

District of Tumbler Ridge

Economic Development Outlook & Business Opportunity Summary

May 2010



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District of Tumbler Ridge

Economic Development Outlook & Business Opportunity Summary

Updated: May 2010

Population Growth

Census counted population in 2001: 1851

Census counted population in 2006: 2454

Estimated population in 2009: 2450

(Source: BC Stats)

*Estimated local population in 2010: 3500 (unofficial)

* Due to the amount of development taking place in and around the community, the town estimates that it services an additional 1,000 people working in TR at any given time.

Tumbler Ridge Population Projections to Full Operations of Proposed Mining Projects (2010-2011 timeline)

	Employment/Number of New Households	Population Factor*	Additional Total Population
Moderate Growth Scenario	465	2.3	1,070
High Growth Scenario	1,205	2.3	2,772

* The population factor uses 2.3 people per household as reported in the 2006 census for Tumbler Ridge.

Based on a starting population of 3,500 (local population estimate) the following table shows potential growth projections for Tumbler Ridge.

	New Employment Population		Projected Population	
	Medium	High	Medium	High
Current	-	-	3,500	3,500
Future	1,070	2,772	4,570	6,272

Construction and Real Estate Activity

Commercial/Industrial Property Sales

In August of 2009 District revaluated and repackaged 10 Service Commercial (C2) lots in a subdivision that was first placed on the market in 2006. All of these lots have been sold and there are a steadily-rising number of inquiries for the others. In addition to these, the remaining inventory of vacant, serviced properties owned by the District that are currently on the market include 4 Heavy Industrial (M1) lots and one Commercial Core (C1).

There is a great deal of raw land that can be developed if someone wishes to pursue a project, but cannot find what they are looking for in the current listings. If that is the case, please contact the Community Development Officer.

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Residential Housing

Tumbler Ridge is preparing to accommodate a growing population coming to the community for employment, retirement and a change of pace. Along these lines, there is an immense desire to increase the amount and diversity of housing within the community. In an era of options the current stock of houses, all of which were built in the early 1980s, offer a limited range that may not suit everyone that wishes to relocate. Tumbler Ridge has an immense amount of affordable, developable land and a foundational base of infrastructure that was originally designed to accommodate up to 10,000 residents. Estate lots, accessible houses for an aging population and multi-family developments all have a place in the community's range of desired housing options.

Rental properties are in high demand, with houses fetching \$900-1500/mo. and condos at \$750-1300/mo. The provision of apartments, multi-family residential units (townhouses) and entry level homes is a ripe opportunity for anyone that is interested.

Houses once purchased at anywhere from \$25,000 to \$27,000 in 2000/01, are now selling for an average of \$199,000. In fact, Tumbler Ridge's assessed residential property values (with houses) rose 88.7% between 2006 and 2007. Between 2007 and 2009, average values rose another 0.73%, despite the recent global economic downturn.

Recent Development Projects

Service Commercial – Two lots in the Service Commercial subdivision were recently sold to Alda Leasing and Development Inc. for the development of a NAPA Auto Parts outlet. Shortly following, 3 more lots were sold to Southpaw Rentals & Sales Inc. for the development of a 12,000 ft² shop space that will house lease bays and a Hertz Equipment Rental outlet. Both developments are expected to be constructed in the summer of 2010. Five other lots were sold in the same subdivision, but the specific developments cannot be disclosed at this time.

Commercial Core/Retail – A brand new building, centrally located downtown, was built by local business owners in order to house their expanding retail operation. It is now the home of KC's Dollar Store, Furniture & More and a SUBWAY® Restaurant.

Hotel, Conference Centre and Restaurant – A brand new 102 suite hotel in Tumbler Ridge opened in May of 2008. In order to achieve a long standing objective in our quest for economic diversification, the District developed an innovative partnering agreement with the proponent to construct a fully-equipped conference facility for up to 300 people at any given time, in exchange for the land on which it is being built. Tumbler Ridge has always been seen as an ideal place to hold corporate retreats and meetings, and we expect this avenue of development activity to flourish over the next few years. The hotel is currently in

the process of becoming a Best Western-branded property and has confirmed that the recently-completed restaurant located in the building will be a Smitty's franchise. This portion of the development is expected to be in operation by the summer of 2010.

Municipal Taxes

Municipal Taxes are based on the assessed value of property and improvements for 9 basic categories, including Residential, Utilities, Forestry, Heavy Industrial, Light Industrial, Business, Tree Farm, Seasonal Recreational and Farm. The B.C. Assessment Authority determines the assessed value. The municipality, school district, regional district, regional hospital district, B.C. Assessment Authority and Municipal Finance Authority establish their own tax rates (also referred to as mill rates).

Average gross municipal taxes for a single family home assessed at \$158,901 in Tumbler Ridge in 2009 were \$1,599. In addition, there is an average charge of \$267 per annum for water and sewer service, thereby bringing the average annual charge for a single family home to \$1,866.

Tax Distribution by Class for 2010

Class	Municipal	Regional District (Land & Improvements)	Regional District (Improvements Only)	Regional Hospital	Municipal Finance Authority	BC Assessment Authority	School Tax	Police Tax	Tax Rate (Total)
Residential	5.5706	0.3505	0.0536	0.6257	0.0002	0.0664	3.4884	0.268	10.3698
Utilities	60.3125	1.2289	0.1876	2.1898	0.0007	0.5051	14.4000	0.938	79.5730
Major Industrial	50.6719	1.1918	0.1822	2.1272	0.0007	0.5051	6.8000	0.9112	62.2080
Light Industrial	34.8899	1.1918	0.1822	2.1272	0.0007	0.1987	6.8000	0.9112	46.1196
Business/Other	21.125	0.8588	0.1313	1.5329	0.0005	0.1987	6.8000	0.6566	34.1725
Rec/Non-profit	5.5706	0.3505	0.0536	0.6257	0.0002	0.0664	3.5000	0.268	10.3814
Farm	5.5706	0.3505	0.0536	0.6257	0.0002	0.0664	6.8000	0.268	13.6814

Wind Energy Development

As the world continues to search for renewable sources of electricity, Tumbler Ridge and its surrounding area have witnessed an immense amount of interest in its wind resource. Tenures have been issued for Investigative Use Permits (IUPs) on virtually every ridge and mountaintop surrounding Tumbler Ridge, which confirms the potential for future projects. This interest was furthered by the issuance of a Clean Power Call Request for Proposals (RFP) by BC Hydro on June 11, 2008. The purpose of this structured RFP was to work towards ensuring that the province has sufficient clean electricity to meet its electricity needs in accordance with the BC Energy Plan: A Vision for Clean Energy Leadership. This plan, released in February 2007, indicates that at least 90% of all electricity generated in the province must continue to come from clean or renewable sources and to achieve electricity self-sufficiency by 2016.

To that end, BC Hydro is seeking 5,000 gigawatt hours of electricity and has since secured Electricity Purchase Agreements (EPAs) with four wind projects located in the Tumbler Ridge area. These include:

- Quality Wind (Capital Power Corporation);

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- Meikle Wind Energy (Finavera Renewables Inc.)
- Tumbler Ridge Wind Energy (Finavera Renewables Inc.), and;
- Bullmoose Wind Energy (Finavera Renewables Inc.)

What does this mean for the local economy? Wind energy projects provide an immense amount of economic opportunity in the construction phases of their development. In particular:

- Trucking/transport of wind turbine components, including towers, blades and nacelles
- Road and right-of-way construction, for both existing and new roads
- Aggregate supply and related services
- Earthworks for turbine foundation site preparation
- Concrete work for turbine foundations
- Crane services for turbine installation
- Site prep and construction services for substation installation
- Site prep and construction services for utility installation (power lines)
- Shop and storage areas for wind turbine components
- Shop and storage areas for support services to the projects

During the operation of the wind projects maintenance and monitoring technicians will be employed onsite and living in the community. Office space will also be required to establish the local administrative base of the projects.

Below you will see a summary table of wind power projects in the Tumbler Ridge area that have taken the next step beyond initial investigation. The ability of these projects to move ahead hinges on their ability to secure EPAs through BC Hydro. Not every project will be awarded a contract through the current Clean Power Call Request for Proposals (RFP), but with the existing mandate to achieve electrical self-sufficiency by 2016, it is inevitable that other calls will be made in the future. To highlight the possibility of more projects taking place in Tumbler Ridge, the following illustrative statements were made in the December 12th edition of the Vancouver Sun:

“There is such an incredible wind resource in the Peace Region,” Aeolis external relations director TJ Schur said. “The Thunder Mountain project has upwards of 1,000 megawatts potential, alone. It’s a number of hilltops. We have been permitted for 320.”

Colleen Brown, director of projects and planning for Aeolis, said the first phase of Thunder Mountain encompasses two parallel ridges.

“It’s an excellent example of the kind of wind that’s found up in the northeastern quadrant of B.C., which is where the majority of our interests have focused.

“It’s unidirectional. It’s focused. It’s very consistent, with a little bit of seasonal variation, but consistent enough in the years that we’ve been mapping these sites that it gives us confidence we’ve got a world-class project in terms of wind ratings that are unlike those usually seen in other parts of the world, let alone the country.” (Excerpted from Vancouver Sun 12-Dec-2009, Page D01, By Scott Simpson)

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Wind Projects in the Tumbler Ridge Area

Updated: May 2010

Project	Location	Size/Scope	Projected Total Investment	Projected Length of Construction	Status
Fluor Energy Inc.					
Bullmoose Wind Energy	18km West of Tumbler Ridge	Construction and operation of 56 wind turbines with an installed capacity of 60MW. Forecasted lifespan of at least 25 years.	\$180 million	22 months; in two sections.	Awarded EPA
Meikle Wind Energy	30km NW of Tumbler Ridge	117MW wind energy project consisting of 80 wind turbines.			Awarded EPA
Tumbler Ridge Wind Energy	10km N and 9 km SE of Tumbler Ridge	Construction and operation of 50 wind turbines with an installed capacity of 45MW. Forecasted life span of at least 25 years.	\$135 million	22 months; in two sections.	Awarded EPA
CP Renewable Energy (BC) Limited Partnership (formerly EPCOR)					
Quality Wind	10km NE of Tumbler Ridge	142MW wind energy project consisting of 80-120 wind turbines. Forecasted life span of 25 years.	\$500-\$600 million	~18 months	Awarded EPA. Completing Environmental Impact Assessment.
Rupert Power Corp.					
Rocky Creek Energy	85km NW of Tumbler Ridge	Up to 250 wind turbines. Estimated installed capacity of 500MW.	\$2 billion	Not available	Pre-application.
Acolis Wind Power Corp.					
Thunder Mountain Wind Energy	33km SE of Tumbler Ridge	Development of a 320MW wind energy generating facility SE of TR, connecting to the BCTC grid with a 230kV transmission line near TR at TLR substation.	\$1 billion	6 years, generating 120 jobs per year of direct full-time employment.	EA certificate granted Dec. 10/09. Not successful in obtaining EPA.

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Forestry Activities

In January 2010 the District of Tumbler Ridge received an offer for a Community Forest Agreement from the Province of BC that equates to an annual harvesting volume of 20,000 m³ for a period of 25 years. Following the acceptance of this offer, the District will work with Ministry of Forest staff to sort out the finer details of the agreement and update the proposed management plan. It is expected that harvesting can take place as early as the third quarter of 2010

Biomass Development Potential

During the course of researching back-up electricity sources for Tumbler Ridge, the District has garnered interest in the community from members of the biomass development sector. At this point in time the interest can be considered preliminary, the most advanced discussions being with a private firm from British Columbia. The current focus of these discussions is to submit a proposal to BC Hydro's recent Community-Based Biomass Power Call for the development of a 5MW bio-energy facility. The District has been actively liaising with the Provincial Ministry of Forests and Range to help determine where and how timber can be secured for the project. A preliminary proposal will be submitted to BC Hydro for the end of May.

Mining Activity

BC is known for its superior product, government policies that are attractive to investors and its ongoing efforts to create and maintain international relationships that are securing the most stable future coal has ever seen. As of 2008, the coal mining industry provided over 7,607 direct jobs in BC and generated gross revenues of \$8.4 billion.

Despite the economic turbulence endured in 2009, metallurgical coal prices averaged out at \$125/ton, which still allowed existing operations to remain profitable. In 2010, at the time of press, coal prices are in the \$170-190 (US) per ton range. Forecasts predict the price to remain in the low \$200s for the remainder of 2010.

The main driver of coal prices has remained the continued strong demand for product from China, whose economy is experiencing the fastest rate of growth since June 2007. Although the final data is still pending, the country is estimated to have imported about 34-million tons in 2009; compared with seven-million tons in 2008. China experienced no recession in 2008-09, and is expected to outpace the world and grow by 8.6 per cent in 2010, quadruple the rate of the United States. The benefits of this growth to the metallurgical coal industry are immense. One obvious example is that China's aggressive appetite for coal has already acted as the engine of recovery for Canada's largest publicly traded mining company – Vancouver's Teck Resources Ltd. – turning it from a likely bankruptcy to the biggest turnaround stock on the Toronto Stock Exchange in 2009.

A steady increase in mining jobs should be of great interest to the investment community – PricewaterhouseCoopers' 2008 Mining Report reported an increase in average salary and benefits per employee from \$101,700 in 2007 to \$112,800 in 2008. For Tumbler

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Ridge, this translated to a great deal of disposable income for a captive population located 1.5 hours drive from the closest shopping centre.

Sources: AME BC, GlobeandMail.com, Mining.com, Mining Weekly.com, Ministry of Energy, Mines and Petroleum Resources.

Tumbler Ridge Area Mine Activity Summary Updated February 2010

Project	Status	Current Employment	Forecasted Additional Employment Generation	Projected Investment
Western Canadian Coal				
Wolverine	Currently Operating	300	100	\$20M (fy'10)
Brule (closer to Chetwynd)	Currently Operating	35	50	\$10M (fy'10)
Willow Creek (closer to Chetwynd)	Temporarily on hold	N/a	N/a	\$15M (fy'10)
Hermann	EA Certificate received	N/a	100	\$55M
Peace River Coal Inc.				
Trend Mine	Currently Operating	300	15	\$200M
Roman	Feasibility in 2008	1	~200	\$250M
Horizon	Undergoing Feasibility	N/a	~200	\$400M
Teck Coal				
Quintette	Undertaking feasibility for reopening	3	500	Unavailable
Canadian Delva International Mines Group				
Murray River Project	Exploration & Pre-feasibility Study	N/A	600-800	Unavailable
Vitol Anker International B.V.				
Wapiti Thermal Coal Mine	In discussion w/major Asian utility company	N/a	40	Unavailable

Peace River Coal Inc.

In November of 2006, the Peace River Coal Limited Partnership (PRC) was formalized between Anglo Coal Canada (Anglo), Northern Energy and Mining Inc. (NEMI) and Vitol Anker International BV (Vitol). As a result, the Northeastern BC coal assets of the partners, with the exception of Vitol's proposed Wapiti project, are now held under PRC. NEMI's contribution to the partnership was its Trend coal property and related assets, including a coal preparation plant and rail loadout, as well as its 50-per-cent interest in the Belcourt Saxon limited partnership. Coal assets contributed by Vitol include the Horizon Coal Mine Project and its portion of the Murray River Project Group. Anglo Coal, a division of Anglo American plc, is PRC's operational manager.

The present focus of PRC's attention is taking the Trend Mine to its full production potential. In 2008 PRC's Shareholders approved the purchase of over \$120M in new mining equipment and infrastructure. In January 2009, PRC took over operating the

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Trend Mine with its own new fleet of mining equipment.

PRC's business development group will continue the exploration and development of its other projects, namely Horizon and Roman. Exploration and in-fill drilling as well as environmental field work will continue on the Tumbler Ridge properties. An exploration field program was also undertaken by the Belcourt Saxon limited partnership in which PRC holds a 50% interest, the other half being owned by Western Coal.

Trend Mine

PRC received its full mine permit in January 2007. Currently employment is approximately 300 permanent positions, which includes the mine site, coal transportation and rail loadout. Projects undertaken during 2009 included the construction of a new workshop and dry complex, ROM (Run of Mine) tip and breaker and the start of phase 1 of the Trend plant upgrade.

Roman Project

PRC has commenced a pre-feasibility study on the Roman Project, which is adjacent to the Trend Mine. The EA application will be submitted in Q1 2010 with approvals expected by Q3 2010 and planned mine development to commence during 2012. The Roman Mine has the potential to produce approximately 2.5 Mtpa over a 15 year mine life. An additional 200 new workers will be employed.

Horizon Mine Project

The Horizon Project has been in the exploratory phase since drilling programs began in March 2005. A recently completed preliminary assessment of the property's resources has indicated the presence of a resource base to support production of 1.5Mtpa for a 15 year mine life. The employment forecast for this project is approximately 200 people. The intent is to submit the EA application in the next few years.

Western Coal Corp.

WCC began operating the first active coal mine to create new employment opportunities for Tumbler Ridge residents in December 2004. This Dillon Mine on the Burnt River property is now depleted, having produced 1.26 million tons of coal during its two year life.

In March of 2005, WCC was granted its mining permit for the proposed Wolverine coal mine 25 km west of the Tumbler Ridge town site. The initial open-pit deposit, called Perry Creek, is expected to achieve production levels of 2.3 million tons per year of metallurgical coal from a proven and probable reserve of 43 million tons of run-of-mine coal in two deposits (Perry Creek and EB). WCC spent in excess of \$300 million to construct the Wolverine Mine, which began production of hard coking coal in July 2006. This mine has created more than 360 full-time production jobs and has a projected life of eleven years.

Perry Creek open-pit (currently producing) and the proposed Perry Creek underground mine are just a couple of four potential developments in the Wolverine area west of

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Tumbler Ridge. In November of 2008, WCC received an environmental certificate for its Hermann mine, which also forms part of the company's Wolverine expansion. Over 5 million tons of Wolverine hard coking coal has been shipped to customers through November 2009.

The Company is also working in partnership with Peace River Coal to explore the possibility of developing two other large multi-deposit property groups in the Tumbler Ridge area - the Belcourt/Saxon properties – covering 50,000 ha, with a total historical resource estimate for surface mining in excess of 150 million tons. The Partnership released a 43-101 technical report that indicates the property has reserves over 86 million tons.

In November 2006, WCC announced its intention to proceed with development and start-up of the Company's Brule mine, located within the Burnt River coal property (next to the depleted Dillon mine) northwest of Tumbler Ridge and west of the Sukunka River. The Environmental Assessment certificate for the Brule mine was received in 2006. The current pit at the Brule mine can operate at an annual run rate of 1.2 million tons of low-volatile PCI (pulverized coal injection) coal. A Mine Permit allowing for production of up to 2.0 million tons per annum at Brule was received early in February 2007. The Brule Mine is a replacement for the depleted Dillon Mine. The Company expects to expand production at Brule to 2.0 million tons by 2012.

In May 2008, the Company acquired the Willow Creek mine, located within 65 km of the Brule mine, from Cambrian Mining plc. At the end of November 2008, a decision was made to temporarily suspend operations for this project until clarity is reached on future coal prices and purchaser commitments become more visible. Once operations resume, the mine is projected to progress at an initial annual run rate of 900,000 per annum of low-volatile PCI coal with the target to be at 1.8 million tons by early 2012, which would include both hard coking coal and low-vol PCI coal.

All in all, the Company has plans to produce over 7 million tons of metallurgical coal from its three properties. There is also a potential for a further 4 million tons per year, minimum, from the Belcourt-Saxon joint venture, which could commence mining as early as 2013.

Teck Coal

Teck Resources Limited issued an announcement on April 29, 2010 stating that it is undertaking a feasibility study to potentially re-open the Quintette mine, given the favorable outlook for steelmaking coal demand. According to the media release:

“The Quintette feasibility study is part of our thorough evaluation of the various alternatives available to us to expand coal production,” said Bill Fleming, Vice President, Operations for the coal business unit. “In addition to the relevant engineering and permitting work, we will also be actively engaging with First Nations, local communities and the appropriate regulatory agencies to ensure that all factors are considered as part of any ultimate decision to reopen the mine.”

Teck expects to complete the study by the fourth quarter of 2011.

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Canadian Dehua International Mines Group

The Murray River Property area is approximately 160 km² and is located 5 km southwest of Tumbler Ridge, within the Peace River Coalfield. The property has coal resources of over 1.5 billion tons within the proposed 40 km² exploratory area. Based on the 2009 exploration program, it is expected to produce high quality coking coal with low ash and sulphur, high heating value and will be easy to wash. Early discussions with the company indicate that mine production could range anywhere from 3 to 10 million tons per year, and require 600-800 employees.

Vitol Anker International B.V.

In 2009 Vitol took Hillsborough Resource's Wapiti Thermal Coal property north of the Tumbler Ridge town site. Since the acquisition plans for the property have not been disclosed.

Oil and Gas

In August of 2009 the provincial government announced an Oil and Gas Stimulus Package aimed at increasing the industry's competitiveness and help boost the provincial economy by attracting new investment. The package includes: a one-year 2% royalty rate for all wells drilled in a 10 month window from September 2009-June 2010, an increase of 15% in the existing royalty deductions for natural gas deep drilling, qualification of horizontal wells drilled between 1,900 and 2,300 metres into the Deep Royalty Credit Program, and an additional \$50 million allotted for the Infrastructure Royalty Credit Program to stimulate investment in oil and gas roads and pipelines.

With these, in addition to streamlining the regulatory processes, Tumbler Ridge is set to act as home base for a myriad of service companies wishing to support the area's producers.

Oil and Gas Tenures in the Tumbler Ridge Area (Approx. 100km radius of town site)

Year	Bonus Paid	Tenures Issued	Total Ha
2006	\$39,021,794	57	64,315
2007	\$1,053,927,872	113	248,836
2008	\$1,542,216,465	96	120,682
Total	\$3,014,212,721.00	559	681,043

Source: Ministry of Energy, Mines & Petroleum - Oil and Gas Titles Branch

* Note: Tenure acquisition does not indicate ground activity levels but more reflective of resource interest. It sometimes goes in small parcels for exploratory testing followed by larger ones to pick up the indicated resource or in the other direction, starting large with small 'fill ins' later. The tenure term for most drilling licenses in the area is 5 years, so on the ground activities may occur at any time during the term. Activities are also driven by availability of rigs, tenure expiration date and location, which may not be in B.C.

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3 Largest Combined Bonuses Paid 2008

Company	Bonus	Total Combined Tenure Area (ha)
WINDFALL RESOURCES LTD.	\$326,915,646	11,580
STANDARD LAND COMPANY INC.	\$258,046,112	13,993
SANDSTONE LAND & MINERAL COMPANY LTD.	\$210,395,040	21,134

3 Largest Combined Tenure Areas Acquired 2008

Company	Total Combined Tenure Area (ha)
SANDSTONE LAND & MINERAL COMPANY LTD.	21,134
CONOCOPHILLIPS CANADA LTD.	14,715
STANDARD LAND COMPANY INC.	13,993

Summary of Well, Pipeline, and Geophysical Activity Taking Place in the Tumbler Ridge area (Approx. 100 km radius from town site)

2008	Wells New Apps	Wells Amendments	Pipelines New Apps	Pipelines Amendments	Geophysical New Apps	Geophysical Amendments
Started	151	99	88	29	8	4
Approved	171	100	96	30	7	4

2009	Wells New Apps	Wells Amendments	Pipelines New Apps	Pipelines Amendments	Geophysical New Apps	Geophysical Amendments
Started	69	37	57	11	4	0
Approved	71	39	63	12	5	0

Note: Date Range is January 1 to December 31

Source: Oil and Gas Commission

Three Most Active O&G Operators in the Tumbler Ridge Area - 2009

Application Type	Operator	New Apps Approved
Well	Shell Canada Ltd.	15
	EnCana Corporation	11
	ConocoPhillips Canada Operations Ltd.	10
Pipeline	BP Canada Energy Company	16
	ConocoPhillips Canada Operations Ltd.	11
	ConocoPhillips Canada (BRC) Ltd.	9
Geophysical	CGG Veritas Services (Canada) Inc.	1
	Complete Exploration Services Ltd.	1
	ConocoPhillips Canada Resources Corp.	1

Note: Most Active Operators based on # of new applications of each type approved between January 1, 2009 and December 31, 2009. Source: Oil and Gas Commission.

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Cutbank Ridge Play – EnCana Corporation

In 2003, EnCana Corporation completed the acquisition of about 325,000 net acres of prospective natural gas development lands in the Canadian Rocky Mountain foothills. It now holds approximately 962,000 net acres located approximately 55 kilometres Northeast of Tumbler Ridge. As the largest single-day petroleum land sale in BC history, it is expected to yield steady, profitable, long-life production growth. As the table above indicates, EnCana's preliminary Cutbank Ridge development plan resulted in the approval of 24 wells in the Tumbler Ridge area for the year of 2008.

Source: EnCana Corporation website

BP Canada Energy Company – Noel Major Project

The Noel Major Project received BP's internal approval in September 2008. Located within an area that is 60 km north of Tumbler Ridge and 10km West of Kelly Lake, this project includes the drilling, completions and tie-in of more than 130 sweet gas wells over the next 10 years. This project has a projected life of 30 years. Currently, BP is drilling with two rigs and completing their facility construction. They are also in the process of constructing a 70 km power line from West of Dawson Creek to One Island Lake that should be completed by first quarter 2010.

Tourism Development

Tumbler Ridge's new tourism website can be found at www.visitTumblerRidge.ca

The development of a balanced, thriving tourism industry continues to be a mainstay focus of Tumbler Ridge's economic diversification efforts.

Tumbler Ridge has been described in a myriad of ways; a fledgling mountain resort community, Shangri-la of the Northern Rockies and an oasis in an overdeveloped world. During a visit to the community in 2002, former Mayor of Whistler Ted Nebbeling was shocked to see the striking similarities between Tumbler Ridge and the resort community he helped develop. Having completed a town-wide visioning process in 2006, Tumbler Ridge residents expressed their desire to see tourism become a larger part of the local economy. There are a variety of key initiatives that are steadily moving Tumbler Ridge towards its tourism vision:

Tourism Investment Strategy

Completed in January of 2008, Tumbler Ridge's Tourism Investment Strategy outlines a series of key investment opportunities and strategic development recommendations for the local tourism industry. Copies of the executive summary and full report are available by request from the Community Development Office.

Community Tourism Foundations

Tumbler Ridge completed the Tourism BC's Community Tourism Foundations program in December 2008. The main objectives of the program were to assemble local tourism industry stakeholders to develop and implement two

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strategic tourism industry plans: one targeted towards development and the other for marketing. A Tourism Development Plan was created out of the project, accepted by Council in November 2008 and is moving forward over the next few years.

Museum and Dinosaur Developments

One developmental cornerstone of Tumbler Ridge's tourism industry is based on the increasing amount of unique palaeontological discoveries being made around the community. Since the discovery of an ankylosaur track way in 2000, an evolution of attractions and products have been developed by the Tumbler Ridge Museum Foundation (TRMF). These include the increasingly popular dinosaur trackway tours, Dinosaur Discovery Gallery and the Dinosaur Camps (for children and adults). In 2008 the District purchased a 25,000 ft² vacant elementary school that is currently leased by the TRMF to house the Peace Region Palaeontological Research Centre and Dinosaur Discovery Gallery – which includes exhibits featuring marine vertebrates, skeletal mounts and dinosaur trackways & bones.

The facility has undergone an immense amount of renovation over the course of 2009, and a grand re-opening of the Dinosaur Discovery Gallery took place on May 15th, 2010. New features include a multi-media theatre and impressive skeletal mounts, one in particular being of grand proportions.

For more information visit: www.trmf.ca and www.prprc.com

Trail Infrastructure

Tumbler Ridge is not only gifted with an abundance of natural treasures, we are also blessed with a dedicated group of outdoor enthusiasts (Wolverine Nordic & Mountain Society) that have worked tirelessly to create an evolving network of recreational trails to facilitate access to these areas. At this point in time, 37 formalized trails exist in the Tumbler Ridge area. Over the summer of 2009 we had a trail crew work to improve existing and to clear new trails in the area.

For more information visit: www.pris.bc.ca/WNMS

The Monkman Pass Memorial Trail was completed and the official opening took place on July 17th, 2008. This six day journey through Monkman Provincial Park (and beyond) is poised to outshine the West Coast and Chilkoot Trails.

For a full inventory of Tumbler Ridge's tourism attractions and infrastructure, please contact the Community Development Office.

Tourism Business Opportunities

Based on Tumbler Ridge's established recreational infrastructure and natural assets, there are a wide variety of opportunities for commercial outdoor adventure/recreation and ecotourism operations. These include:

- Guided hiking and backpacking tours and expeditions (day and multi-day), making use of the region's extensive trails systems (currently 37 developed trails in the immediate area);
- Guided day and multi-day trail rides by horseback into the backcountry;

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- River rafting, kayaking, canoeing, river boating and jet boating day tours and excursions and multi-day expeditions;
- Nature and wildlife-viewing excursions and photography (including large mammal species, such as grizzly bears);
- Birding excursions (species from the western and eastern sides of the Rockies converge in the Tumbler Ridge area);
- Mountaineering and orienteering trips;
- Alpine wildflower photography;
- Mountain biking excursions and heli-hiking expeditions;
- Cross-country skiing (front country and backcountry ski touring);
- Snowmobile and dog-sledding day tours and multi-day expeditions;
- Snowshoeing excursions and possible heli-skiing, and;
- Ice climbing (due to the multitude of waterfalls)

Other tourism-based business opportunities include:

Backcountry Adventure/Ecotourism Lodge - These would be small-scale facilities accommodating 10-20 persons in rustic lodge and cabin-type accommodation. They should be geared to soft adventure ecotourism experiences by providing comforts such as ensuite bathrooms and on-site dining facilities. These could be developed in several locations throughout the region, particularly in proximity to major natural attractions and features such as trail systems, provincial parks and waterfalls. Such facilities could be developed hand-in-hand with commercial backcountry recreation operations that would cater to a similar market.

Additional small full-service inns (10-20 rooms/units)

Additional Bed and Breakfast accommodations

Industrial Service Opportunities

Industrial Services

There are a multitude of opportunities for a variety of industrial service companies to position themselves in the midst of all the activity that is taking place in the Tumbler Ridge area. By establishing operations in Tumbler Ridge, companies enhance their competitiveness through the elimination of operational expenses associated with travel and workforce lodging. In addition, as companies move closer to the field they can exercise economies of scale by being closer to a variety of job sites and keep a more watchful eye on their operations.

As far as identified needs are concerned, active mining companies in the area were asked what services they feel will be needed over the next few years.

Some of their responses included contractors for:

- Additional site clearing/harvesting
- Exploration reclamation
- Waste oil disposal

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- Sewage disposal

Shop Space

Businesses are now positioning themselves for the development that is going to take place within the next 2-3 years. Since we are on the doorstep of a critical mass of gas plays and coal properties, people have realized that being closer to the action helps sharpen their competitive edge. In response to the increasing number of inquiries from businesses looking to relocate to Tumbler Ridge, we have expanded our commercial and heavy industrial parks. Not only does this provide space for businesses to set up shop themselves, it offers the opportunity for people to build shops for lease purposes.

Retail and Commercial Service Opportunities

In April of 2008, the District of Tumbler Ridge completed a Commercial Investment Strategy that, in part, set out to analyze the community's business environment and identify general categories of local investment opportunity. This involved the examination of factors that typically influence commercial viabilities at a local level, such as:

- Unique local market and trade area characteristics;
- Changes in population size and composition;
- Past, current, and projected sources and amounts of basic income.

Research information sources included federal and provincial census data for Tumbler Ridge and the province of British Columbia, as a whole. A local survey was also carried out, which interviewed a range of local businesses entities. This survey revealed supply/purchase practices and issues, overall business experience, and opinions.

The final result was the identification of the following opportunities for retail/commercial service expansion:

- Building construction and maintenance trade work that tends to be used on an ongoing basis after initial construction, for example in the following areas;
- Renovations and redecoration;
- Regular maintenance and small repairs and replacements, e.g., annual commercial furnace inspections and property upkeep;
- Professional or semi-professional services, such as;
 - Specialized financial services
 - General management consulting
 - Writing
 - Computer servicing and system installation and repair

Other categories of opportunity for completely new enterprises are likely to arise as the population increases over time. Meanwhile, the types of goods and services they would involve may be in enough current demand to enable existing local businesses to successfully expand their range and volume of delivered products or services. Or, if they haven't been picked up by existing businesses, then they are fair game for newcomers.

These categories include:

- Building trade work that tends to be used at initial construction and occasionally thereafter, when normal wear and tear call for replacement after periods of several to many years;
- Family and women's clothing;
- Direct sales distributorships (usually home-based);
- Specialized legal, technical, and management services, e.g., law, notary, accounting, engineering, medicine, dentistry, veterinary, tutoring;
- Personal services, e.g., interior design, landscaping, photography, amusement, auto and residential upkeep, and;
- Restaurants offering a product and experience that differ from what already exists.

From the Horse's Mouth

Being in a small town, it doesn't take long to run into someone who will freely share what they would like to see made available locally. It usually follows the statement, "I'm tired of going out of town for..." From what we've gathered anecdotally, here are some of the more popular requests from the general public:

- Auto repair and body work
- Bakery
- Butcher
- Chartered bank
- Chiropractor
- Clothing (men's, women's and children's)
- Deli
- Dental services
- Indoor Entertainment (I.e. bowling, billiards)

Note:

Prospective investors are strongly advised to determine for themselves whether local market demand and available supplies of wholesale goods, labour, and commercial operating space are adequate to support the particular retail enterprises they are contemplating. This summary of opportunities cannot replace investors' diligence in confirming in detail whether and when a real opportunity exists for a specific enterprise. It can only indicate general business categories where viability is likely -- whether immediately or in the reasonably predictable future.

Commercial Lease Space

A variety of retail and service-based businesses have contacted the Community Development Department hoping to establish themselves in Tumbler Ridge, but there are limited options for ground level retail space. This could be a lucrative opportunity for anyone that has the expertise and resources to establish a multi-use building that combines ground level retail with office space above it. Contacts for potential tenants can be obtained from the Community Development Officer.

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Entertainment

Tumbler Ridge residents are flush with cash and would like to see an expansion in things to do in the evenings, particularly during the winter months. Two of the most requested forms of entertainment are a proper venue to see movies and a bowling alley/billiards hall. Anyone that is interested in the possibility of establishing these services in Tumbler Ridge is asked to contact the Community Development Office.

Food and Beverage

In a recent survey (published 2006) in which close to 50% of the local households participated, some noticeable gaps in our local food and beverage services were identified. These included:

- More selection in restaurants Franchise establishments
- A second grocery store (an average of 7,859 trips made out of town each year by the survey respondents for groceries).
- Stand alone bakery/deli
- Stand alone butcher

For more information, or if you would like to suggest a correction and/or addition to this document, please contact:

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