developments in the mining sector - both in the Beardmore - Geraldton Gold Camp found in Greenstone’s backyard and in the mineral rich “Ring of Fire” located approximately 300 km north.

The report discussed the impact a mine would have on the Greenstone region and more specifically the jobs that would be created due to the mine. It also discussed how a typical mine procured for services. Along with reinforcing the recommendations from the Gap Analysis and Market Study, this report addressed three more recommendations.

### **Market Monitor**

The mining industry is very much like the food chain in nature with the little fish being food for larger fish which are food for even larger fish and so on.

This results in a high degree of merger and acquisition activity in the mining industry and it is very likely that when mines are finally developed in the Beardmore-Geraldton Gold Camp it will be by a different list of companies than those we have identified in this report. The same is true for the Ring of Fire.

During the short time during which this report was being prepared there were several very significant corporate announcements. This underscores the importance of maintaining a market watch on the companies that are active in the Beardmore/ Geraldton Gold Camp and the Ring of Fire.

We have provided web-sites of companies wherever possible and these are checked routinely for news of new discoveries, mergers, public offerings and acquisition activity. This is made somewhat easier due to the requirements of the Ontario Securities Commission and other regulatory agencies which insist on a fair degree of transparency in the industry.

### **Recommendation**

It is recommended that the Greenstone Economic Development Corporation assign a staff member to routinely monitor the web-sites and analyze reports for developments of interest among exploration companies active in the Beardmore-Geraldton Gold Camp and the Ring of Fire; they would also be responsible for disseminating this information to stakeholders in the community to ensure they are aware of changes that could have a bearing on the Mining Strategy.

### **Update 2014**

GEDC continually monitors relative web sites, reports, and attends sessions to keep a pulse on activities. The Ontario Geological Society (OGS) has numerous reports and informative website showing activity in the region; some of which are available at the GEDC office. Please see **Appendix C** for an excerpt of their “Report of Activities 2013”, which can also be viewed in its entirety at:

<http://www.geologyontario.mndmf.gov.on.ca/mndmfiles/pub/data/imaging/OFR6292/OFR6292.pdf>

There is also a Board of Director position designated to the Mining Sector providing relevant information and opportunities – this position is currently held by Moe Lavigne, KWG Resources





Inc. As mentioned in the Gap Analysis and Market Study section of this report, there are currently 11,756 claims in the Ring of Fire, this is down from approximately 30,000. At the time of writing this report, there is one active exploration project and that is the joint venture between KWG Resources Inc and Bold Ventures Inc., the Koper Lake project. As mentioned previously, on June 17, 2014 the Northern Policy Institute released a report on the Ring of Fire Infrastructure Development - To read the press release and the report titled "Ring of Fire Authority Model by Nick Mulder" visit [www.northernpolicy.ca](http://www.northernpolicy.ca)

With respect to the Beardmore-Geraldton Camp, GEDC continues to work closely with Premier Gold Mines Limited as they move into advanced exploration on their Hard Rock project. Premier's current plan includes shovel in the ground activity in early 2016. You can follow this link to get current news on their progress. [www.premiergoldmines.com](http://www.premiergoldmines.com)

As mentioned in the Gap Analysis and Market Study section there is also Laurion Mineral Exploration who have exploration activity on their Ishkoday Gold property (formerly Sturgeon River) in the Jellicoe Area. Rock Tech Lithium Inc. also has an interesting Lithium project on their Georgia Lake Property which is located approximately 160 km northeast of Thunder Bay approximately 25 km south of Beardmore. GEDC is staying in communication for new updates.

### **Labour Force Implications**

In the Gap Analysis prepared for the GEDC we noted that

*"The collapse of the forestry industry in the region was a double edged sword. It has caused anguish and pain for hundreds of families but it has also assured an ample supply of labour to meet the demands of the mining companies and their contractors currently considering new projects in the Greenstone area."*

The Greenstone Labour Adjustment Committee reported that 737 workers were affected by the closure of Longlac Wood Industries, Nakina Forest Products and Long Lake Forest Products and another 77 within the community whose layoffs could be attributed to those closures producing a total caseload of 814 affected workers in Greenstone.

As of October 31<sup>st</sup>, 2009 it was reported that 137 of those displaced workers were in school full time and 58% of the displaced workers (424) were still seeking employment opportunities. We understand that one of the popular training programs was for "diamond driller".

### **Recommendation**

It is recommended that the resumes of the displaced workers with the Greenstone Labour Adjustment Committee be reviewed for their relevance to exploration and mining operations. This will provide a picture of the training programs that need to be put in place to help prepare this available labour force for the expected jobs in the mining sector.

Mining was once a labour-intensive industry; however, improvements in equipment and the mechanization of many tasks have reduced the number of workers required. Wages have increased rapidly in recent decades, and the need to mine larger tonnages of lower-grade ores and to increase productivity has become more urgent. Consequently the industry has become more capital intensive, and, in many mines, investment in equipment now exceeds \$100,000 per miner. Concurrently the proportion of conventional miners has diminished, while that of mechanics, electricians, technicians, etc, as increased.

Emphasis on "Mining Technology" a program that is being offered at Confederation College is well placed. Consideration should be given to expanding the program to the Geraldton Campus to be close to the industry.



## **Update 2014**

The Business Retention and Expansion report recently released also emphasizes the need for trained workers by local business. Safe food handling, WHIMIS, smart serve, first aid, forklift training, propane safe handling, and management are some of the areas the businesses feel training should be provided. The BR+E Report is available on our website [www.gedc.ca](http://www.gedc.ca) in both official languages and also at the GEDC office. Our regional educational stakeholders, Greenstone Regional Skills Centre, Confederation College, Lakehead University, École Secondaire Chateau Jeunesse, the Geraldton Composite High School and Contact North continue to monitor the training requirements of industry and offer courses in the region to meet these workforce needs. When queried, Confederation College, is offering a “Mining Techniques” Program: <http://www.confederationnc.on.ca/mining>

### **Procurement Workshops/Seminars**

Should mining related construction begin in the region, there will be opportunities for local entrepreneurs to develop businesses to supply the material requirements of these developments.

Until such time, local entrepreneurs should be looking at potential opportunities and seeing what supply requirements they might be able to meet.

We recommend the GEDC take a lead in providing a series of workshops and seminars on supplying the mining industry from a local base.

We believe that there is benefit to the Greenstone Economic Development Corporation in cooperating with their counterparts in Thunder Bay to further develop the mining supply chains. This acknowledges that due to “economies of scale” there will be a range of products that need to be sourced in a larger market (fuel, explosives, reagents, etc.) but that there are also products with can more efficiently be supplied closer to the mine site.

### **Recommendation**

It is recommended that at the appropriate time, the Greenstone Economic Development Corporation invite those companies that are expected to undertake exploration and potential development of mine sites in the Beardmore/ Geraldton Gold Camp and the Ring of Fire companies to participate in procurement workshops with local entrepreneurs and suppliers to stimulate local sourcing of materials and services.

We say “at the appropriate time” because we suspect it would be premature to stage such a workshop now because it is still several years before development will begin on either the mine site or the railroad and it is unclear at this stage which companies will be involved.

## **Update 2014**

In February of 2011 GEDC invited the key players from the mining industry and businesses to Greenstone. There was ample opportunity for the business community to introduce themselves and inquire what materials or services they could provide in the near future. This event was well attended having over one hundred and fifty people participate in the afternoon networking and presentation session. See the “*Greenstone Region Familiarization Tour*” section of this report for more information. GEDC plans to do a similar Familiarization Tour in September of 2014 in order to provide the small and medium sized business sector with relevant information. It will give local entrepreneurs and businesses the opportunity to gain a better understanding on how to prepare to meet the future opportunities coming primarily from the mining industry but also other industries that follow.





# GREENSTONE MINING PROCUREMENT FAMILIARIZATION TOUR in partnership with RED LAKE

November 2010  
GEDC



**SDE G EDC**  
Société du développement  
économique de Greenstone      Greenstone Economic  
Development Corporation

DEVELOPING THE FUTURE  
DÉVELOPPER LE FUTUR

## Greenstone Mining Familiarization Tour - Red Lake, ON

GEDC traveled to Red Lake on November 12<sup>th</sup>, 2010 with 19 representatives from Greenstone. The purpose of the trip was to invite the Greenstone region's key business representatives and key stakeholders to travel to Red Lake to meet with the business community and economic development officials. The delegation was to undertake discussions in order to gain a better understanding of their experience within the mining sector due to an influx of investment. The Greenstone Region needed to capture a better understanding of the procurement needs of a mine and/or large mining project as it relates to mining products.



To be considered were: volume of products, quality of products and value-added procurement both in terms of goods and services with the goal of driving the procurement more locally. Large Corporation's procure in large volumes that are sometimes procured far away. The project sent the key stakeholders of the Greenstone region, including the Chambers of Commerce, Municipal Councilors, the business

community and GEDC Board representatives, to Red Lake in a reverse trade-show experience. The Greenstone region benefited through better understanding of a similar Northwestern Ontario community that has recently undergone similar investment in the Mining Sector, a key target market of the Greenstone Region. Building a procurement base that will meet the needs of the Mining Sector would be a key project benefit for the Greenstone Region. Greenstone will create new partnerships throughout the Northwest. It will also further assist the Senior Business Consultants within the Ministry of Economic Development and Trade to further understand the underlying opportunities within the Greenstone region and present them to their potential client base.

The following objectives were derived from the visit and numerous meetings with the attendees.

Objective 1: Preparation	
Action	Update
<p>1. Review and approve official plan while considering the following:</p> <ul style="list-style-type: none"> <li>• potential inflow</li> <li>• land acquisitions needed to expand territory</li> <li>• designate land for residential/industry</li> </ul>	<p>In February 24, 2014 a public meeting was held at the Municipal Council Chambers to discuss Policies for Growth Management Strategy. Presentation was done by Glenn Tunnock, of Tunnock Consulting Ltd.</p> <p>For more information please see "Growth Management" on the February 24, 2014 agenda page; (Municipality of Greenstone's website)  <a href="https://greenstone.civicweb.net/Documents/DocumentDisplay.aspx?Id=5821">https://greenstone.civicweb.net/Documents/DocumentDisplay.aspx?Id=5821</a></p>
<p>2. Familiarization with government legislation in order to prevent development delays due to the Species at Risk Act.</p>	<p>For current information on Species at Risk Act, please visit the Government of Canada, Justice Laws Website:  <a href="http://laws-lois.justice.gc.ca/eng/acts/s-15.3/">http://laws-lois.justice.gc.ca/eng/acts/s-15.3/</a></p>





3. Familiarization with government legislation in order to prevent development delays due to the Far North Act.	For more information please visit the Ministry of Natural Resources website for the Far North Ontario: <a href="http://www.mnr.gov.on.ca/en/Business/FarNorth/">http://www.mnr.gov.on.ca/en/Business/FarNorth/</a>
4. Familiarization with government legislation in order to prevent development delays due to the MNDMF (Ministry of Northern Development, Mines & Forests) regulations.	Ministry of Northern Development and Mines regulations are available at the following web site: <a href="http://www.mndm.gov.on.ca/en/mines-and-minerals">http://www.mndm.gov.on.ca/en/mines-and-minerals</a>  In addition please visit the Ring of Fire Secretariat website: <a href="http://www.mndm.gov.on.ca/en/ring-fire-secretariat">http://www.mndm.gov.on.ca/en/ring-fire-secretariat</a>
5. Familiarization with local First Nations archeological site values to expedite development.	The Indian and Northern Affairs Canada website provides a wealth of information on varying topics: <a href="http://www.aadnc-aandc.gc.ca/eng/1100100010002/1100100010021">http://www.aadnc-aandc.gc.ca/eng/1100100010002/1100100010021</a>

## Objective 2: Familiarize with Mining Sector

Action	Update
1. Gain a good understanding of the mining process.	The GEDC Mining Sector Strategy Report details a good understanding of the mining process. The Report can be viewed on the GEDC website below or at the GEDC office: <a href="http://www.gedc.ca/upload/documents/investment-readiness/final-mining-sector-strategy-wth-erratum.pdf">http://www.gedc.ca/upload/documents/investment-readiness/final-mining-sector-strategy-wth-erratum.pdf</a>
2. Gain an understanding of the needs and availability of Hydro.	The Municipality of Greenstone is aware of the lack of hydro capacity in this region. The Ontario Government has approved a \$40,000 grant that will be used by the Municipality of Greenstone to examine its energy needs and ensure it has the capacity to participate in future economic development opportunities. The April 22, 2014 news release can be viewed at: <a href="http://news.ontario.ca/mndmf/en/2014/04/supporting-economic-development-in-superior-north-region.html">http://news.ontario.ca/mndmf/en/2014/04/supporting-economic-development-in-superior-north-region.html</a>
3. Familiarization Tours	GEDC has hosted many site tours most notably the 2011 Longlac Familiarization Tour and the 2010 Red Lake Familiarization Tour. Plans are underway to hold a similar event during September of 2014

## Objective 3: Partnerships

Action	Update
1. Learn from other communities with similar development capabilities in an effort to 'not reinvent the wheel'.	GEDC has continuous networking opportunities through presence at regional and local events, meetings, and consultations.
2. Lobby for support for issues such as the taxes paid to the Crown by the mining companies and the effects upon small municipalities.	"Lobbying" does not fall under GEDC's mandate, however we do keep up to date on latest news through the Municipality of Greenstone, local Chambers of Commerce's and Northwestern Ontario Associated Chambers of Commerce (NOACC)



## Objective 4: Diversify

Action	Update
1. Diversify economy – provide activities/work for spouses or families of mining labour force.	GEDC provides business services, counseling and funding to existing and new entrepreneurs which creates growth in employment. These job creations could possibly be filled by spouses or families of the mining labor force.

## Objective 5: Investment Readiness Awareness

Action	Update
1. Greenstone needs to be welcoming to all investors in a positive and professional manner by enhancing the Business personality.	<p>GEDC held two ambassador training sessions – one in January 2010 and the sequel in January 2011. The Local Initiatives Contribution program of the GEDC funded the Municipality of Greenstone to train a Service Excellence Trainer. See “<i>Greenstone Region Ambassador Training</i>” section of this report for more information.</p> <p>In addition, GEDC, again through the Local Initiative Contribution (LIC) program partnered with the Thunderbird Friendship Centre to hold AODA (Accessibilities of Ontario Disabilities Act) training to meet the new standards. Most of the GEDC staff and Board underwent the training and became certified.</p>
2. Beautification of the communities within Greenstone.	This was identified recently again in the 2013 – 2014 BR+E study. GEDC aims to stay in communication with stakeholders for possible partnership opportunities to move forward with this objective.





# GREENSTONE COMPARATIVE OPERATIONAL STUDY

February 2011  
SHS Consulting

**SDE G EDC**  
Société du développement  
économique de Greenstone Greenstone Economic  
Development Corporation

DEVELOPING THE FUTURE  
DÉVELOPPER LE FUTUR



A range of new investment opportunities are emerging within the Greenstone region, particularly the Chromite Deposit in the “Ring of Fire” and the Premier Gold Mines Limited Hardrock project in the Geraldton-Beardmore Camp. This study was conducted to assist in presenting the Greenstone region to potential new investors.

The overall goal of the study was to prepare a comparative cost analysis of operating a business within the Greenstone region compared to communities in other competing areas (including Manitoba, Quebec, Northern United States and Northwestern Ontario); the goal was to demonstrate the comparative advantages to potential investors of locating within the Greenstone region. A further key goal is to identify any potential disadvantages in order to help develop strategies to overcome them. The study would also enable Greenstone to target specific aspects of the identified sector in which it is the most competitive; furthermore, it would assist the Senior Business Consultants within the Ministry of Economic Development and Trade to better understand the underlying opportunities within the Greenstone region and present them to their potential client base.

The study sought to achieve the following specific objectives:

- Identify comparative cost differences of operating a business in the Greenstone region versus communities in identified competing areas
- Identify advantages of locating within Greenstone
- Identify any potential disadvantages of locating within Greenstone
- Highlight any specific aspects of the identified sector in which Greenstone is most competitive

The Greenstone region has a prosperous future with the discovered Chromite Deposit in the “Ring of Fire” and the Premier Gold Hardrock project in the Geraldton-Beardmore Camp. Currently, disadvantages in wage rates, utility costs and real estate could discourage potential new investors who are considering operating a business in the Greenstone area. However, the current corporate tax structure and property tax rates paired with lucrative incentives provided by the Northern Ontario Heritage Fund Corporation are competitive and should be highlighted when promoting the Greenstone region. Therefore, although Greenstone has relative costs in some areas, there are instruments in place to recover from these issues.

In addition to the detailed cost data reviewed in this analysis, there are many non-cost factors, such as availability of skilled labor, regulatory environment and personal quality of life that should be considered when choosing a business location.

A **recommendation** would be to conduct further research comparing the Greenstone region to other communities in Northern Ontario; including qualitative factors that can have a significant influence on investment and business location decisions. The development of the chromite mine in the “Ring of Fire” will occur regardless of the cost/benefits in competing regions. Therefore, in order to attract potential investors, it is important to compare Greenstone to other regions where employees of the potential chromite mine may settle, such as Timmins, North Bay, Thunder Bay, and Sudbury. This analysis would highlight any competitive advantage the Greenstone region has compared to neighboring regions, thus allowing the Greenstone Economic Development Corporation to effectively attract potential investment to their region.





## Update 2014

GEDC stays tuned, both regionally and locally, with respect to mining needs that will in turn benefit the region, which give local business owners the opportunity to incorporate and provide new services. At the Corporation's 25<sup>th</sup> Anniversary celebrations in September 2013, the keynote speakers were present to talk about the local and regional mining activity in the Greenstone Area:



- Mr. John Mason (second from the left); Project Manager, Mining Services of the Thunder Bay Community Economic Development Commission (CEDC) talked about *"Mines and Major Exploration Projects in Northwestern Ontario"*.
- Mr. Nick Whynot (first on the left); Project Manager for Premiers Hardrock Project was next to talk about the *"Hardrock Project: Re-awakening a historic gold belt"*.

The Thunder Bay Community Economic Development Commission (CEDC) in partnership with Fort William First Nation (FWFN) released their "Mining Readiness Strategy" in April 2013 to plan for growth in Thunder Bay and the Northwestern Ontario Region. Please visit the link below for more information or to view the full report:



[http://www.thunderbay.ca/CEDC/Business\\_Sectors/Mining/Mining\\_Readiness\\_Strategy](http://www.thunderbay.ca/CEDC/Business_Sectors/Mining/Mining_Readiness_Strategy)





# GREENSTONE LABOUR MARKET STUDY

February 2011  
SHS Consulting



**SDE G EDC**  
Société du développement  
économique de Greenstone      Greenstone Economic  
Development Corporation

DEVELOPING THE FUTURE  
DÉVELOPPER LE FUTUR

The Labour Market Study was conducted for the Greenstone Economic Development Corporation to assist in understanding any potential gaps that may exist between the future demand and current supply of labour within the region that could hinder potential investments from taking place within Greenstone.

The information provided in this report will assist in preparing the Greenstone Economic Development Corporation to respond to identified gaps in the market through strategies such as education and skills training, as well as worker attraction and retention. It will also act to further assist the Senior Business Consultants within the Ministry of Economic Development and Trade to better understand the underlying opportunities within the Greenstone region and present them to their potential client base.

This study seeks to achieve the following objectives:

- To better understand the changing work and skills sets required by local industries
- To create a detailed community profile of supply and demand
- To prepare a current demand forecast
- To conduct a demographic and supply analysis
- To provide a knowledge of what barriers exist
- Recommended Actions

#### Recommended Actions Update

The following is a list of recommended actions that were presented to the Greenstone Economic Development Corporation when creating future economic development strategies, and to assist in preparing the community for any future opportunities relating to new industry growth that will affect Greenstone.

Objective 1: Target Opportunities in High Growth Sectors	
Actions	Update
1. Initiate discussions with growing industries to determine what the employment and infrastructure needs are within the community.	GEDC is in continuous communication with Premier Gold Mines Limited to determine what the employment and infrastructure needs will be within our community. We are always available for hosting or co-hosting networking sessions. In addition, GEDC through their Mining Sector Board Member keep a pulse on the mining industry in general and also the Ring of Fire Activity.
2. Develop a long term strategy that focuses on businesses that complement the potential industry's strengths. Emphasis should be placed on the development of an investment attraction campaign aimed to small scale niche businesses that can fill existing gaps.	There are numerous strategic reports issued by GEDC, Municipality of Greenstone, North Superior Workforce Planning Board and Thunder Bay CEDC that focus on businesses that complement this action. The GEDC is continuously participating in trade shows and other venues to promote the opportunities of this region.  In addition, GEDC is undertaking a 2014-2015 Investment Fund Strategy with hopes of providing additional services in various capacities to the business sector of the Greenstone Region.





## Objective 2: Ensure a Supportive and Holistic Business Environment

Actions	Update
1. Support the development of an industry advisory committee or council to provide information to GEDC about sector wide and individual business needs, including local skills gaps and research, as well as infrastructure needs	<p>GEDC continues to partner with the local and regional stakeholders in order to share information and knowledge on individual business needs, local skills gaps as well as infrastructure needs.</p> <p>The recently released BR+E Final Report and the Stakeholder's recommendation report which led to a Strategic Session, will be tools used by GEDC to provide necessary services.</p>
2. Partner with local business support organizations to promote available services, programs and access to funding for small businesses and entrepreneurs who will service the high growth sectors and subsequent labour force	<p>GEDC continues to promote its business services and funding availability through various mediums. Partnerships are "key" and GEDC is willing to partner where feasible.</p> <p>In addition GEDC is undertaking a re-branding initiative to showcase our services clearly to the business sector and beyond.</p>

## Objective 3: Develop a Marketing and Branding Strategy to Attract Business, Investment, Jobs, Residents and Tourists

Actions	Update
1. Ensure that marketing and branding of the municipality is used in future economic development materials with a strong emphasis on the City's attractive local assets, quality of place, and the strengths of doing business in the community.	<p>The Municipality of Greenstone recently hired a tourism coordinator. This individual will be working on a branding and marketing strategy that will be unique to this region. Updates to this initiative will be posted on this web site:  <a href="http://www.investinggreenstone.ca/">http://www.investinggreenstone.ca/</a></p>
2. Develop a marketing strategy to recruit businesses that may be needed to service the area in the event of a growing population.	<p>The Municipality of Greenstone has held two annual "Grow Greenstone" trade shows. For more information please visit this website: <a href="http://www.growgreenstoneexpo.com/">http://www.growgreenstoneexpo.com/</a></p> <p>In addition the aforementioned 2014 GEDC Familiarization Tour hopes to address some of the needs and promote additional possible business ventures.</p>

## Objective 4: Promote Opportunities for Education and Training to Support Economic Impact

Actions	Update
1. Support access to funding initiatives for education and training to support the economic impact within the community	<p>There are numerous stakeholders in the region working to prepare the local work force for the opportunities that are arising. Please visit the links below for more information:  <a href="http://www.gcfi.net/article/greenstone-regional-skills-centre-205.asp">http://www.gcfi.net/article/greenstone-regional-skills-centre-205.asp</a>  <a href="http://www.confederationc.on.ca/geraldton">http://www.confederationc.on.ca/geraldton</a>  <a href="http://www.gedc.ca/">http://www.gedc.ca/</a>  <a href="http://www.investinggreenstone.ca/labour-force-c16.php">http://www.investinggreenstone.ca/labour-force-c16.php</a></p>





2. Encourage local student employment by promoting opportunities for co-op and internship positions with local businesses	<p>The Northern Ontario Youth Entrepreneurship Initiative (NOYEI) is very active in the Greenstone Area. This program allows youth of all ages to access fun and exciting information about the world of an entrepreneur. Through demonstrations at the local schools, trade shows and fun events the youth are shown that there are other career choices. Please visit the links below for more information:</p> <p><a href="http://www.gedc.ca/article/youth-1399.asp">http://www.gedc.ca/article/youth-1399.asp</a>  <a href="http://www.headstartinbusiness.com/">http://www.headstartinbusiness.com/</a></p>
3. Work with local education boards to address gaps in emerging disciplines that support the growing industries. Also, work to ensure that older workers are assisted in getting their high school diploma so that it will not be a barrier to future employment.	<p>GEDC works closely with educational stakeholders such as: Confederation College, Greenstone Skills Training Centre, and Contact North. In addition GEDC is part of the MTW Employment Services Interagency Advisory Committee, which includes several educational representatives.</p>
<b>Objective 5: Ensure that Communication Strategies are in place for Employment Assistance and Opportunities</b>	
<b>Actions</b>	<b>Update</b>
1. Ensure that all resources pertaining to labour statistics, available employment, employment assistance and other supports, are consolidated and made available to those in need of the information	<p>The North of Superior Workforce Planning Board has numerous reports available on their website. These documents provide a considerable quantity of data for people in need of this type of information. Please see links below for more information:</p> <p><a href="http://www.nswpb.ca/">http://www.nswpb.ca/</a>  <a href="http://www.investinggreenstone.ca/labour-force-c16.php">http://www.investinggreenstone.ca/labour-force-c16.php</a></p>
2. Prepare a communication strategy for youth and laid-off workers both in Greenstone and surrounding areas on the careers that will become available with the mining industry.	<p>In 2009, during the downturn in the forestry industry a Greenstone Labour Market Adjustment Committee was formed to help displaced workers find other meaningful employment in the region. They helped these workers to achieve their Grade 12 upgrades and with specific trade related training.</p>
<b>Objective 6: Make Necessary Investments to Improve Infrastructure</b>	
<b>Actions</b>	<b>Update</b>
1. Invest in necessary infrastructure improvements to allow development to take place easily; provide reliable infrastructure to attract investors and build a thriving community.	<p>Please visit the Municipality of Greenstone website to view their Key Findings Report and Corporate Strategic Plan:  <a href="http://www.greenstone.ca/content/corporate-strategic-plan-2013-2018">http://www.greenstone.ca/content/corporate-strategic-plan-2013-2018</a></p>





# GREENSTONE REGION AMBASSADOR TRAINING

January 2010

Matthew Fischer & Assoc. Inc.

January 2011

SHS Consulting

**SDE G EDC**  
Société du développement  
économique de Greenstone Greenstone Economic  
Development Corporation

DEVELOPING THE FUTURE  
DÉVELOPPER LE FUTUR



On January 13<sup>th</sup>, 2010 Matthew Fischer of Matthew Fischer & Assoc. Inc delivered ambassador training to 22 participants. The training dealt with Economic Development 101 and the training was adopted by both GEDC Board and staff when dealing with investment attraction in Greenstone.



It was determined that Greenstone ambassadors are required from the municipal officials all the way down to the service sector such as gas stations and taxi operations. The process was updated in 2011 when GEDC hosted a second session that incorporated the findings from the first session.

The second session took place on January 26<sup>th</sup>, 2011 and was led by the economic specialist with SHS consulting. There were 38

participants participating in four interactive activities which were designed to identify areas of strength and weakness throughout all the communities of Greenstone.

The training included content like 'What is an Ambassador?', 'Are they all the same?', 'How can I prepare?' and 'How does an Investor Tour Work?'. Throughout the day there were activities where each group had to brainstorm and put themselves in investor or ambassador shoes. Activities included: 'What do you know about Greenstone?', where each group had an investor asking the rest of the group or Greenstone ambassadors questions about the area.



The activity helped the group realize that a community is better represented by a small group of well-informed individuals as opposed to a single individual. 'What can you contribute?' showing that everyone has something to contribute and the ambassador program had to start from the ground up from the corner stores and gas stations, all the way to political officials such as councilors and board members.

Through the direction developed from the NCIR projects, GEDC was then able to support a Municipal initiative through our Local Initiatives Contribution program. Discover Greenstone Ambassador Program took place in 2011 with Lee MacOdrum being trained through the Ontario Tourism Education Corporation. By the means of four sessions of training 42 individuals were trained including municipal employees, GEDC Board and staff, and Chamber of Commerce members. The Municipality has plans to continue the training into 2012.

## Update 2014



Since the GEDC Ambassador Training, the Municipality of Greenstone proceeded with a "Sustainable Community Development Planning Charette" in 2012. Former staff member, Jamie Armstrong, participated in the Charette process and subsequent activities thereafter.

[http://investinggreenstone.ca/photos/custom/Greenstone%20Charette%20Report\\_print%281%29.pdf](http://investinggreenstone.ca/photos/custom/Greenstone%20Charette%20Report_print%281%29.pdf)







# GREENSTONE INVESTMENT READINESS PACKAGE

February 2011  
SHS Consulting



**SDE**  **EDC**  
Société du développement  
économique de Greenstone Greenstone Economic  
Development Corporation

DEVELOPING THE FUTURE  
DÉVELOPPER LE FUTUR





With the help of SHS Consulting Greenstone Economic Development Corporation developed an Investment Readiness package. It contained an introduction by GEDC, a Message from the Mayor of the Municipality of Greenstone, Welcome to Greenstone – giving some basics of the area, Growth Sectors, Workforce Information, Competitive Advantages, GEDC services, Major Markets, Amenities and Attractions, with the back cover sporting a driving distance Map.

GEDC utilized local businesses in the development and printing of the brochures. The package was also produced in English and French and has been handed out at various events including the Familiarization Tours. It is also available digitally via the website or email. GEDC planned to update the package upon the release of new Statistics Canada Information.



## Growth Sectors

A strong commitment is being made by Greenstone to promote sustainable growth and development while also maintaining and developing all the support systems necessary for growth to occur. Greenstone's skilled workforce and competitive location positions it to succeed in a number of key sectors.

**Mining**  
There is a significant opportunity for development in gold mining within Greenstone and surrounding areas, with many areas currently being explored for future development. Greenstone is home to many junior exploration companies who are exploring the greenstone belt and the underexplored Beardmore-Geraldton Gold Camp: "Stake a claim where the past meets the future". In addition, the area known as the Ring of Fire has vast deposits of metals, including platinum, palladium and, most significantly, chromite. The Ring of Fire has been one of the most important developments in Canadian mining due to the huge deposits of precious metal in the area. This area is located in the James Bay lowlands, 350 km north of Greenstone.

**Forestry**  
The forest industry is diversifying in Northern Ontario. The Ontario Ministry of Northern Development, Mines and Forests recently announced proposed changes to the way in which wood resources will be administered in Ontario, through Ontario's Forest Tenure and Pricing System. This competitive process, open to anyone, including new and existing forest companies, allows companies to submit a proposal to be evaluated on a number of criteria. This opens up new opportunities for the use of large amounts of wood that are currently controlled by businesses no longer in production. Greenstone lies within the heart of the Boreal Forest with more than a 2 million hectares of harvestable forest made up of predominately spruce, poplar and jack pine in the surrounding area, positioning the community for the resurgence of the sector.

**Green Energy**  
The Green Energy Initiative creates economic opportunities within the Greenstone area by identifying and adapting an alternative, renewable infrastructure. The initiative will also bridge the gap between rural energy cost and rural energy demand as well as provide alternative solutions to industry and the Municipality.

**Business Process Outsourcing**  
Business process outsourcing contracts the responsibilities of a specific business function to a third party. With the available bilingual workforce in Greenstone, as well as the availability of government funding and commercial property, Greenstone has a competitive advantage as a location for a contact centre.

**Manufacturing**  
The Greenstone region, with its diverse workforce and natural resources, is prepared to move into the manufacturing sector. Bringing small manufacturing into the community will have great potential to add to future economic growth in the mining sector and the forestry sector through value-added forest products.

**Tourism**  
With all the natural amenities to be found in the area, Greenstone can provide visitors with many great memories. Greenstone offers everything from snowmobile trails and ice climbing in the winter, to hiking, fishing and beautiful campgrounds in the summer.

**FOR MORE INFORMATION**

For more information on each growth sector, please visit the growth sectors page at [www.gedc.ca](http://www.gedc.ca)



## Competitive Advantages

*If you are considering starting a new business or growing your existing business, the communities of Greenstone have many benefits to offer.*

- Numerous business incentives, including multiple funding opportunities and tax advantages
- A large availability of affordable land throughout the area
- Lower construction and labour costs than many municipalities
- Competition is likely to be minor, allowing for a larger demand
- Excellent quality of life - relaxed pace lifestyle, allowing more time to spend with family and enjoying the natural amenities
- Close proximity to Thunder Bay and U.S. markets allowing for easy market access
- Two airports: The Greenstone Regional Airport in Geraldton, and the R. Elmer Rudzick Airport, in Nakina. The airport in Nakina has recently received funding from the Federal Government to make important safety and infrastructure upgrades. There are industrial lots available for lease.

**Canada's Tax Advantage**

- In January 2011, Canada will reduce the corporate tax rate to 16.5 percent from 15 percent. Rates are further reduced to 15 percent in January 1, 2012.
- At 15 percent, in 2012, Canada's corporate tax rate will be the lowest of the G7 nations.

**Ontario's Tax Advantage**

- Effective January 2011, Ontario's corporate tax rate will be reduced to 11.5 percent from 12 percent
- This rate will be further reduced to 11 percent in January 2012, and 10 percent in January 2013

**Taxes and Utilities**

Property Class	Greenstone Tax Rate
Residential	2.238936%
Commercial (Occupied)	4.163856%
Industrial (Occupied)	5.729205%

Source: Municipality of Greenstone, 2010

The Municipality of Greenstone offers competitive water and sewer rates, natural gas and electricity, and high-speed internet and mobile telephone services.



GEDC plans to keep copies of the Investment Ready package current and relevant for distribution at trade shows, site visits and any other event where supporting the Greenstone region is appropriate.

## Update 2014

GEDC staff will be reassessing the Investment Readiness package, providing updates as necessary and possibly reducing to a smaller more convenient travel size. This project is expected to be completed during 2015.





# GREENSTONE REGION FAMILIARIZATION TOUR

February 2011  
GEDC



**SDE G EDC**  
Société du développement  
économique de Greenstone      Greenstone Economic  
Development Corporation

DEVELOPING THE FUTURE  
DÉVELOPPER LE FUTUR



The project brought perspective investors from the Greenstone mining sector to meet with representatives from the Ambassador Group. The individuals that attended were Joe Moses, John Beardy, Jonathon Mamakwa and Gordon Wabasse of Wasaya Airways, Lori Churchill – Team Lead - Capacity Building and Economic Development, Dr. Christine Kaszycki, the Ring of Fire Coordinator for the Ministry of Northern Development, Mines and Forestry, Gordon Bourque and Edward Cameran of SNC Lavalin, Sean Serino of Brook McIlroy / Pace Architects Moe Lavigne, Nels Ojard and Cameron Clark from KWG/Canada Chrome, Neal Westoll and Mark Baker of Noront and, Gabriel Johnson and Richard Fink of Cliffs Natural Resources. GEDC comprised the Familiarization Tour as a three pronged approach.

First was a physical tour of Greenstone. Starting at the District Airport in Geraldton a tour of Geraldton and Longlac was given to the guests by Mayor Renald Beaulieu and GEDC President Deanna Thibault. Next was an information session where local agencies made presentations to the mining companies. The Municipality of Greenstone, GEDC, the Ministries of Northern Development Mines and Forestry, Ministry of Training, Colleges and Universities, as well as Confederation College, the Thunderbird Friendship Centre and the Geraldton District Hospital all spoke to the mining companies about what their respective agencies have to offer.



The afternoon session was open to the public, and approximately 150 people filled the room to listen to presentations by Wasaya Airways, Dr. Christine Kaszycki, KWG Canada Chrome, and Cliffs Natural Resources. The first to present was Jonathon Mamakwa, Vice President of Sales &

Marketing, Wasaya Airways LP. The presentation began with a statement that Wasaya would like to demonstrate various ways in which their companies can offer opportunities, products and services for individuals and businesses in Greenstone. The corporate mission of Wasaya is to acquire significant interest in viable business important to First Nation people for the purpose of generating economic benefits and returns while maintaining cultural principals and values.



The second presentation of the day came from the Ring of Fire Coordinator, Dr. Christine Kaszycki. Dr. Kaszycki began the presentation by stating that the Ring of Fire has the potential to be one of the

most significant mineral developments in Ontario in over a century. The economic impacts of this development will be felt across the province. The potential for mineral production is on the same scale as historic world class mining areas such as Sudbury, Timmins, Red Lake and Kirkland Lake, all of which have seen over a century of mineral production.

Following a networking break it was noted that representatives from Noront Resources were in attendance. Moe Lavigne, Vice President Exploration and Development of KWG Canada Chrome then made his presentation to the audience. Mr. Lavigne began his presentation by informing



those in attendance that KWG discovered the “Big Daddy” chromite deposit and is studying its development options. Essentially, the company must determine if the potential profit will be greater than the operating and capital costs. Mr. Lavigne also noted that the first ferrochrome from the Big Daddy deposit has recently been produced and the company is very pleased with the results.

The final presentation of the day came from Richard Fink, Vice President – Ferroalloys Operations of Cliffs Natural Resources. Mr. Fink began his presentation by noting how impressed he was with the work done by the GEDC and the information presented by the stakeholders. He stated that the information provided throughout the day demonstrated to the mining companies that the community is both invested and committed to bringing the Ring of Fire activities to fruition. The Cliffs project will consist of four interrelated components. There will be a mine to extract the chromite ore, an ore processing facility to produce concentrate for further refining, an integrated transportation system to link all project components, and a ferrochrome production facility to manufacture the ferrochrome. The proposed all season roads would be open and benefit the First Nation communities. It was also noted that Nakina is an optimal spot to connect to the CN railway for distribution. Mr. Fink also informed those in attendance that Cliffs is really just getting started in the entire process, but their time-line is aggressive. Cliffs sees no reason to wait, as this is an opportunity for a “grand slam home-run”. Mr. Fink concluded his presentation by encouraging people to share their concerns and challenges; Cliffs feel there are concerns that need to be addressed.

Mayor Renald Beaulieu spoke to the presenters and attendees promising to work diligently to make all this happen. He thanked the GEDC for organizing the informative event, and noted his surprise at the number of people in attendance. GEDC Executive Director Dina Quenneville stated that the GEDC looks forward to working together with all partners to assist in developing the future for all of Greenstone.

Both the Municipality and GEDC have worked closely with the companies assisting in making the case for the ferrochrome plant to be in Greenstone and to ensure the road/railroad take the north-south route through Greenstone.

### **Update 2014**

As previously mentioned, GEDC plans to do a similar Familiarization Tour in September of 2014 in order to provide the small and medium sized business sector with relevant information.

The venue will be similar aiming to bring the business sector and the industry together providing networking opportunities to discuss possible opportunities for new services; for example within their existing businesses and also new ventures.





## Future Investment Readiness



Greenstone Economic Development Corporation has completed many projects over the years in order to diversify the Greenstone economy. The organization actively facilitates and participates in stakeholder discussions to determine ways to stimulate innovation by supporting and attracting increased research, development within growth sectors, continue to educate public and private sector stakeholders on the benefits of future growth sector opportunities.

GEDC recently completed the 2013 – 2014 Business Retention and Expansion Project; which was well received in the local business community with 49 businesses participating in the survey. These 49 businesses represented, through ownership, 26 more businesses within the region for a total of 75 businesses in the BR+E study. The surveys represent approximately 41% of the original businesses in the GEDC businesses directory, used by the BR+E Coordinator.

The findings were released to the business community at multiple public forums held in March 2014 within Greenstone and at the 2014 Grow Greenstone Expo. The forums included an overview of survey results and highlighted the major challenges and opportunities identified. All of which would be matched to Stakeholders and their mandate outlined in a Stakeholder Recommendation Report for their reference. Responding to the results, the GEDC held a Strategic planning session, based on the BR+E final report, in April of 2014. GEDC will then create an action plan based on the Strategic Planning Session Report, following their required mandate in order to build a knowledgeable, sustainable and diversified local business economy.

The BR+E report also captured possible project initiatives which GEDC will be looking into further with a goal of addressing in 2015:

- Retail Gap Analysis
- Succession Planning

Throughout this NCIR update report there were numerous other projects outlined as recapped below with tentative timelines:

- Fall 2014 –Familiarization Tour Event
- Spring 2015 – Investment Readiness Package Overhaul
- 2014/2015 – Investment Fund Strategic Plan
- 2014/2015 – Greenstone Region Asset Inventory.

***Unlock your potential!***



## **APPENDICES**



## ***APPENDIX A***

### ***Economic Base Theory – How Local Economies Function and the “Leaky Bucket”***



**SDE G EDC**

Société du développement  
économique de Greenstone

Greenstone Economic  
Development Corporation

DEVELOPING THE FUTURE  
DÉVELOPPER LE FUTUR

## **APPENDIX A - ECONOMIC BASE THEORY – How Local Economies Function**

Before beginning a discussion of opportunities for the Greenstone Region it is important that stakeholders have an understanding of how local economies function. One of the most common models used to describe the functioning of local economies is called **Economic Base Theory**. In this model all business activity falls into one of two categories:

- ✓ **“Basic”** industries are those businesses that produce goods and services for sale outside the local marketplace. Traditional examples of “basic” industries are agriculture and resource-based industries, manufacturing and tourism. Increasingly there are exportable services including finance and insurance, software and information technologies, engineering and architectural design. The revenue from selling goods and services outside the local economy represents “new wealth” that is added to the wealth circulating in the community. By paying wages and buying good and services locally, *Basic* industries stimulate the development of other businesses in the local economy.
- ✓ **“Non-Basic”** industries are all the other businesses that serve primarily local customers. They include most retail, personal and business services, health care providers, elementary and secondary education, etc. They are important because they trap and hold the wealth that comes into a community and redistribute it throughout the community.

There will be “*Basic*” elements found in “*Non-Basic*” industries. For example, to the extent that a restaurant (or any other business for that matter) attracts customers from outside the local marketplace, a portion of their business becomes “*Basic*”.

Why is the “*Basic/Non-Basic*” distinction important?

According to Economic Base Theory, to strengthen the local economy one needs to stimulate the development of the “*Basic*” sector. A growing “*Basic*” sector produces growth in all other sectors of the local economy and therefore it is identified as the “engine” or “economic base” of the local economy.

This is the reason why economic development programs focus on resource-based industries, manufacturing, exportable services such as call centres and tourism industries. Also, the size and growth of a community’s “*Basic*” industries is not constrained by the size of the local marketplace. Assuming there is sufficient labour available to meet production demands in a manufacturing context or to service the numbers of visitors coming to your attractions, there is virtually no limit to how large a “*Basic*” industry can grow.

It follows then that a strict interpretation of Economic Base Theory would suggest that economic developers needn’t concern themselves with retail and service businesses in their community because - all things being equal - the size of the service sector (the “*Non-Basic*” industries) is governed entirely by the size the local marketplace. However all things are not always equal and local markets seldom operate as efficiently as the theories would suggest, especially in a regional marketplace.

Smaller communities typically experience “economic leakage” to larger commercial centres, especially if the larger centre is close by. This is due to a phenomenon called “retail gravitation” in which larger centres exert a “pull” on the retail and service expenditures of smaller communities, much like the force of gravity in physics. Because of this, many “non-basic” business sectors are often under-represented in smaller communities.

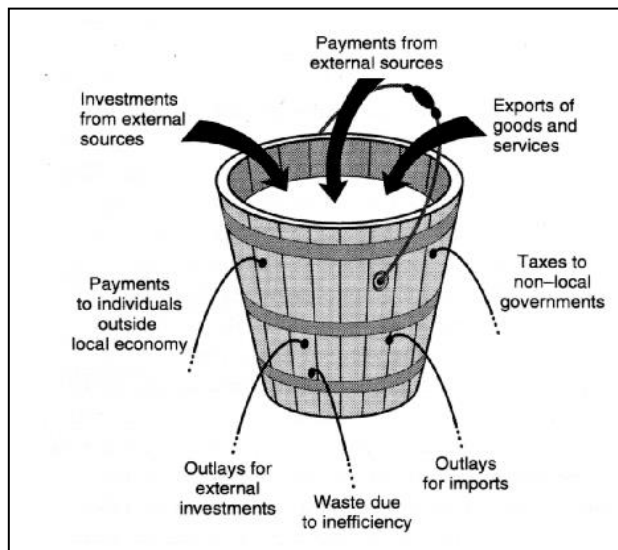




To help illustrate the dynamics of the marketplace imagine the local economy is a bucket of water and that the water in the bucket represents the wealth of the community. The water is stirred by economic activity. It swirls around to every part of the bucket. It goes from person to person, business to business, person to business and is constantly moving.

One person purchases a house and the realtor makes a deposit at the bank. The banker makes a loan to another person who buys a car. The car salesman buys a new shirt. The storeowner pays a life insurance premium. The insurance agent pays his school tax. The teacher pays the water bill. The money moves on and on.

However there are holes in the bucket through which water (the wealth of the community) leaks out. Manufacturers purchase raw materials from suppliers outside the local marketplace. Retailers import the items that stock their shelves. Income taxes and sales taxes leave the local economy. Even the money invested by individuals for their retirement leaves the local economy. The list goes on and on. The process is dynamic and in constant motion.



For a local economy to be healthy, vibrant and growing, the flow of new money into the community needs to exceed the amount of money leaking out. This underscores the importance of your Basic Industries.

Economic developers also need to plug as many of the bucket's holes as possible - through programs of "import substitution" and "entrepreneurial development" because the leaks in the bucket prevent the community from growing to its full potential.

Therefore the goal of any economic development program should be to raise the water level (wealth) in the bucket and

there are fundamentally only two ways to do this:

1. Increase the flow of new investment into the community by attracting tourists and outside investment and by stimulating exports.
2. Plug leaks in the bucket through programs of import substitution and entrepreneurial development to fill gaps in the mix of retail and service businesses.

Source:

*GEDC - Greenstone Region Gap Analysis and Market Study Report by Matthew Fisher & Assoc. Inc. Economic Development Solutions*



## **APPENDIX B**

***Ring of Fire Area Claim Holders: May 1, 2014***

***Courtesy of:  
Ministry of Northern Development and Mines – Ring of Fire  
Secretariat***



**SDE G EDC**  
Société du développement  
économique de Greenstone      Greenstone Economic  
Development Corporation

DEVELOPING THE FUTURE  
DÉVELOPPER LE FUTUR







## **APPENDIX C**

### ***Table 4 Exploration Activity in the Thunder Bay North District in 2013 (Keyed to Figures 4 and 5)***

***Excerpt from: Ontario Geological Survey, Open File Report 6292  
Report of Activities, 2013, Resident Geologist Program***



**SDE G EDC**  
Société du développement  
économique de Greenstone      Greenstone Economic  
Development Corporation

DEVELOPING THE FUTURE  
DÉVELOPPER LE FUTUR



**Table 4 Exploration activity in the Thunder Bay North District in 2013**  
(keyed to Figure 4 and 5 – next page)

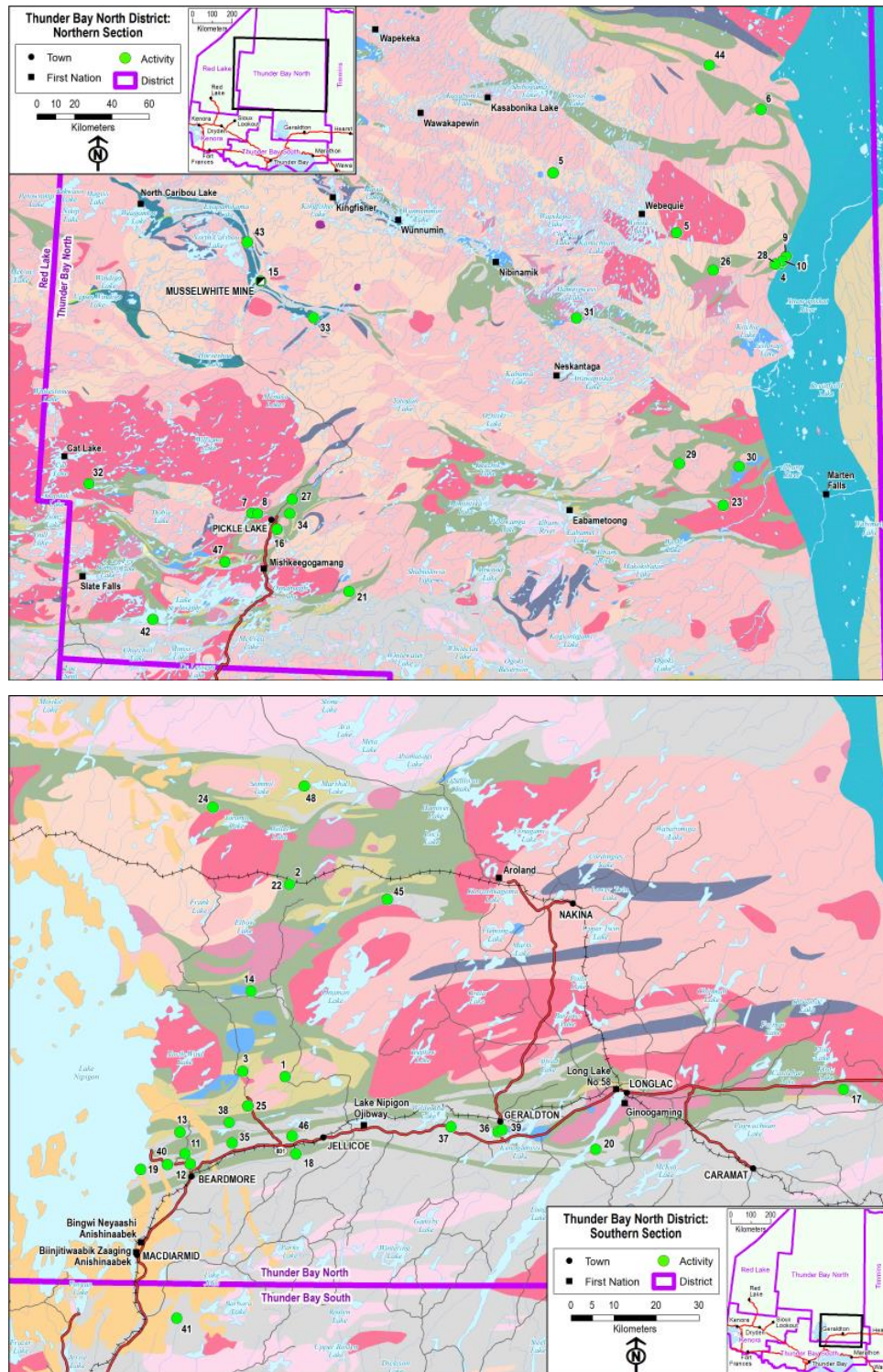
*Excerpt from: Ontario Geological Survey, Open File Report 6292  
Report of Activities, 2013, Resident Geologist Program*

No.	Company/Individual (Stock Symbol) Property Name	No.	Company/Individual (Stock Symbol) Property Name	No.	Company/Individual (Stock Symbol) Property Name
1	Argonaut Gold Inc. (AR) Hercules	17	Goldstream Exploration Ltd. (GSX) Hardrock East	33	Parkside Resources Corp. (PKS)/Benton Resources Corp. (BEX) Forester Lake
2	Advantel Minerals (Canada) Ltd. / Markinch Resources Inc. Tashota	18	Goodman, H., Jr. Clist Lake	34	PC Gold Inc. (PKL) Pickle Crow
3	Alto Ventures Ltd. Miner Lake property	19	Goodman, H. / Goodman, D. High Hill property	35	Pettit, C. Watson Lake
4	Bold Ventures Inc. (BOL) / Fancamp Exploration Ltd. (FNC) / KWG Resources Inc. (KWG) Koper Lake	20	Hardrock Extension Inc. / Malouf, M. Ferau project	36	Premier Gold Mines Ltd. (PG) Hardrock
5	Bold Ventures Inc. (BOL) / Rencore Resources Ltd. (RNC)/Dundee Corp. (DC) "Ring of Fire"	21	Jiminex Inc. (JIM) Mishekow River	37	Premier Gold Mines Ltd. (PG) Twomey (Key Lake)
6	Black Widow Resources Inc. (BWR)/ Greenstone Exploration Company Ltd. Gremlin property	22	Koivisto, R. / Savage, J. Wascana SE property	38	Premier Gold Mines Ltd. (PG) Brookbank
7	Cadillac Ventures Inc. (CDC) Thierry Mine	23	KWG Resources Inc. (KWG) / Canada Chrome Corporation / Debut Diamonds Inc. (DDI) Railroad right-of-way	39	Premier Gold Mines Ltd. (PG) Kailey
8	Cadillac Ventures Inc. (CDC) K1-1	24	Landore Resources Ltd. (LND) Junior Lake	40	Premier Gold Mines Ltd. (PG) Sand River/Leitch
9	Cliffs Natural Resources Inc. (CLF) Black Thor	25	Laurion Mineral Exploration Inc. (LME) Ishkoday (formerly Sturgeon River)	41	Rock Tech Lithium Inc. (RCK) Georgia Lake
10	Cliffs Natural Resources Inc. / KWG Resources Inc. Big Daddy	26	MacDonald Mines Exploration Ltd. (BMK) / HudBay Minerals Inc. (HBM) Butler	42	Rockex Mining Corp. (RXM) Western Lake St. Joseph
11	Cote, R. / Cote, R. Archie Lake	27	MetalCORP Ltd. (MTC) Pickle Lake	43	Romios Gold Resources Inc. (RG) Lundmark-Akow Lake
12	Cote, R. / Cote, R. Broken Heart	28	Noront Resources Ltd. (NOT) Eagle's Nest	44	Sinocan Resources Corp. Winiskisis Channel property
13	Cote, R. / Cote, R. Nortoba	29	Northern Shield Resources Inc. (NRN) Monsoon	45	Resource Capital Corp. (RSO) Suni iron property
14	Cote, R. / Cote, R. Two Rivers	30	Northern Shield Resources Inc. (NRN) /Discovery Harbour Resource Corp. (DHR)/O'Keefe, G. Wabassi	46	Silver Stream Mining Corp. (AGSM) Solomon's Pillars
15	Goldcorp Inc. (G) Gold	31	Northern Superior Resources Inc. (SUP) Ti-pa-haa-kaa-ning	47	Tri Origin Exploration Ltd. (TOE) / Manicouagan Minerals Inc. (MAM) / Kitrinor Metals Inc. (KIT) Sky Lake
16	GoldON Resources Ltd. (GLD) (formerly Newcastle Minerals Ltd.) Pickle Lake	32	Oceanside Capital Corp. (OCC) / D. Schmidt Lang Lake	48	White Tiger Mining Corp. (WTC) / Rainy Mountain Royalty Corp. (RMO) /Marshall Lake Mining PLC Marshall Lake

White, G.D., Cundari, R.M., Tuomi, R.D., Brunelle, M.R., Debicki, R.L., Moses, P., Wilson, A.C. and Zurevinski, S.E. 2014. Report of Activities 2013, Resident Geologist Program, Thunder Bay North Regional Resident Geologist Report: Thunder Bay North District; Ontario Geological Survey, Open File Report 6292, 63p.



**Figure 4 Thunder Bay North District (Southern Portion) and Figure 5 (Northern Portion) exploration activity, 2013 (keyed to Table 4 – previous page)**



White, G.D., Cundari, R.M., Tuomi, R.D., Brunelle, M.R., Debicki, R.L., Moses, P., Wilson, A.C. and Zurevinski, S.E. 2014. Report of Activities 2013, Resident Geologist Program, Thunder Bay North Regional Resident Geologist Report: Thunder Bay North District; Ontario Geological Survey, Open File Report 6292, 63p.



