

RESOURCES

Mining, not forestry, set to spur growth in Vanderhoof

MINING | Mayor says community could be in for 'decades of growth' as properties are developed

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The District of Vanderhoof, a small central B.C. town of less than 4,500 people built on generations of forestry and agriculture, is growing fast. But this time, mining is leading the charge.

In 2011, **Statistics Canada** reported that more than 400 people had moved to the town since 2006 – a more than 10% jump.

To accommodate new residents, eight potential subdivisions are being discussed and between 12 and 15 new houses are being added each year. To make room for new business, 20 acres of land from Vanderhoof's agricultural land reserve has been removed to house hangars and warehouses.

Yet some expect many more to arrive in the coming years.

Vanderhoof mayor **Gerry Thiessen** told *Business in Vancouver* he believes the population could double in the next decade as the resource industry develops local properties and deposits.

"We're looking at decades of growth – my hope is that," he said. "Vanderhoof is a hard-working town. It's an exciting time."

Chief among the burgeoning resource ventures is **New Gold's** (TSX:NGD) Blackwater project, a proposed gold and silver mine 110 kilometres southwest of Vanderhoof. With a predicted annual production of more than 500,000 ounces of gold and almost 240,000 ounces of silver, Blackwater is slated to be the biggest gold mine west of Ontario.

Blackwater is undergoing environmental assessments. Construction is planned to begin in 2015, with production to start in 2017. The completed mine is set to create 600 permanent jobs.

New Gold president and CEO **Bob Gallagher** told *BIV* that since Blackwater's 2012 exploration phase, in which more than 250 people from the area were employed, his company's desire has been to ensure as many locals as possible work at Blackwater.

He added that a key part of that workforce is local First Nations



Vanderhoof mayor Gerry Thiessen: area's population could double in 10 years thanks to resource development

communities. Of Blackwater's exploration workforce, more than 100 First Nations employees filled jobs as varied as geological field assistants, environmental monitors and cooks.

One reason for this is a partnership with the **British Columbia Aboriginal Mine Training Association** (BCAMTA), a federal program designed to increase First Nations involvement in B.C. mines.

"If a First Nations community

doesn't see a clear tie to job opportunities in a region, they may not see the benefits," said **Laurie Sterritt**, CEO of BCAMTA.

"But this is a promise of a new job and a new life. What we're seeing here is a strong desire to improve economic health – and mining is the vehicle to see that."

But economic health doesn't come without growing pains – an influx of families puts stress on schools and health care. And the need for skilled workers trained in resource development means local colleges have to ensure applicable programs are offered.

To answer such needs, the **College of New Caledonia** is planning a 40,000-square-foot expansion in Prince George devoted to trades and technical studies. **St. John's Hospital** in Vanderhoof is also getting a \$5 million facelift.

"What we're aiming for is good, consistent growth in our community," said Thiessen. "There are concerns we are sure we need to address.

"It's an opportunity to grow into a new dimension." ■

Provincial help for central B.C. resources

In 2008, **GeoScienceBC** launched the QUEST-West project – a \$4.9 million initiative to investigate mineral potential in central B.C.

The project examined a 40,000-square-kilometre zone from Vanderhoof and Fort St. James to Kitimat and Terrace. It found the area had "excellent potential for copper, gold, silver and molybdenum."

QUEST-West's data collection methods included geophysical and geochemical surveys. Operating mines in the studied area include **Thompson Creek's** Endako project and **Imperial Metals'** Huckleberry mine. Mount Milligan, also owned by Thompson Creek, is scheduled to open in this year's third quarter.

The **Northern Development Initiative Trust**, the regional districts of Bulkley-Nechako and Kitimat-Stikine and the Ministry of Energy and Mines helped fund the survey.

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MINING

Local miners among Canada's top 20 most profitable firms

Vancouver's **First Quantum Minerals Ltd.** and **Goldcorp Inc.** came in 15th and 16th respectively in the *Globe and Mail's* annual list of Canada's Top 100 Most Profitable companies, announced last week.

First Quantum made \$1.77 billion in profit in 2012, a 235% increase over 2011, when it was ranked No. 50.

Goldcorp made \$1.75 billion profit, bumping it up one place from last year's 17th spot.

The two mining companies were the top B.C. companies out of all sectors. **Telus Corp.** was the third most profitable B.C. company, at No. 28.

EXPORTS

Canada's imports and exports decline in May: StatsCan

The dollar values of both imports and exports of merchandise fell in May, according to **Statistics Canada** data released last week.

Imports dropped 3.2% to \$39.6 billion after four months of consecutive increases. The dip was due in large part to a decrease in imports of energy products, metal ores and non-metallic minerals.

Exports declined by 1.6% to \$39.3 billion, led by a drop in decreased metal and non-metallic mineral products exports.

Exports to the United States fell 1.6% to \$29.2 billion.

ENVIRONMENT

B.C. claims carbon neutrality for third consecutive year

B.C. released a report June 28 that claimed that, for the third consecutive year, it is carbon neutral.

The government has touted its environmental record despite critics questioning evidence. In March, then-auditor general **John Doyle** released *An Audit of Carbon Neutral Government*, which concluded that the government had not met its objective of achieving a carbon-neutral public sector.

He said the Crown-owned **Pacific Carbon Trust**, formed to ensure B.C. reaches its carbon neutral goals, did not purchase credible carbon offsets and paid above-market rates.

PORTS

Funding for study of expanded port facility in Port Alberni

Ottawa is giving \$225,000 to the **Port Alberni Port Authority** to study the potential of building a short sea port facility in the Alberni Inlet on Vancouver Island.

Unlike a deep sea port – which receives and unloads large ships – a short sea facility is designed to handle small vessels that travel short distances. If a short sea port were built in the Alberni Inlet, cargo destined for warehouses on the Fraser River, for instance, could be delivered by small vessels or barges, thereby reducing the number of trucks used to move goods from **Port Metro Vancouver**.

MINING

Vancouver junior Midas Gold gets \$9.8 million from Teck

Following up from a \$15 million financing with **Franco Nevada** in May, **Midas Gold** announced Tuesday that **Teck Resources** will be financing the junior with a \$9.8 million non-brokered placement.

Before the July 2 transaction, Teck held no shares of Midas. It now owns 9.9% of the company.

Midas says the proceeds will be used for evaluating its Golden Meadows project, a gold-antimony-silver property in Idaho, U.S.

Funds will also be used for general working capital purposes. *Courtesy MINING.com*