

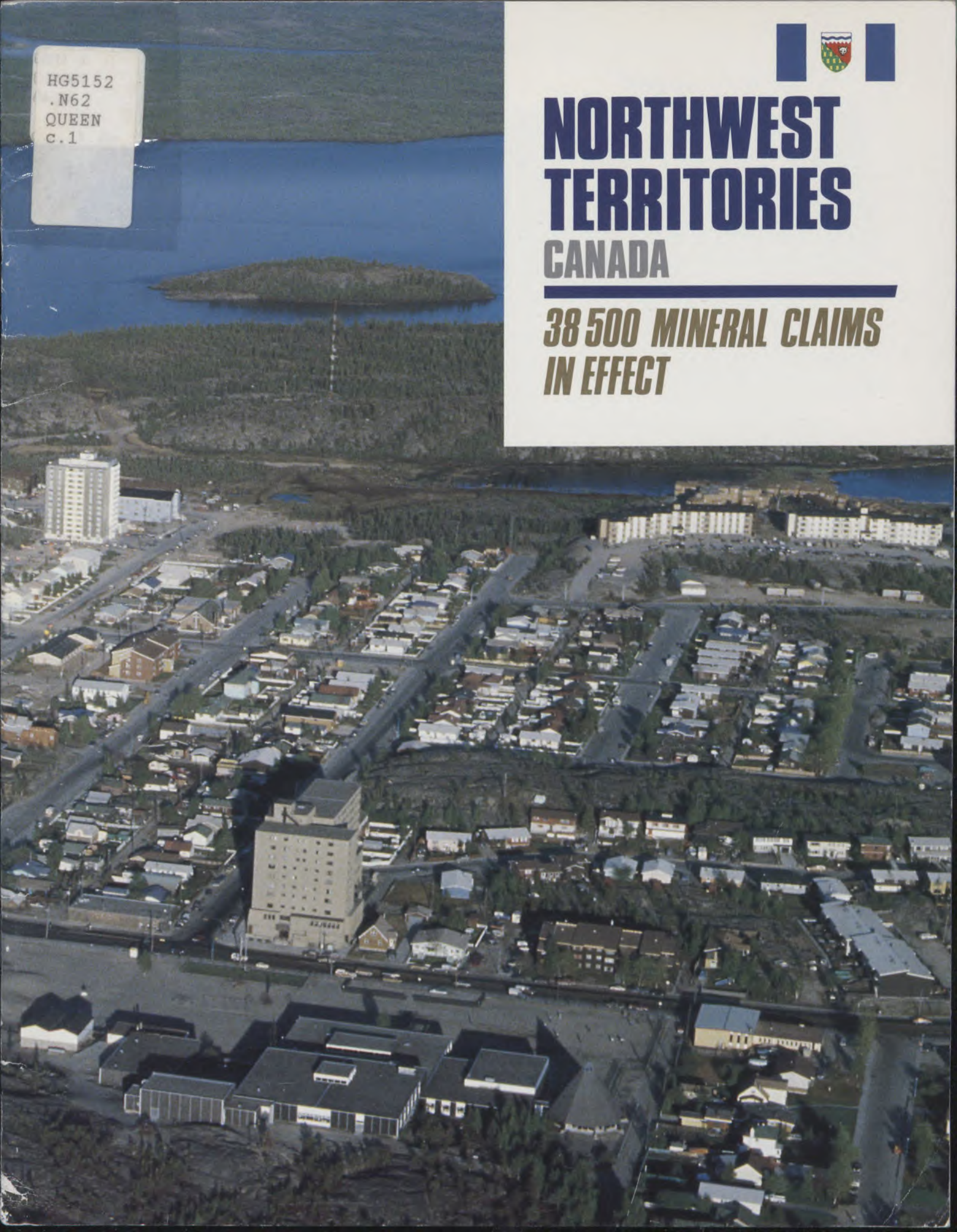
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NORTHWEST TERRITORIES

CANADA

***38 500 MINERAL CLAIMS
IN EFFECT***





Investing in Northwest Territories, Canada

This brochure provides information on **business and investment opportunities** in Northwest Territories, Canada. It also indicates **where to get further information and advice** from Canadian government agencies, including:

information on **benefits** of investing in Canada, and the **procedures** involved

business and investment opportunities in **specific industry sectors** and in **other provinces and regions**

more detailed data on Northwest Territories

Now is an excellent time to invest and do business in Northwest Territories, Canada:

Northwest Territories (NWT) is still in a relatively early stage of development, and its extensive renewable and non-renewable resources remain largely untapped. There is plenty of room for new investors and business operators with a strong entrepreneurial spirit and innovative ideas. Start-ups, joint-ventures and business expansions are possible in all areas of economic activity.

More than half the population is of native ancestry, with traditional values and a knowledge of the land which dates back thousands of years. NWT is particularly attractive to entrepreneurs who enjoy small-community life and who seek direct access to the unique northern wilderness.

The population has almost tripled in the last three decades. A reliable system of air transportation now connects most northern communities, and provides vital links to major urban centres in Canada, the United States and Greenland. Improved road facilities link Yellowknife, Hay River and other communities in the southern Mackenzie area directly to Alberta and British Columbia. Communities in the Mackenzie Delta enjoy road access to southern Canada via the Alaska highway system.

The mining and tourism industries have grown significantly in recent years to complement other resource-based activities such as fishing and trapping. Many traditional pursuits now cater to expanding world markets for specialty products such as native arts and crafts, Arctic Ocean and northern freshwater fish, wild furs, and northern game.

Businesses operating or seeking to establish in the Territories can take advantage of NWT's energetic and reliable labour force, as well as its increasingly sophisticated industrial and commercial infrastructure. In addition, northern businesses can access the range of financial and technical services available from the rest of Canada.

The governments of Canada and Northwest Territories strongly support new business ventures and investments in the north, and work closely with entrepreneurs and investors to help them start-up, expand or improve their businesses in the Territories.

Publié également en français.

NORTHWEST TERRITORIES



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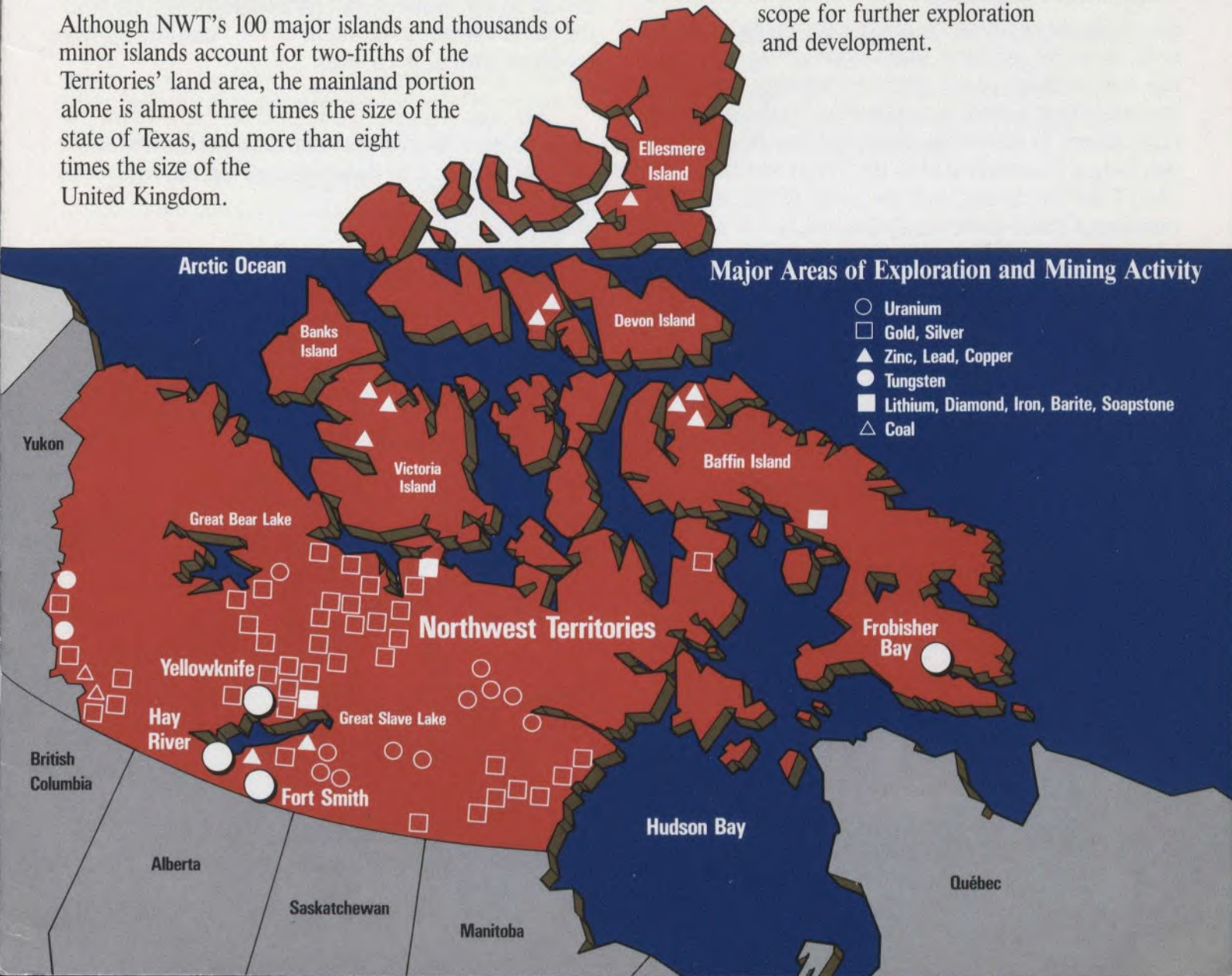
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Northwest Territories (NWT) is the largest single political jurisdiction in Canada. Spanning three international time zones, and with a total area of 3 426 320 km² (1 322 560 square miles), the Territories accounts for one-third of Canada's surface area.

Although NWT's 100 major islands and thousands of minor islands account for two-fifths of the Territories' land area, the mainland portion alone is almost three times the size of the state of Texas, and more than eight times the size of the United Kingdom.

Northwest Territories is rich in oil & natural gas, gold, silver, zinc, lead, copper, uranium and other minerals. In 1984, an average of 38 500 mineral claims were in effect. However, the land under claim amounted to less than 1 percent of NWT's total area, leaving wide scope for further exploration and development.



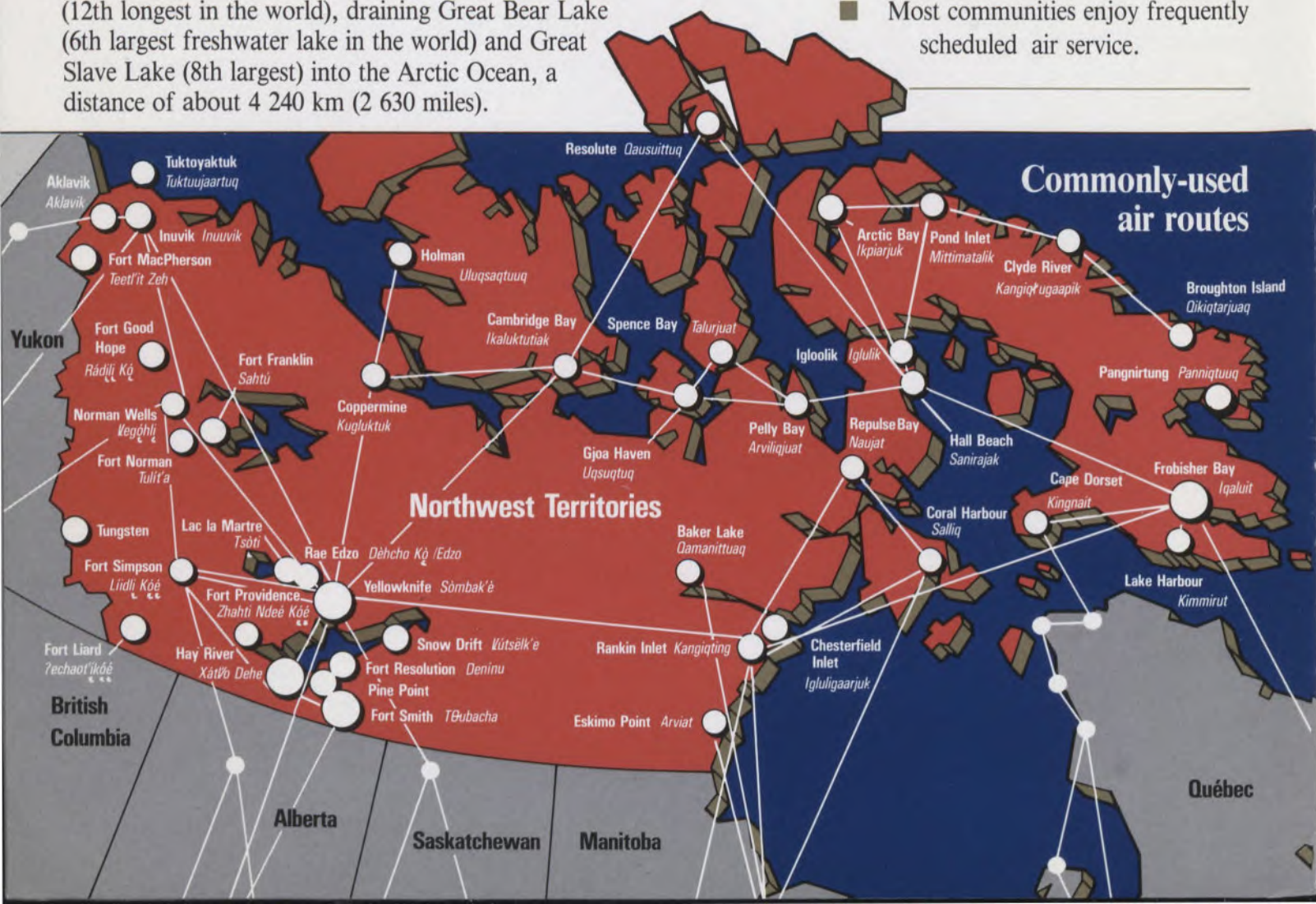
Unique Northern Environment

■ Northwest Territories includes all Canadian territory north of the 60th parallel of latitude (except Yukon and the northwestern tip of Québec and Labrador) plus all islands south of the 60th parallel in Hudson Bay and James Bay.

■ From the mountain fringe along the Yukon boundary in the west, the mainland plains slope east to Hudson Bay and northeast to the Arctic Archipelago. Across the low-lying mainland area flows the Mackenzie River (12th longest in the world), draining Great Bear Lake (6th largest freshwater lake in the world) and Great Slave Lake (8th largest) into the Arctic Ocean, a distance of about 4 240 km (2 630 miles).

■ Approximately half of the mainland area of NWT, including the entire Mackenzie Valley, is in the **sub-Arctic climatic zone** (average daily temperature of the warmest month exceeds 10°C, or 50°F). The remainder of the mainland, most notably the northeastern portion, and all of the islands in the Arctic archipelago are in the **Arctic climatic zone**, north of the “tree line” (northern limit of treed area).

■ Most communities enjoy frequently scheduled air service.



■ The **frost-free period** ranges from 50 to 100 days throughout the Mackenzie basin. The short growing season is largely offset by the long hours of daylight in northern summers. The southern Mackenzie enjoys an average of eight hours of bright sunshine per day throughout the summer, and up to twenty hours of daylight in June.

■ Known as "*the land of the midnight sun*" the northern Mackenzie features twenty-three hours or more of sunlight per day through much of June and July.

■ In the southern Mackenzie zone, temperatures are more closely comparable to those of the prairie provinces. For example, the average daily maximum temperature in July is approximately 21°C (70°F). **The average daily difference in summer and winter temperatures between Yellowknife, NWT and Winnipeg, Manitoba is only approximately 3 degrees.**

■ Annual **precipitation** in the Mackenzie basin is light, ranging from 23 cm to 35 cm (9-15 inches). Snowfalls average about 125 cm (49 inches) per year (10 cm of snow is approximately equivalent to 1 cm of rain).

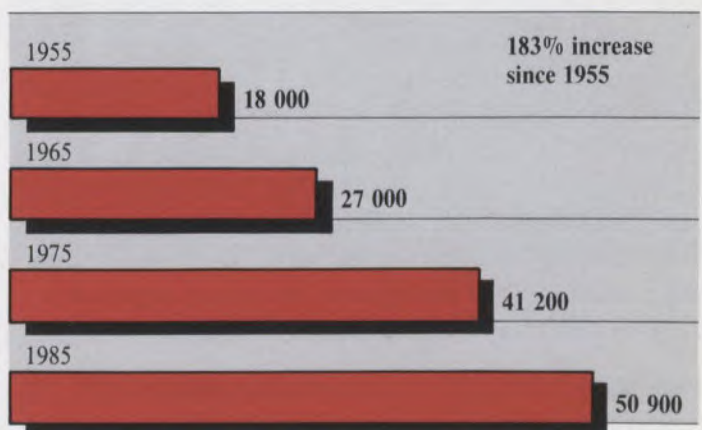
■ The **Arctic** is colder and drier than the sub-Arctic. In the inhabited portions, the frost-free period ranges from forty to sixty days.

■ The **landscape** features mountains, glaciers, coastal fiords, muskeg, rock outcrops, numerous freshwater rivers and lakes, and extensive plains.

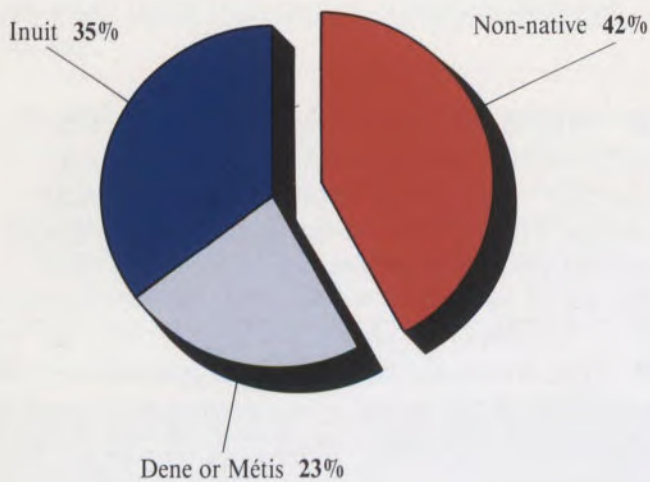
■ **Vegetation cover** ranges from taiga (boreal forest) in the southern area of discontinuous permafrost, to sub-Arctic forest-tundra (transition zone) and Arctic tundra in the more northern regions of the Territories.

■ **Wildlife** includes land mammals (e.g. wolves, foxes, bears, caribou, moose, muskox, mountain goat, and Dall sheep) as well as marine mammals such as seals, walruses and whales. More than 200 species of birds breed or stay in the north.

■ The Territories' **population** has grown from 18 000 in 1955 to 50 900 in 1985 — an **average increase of 6% per year** over the 30-year period:



■ More than half (58%) of NWT's population is of **native ancestry**:



■ **Communities** vary in size from as few as 30-50 persons to a typical range of 300-600 persons. Several have populations of 1 000 or more. Life in the north is heavily focused on the communities, most of which maintain public recreation facilities and organize social and business events throughout the year. Cooperative business ventures are common.

■ Immediate access to the wilderness environment figures prominently in northern life. Many residents pursue business and/or recreational activities which take advantage of northern landscapes and wildlife, e.g.:

- boating and canoeing
- hiking
- camping
- hunting and fishing
- snowshoeing and cross-country skiing
- dogsled and ski-doo racing
- outdoor photography
- wildlife/nature studies (e.g. bird watching, whale spotting, etc.)

■ As of the 1981 census, over four-fifths (44%) of Northwest Territories' population was concentrated in five centres:

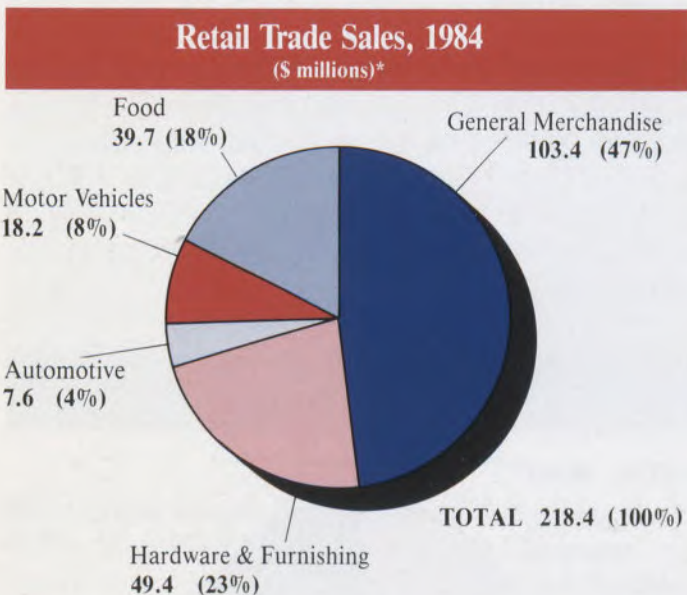
1981 Population	
Yellowknife (NWT's capital city)	9 483
Inuvik	3 147
Hay River	2 863
Frobisher Bay	2 333
Fort Smith	2 298

■ An additional 50 smaller communities, hamlets and settlements scattered throughout the Territories account for the majority of the population. With limited road access, most of the communities rely upon an extensive air transportation network.

Land Of The Entrepreneur

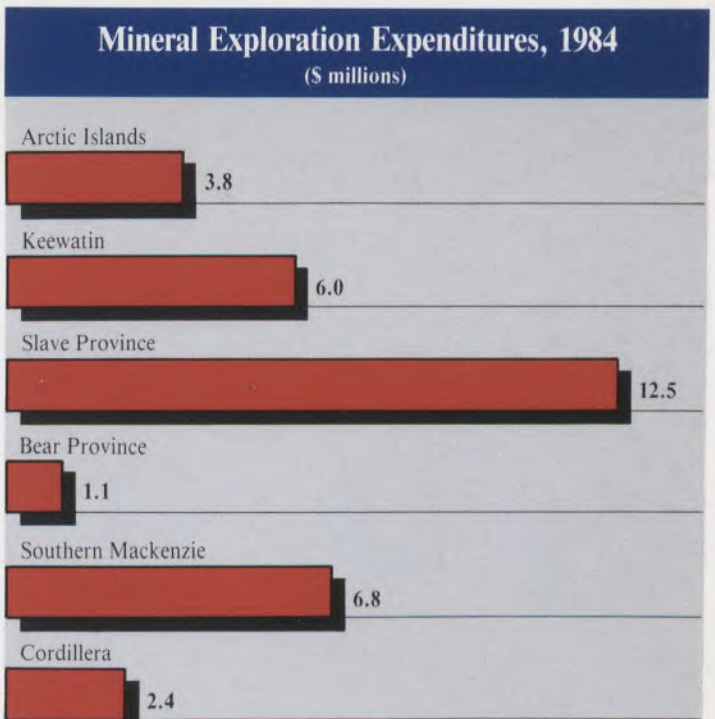
■ In 1983, Northwest Territories' gross domestic product at factor cost was \$1.1 billion — **that's an average of \$23 093 for every man, woman and child living in the Territories.**

■ Sales in the retail trade sector in 1984 exceeded \$218 million — an average of **\$4 412 per resident** in the Territories.



■ The entrepreneurial spirit is alive in NWT. **In 1985, there were 3 493 companies registered in the Territories,** an increase of 10% over the previous year.

■ **Mineral exploration** is being performed in virtually all regions of the Territories. In 1984, total mineral exploration expenditures surpassed \$32 million:



■ The **tourism industry** is a rapidly-growing sector of the economy. During the summer of 1984, approximately **45 000 visitors spent \$45 million** in Northwest Territories.

* All financial data are expressed in Canadian dollars (C\$).

For conversion to US\$:
 1983 C\$1.00 = US\$0.81
 1984 C\$1.00 = US\$0.77
 1985 C\$1.00 = US\$0.71
 1 billion = 1 000 million

Almost ^{CDN} \$3/4 Billion Mineral Production In 1984

■ The potential and proven mineral, oil and gas reserves of Northwest Territories have helped Canada achieve the ranking of **best among 28 OECD and other industrialized nations** in terms of availability and cost of raw materials and energy for 1985, according to the **European Management Forum**:

Mineral Production % of Total Canadian Production, 1984		
Mineral	Ranking Among Provinces & Territories	% of Total Canadian Production
Tungsten Trioxide	1	73
Lead	1	34
Zinc	3	24
Gold	3	15
Silver	4	4



Tungsten Trioxide



Lead



Zinc



Gold



Silver

■ The total value of **mineral production** in NWT was \$737.8 million in 1984.

■ The total number of mineral claims in effect in 1984 averaged 38 497.

Average Number of Mineral Claims in Effect, 1984

Region	Number of Claims	Area (km ²)
Mackenzie	21 265	16 830
Arctic and Hudson Bay	14 677	11 300
Nahanni	2 555	1 120
TOTAL	38 497	29 250

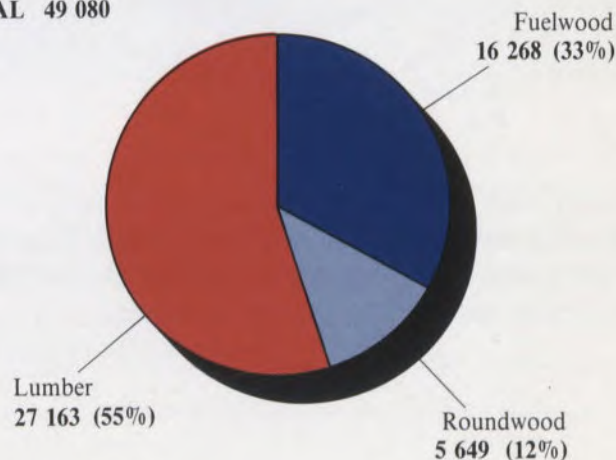
■ Production of **crude oil** in 1985 totalled 375 736 m³ (2.4 million barrels). Virtually all of this production was refined in the Territories.

■ In 1985, gross production of **natural gas** amounted to almost 200 million m³ (70% of which was marketable).

■ Northwest Territories has 615 000 km² (151 905 000 acres) of inventoried **forest land**, accounting for **almost one-fifth (18%) of the Canadian total**. Almost one-quarter (23%) of the inventoried forest land in NWT is productive. Commercially-viable areas include stands of white spruce, black spruce, poplar, birch, tamarack and jackpine.

Timber Harvest, 1982-83 (m³)

TOTAL 49 080



■ There are **7 commercial sawmills** in NWT; an additional **5 community mills** produce lumber for local markets.

■ NWT produces significant quantities of **fish** products, including world-renowned specialities such as Arctic Char.

■ **Fish processing plants** in the Territories produced a total of 1.2 million kg for marketing in the 1982-83 fiscal year:

Processed Fish, 1982-83	
Type	kg
Whitefish	954 099
Northern Pike	116 136
Trout	65 736
Arctic Char	56 708
Pickeral	40 653
Other	13 655
TOTAL	1 246 987

■ Certain lands in the Liard River Valley, Hay River Valley, Slave River lowlands and Upper Mackenzie regions are suitable for **agriculture**. Of the total **2 million hectares (4 940 000 acres) of potential farmland** available in these regions, 10% is capable of supporting sustained arable agriculture, while 70% is marginal land, suitable for pasture, hay production or grazing. The remaining 20% has only limited agricultural capabilities.

■ **Market gardening** on plots near major centres is rapidly growing as a part-time occupation.

■ In the 1984-85 **fur-trapping** season the Territories' 3 790 trappers earned a total of \$3.3 million from sales of 168 595 individual pelts, furs and hides. Most individuals pursue trapping as a means to supplement other sources of income.

Fur Production, 1982-83

Species	Number of Pelts	Total Value (\$)
Bear, Polar	196	168 488
Bear, Other	35	4 473
Beaver	2 714	41 168
Coyote	29	1 859
Fisher	57	9 637
Fox, Blue	59	1 982
Fox, Cross	724	59 705
Fox, Red	1 487	76 836
Fox, Silver	115	6 208
Fox, White	12 652	265 174
Lynx	2 200	620 230
Marten	17 506	769 986
Mink	2 768	63 636
Muskrat	131 109	341 510
Otter	42	1 820
Squirrel	2 746	2 558
Weasel	357	388
Wolf	523	109 844
Wolverine	137	28 568
TOTAL	175 456	2 574 070

■ The total installed **electrical energy generating capacity** in NWT in 1984 amounted to 492 thousand million kW·h.

■ Many large energy-intensive industrial operations, such as those involved in mining, generate their own electricity on-site to meet production needs.

One In Four Has A University Or College Diploma

■ Northwest Territories' labour force reflects the high proportion of local community-based business enterprises and social service agencies operating in the region; **fully one-quarter (25.3%) of the labour force is active in community business and personal services.**

Distribution of Labour Force by Industry Sector (April, 1985)

Industry Sector	Labour Force	Percentage
Mining, Oil and Gas	2 384	12.9
Manufacturing	336	1.8
Transportation and Communication	1 928	10.4
Trade	2 119	11.5
Finance and Insurance	529	2.9
Community, Business and Personal Services	4 673	25.3
Public Administration	4 564	24.7
Other	1 929	10.4
TOTAL	18 462	100%

■ **Wage rates** reflect both the higher cost of living in the north and the necessity of drawing and retaining skilled workers for the labour market:

Average Earnings (August, 1985) (C\$/hour)

Industry	Salaried Employees	Employees Paid by the Hour
Goods Producing Industries	\$20.46	\$17.79
Transportation, Communication and Other Utilities	17.04	14.03
Trade	10.87	7.90
Finance, Insurance and Real Estate	15.07	10.42
Community, Business and Personal Services	15.42	9.73
Service Producing Industries	15.50	10.33
INDUSTRIAL AGGREGATE	16.07	14.45

■ As of April 1985, the average weekly wage in the mining, oil and gas industry was C\$786 while in the manufacturing sector it was C\$582.

■ There is a strong commitment to education in NWT. Of the population 15 years of age or over who were no longer in school in 1981:

more than three-fifths (62%) had completed elementary education (up to grade 8)

more than two-fifths (43%) had completed secondary education

one in eight (12%) had a university certificate, diploma or degree; an additional 13% had a college certificate, diploma or equivalent. Therefore, **one-quarter have completed post-secondary education.**

■ **Post-secondary training** in vocational, selected technical and professional programs is available at **Arctic College** through its main campus in Fort Smith and the affiliated campus in Frobisher Bay. Plans are underway for the opening of another college campus in **Inuvik**. In addition, adult upgrading and home-management programs are available in many communities.

■ The governments of Canada and Northwest Territories are committed to assisting businesses willing to provide training and skill development to the local labour force. Training allowances, and assistance in establishing special skill-developing programs are available. High priority is given to specific skills required by businesses.

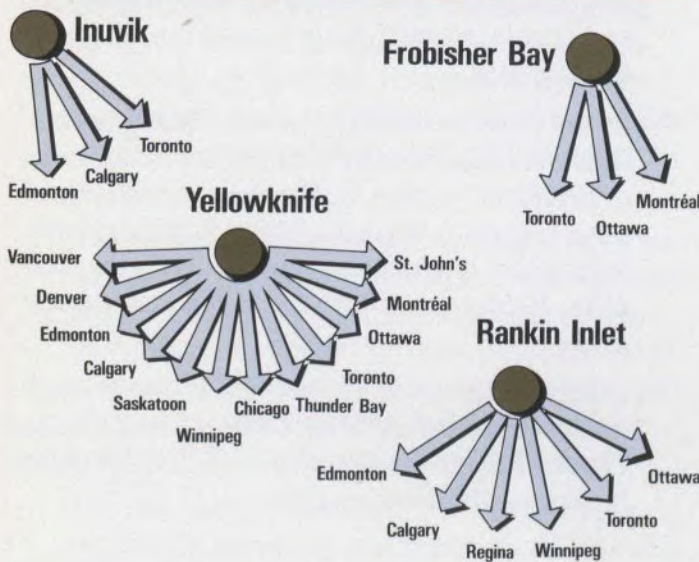
7 Of Canada's Top 50 Cargo Airports

■ Twelve companies offer scheduled **air service** within NWT. All communities are accessible by scheduled or charter air service and most have runways equipped for operation 24 hours per day.

■ Seven of NWT's airports rank among the top 50 **Canadian airports** in terms of the amount of cargo handled. The airport at Frobisher Bay ranks 11th in Canada and is a major northern trans-shipment centre.

■ Some southern urban centres within **one day's access** by regular scheduled flights from Yellowknife, Rankin Inlet, Frobisher Bay, and Inuvik:

One Day's Access by Scheduled Air Connections



■ **Marine and river transportation services** provide cargo delivery to many communities throughout NWT. The eastern Arctic is served by deep-sea vessels operating from Montréal, Québec.

■ The **ports** at Nanisivik and Polaris collectively handled over 74 000 metric tonnes of cargo in 1984. These high-Arctic ports use ice-strengthened vessels to export mineral ores to European destinations.

■ **Rail transportation** is provided by the **Canadian National Railway** on a line from Peace River, Alberta to Hay River. A spur line provides rail links to a lead-zinc mine at Pine Point. Total rail freight handled in 1983 reached 179 114 metric tonnes:

Rail Freight Traffic, 1983		
Destination	Volume (metric tonnes)	% of Total Freight Originating in N.W.T.
Ontario	46	< 0.1
Alberta	86	< 0.1
British Columbia	127 874	71.4
Marine Export	51 107	28.5
TOTAL	179 114	100%

■ In 1983, **for-hire truckers** in Northwest Territories handled 87 000 tonnes of goods originating from NWT; four-fifths (80%) of that was destined for locations within the Territories.

■ Satellite-linked **full telephone service** is available in most communities. As of 1983, there were 15 344 business telephones in operation in the Territories. Combined with an additional 13 223 residential phones, that amounts to an average of 59 phones per 100 population.

■ **Postal service** is available in all communities.

Supporting Exploration, Growth And Development

■ The 15 branches of **major chartered banks** operating in larger centres in NWT provide a range of financial services comparable to that available in major centres across Canada. Smaller communities are provided with banking services by mail.

■ The **Federal Business Development Bank** office in Yellowknife offers a full range of services for investors.

■ Additional funding is available through many **government incentive and business assistance programs**. The venture-capital program of the Government of Northwest Territories provides repayment of up to 30 percent of capital invested by accredited firms.

■ Inflation is well under control in Northwest Territories.

Annual % Increase in Consumer Price Index for Selected Items, 1985

Item	% Change
Food	3.5
Housing (excluding shelter)	3.4
Clothing	0.7
Transportation	4.5
Health and Personal Care	4.1
Recreation	3.4
Tobacco and Alcohol	6.9
ALL ITEMS	4.4

■ The **Science Institute of the Northwest Territories** participates in, and offers support for, research and development in the north.

■ **Government research laboratories** are operated in Inuvik and Igloolik. The facilities are involved in specialized research on the Arctic and provide assistance to researchers working in the Arctic.

■ There has recently been rapid expansion in the residential and non-residential construction industry. The value of building permits as of September 1985 was \$41 million — approximately double the total value of permits issued throughout all of 1984.

■ Recent major investments reflect a growing interest in business opportunities in NWT:

***Shehtah Drilling Ltd.** was incorporated on July 1, 1983 as a joint venture of native-owned corporations and private industry. Future expansion of Shehtah is anticipated.*

*Recent investments in exploration by **Highwood Resources Ltd.** have resulted in major discoveries of beryllium, yttrium, columbium, tantalum and other rare-earth minerals. These discoveries have led to more recent investments to develop a pilot plant. Production is expected to begin in the near future.*

*Companies involved in construction and development of the **Norman Wells Oilfield Expansion** and **Pipeline Project** have invested more than \$64 million in Territorial businesses alone.*

Tapping A Rich Resource Potential

Northwest Territories offers **tremendous potential for investment in many sectors**. The diverse resource base provides opportunities not only in resource exploration and extraction industries but also in the related processing and service sectors.

Investments which expand economic and employment opportunities for northern residents and/or reduce NWT's dependence on goods and services imported at great cost from outside the north are particularly welcome. This includes initiatives which take advantage of previously untapped potential as well as business improvements and/or new ventures which increase the local value-added of existing enterprises.

The **mining industry** provides virtually unlimited scope for investment. Of particular interest are new opportunities for exploration and development of unique rare-earth minerals which have high-technology applications. Exploration work is encouraged, and no regulatory control is exercised, other than standard environmental protection safeguards.

The **oil and gas industry** will continue to seek new investments to assist in exploration and development activities. Major opportunities include provision of supplies and support services, improvement of environmental protection equipment and techniques, innovative exploration and drilling technologies, and expanded local refining capacity.

The **renewable resources** of NWT offer opportunities for harvesting and marketing of furs and exotic food products. Development potential exists in fur farming and indigenous livestock ranching (e.g. caribou, muskox, etc.) to satisfy growing interest in world markets.

The **tourism and outfitting sectors** are recognized as industries with significant growth potential. Major markets include naturalists, sports enthusiasts, camping and outdoor enthusiasts, and field researchers and scientists. There is a need for capital investments in transportation equipment, accommodation facilities and other amenities, as well as the conservation and/or development of natural, historic and cultural sites and attractions. There is also a need for investment in the development and marketing of packaged tours, and the expansion and improvement of all support services (e.g. supply of food and equipment, provision of visitor and tourist services, etc.).

The **retail trade and service sectors** offer possibilities for new businesses and expansions to meet the needs of government agencies, communities and the oil and gas industry. Preferential policies for purchasing and contracting are in place for resident NWT firms supplying goods and services to government and to the mining and oil & gas industries.

Joint-venturing with native economic development corporations and native businesses is strongly encouraged, and offers many attractions:

- involvement of peoples accustomed to the northern environment, and knowledgeable of local business conditions
- access to native-controlled capital resources
- special incentives and other support for recruitment and training of local workers

The **Department of Regional Industrial Expansion** is a department of the Government of Canada devoted to serving needs of Canadian businesses, as well as foreign businesses operating or wishing to invest in Canada. These range from single-person enterprises to large multinationals. The department has more than 30 offices to serve businesses in every province and territory in Canada. In addition, the department works in close cooperation with international offices of External Affairs Canada and Investment Canada.

The objectives of Regional Industrial Expansion are to promote and support the productivity, profitability and competitiveness of Canadian businesses in a manner which respects the different business opportunities and conditions in each region of the country.

Regional Industrial Expansion helps businesses to gain access to information, advice and money needed to meet their business and investment objectives. Assistance and support is available for businesses at any stage in the business cycle, from setting up operations to expanding or modernizing facilities. In many cases, special support is available for targeted industry sectors and regions of the country in support of Canadian and territorial industrial development strategies.

For Further Information, Contact The Nearest Canadian Embassy Or Consulate.

Or:

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GOVERNMENT OF NORTHWEST TERRITORIES

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