

Business Edge

News Magazine

ONTARIO

NOVEMBER 14, 2008 - Vol. 4, No. 23

**Building Wealth
Through Real Estate**

REDEV Properties

See Page 13

CMS
Complete Mailing Service

The Answer to Your
Mailing & Printing Needs

See Page.....4

Facing the storm



Bayne Stanley, Business Edge

Challenging times for lumber czar

Canfor Corp. president and CEO Jim Shepard is back in the saddle after a brief retirement and is now taking care of business at Canada's largest softwood lumber producer. In this **Special Report on Natural Resources**, Shepard talks about his efforts to help the company recover from millions of dollars in losses. See **20 Questions** on **Page 8**.

Diamond producers bullish on prospects

But U.S. downturn could still hurt global industry

By Laura Severs
Business Edge

Canada's diamond sector is hoping to add some lustre to the slowing Canadian economy.

Despite a sharp downturn in commodity markets and a global financial crisis, analysts say there are no imminent plans to shut down diamond mines or dramatically scale back production because of world economic conditions.

Though production is likely to drop at the country's two major mines – Diavik and Ekati, both in the Northwest Territories – it's primarily due to lower grades that the mines are yielding and different ore sources, as opposed to cutbacks related to the global downturn.

"There are no cutbacks or shutdowns, not to my knowledge," says Pierre Leblanc, the principal of Ottawa-based Canadian Diamond Consultants Inc., which provides independent, commercial and policy advice related to the Canadian diamond industry.



See **STOCKPILE**

Page 3

Ontario ISSN 1710-7857



PM40045817

NEWSSTAND \$2

MRL CAPITAL TRUST



Bringing You to the Front of the Line
of Real Estate Investment
from the Comfort of Your Armchair



See Page 5

Business Edge

PUBLISHED EVERY SECOND WEEK BY BUSINESS EDGE INC.

NATIONAL OFFICE
Suite 500
525 11th Ave. S.W.
Calgary T2R 0C9
1.866.216.3343
Fax 403.264.4439

ADVERTISING INQUIRIES
1.866.216.3343, ext. 25
ads@businessedge.ca

PUBLISHER
Rob Driscoll

EDITOR-IN-CHIEF
Terry Inigo-Jones

HEAD OF RESEARCH
Alexis D. Smolensk

CIRCULATION MANAGER
Alexis D. Smolensk

SUBSCRIBE ONLINE
www.businessedge.ca

NEWS TIPS: news@businessedge.ca

Articles may not be reproduced, rewritten, distributed, disseminated, transmitted, displayed, published or broadcast, directly or indirectly, in any medium without the prior written permission of *Business Edge*.

CANADA POST PM 40045817
Return undeliverable Canadian addressed mail to:
Suite 500,
525 - 11th Ave. S.W.
Calgary, Alberta.
T2R 0C9
subscriptions@businessedge.ca

Index

• **TAKING A BREATH**

The hectic pace of growth in Fort McMurray has slowed in the wake of the global financial crisis, giving the city a chance to slow its expansion.

Page 6

• **20 QUESTIONS**

Jim Shepard explains why he came out of retirement to be CEO and president of Canfor Corp. and steer the Canadian softwood lumber giant through the current difficult economic times.

Page 8

• **FINANCIAL EDGE**

Schachter Asset Management Inc. president Josef Schachter sees the first hint of a recovery in the U.S. economy as gas prices drop and financial packages are dispersed.

Page 14

• **STREET LIFE**

A joint venture by gold and silver mining companies in Mexico has intersected a new zone of massive

sulphide mineralization and helped buoy their stocks.

Page 16

• **EDGE@WORK**

Author Greg Forbes Siegman has learned through his travels that Ripple Effects can lead to business, and life, opportunities he never would have imagined if introductions were limited to business cards.

Page 18

• **OPINION**

Renewable energy advocates may think outside the petroleum box, but as wind power proponents are learning, it can be a tough sell, says columnist D'Arcy Jenish.

Page 20

• **TECHNOLOGY EDGE**

Customer relationship management is the lifeblood of a business and companies need to carefully examine how they can improve their public profile, says columnist Tom Keenan.

Page 22

100 tips

for growing your business

Wardell Professional Development

- 15 **Tighten up your receivables.** Most invoices say "net 30 days", so they are paid at least 30 days after the invoice arrives. Instead, take a lesson from the credit card companies and replace this vague statement with a hard and fast date. Something like, "due Sept 25th". I'd even suggest moving the date forward by 5 days or so. Try it for a few months and you'll be amazed at how well it works.
- 14 **Leverage mistakes to create loyal customers.** While I don't suggest making mistakes on purpose, they can often provide you with the best opportunity to solidify a customer's loyalty. Everyone makes mistakes, but it's how you react to them that can really differentiate you in the minds of your customers. For example, if you are late on your delivery of a product, you might send the company a discount coupon or similar offer BEFORE they complain.
- 13 **Get to know your customers.** The more you know about your ideal customers, the better you can make their buying experience. Are they more interested in customer service or self-service? Do they want better prices or more value for their money? Do they want you to make them look good to others or do they want to feel good for themselves? Ask, observe, and experiment. And by relentlessly focusing on your customers needs you'll develop an almost unfair advantage over your competitors.
- 12 **Every business needs an exit strategy.** Yes, even yours. Few entrepreneurs think of this, however, before it's too late. So they either end up taking whatever deal is on the table at the time, or more often, they simply close their doors. But a little planning can go a long way towards a happy ending. The trick is to build your business with the end in mind, even if you plan to run it for the next 80 years.
- 11 **Never stop learning.** Not only does it keep us at the cutting edge of our industries, it's what makes life interesting. If your business has stagnated, it's likely because you've stopped growing as an entrepreneur. I suggest you get yourself to the nearest library or book store as quickly as you can and pick up something that interests you. I guarantee you'll be glad you did.

to be continued...

"Like an athlete, raw talent doesn't always ensure success. Wardell offers a comprehensive approach - like a practical MBA, designed to coach the business owner and insure optimal business performance."

Brian Swadlow, CEO, 1-800-007 JUNK!

"Wardell worked with our growing business side by side, giving us control of our growth process. Thanks to Wardell, our business is now at a point where it runs itself."

Kim Web Leung, President, Kim's Farm Market



To measurably increase the value of your business call now, toll free: 1-888-4-WARDELL (1-888-492-7335) or email: info@wardell.biz to receive a free audio CD on sustainable business growth.

www.wardell.biz

INK & TONER SOLUTIONS



YES WE CAN!!
CUT YOUR PRINTING COSTS...
BY AS MUCH AS 60%

Original, Compatible & ReManufactured Cartridges

PICK UP & DELIVERY

29 McCaul St., Toronto, Ont., M5T 1V7
Tel: (647) 436-0811 Fax: (647) 436-1006

STOCKPILE from Page 1

Diavik's earning potential downgraded by RBC analysts

"Production is continuing – as far as I know – as planned. Even though the price of rough diamonds is lower, diamonds are still being sold," Leblanc adds. "It's better to sell these diamonds now, than stockpile and sell for another day."

Canada is the third-largest diamond producer in terms of value. In 2007, Canada produced \$1.7 billion of diamonds, behind Botswana at \$3 billion and Russia at \$2.6 billion.

Leading diamond producer De Beers Group remains bullish on Canada, having opened two new diamond mines this summer while a third is in the works.

The first two mines, Snap Lake in the Northwest Territories and Victor in northeastern Ontario, are De Beers' first mines outside Africa and are expected to produce two million carats per year. Its third mine, Gaucho Kue, in the Northwest Territories – a joint venture with Toronto-based Mountain Province Diamonds Inc. – is in the advanced exploration stage and undergoing environmental impact assessments. It's tentatively scheduled to begin production in 2012.



"Canadian production is on plan and on target. There are no layoffs and a lowering of production levels is not planned," adds Derek Teevan, director of government and corporate affairs for Toronto-based De Beers Canada Inc. "We're committed to our partners, we're committed to our First Nations partners and we're committed to our employees."

But some diamond producers are still expected to take some hits from the current economic turmoil.

More than 50 per cent of the world's diamonds are actually sold in the U.S., Teevan notes. "So the downturn in the United States economy does have an impact on the diamond industry – we've been noticing that since August."

Meanwhile, a report released in late October by RBC Capital Markets analysts Irene Nattel and Stephen Walker say the current economic climate leaves them no choice but to drastically cut their price target for Harry Winston Diamond Corp., which owns a 40-per-cent stake in Diavik – the remaining 60 per cent is held by Rio Tinto – and also runs a retail division selling higher-end jewelry and time-

Quotable

"Canadian production is on plan and on target. There are no layoffs and a lowering of production levels is not planned."

– Derek Teevan, director of government and corporate affairs for De Beers Canada Inc.

pieces. The duo has sharply lowered their earnings assumptions with their target price for Toronto-based Harry Winston, dropping by more than half from \$35 a share to \$14 a share.

next several years, we are now modeling a flat market in calendar 2008, followed by a 10-per-cent decline in 2009 with zero-per-cent growth thereafter until 2013." The RBC analysts say Harry Winston's retail operation is losing some sparkle, too. "The current capital market turmoil and commodity price meltdown cannot help but negatively impact even the uber-rich that constitute Harry Winston's retail clientele, the report says. "Consequently, we have modified downward our revenue growth assumption for the segment, which negatively impacts the profitability outlook, as well as the new store-opening schedule."

Teevan agrees the retail side of the diamond sector is in for a rough ride, noting that it could be a difficult Christmas for diamonds and other discretionary goods.

However, there is some bright news on the horizon. The financial mayhem that has seen oil prices drop significantly, along with the recent rapid decline of the Canadian dollar versus its U.S. counterpart, is giving Canadian diamond producers more breathing room.

"With a global recession all but a foregone conclusion, we have significantly pulled back our assumptions on Harry Winston's rough diamond sales prices from the Diavik mine," the report says. "Where we had previously been anticipating strong price growth of plus 10 per cent per annum over the

See OPERATIONS Page 4

In today's market, we know it's tempting...

But we've got a better solution!

- Preservation of investment capital
- Appreciation of value
- Potential for return of investment

Genesis Land Development has been creating profit for investors for over 16 years. Trust the fundamentals and our track record!

Invest with Confidence ... Invest with Genesis

Contact us now for more information on this attractive RSP eligible investment opportunity. Call 1-888-502-8611 or visit www.genesislandinvestments.com

"I saw a 730% return on my investment in the first month working with ActionCOACH!"

"I have taken a number of wonderful courses in business development and had an 'I can do it myself' attitude. The truth is, I can, but I can do it better with the help of ActionCOACH!"

I saw a 730% return on investment within the first month of working with ActionCOACH. It's now my opinion that if you choose to do it without a coach, you are limiting your success."

Allison Cousins
Owner, Rex Inn, North Vancouver, BC

Discover the proven methods thousands of business owners have already used in their companies from the World's #1 Business Coaching Firm.

Visit actioncoach.com/businessedge today to receive your FREE 1-hour business coaching session, valued at \$375. See for yourself how the renowned ActionCOACH systems can work for you and your business.

Toll-Free: (888) 478 0790

actioncoach.com

Miners, Aboriginal groups seek revenue split

Provincial governments urged to ensure portion goes to First Nations

By Monte Stewart
Business Edge

Provincial governments across the country should ensure a portion of mining revenues are shared with First Nations, say Canadian miners and Aboriginal groups.

"It's a rational outcome of how the government manages its mining royalties and taxes in terms of who owns the land," says Gordon Peeling, president and CEO of the Ottawa-based Mining Association of Canada (MAC).

The B.C. government recently announced plans to share tax revenue from new mines with First Nations on a case-by-case basis. Under the plan, the first of its kind in Canada, First Nations will receive a share of revenue from new facilities when they begin operating.

"It certainly supports what we're advocating, which is looking at Aboriginal businesses and Aboriginal communities as potential partners in economic ventures," says Clint Davis, president and CEO of the Toronto-based Canadian Council for Aboriginal Business (CCAB), a national non-

profit group that promotes Aboriginal people as partners, employees and customers.

The informal plan does not specify if the mine must be located on First Nations land or traditional Aboriginal lands, which could be difficult to determine with many ongoing land claims disputes across Canada.

Mining groups say the plan is still a step toward improving relations between companies and First Nations, providing cost and investment certainty and, possibly, helping to entrench First Nations treaty rights.

But Peeling, whose group represents mine operators who would have to share their revenue, says it's up to provincial and territorial governments to sort out the details.

Successful revenue sharing comes down to how provinces and territories manage their relationship with First Nations and flow-through of revenue, and what portion of royalties they're talking about, he adds.

In the Northwest Territories, some federal diamond-mining royalties are returned to First Nations through

their federal land-claims settlement. "So (revenue sharing with First Nations) is a reality in parts of the country," says Peeling.

According to MAC, mining companies are active in 1,200 Aboriginal communities across Canada.

Most mines can take a decade or more to develop, and there's no guarantee a proposed project will gain all of the necessary environmental and other regulatory approvals. But Peeling says impact and benefit agreements (IBAs) – private deals between companies and First Nations – can ensure that Aboriginal communities gain from prospecting and mine-development efforts in the meantime.

IBAs can cover such aspects as education, training, business contracts and payments for First Nations.

There are more than 50 IBAs across the country, involving such major firms as Barrick, Voisey's Bay Nickel, De Beers and Cameco. IBAs are also used on oil and gas pipeline and oil-sands projects as well as hydro power developments.

B.C. Minister of State for Mining Gordon Hogg announced the plan after First Nations across the province called for new legislation to ensure they will receive a share of mining revenue.

See FACILITIES

Page 5



OPERATIONS from Page 3

Diamond industry stays optimistic

"We've got a variety of impacts on mining globally – energy costs, exchange rates, both of which have a major impact on our operating costs," says Teevan.

"We sell diamonds in U.S. dollars, so this recent change in the exchange rates is positive for us. Similarly, with the cost of oil, we've seen a significant change in fuel costs (lowering). Both of those are a plus to Canadian operations generally."

Leblanc also believes the future remains bright for Canada's diamond industry.

"The demand has grown tremendously during the past few years," he says. "With the development of China and India as economic powerhouses, there is increased demand and this wasn't there five years ago."

"World demand is going to exceed the production. I think it's going to soften for a certain amount of time, maybe a year to 18 months, but the market will recover, as it always does."

He added diamond companies around the globe will likely be less aggressive in pursuing their maximum rates of production in favour of "second-level" maintenance – "when prices are low, they slow down a little on production and allow for more of the in-depth maintenance

Diamond data

- The Diavik diamond mine, at Lac de Gras in the Northwest Territories, is owned by Rio Tinto (60 per cent) and Harry Winston Diamond Corp. (40 per cent).
- Melbourne-based BHP Billiton, the world's largest mining company, owns 80 per cent of the Ekati diamond mine, located about 310 km northeast of Yellowknife, N.W.T.
- BHP has made an all-stock offer to purchase Rio Tinto conditional on regulatory approval, which it has received in Australia and the U.S.. It is awaiting a response from the European Union and Canadian regulators, and if successful, would then own two of Canada's major diamond mines.
- Nunavut's first diamond mine, Jericho, is in limbo. Owned by Toronto-based Tahera Diamond Corp., Tahera entered into creditor protection in January 2008 and mining activities were suspended in early February.

to take place," says Leblanc.

(Laura Severs can be reached at laura@businessedge.ca)

**Data Processing
Data Entry
Personalization
Mail Preparation
Lettershop Services
Fulfillment Services
Polybagging Services
Print Management
Bindery Services
Pic-n-pac Services
Canadian & US Mail
Digital Colour Copies**

Satisfaction Guaranteed

CMS
Complete Mailing Service

"Innovative Outsourcing Solutions"

8 Dohme Avenue
Toronto ON M4B 1Y8
ph : 416-755-7761
fax: 416-755-8231
toll free : 1-888-683-2501
email: info@completemailing.com

FACILITIES from Page 4

Ontario mining act to consider revenue sharing

Canadian mines generated \$8.15 billion in taxes and royalties in 2006, the last year for which figures are available.

Mineral-processing and manufacturing facilities contributed \$32 billion to Canada's GDP, while extraction efforts provided another \$10 billion.

Peter McBride, communications manager for the Ontario Mining Association (OMA), says Ontario's Mining Act is being reviewed and amended, and revenue sharing with First Nations is one of the changes on the table.

The first draft of the new legislation is due out before Christmas.

McBride, who deals with First Nations and taxation issues for his group, says OMA is not necessarily pushing for revenue sharing with Aboriginal communities, but has no objections as long as taxes do not increase.

"This (revenue sharing) is not, to me, something new," says McBride. "In Ontario there have been 29 impact and benefit agreements between mining companies and First Nations. Things like that are taking place."

Mining companies are getting closer and closer to First Nations as the industry grows, he adds.

"(This) is an equitable way of ensuring that (places) where employees live get some kind of money for infrastructure development."

Gavin Dirom, president and CEO of the Association for Mineral Exploration BC (AME BC), which represents prospectors and developers, says B.C. mining companies have been pushing for revenue sharing with First Nations for more than two years. While provinces and territories would be responsible for revenue sharing with First Nations, Ottawa could facilitate discussions on a nationwide agreement, he adds.

"It's a good step towards sharing more of the wealth," he says. "It's not a concern of the operators if the tax burden hasn't increased. It's just a redistribution of the tax revenue."

Government-to-government revenue-sharing programs have much more transparency than private IBAs, he says.

Aboriginal and mining groups say the Gordon Campbell government is being prudent in waiting for a couple of mines to be developed before establishing set revenue-sharing percentages, policies or legislation.

"By having First Nations participate formally in terms of the revenue sharing as part of the revenue taxation, I think it's going to be a bit of a catalyst for First Nations who are benefiting from this to view mining in a way that's positive and progressive," says

Davis of the CCAB. "It could be a catalyst for First Nations to really develop an expertise in the skills and trades for mining."

"I think every single province should look at what B.C. did in terms of making its commitment to Aboriginal communities."

Mine revenue sharing is also likely to gain more attention and discussion in Saskatchewan. Chiefs from northern Saskatchewan have told Premier Brad Wall they want their First

Nations to share in the province's resource windfall.

In a recent meeting with Wall,

chiefs asked that First Nations be consulted on development of the resources in their area and receive a share of revenue in the form of jobs, infrastructure or other benefits.

Chief Ron Michel of the Prince Albert Grand Council says they can't allow more young people to leave what he calls the Third-World conditions of some communities to seek jobs elsewhere.

"When all those things are extracted in our own backyards and within our traditional lands, I believe as First Nations we do have that responsibility for our people to get something for our people," Michel said.

Wall says they're looking at creating

a framework for consultation before the end of the year.

Pierre Gratton, president and CEO of the Mining Association of British Columbia, says the revenue-sharing plan will improve the investment climate and make First Nations lands more easy to access because it ensures Aboriginal communities benefit directly from mine projects.

The entire Canadian industry has always believed that local communities should benefit the most from projects, but the sector's global nature does not always ensure that they do, he says.

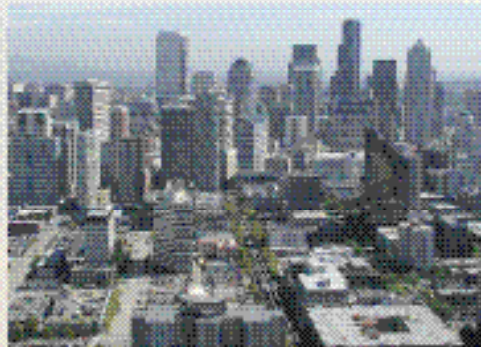
—With files from
The Canadian Press

(Monte Stewart can be reached at
monte@businessedge.ca)



MRL CAPITAL TRUST

Bringing You to the Front of the Line
of Real Estate Investment
from the Comfort of Your Armchair



Investment Overview

- Invest a minimum of \$1,000
- RSP Eligible
- Excellent vehicle for a cash investment

Invest in the Canadian and
U.S. Real Estate Markets

For additional information or to
register for upcoming seminars
please contact:

Toll Free: 1-877-399-8886

www.mrlcompanies.com

“Bad news is an
investor's best friend.
It lets you buy a slice
of America's future at
a marked-down price”

— Warren Buffet on CNN Money

Agent Inquiries Welcome



危機

In both Chinese and
Japanese, "Crisis" is written
with two symbols, the first
meaning "Danger" and the
second "Opportunity"

The Executive Summary does not constitute an offer to sell or solicitation of an offer to buy any securities. Nor does it purport to be a complete description of an investment in MRL Capital Trust. It is subject to the provisions of the Confidential Offering Memorandum as it may be amended or restated from time to time.



File photo by Larry MacDougal, Business Edge

Major oilsands projects near Fort McMurray are weathering the recent global economic downturn and falling oil prices.

Fort McMurray gets chance to catch its breath

Project delays, increased home supply helping stabilize community

By Monte Stewart
Business Edge

Jack Bonville expected to leave Fort McMurray a long time ago.

He figured he would only stay in Canada's oilsands capital for a couple of years after his bank transferred him up north from Calgary. That was 13 years ago.

However, Bonville, who retired from his bank in 2000, has no plans to depart anytime soon, despite a global financial crisis that has prompted some major producers to postpone billions of dollars worth of new or expansion projects.

"I don't think this is a long-term problem," says Bonville, now president of the Fort McMurray Chamber of Commerce and president of Cow Harbour Construction Ltd. "I think it's a short-term problem."

Royal Dutch Shell last week became the latest major oilsands player to put a chill on its planned expansion in northern Alberta, joining many other oilsands operators who have delayed similar projects because of soaring costs and weaker oil prices.

However, many workers and observers inside and outside "Fort Mac" still believe the sheen on the Alberta oilsands region has not been dulled by the falling price of oil.

For the most part, Bonville says, the local business community is coping with the impact.

"Some businesses are as busy as they ever were, because everything that most of the big major (companies)

had going on is still going on," says Bonville. "They still need to be serviced, but if this thing were to drag on for years and years, then it might have an effect a couple years from now. But I don't see much difference right now."

While some people might fear a mass exodus of businesses and workers from a region that has boomed over the past decade, Bonville says the chamber and Regional Municipality of Wood Buffalo, which includes Fort Mac, have other priorities than worrying about the effect of projects that have merely been postponed, rather than scrapped. These include dealing with housing, transportation and infrastructure challenges.

"If you've got a billion bucks in the bank invested somewhere, you might have a concern," he says. "But, for the most part, it's life as usual here."

Fort McMurray Mayor Melissa Blake does not expect any side effects of the financial crisis to hit Fort McMurray.

"The reason I say that, is because the construction projects that are currently underway are not about to cease," says Blake. "For the members of the community, their jobs are fairly secure and businesses are supplying services and materials and that kind of thing is just not likely to change in the near term."

"As we go further out, watching and monitoring the situation, we may find that actual slowdown coming into effect, but it'll take a while."

She expects the global financial

crisis to ease pressures on Fort Mac's tight housing market, but not to reduce demand for the tar-like bitumen produced from the oilsands.

"We still have more (housing) demand than we have supply, but at the same time we still have very high market values that seem to have reached a threshold," says Blake. "People are no longer having to bid over the asking price."

She says project postponements, increased resale home supply and new housing projects could combine to stabilize the market, but housing demand is expected to remain high.

Fort Mac residents are relieved that the economy is slowing down a little bit because "infrastructure is maxed out in many ways," Blake says.

In the past three years, she adds, Fort McMurray's population has grown from 56,000 to 65,000.

The regional municipality's council has revised its taxation rules so that major industries, which operate primarily in rural locales within the 68,454-sq.-km municipality, carry most of the load while small businesses in Fort McMurray proper pay less.

The municipality is also starting to develop a strategy that will lead to the growth of new sectors and place less emphasis on oilsands projects. But, says Blake, new business growth is hindered by exorbitant land prices.

Industry analysts say a slowdown will give Fort Mac more breathing room from its housing and infrastructure pressures.

"The pace of development has really just been so high that some slowdown, from a societal standpoint, may

be beneficial," says Bob Dunbar, of Calgary-based consulting firm Strategy West Inc.

The impact on Fort Mac depends on how long the economic downturn lasts, how long oil prices stay low and how big the difference is between the U.S. and Canadian dollars.

A larger gap will help lower costs and reduce the required selling price per barrel of oil, which Dunbar pegs at \$60-\$90, depending on the type of technology used on a project.

An oilsands expert who previously headed the Canadian Energy Research Institute, Dunbar says it's no surprise some producers have announced delays, given the economic climate. However, he and other analysts do not foresee a large exodus of workers and businesses from Fort Mac.

As new projects, such as Canadian Natural Resources Ltd.'s Horizon project and OPTI-Nexen's Long Lake facility are completed, they predict, some workers could be freed up for other ventures, reducing the strain on labour supply.

Oil prices and company cashflow are making the two biggest impacts in the region, says Dunbar.

Companies such as Suncor would be expected to fund expansions through internally generated cash-flow and credit that they already have in place.

"(Companies) that might be smaller or new entrants into the industry, and those people (who) have to go out to capital markets, just aren't going to be able to find the funds under the current environment," he says.

See OPERATORS

Page 12



Invest in Maui, Hawaii

2008
Parade
of Homes
Award of
Excellence

Hokulani GOLF VILLAS



South Maui's newest gated residential community



- Designed on 40 landscaped acres surrounded by the green fairways of the Eleair Maui Golf Club
- Ocean, mountain, golf course and park views to choose from
- 5 acres of interior parkland
- 66 ft. infinity pool, spa and recreation center
- Six exquisite floor plans ranging in size from 1832 sf to 2516 sf of living area plus expansive covered lanais and oversize 2 car garages.
- Minutes from beautiful beaches, fabulous shopping and dining of Kihei and Wailea.

Priced from \$1,200,000 - \$1,589,000 Models Open Daily, 1 - 5 PM and by appointment

Visit our website at www.hokulanigolfvillas.com or call sales office at 808.879.0877

Wendy Peterson, Realtor(S) • 808.870.4114 | Vincent Palmieri, Realtor(B) • 808.283.6364



Island

Sotheby's
INTERNATIONAL REALTY

Each office is independently owned and operated.

The Shops at Wailea | Wailea Town Center
808.879.8880

Upcountry Maui | 808.572.8600

20 Questions

Forestry outlook a study in survival

Canfor CEO steering softwood producer through treacherous times

By Monte Stewart
Business Edge

If all had gone according to plan, Jim Shepard would still be retired.

He'd be spending his winters in California, his summers in B.C., and running marathons and publishing children's books based on bedtime stories that he used to make up for his grandchildren.

The president and CEO of Vancouver-based Canfor Corp. still runs marathons and he has a children's book in the works. But since coming out of retirement last year, he spends most of his time at the helm of Canada's largest softwood lumber producer.

You could compare his task to running a marathon,

especially during a global recession and an era that many analysts consider unprecedented for the forest sector. But Shepard, 69, who retired in 2000 after serving as president, CEO and chairman of Finning International Inc., is used to adversity.

Like late B.C. Lions president and CEO Bobby Ackles, an old friend from their days as high school and junior football teammates, Shepard considered himself homeless during his troubled youth. Fast-forward to the present day and he's trying to resuscitate Canfor after hundreds of millions of dollars worth of losses. He has led the company through mill closures and curtailments, salary rollbacks and heavy layoffs.

In other words, his return to retirement is on hold while he tends to Canfor's employees (whose full salaries he plans to restore when times are good), investors and customers.

1. What did your parents do?

"My father was a professional hockey player (in the National Hockey League and minors). My mother died when I was young. I didn't know what I was going to do (career-wise)... I had incentive to get out of my situation as quickly as possible. There was no white picket fence."

2. Could you elaborate on being homeless?

"In my last year of high school, I lived in my friend's family's basement. My brother and I wandered in and out of a



Bayne Stanley, Business Edge

Canfor CEO Jim Shepard remembers his early brushes with adversity while growing up in Vancouver.

lot of homes while my father wandered in and out of a lot of beer parlours and construction camps. It was a lesson in survival, but it was a challenge."

3. What qualities did you develop as a result of those early experiences?

"My brother and I, we were both blessed. We both had talent. Mine was, I was a scholar. My brother's was that he was a dancer. He was on the Dean Martin show for six years and the Red Skelton show and the Danny Kaye show... He had this ability to totally focus. We lived with a lot of aunts and uncles. He was focused on (dancing) and I was focused on my schooling."

4. Who has influenced you the most?

"My mother (Jean Shepard). She died when I was starting my teens, but she is one of the biggest reasons for my success. She said from the first time that I was able to understand the English language, I had the ability to do anything that I wanted. No. 2 is my late wife (Dianne) of 42 years. She taught me about integrity. When we were young and first got married, I had lots of energy, I had lots of potential, but really it was a case of putting it together in a way that it had consistency and, really, self-discipline. Over the life of our courtship and marriage, she was an unbelievable influence on me and was a huge reason why I developed the ability to put it all together and push it in the right direction. My two sons (Jim Jr. and Michael) have been

incredibly important to me and provided me with incredibly good guidance."

5. What was your schooling like?

"I went to King George, down in the West End (of Vancouver). It's still there, but I was at the old school. It was right across the street from St. Paul's Hospital. At the time, when I went there, it was a rough school, a blackboard jungle. The individuals that I was in school with, they were going nowhere in the fast lane. Petty crime, shoplifting. It was just not a good scene and I wanted to get out of there. I was there for Grade 9 and Grade 10 and I basically transferred myself up to King Edward (high school) for Grade 11. That's where I met the fellows who are my lifetime friends, basically members of the football team. I went out for the team, I made the team and Bob Ackles was one of that group. Those guys were the ones who had a huge influence on me, because they were wholesome guys, they had good values, they were sports-oriented and they had an incredibly important influence on me."

6. How did Bobby Ackles influence you?

"Bobby and I were very good friends. We had a window-cleaning business together just after we got through high school. We kind of influenced each other. If there was a poster for a nice guy, he was the ultimate nice guy. Football was his passion."

7. Why did you decide to study engineering?

"Mainly, because math was my best subject. Math is the language of engineering."

8. What was one of your most memorable experiences at Finning?

"(Finning's) acquisition of Leverton, the English Caterpillar dealer, from Unilever. It took 17 months. It was a very difficult acquisition."

9. What did you imagine that your retirement would be like?

"I actually had a place in Palm Springs on the golf course, and still do. Basically, I thought retirement was going to be winters in Palm Springs, summers in Vancouver – maybe up at the cottage – and a lot of time with the grandchildren and quite a bit of travel. In my retirement, I ran the New York Marathon, the Bourdonne Marathon in France, the Melbourne Marathon (in Australia) and the Los Angeles Marathon. I didn't have a set (retirement) plan. Well, I guess I did, from the point of view that we had purchased a place in Palm Springs. I was going to get good at golf – and I failed at that miserably – and I was going to explore the whole idea of doing something creative, but I just didn't know what it was until I stumbled on writing out these stories I used to make up with the grandkids. The three of us basically wrote these manuscripts, one of which is in final editing right now."

See 20 QUESTIONS

Page 9

20 QUESTIONS from Page 8

'Cash is blood' in difficult times, says CEO

10. Why did you come out of retirement?

"I got a call one day from Jimmy Pattison, a major shareholder of Canfor, and was asked if I'd be interested in taking on a short-term project. It turned out to be this. I got elected to the board in 2007 and I took on the title of interim CEO. But the truth was, when I got here the company was in so much need of my attention . . . The board and I agreed I would stay on and the interim tag was removed. Basically, I'll stay here as long as I feel I can make a contribution."

11. What do you say to people who ask if you're crazy for taking the helm of Canfor?

"When I was a kid growing up in Vancouver, there were several major forestry corporations. Canfor is the only one that's left. I was chairman of the Business Council (of British Columbia) back in my days with Finning. I spent a fair bit of time speaking to our government about the need to retain head offices and attract head offices."

12. What's it like trying to manage the company in this situation?

"Quite frankly, the difficulty in

Jim Shepard

- **Title:** President/CEO, Canfor Corp.
- **Born/raised/age:** Vancouver, 69.
- **Education:** Shepard obtained a bachelor of applied science in civil engineering from UBC.
- **Family:** Widower, father of two, grandfather of three.
- **Career:** After graduating from university, Shepard held engineering positions with Procter and Gamble, and oil manufacturer Babcock Wilcox before spending 32 years with Finning International Inc., where he rose through the ranks to become president, CEO and chairman. He retired from Finning in 2000 and was lured out of retirement in 2007 to take his current post at Canfor.
- **Moonlighting:** Shepard has held several board positions with major companies and organizations, including chairman of the Business Council of British Columbia, chairman of Macdonald Dettwiler and Associates, and director of Imperial Oil Ltd.
- **Passions:** Family, running, skiing.



Jim Shepard

management is not the situation you're in. Where there is difficulty in management is if you've got the team that is not prepared for the job. If you've got the right team and the vision is clear . . . there isn't difficulty."

13. How do you feel when you see poor financial results?

"The whole focus in difficult times is cash. Cash is blood. When a com-

pany runs out of cash, it runs out of blood. Right from the day I started here, the focus has been on cash conservation. We definitely are highly regarded throughout the industry for our strong balance sheet. Conserving cash is how you survive this type of a downturn, and we're doing that well . . . Our operating cost is coming down

slowly, but surely."

14. How do you rally the troops during these troubled times?

"The most important point is that we're communicating with our employees. We've got five mills down right now. For every three boards that we used to produce, we're now producing two. The first thing I did when I got here was put in place the executive team. Every one of these individuals, as far as I'm concerned, is at the top of their game. They're a team that I have complete confidence in. After we put the team together, we had a 25-per-cent head office reduction. One-quarter of head office basically got eliminated. We then went after our suppliers and our contractors for a 15-per-cent reduction in their cost to us. After all that – this was back last year – we were still in heavy weather. When we first started, I gave myself a 25-per-cent pay cut and the directors got into the spirit of things and gave themselves a 33-per-cent fee cut. This year, we've instituted a salary rollback – 15 per cent for the executives, seven per cent for the management and three per cent for all the rest."

See SHARED

Page 10

Advertising Feature

Finally! Connecting Your Remote Workforce Can Be Easy

No Technical Skill Required
No Software To Configure
No Equipment To Purchase

If you're a small business operator who needs to stay connected with offsite employees and the transactions they conduct, it's probably time to get in touch with **AccessAnywhere**, sooner rather than later.

Plenty of your peers already have. And they're very glad they did.

A turn-key service provider with a proven track record, **AccessAnywhere** can set you up with the kind of Internet-based Virtual Private Network (VPN) you need to extend your office network to remote locations, whether it's across the street or around the world.

AccessAnywhere's technicians fully understand how important it is for you to strike a

balance between the growing demands of a distributed workforce with the need to optimize network security, while keeping overall costs to a minimum.

"Our product is ideal for those small business owners who may have limited IT skills, as well as for those larger organizations that find it more convenient to outsource their extended network to a reliable and talented team of experts," explains company president Brian Loney.

"Our service enables off-site workers and offices to stay connected with their corporate HQ at a price that's so reasonable, it may surprise you."

Small restaurant chains, mortgage brokers and real-estate offices are a few of the thriving enterprises that have asked the **AccessAnywhere** team to help them shoulder the IT load.

"Any kind of company which needs to give its offsite

employees secure access to their critical business data and files, whether it includes customer information or properties for sale, will find our service to be invaluable," Loney adds.

There is nothing to buy. **AccessAnywhere** supplies customers with a durable VPN appliance or "black box," that attaches directly to your network.

The company takes care of all management, maintenance, monitoring and repair, with packages starting as low as \$57 a month.

"All you do is pay your monthly fee," says Loney. "If at some stage you find you no longer need the service, just return the appliance and we stop billing you."

But don't take our word for it. Ask Loney's clients.

"**AccessAnywhere's** client support services are among the best I've ever worked with. Knowledgeable, prompt, and

responsive – that's a rare treat nowadays," says Chris Short, technical services manager for **Medicat LLC**.

Worried about security? Don't sweat it. **AccessAnywhere** relies on the same security technology used to protect confidential information when you file your taxes.

"We'll set you up with your own private virtual highway for your own exclusive use," grins Brian Loney.

So if you're a small business operator looking to free your team from the fetters of your corporate HQ, give **AccessAnywhere** a try. Before November 15th, they are offering a Free Remote Access "Readiness" Assessment (A \$97.00 value) and can have your VPN up and running in less than an hour.

For more info, visit **SmallBusinessVPN.com** or call this toll-free number: **1.866.902.4347**. Email: **sales@accessanywhere.net**.

SHARED from Page 9

Team approach helping company cope

"The thing is, the human spirit has an incredible ability to endure pain, as long as it really feels like it's being shared by all concerned. I don't think there's anybody in this company who doesn't feel that everybody is sharing this theme of getting the job done. Quite honestly, it's come to the point where people really feel like they're doing more than just working. They're making a contribution to the survival of this company."

15. What's your take on the state of the industry?

"We're probably about halfway through the storm, so 2009 is probably going to be pretty much as challenging as 2008. It'll be 2010 before we start to see any kind of recovery."

16. Why is the industry in this situation?

"It all started with the whole (U.S.) housing crisis of the sub-prime mortgage fiasco. People without jobs were able to take on mortgages for a full 100 per cent value of a house. If they needed another \$25,000 for furniture, they'd get that, too. It was insane – absolutely insane. That was the beginning of it, and certainly that's why in the forest industry we've been going through this recession issue for the last year and a half. Everybody else is just catching up right now. We're kind of like the veterans of this battle that's ahead of us."

17. Some people think the problems date back years, to what you were alluding to earlier, which is how these companies disappeared. Do you see other causes besides the current situation?

"No, I don't see that. What happened on the forestry side of things was the (decline of) coastal logging, and I'm not going to comment on it because I've never been involved in it. It came under incredible pressure environmentally and commercially. Some of the major companies vacated here. But in its place came the growth of the Interior of British Columbia sector, which has proven to be probably the most highly automated and competitive industry sector. The lumber industry is a highly productive part of the equation and Canfor is very much a part of that."

18. What are some of the long-term historical factors?

"It boils down to this: I was born and raised in this city, and all my life I had the impression that if you ever wanted to get anywhere in lumber, all you had to do was build another sawmill in British Columbia. There was an endless supply of lumber. The world saw this. And when you've got a market where there's an endless supply, the law of supply and demand is that your prices don't work for you. You ask the question: If that is true, how come there were these cases

Canfor Corp.

- **Brass:** Peter Bentley, chairman; Jim Shepard, president and CEO; David Calabrigo, vice-president, corporate development; Mark Feldinger, vice-president, wood products manufacturing; Ken Higginbotham, vice-president, forestry and environment.
- **Profile:** Vancouver-based Canfor is an integrated forest products company that has ownership stakes in 31 facilities in B.C., Alberta, Quebec, Washington state, and North and South Carolina. The corporation derives the name Canfor from a longstanding nickname for its main operating company, Canadian Forest Products Ltd. Canfor ranks as Canada's largest softwood lumber producer and also produces oriented strand board (OSB), remanufactured lumber products and specialized wood products. Canfor also holds a slight majority interest in Canfor Pulp Limited Partnership, one of North America's largest softwood kraft pulp and paper producers.
- **Stats:** Canfor reported a third-quarter loss of \$94.2 million, or 66 cents per share, compared to \$64.2 million, or 45 cents per share, in net income for the same period in 2007. For the first nine months of this year, the company reported a net loss of \$115.4 million, a slight improvement from a \$123.6-million loss last year. The company showed a strong improvement in third-quarter earnings with a net loss of \$3.5 million versus last year's \$20.8-million second-quarter setback and \$45.9-million loss in the third quarter of 2007. On an annual basis, Canfor produces up to five billion board feet of lumber, 450 million square feet of plywood, and one billion square feet of OSB. The B.C. government has granted the firm approximately 11 million cubic metres of allowable annual cut under forest tenures.
- **Recent Stock Price (TSX:CFP):** \$6.55 (52-week range, \$11.10-\$5.90).
- **Website:** www.canfor.com
- **HQ:** #100 1700 West 75th Ave. Vancouver, V6P 6G2 Phone: (604) 661-5241

where there were run-ups in lumber pricing followed by drops? Well, you had this oscillation of demand... then the velocity of demand out-

stripped the velocity of supply. It's a cyclical business. The cycle is between very high profits and not-so-bad profits. You have this situation for

most healthy industries. In the long run, what is very healthy about this industry is that the world is starting to realize that there's not an endless supply of lumber available from Canada. Why is oil where it's at? People think we're running out of oil. Well, the fact of the matter is, people are going to start thinking we're running out of lumber. In fact, we are. Quebec and Ontario's annual allowable cuts are both down 20 per cent – 20 per cent permanently. British Columbia's annual allowable cut will go down in the next few years, once we get through this mountain pine beetle cut that we're going through right now. So it's becoming evident that there is not an endless supply of lumber from Canada. That, in the long run, makes this industry a good place to be."

19. What kind of personality do you need to run a company like Canfor?

"To run a lumber company is to run any company. The most important thing that I brought to this business was, I didn't have any preconceived notions. I didn't have any unfounded confidences in my wisdom or my ability about how this company should be run or what should be done. People didn't have any unrealistic expectations of me that I would know these things – because I didn't."

See BRAINS

Page 11

Advertisement

Growing your business in a challenging climate

By Rob Driscoll
Business Edge Publisher

The preponderance of negative news about the economy tells us that we are going to see a difficult business climate for at least the next 12 months.

Many Canadian companies are slashing spending, cancelling or postponing projects and generally battening down the hatches and bracing for the worst. A good percentage of those companies will focus so much on the worst-case scenario that they will help ensure that the worst indeed occurs.

Other companies are looking at this time of crisis as an opportunity to set themselves apart from their competitors. Of course, it makes sense to control spending in uncertain times. However, those who have valuable products and/or services and who make a concerted effort to improve their marketing stand to gain considerable market share.

With that in mind, *Business Edge News Magazine* is introducing a special program that will help ambitious Canadian businesses take advantage of current market conditions.

The first 10 companies that sign up for the Growing Against the Grain program can look forward to the following benefits:

- Preliminary discussion about your marketing

objectives and how we can best deliver your key messages to business decision makers;

- Creative brainstorming session(s) to ensure that your message catches the attention of your target audience;
- Professional ad design at no extra charge. If you have the budget for it, we are happy to refer you to one of the top advertising & design agencies. If not, you'll be happy to know that we have a top-notch designer in-house and a couple of creative brains.
- An advertising program that delivers your message to about 98% (yes, that's 98%!) of business addresses in your target market. You can advertise in any or all of our four distinct editions: Ontario, Manitoba/Saskatchewan, Alberta and B.C. That unrivalled distribution and *Business Edge's* editorial excellence are the main reasons why our advertisers are reporting exceptional results.

To sign up for the Growing Against the Grain program, contact me any time (I don't sleep much) at 866.216.3343 ext. 25 or rob@businessedge.ca

be
Business Edge

Energy prices await vagaries of winter season

Business Edge

The National Energy Board says that although there is sufficient supply to meet Canadian energy demand this winter, there is little certainty around market prices.

"Markets here cannot help but be affected by the current volatility of world commodity markets," said National Energy Board chair Gaétan Caron.

"What this means for Canadians is that we may see lower heating fuel costs and lower gas prices at the pump. Falling prices could also have a negative impact on the pace of production and energy infrastructure developments. However, thanks to our relatively abundant energy resources, Canada is well positioned to weather the storm much better than other economies."

Fuel prices have been driven down by a combination of factors including a deepening global financial crisis, falling demand and a worsening U.S. and global economic outlook. In addition, strong natural gas production in the U.S. has helped to keep gas prices low while helping ensure an adequate supply of natural gas for the winter.

As always, however, fuel supply disruptions or a particularly cold winter could quickly drive prices up.

On the electricity front, Canada's overall supply is expected to be adequate this winter, the NEB said. This reflects to some extent recent additions to electric generation capacity, particularly in Ontario and the east.

BRAINS from Page 10

Grandchildren will mean busy retirement

"All I did was make sure that I had the best possible team. When you put it all together, that's the brains of this company. All I do is give them a chance to do their thing – and they do it very well."

20. What else will you be doing, besides publishing children's books and running marathons, when

you're not running Canfor?

"I've got lots of things going with my grandkids. I'll be taking them on trips. I've given them an offer that I'll take them anywhere they want to go one time when they're 10 years old. My oldest grandson has chosen the beaches of Normandy. Just last week, he said that he'd like to go down to

the Vimy Ridge Memorial (site of a tribute to Canada's First World War veterans in France). This is the kind of inspiration I get from my grandchildren. My oldest one is into military history. He can tell you exactly why the First World War started."

(Monte Stewart can be reached at monte@businessedge.ca)

CLIMATE CHANGE



we're listening.

we're responding.

At Suncor Energy, we take this responsibility seriously. We were one of the first energy companies to take action on climate change – and this year we're responding directly to questions on the issues associated with meeting North America's growing energy demands.

Suncor's 2008 Progress Report on Climate Change details what we've done, where we stand on some of the big climate change questions and where we're headed – in managing our own emissions, developing new technologies and pursuing renewable energy alternatives to help reduce greenhouse gas emissions.

61 million*

tonnes of CO₂ prevented from entering the atmosphere through GHG management efforts

25%*

decrease in GHG emission intensity company-wide

44%*

decrease in GHG emission intensity at oil sands

\$750 million

actual and planned investments in renewable energy

*Suncor's progress to the end of 2007 (compared to 1990 baseline).

To find out more about Suncor's decade of action on climate change, read the report at www.suncor.com/climatechange



Advertisement

Free Book

How To Increase Your Profits In Any Economic Climate

To business owners who want to sell more, cut costs, and increase profits! Discover 64 proven marketing strategies, systems, secrets and promotions that will skyrocket your profits in a recession, depression or boom. To get your FREE copy visit:

www.moreprofits.ca/be

Environmentalists seek boreal forest protection

By Saul Chernos
Business Edge

When 500 migrating ducks land on a tailings pond in the Alberta oilsands and drown in toxic residue, does anybody hear?

That's what the International Boreal Conservation Campaign (IBCC) is trying to find out as it steps up efforts to protect the northern forest.

Volatile energy prices and international political conflicts have fuelled North American interest in tapping reserves in Alaska and northern Alberta. According to the Canadian

Association of Petroleum Producers (CAPP), oilsands production is expected to triple, from 1.2 million to 3.5 million barrels a day, by 2020.

Jeff Wells, a scientist with the IBCC, says this jeopardizes the boreal ecosystem.

"There should be a moratorium on new projects until we can sort out how to deal with the huge footprint and impact the tar sands is having," Wells says, using the term "tar" rather than "oil" because he sees it as more precisely describing the thick, gooey bitumen that is extracted and processed.

The IBCC, a Seattle-based non-profit

group that specializes in environmental science and is largely funded by foundations such as the Pew Charitable Trusts, maintains that governments should protect at least half of the Canadian portion of the boreal, which crosses the country just south of the Arctic.

"Canada has 25 per cent of the frontier forests on Earth that have never been touched by human hands," Wells says. "It's one of the last places where there's still an opportunity to maintain an ecosystem in an intact state."

Wells says highly invasive strip-mining and in-situ mining leave a trail of destruction that includes toxic tailings ponds, deforestation, drained wetlands, and a massive spider web of roads and pipelines. "When they strip-mine, the habitat is obliterated. Everything's dug up to get to the tar sands deposits."

David Pryce, vice-president of western Canadian operations with CAPP, disagrees with the premise of a moratorium and says industry is making significant gains mitigating the effects of oilsands extraction.

"It's more appropriate to look at how you actively develop the oilsands while protecting the environment. The challenge is how we strike the right balance in terms of extracting the resource and the benefit of that resource while protecting the environmental values that are there, not only for today but over time."

Pryce says the solution lies in science and technology-based mitigation. Roughly one-fifth of the oil is accessed at depths of 20 to 45 metres through strip-mining, and companies generally set the upper layers of soil aside for land reclamation as project areas begin to close down.

Extraction methods have also improved, Pryce says. With in-situ mining, for instance, drilling is now largely done diagonally. "It's a technology that evolved as environmental concerns around footprint evolved."

However, Wells counters that, despite the best efforts of industry, activity in the region threatens mammals such as the woodland caribou, which he says are becoming increasingly fragmented because they rely on unfettered mature forests and are easily driven away by human activity.

"Every model that's looked at what would happen to them has been clear they'll be gone if the tar sands continue at the same rate. They'll be extirpated from the area," Wells says, adding that roughly 3,000 of these animals live in northern Alberta, and one-third of the 17 known herds in the region are already facing decline.

Bird populations and migrations are also vulnerable. "More than 250 species breed in the region," Wells

says, noting the black-throated green warbler, on Alberta's special-concern list, is particularly at risk. "We think it will decline by 30 to 50 per cent if the tar sands continues on its current path."

The bay-breasted warbler, the Canada warbler, and yellow-bellied and olive-sided flycatchers are also at risk, as are waterfowl such as ducks, buffleheads, surf scoters and loons.

"There's a whole suite of ducks that only breed in the boreal, with 80 to 95 per cent of their global breeding range there," Wells says. "In some cases they (crews) are draining entire lakes to get at the deposits underneath. This habitat is being erased."

Pryce responds by pointing to a caribou recovery team set up by the provincial government and involving industry and other willing partners to look at wildlife trends in order to find ways to help various species. "If you talk about active management, you might manage the prey that

go after the caribou as access (to development) opens up, or you look at poor habitat areas for measures for protection," Pryce says.

While roads and pipelines are needed to support the oilsands operations, oil, gas and forestry companies collaborate on common transportation corridors to reduce the impact on wildlife, Pryce says. Companies have also installed pipeline crossings to facilitate mammal migrations.

Tailings ponds, which can be several square kilometres in size and resemble small lakes, have also drawn the IBCC's attention. Wells points to a dramatic incident this past April, when an estimated 500 ducks landed on Syncrude's Aurora tailings pond. "There were only about seven left to even show they had landed there," Wells says, describing a scenario where the birds landed, were coated in toxic waste, and died, most sinking from the added weight.

Oil companies have used noise-emitting cannons to scare birds and keep them away from the tailings ponds, but Wells says these don't always work.

Syncrude spokesman Mark Kruger says his company's deterrent systems didn't fail in this case.

Rather, their deployment, scheduled for just before the spring migration, was delayed by a severe snowstorm.

By the time the storm subsided and crews were ready to set out the cannons, the birds had already begun to pass through the area, says Kruger. When workers arrived at the Aurora pond to set up, they found the dead birds.



OPERATORS from Page 6

Energy demand will ensure project completion: analyst

Patricia Mohr, Toronto-based Scotiabank's vice-president of economics, says oil prices have dropped 44 per cent since July 11. A slowdown in oilsands projects could give Fort McMurray more time to handle a larger population, she adds.

"(But) I hope that it doesn't get too bad," she says. "We need to see prices move much higher."

Justin Bouchard, an analyst with Calgary-based Raymond James, says it's important to note that no operators have said they are cancelling projects.

"It might be positive for Fort McMurray, because they might be able to catch their breath," says Bouchard.

While there will be some short-term uncertainty, he adds, global energy demand will ensure that

projects are completed.

"When I look at the long term, I'm just as optimistic on oilsands today as I was two or three years ago," says Bouchard.

However, Roger Soucy, president of the Calgary-based Petroleum Services Association of Canada (PSAC), sounds less certain about the impact of current market conditions in the oilsands and elsewhere.

"All the norms are out the window," says Soucy.

He adds his members – oil and gas service companies – are less affected by huge oilsands projects, which involve large upgraders rather than drilling conventional plays.

– With files from
The Canadian Press

(Monte Stewart can be reached at

Oilsands slowdown

- Despite reporting a 22 per cent jump in net profit for the third quarter, Royal Dutch Shell said it's pushing back a decision on expanding the Athabasca oilsands project near Fort McMurray due to tough economic conditions. The British-Dutch company is already going ahead with an initial expansion of Athabasca, raising its output from 155,000 barrels a day to more than 250,000 barrels by the end of next year.

- The major partners in the proposed \$24-billion Fort Hills oilsands project in northern Alberta – Petro-Canada, Teck Cominco and UTS Energy – recently announced they may defer a decision to build an upgrading refinery northeast of Edmonton.

- Suncor Energy Inc., Canada's oldest oilsands operator, reduced its planned 2009 capital spending by more than one-third to \$6 billion as the company focuses its spending on "prudence, growth and flexibility."

- EnCana Corp. of Calgary put on hold plans to split itself into separate oilsands and natural gas producing companies, blaming the turmoil in global financial markets for the move.

- Nexen Inc. and its partner Opti Canada have also delayed a decision on expanding their 50-50 Long Lake oilsands operation in northern Alberta because the credit crunch made it harder to raise capital.

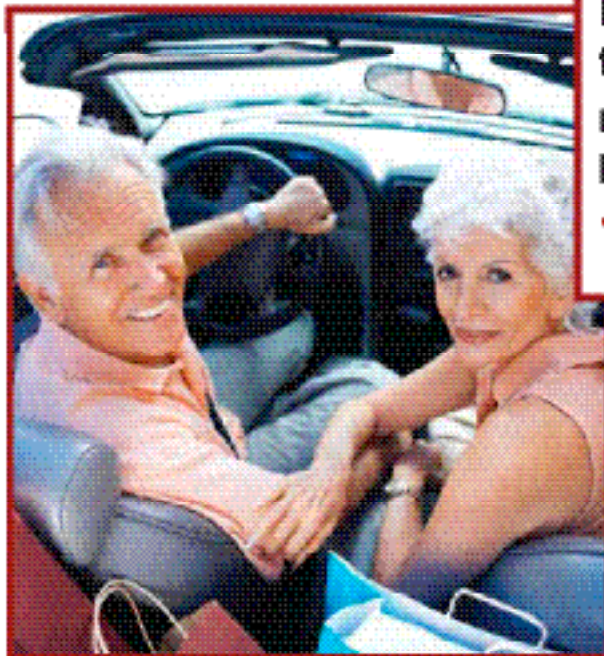
- BA Energy has delayed a planned oilsands refinery near Edmonton.

Source: The Canadian Press

See PROBLEM

Page 23

They've discovered the key to aging gracefully. Money.



REDEV Properties enables the average investor to enter the lucrative commercial real estate market to earn 14.25% and more* on investments for as little as \$25,000.

*** Not including capital appreciation.
RRSP also available - min. \$10,000**

- Proven track record with over 26 successful properties over a five year period.
- First year tax deduction.
- After-tax quarterly cash distributions.
- Invest in exceptional mall properties in fast-growing areas.
- Properties feature prime anchor stores in high-growth areas.
- Fully leased retail space with strong lease growth potential.
- Cash handled by third-party Trustee means more security.

**Call 1.866.668.7344 today
or visit www.redevgroup.com**

REDEV Properties
Building Wealth Through Real Estate

REDEV Properties

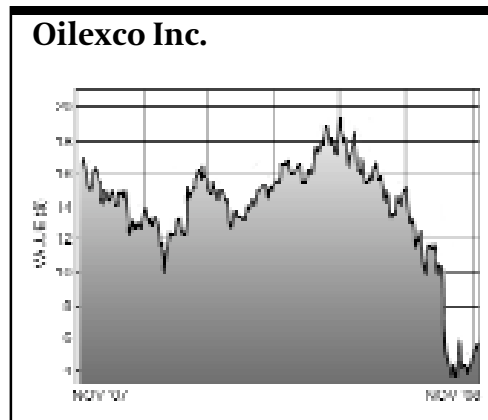
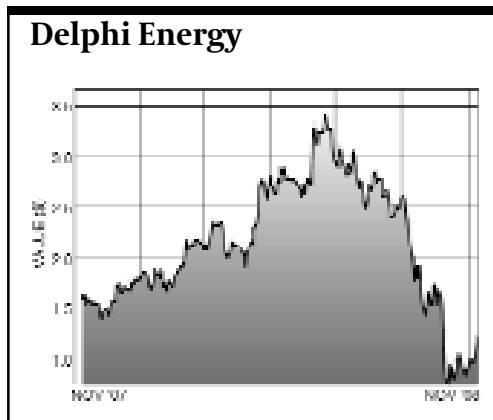
Introducing
REDEV Properties Ltd.'s
latest Real Estate Income Gain
(REIG) program.

**Ranchlands Village
Shopping Centre**
1829 Ranchlands Blvd. N.W.
Calgary, Alberta

100% leased
with these key anchors:

- Bank of Nova Scotia
- Calgary Health Clinic
- All State insurance
- State Farm insurance
- Herbal Magic of Calgary Inc.
- Dairy Queen
- General Paint
- Nosehill Dental Clinic
- Shadow-anchored by
Crowfoot Towne Centre

Financial Edge



Schachter optimistic despite oil slump

(Business Edge writer Fern Brooks regularly profiles the top stock picks of some of Canada's most accomplished investment pros.)

By Fern Brooks
Business Edge

FEATURED PRO: Josef Schachter is president of Schachter Asset Management Inc., a Calgary firm that specializes in institutional research in the oil and gas sector.

Schachter's outlook for the oil and gas sector in a recessionary year: "The physical demand has backed off, particularly in the United States (at) about a million barrels per day, from about 19.8 million to 18.8 million. That's normal. We've seen that in previous recessions. Historically, it recovers within a year or two. In the last couple of weeks, we've started seeing a bit of a recovery in the U.S. data. That probably relates to the fact that the price of gasoline at the pumps has gone from \$4.20 a gallon to about \$2.50 a gallon. Similarly in Canada, we went from \$1.40 a litre and you can buy gas in Calgary now for around 94¢ a litre.

"We think (because of) the cut in the price, the stimulus from the financial packages that are going out and the repairs that are going on to the financial system, that sometime in the second half of 2009 we will see an economic recovery in the U.S. and in other places that are slowing down right now. We think that this winter ... with inventories as tight as they are, we'll be back in the \$80 price range (per barrel);

Pro's 3 Stars

right now we're about \$68.

"We think in Q1-Q2 of next year, especially Q1 during the winter, we may see prices back over \$100, and in the latter part of 2009, we may get back above that \$100 price point. We're in the optimistic camp. We don't need \$200 oil to be bullish. We just think that \$100 on a consistent basis over the next few years would provide enough cashflow to the industry for them to go out and spend money and find new reserves."



Josef Schachter



FIRST STAR

- **Delphi Energy** (TSX:DEE)
- **Recent Price:** \$1.17
- **52-Week High/Low:** \$3.49/\$0.69 (06-17-08/10-08-08)
- **Snapshot:** Delphi is involved in the acquisition, exploration and development of oil and gas properties.
- **President and CEO:** David Reid
- **Head Office:** Calgary
- **Vital Stats:** Price/Earnings Ratio (trailing 12 months), n/a; Revenue (last fiscal year), \$98.7 million; Earnings Per Share (ttm), \$-0.17; Market Cap, \$71 million.

• **Schachter's View:** "We have a pretty lofty target of \$6.20. Earlier in the year, the stock was \$3.49. It's been hit pretty hard. What we like about Delphi is that the stock is trading very, very cheaply on a price to cashflow basis. Their core areas are in Western Canada. The company is producing about 7,000 BOEs a day. They have

potential upside from the shale play.

"In 2009, we think average production will be north of 8,000 BOEs a day and cashflow will be about \$1.22. So based on that, the company is trading under one times 2009 cashflow. The net asset value (NAV) at the end of December of 2007 was \$3.25. We think that with the success of the drillbit they've had this year, that NAV will have risen. So the stock is trading materially below NAV, and historically companies trade at materially above NAV."

- **Risk Rating:** Medium
- **Web Watch:** www.delphienergy.ca

SECOND STAR

- **Oilexco Inc.** (TSX:OIL)
- **Recent Price:** \$5.65
- **52-Week High/Low:** \$19.50/\$3.25

(06-30-08/10-10-08)

• **Snapshot:** Oilexco is involved in oil and gas exploration, development and production.

• **President and CEO:** Arthur Millholland

• **Head Office:** Calgary

• **Vital Stats:** Price/Earnings Ratio (trailing 12 months), 14.9; Revenue (last fiscal year), US\$347.6 million; Earnings Per Share (ttm), US\$0.38; Market Cap, \$1.15 billion.

• **Schachter's View:** "We have a \$27 target. The company is producing around 20,000 barrels per day. In December, they have two projects coming on that will increase that number. In Q2 (2009), they'll add a new play, called Caledonia.

See 3 STARS

Page 23

Affordable oceanside paradise

Oceanside lots on Vancouver Island
from \$65K to \$90K.

COPPER COAST

www.coppercoastresort.com 1.877.762.2628

BIZ QUIZ

1: Which publication reaches the most business addresses in the GTA?

- a) Globe & Mail
- b) Toronto Star
- c) National Post
- d) **Business Edge** (48,000+ per edition; 75,000+ per month)

2: Which publication has the most affordable advertising?

- a) Globe & Mail
- b) Toronto Star
- c) National Post
- d) **Business Edge**

3: Which publication has the most effective advertising?

- a) Globe & Mail
- b) Toronto Star
- c) National Post
- d) **Business Edge**

4: Which publication has a charming sales rep named Allie Montgomery who has won a prestigious award for her customer service and will be happy to help you improve the effectiveness of your marketing if you call her at 866.216.3343 ext 27 or email allie@businessedge.ca



- a) Globe & Mail
- b) National Post
- c) Canadian Business
- d) **Business Edge**

Answer Key: 1) d, 2) d, 3) d, 4) d

1.866.216.3343 ext 25 Ads@BusinessEdge.ca

be
Business Edge

Joint venture delivers big return to miners

(Street Life is a regular feature that profiles what's playing in the stock market.)

By Nicole Strandlund
Business Edge

ACT I: SHINY METALS

- **The Player:** ECU Silver Mining Inc. (TSX:ECU)
- **Action:** Down 45 per cent in a month (from \$1.81 Oct. 3)
- **Recent Price:** \$1
- **52-Week High/Low:** \$2.71/\$0.79

Who ever said gold and silver don't go together?

ECU Silver Mining Inc., with a head office in Quebec and executive office in Toronto, has announced that its joint venture with Golden Tag Resources Ltd. (TSXV:GOG) of Montreal has intersected a new zone of massive sulphide

mineralization (with silver, lead and zinc grades).

The most recent drill hole is the first in the southeastern portion of the joint venture's San Diego property in Durango state, Mexico. Its results, along with reports from October and June of this year, demonstrate a pattern of massive to semi-massive mineralization in the area.

ECU, which has extensive exploration experience in this portion of Mexico, recently commenced mining production at its Velardena mine, four kilometres on the other side of a mountain.

The news helped buoy ECU stock to trade at \$1.06 after its fall to 52-week lows from over \$1.80 a month ago. In comparison, Golden Tag stock, which fell in the month from \$0.255 on Oct. 3, was trading at \$0.225, up three cents on the day.

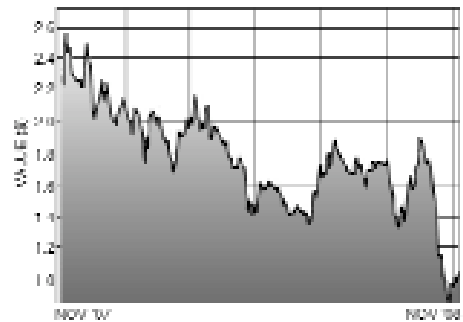
ACT II: WASTE NOT, WANT NOT

- **The Player:** First Uranium Corp. (TSX:FIU)
- **Action:** Down 48 per cent in a month (from \$2.85 Oct. 3)
- **Recent Price:** \$1.48
- **52-Week High/Low:** \$12/\$1.02

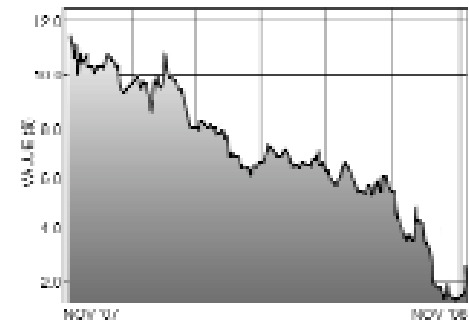
First Uranium Corp., based in Toronto with uranium and gold mines in South Africa, has entered into a letter of intent to sell 25 per cent of its Mine Waste Solutions tailings recovery operation in South Africa.

Gold Wheaton (Barbados) Corp., a subsidiary of Gold Wheaton Gold Corp. (TSXV:GLW) based in

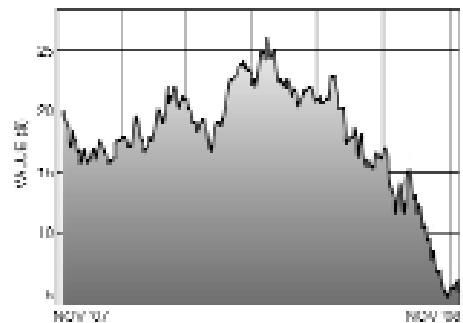
ECU Silver Mining Inc.



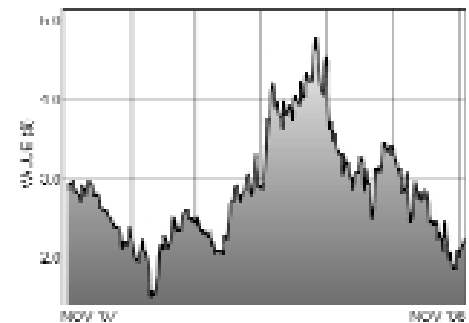
First Uranium Corp.



Quadra Mining



Sprott Resource Corp.



Street Life: Analysis

Vancouver, will pay \$125 million in the deal, which is subject to government and regulatory approvals, third-party consents, board approvals and acceptance by the TSX. First Uranium is selling the stake in its tailings recovery operation as part of the company's transition from mine developer to uranium and gold producer.

ACT III: HAMMERED COPPER

- **The Player:** Quadra Mining (TSX:QUA)
- **Action:** Down 47 per cent in a month (from \$10.51 Oct. 3)
- **Recent Price:** \$5.56
- **52-Week High/Low:** \$27/\$3.75

Some metal prices may be up, but copper isn't one of them.

Quadra Mining, which is based in Vancouver and operates the Robinson gold and copper mine in Nevada and a copper mine in Arizona, may have increased output in the quarter, but revenue fell hard. So much so, that Quadra is stopping work at its two development projects (a copper project in Chile and a molybdenum project in Greenland) and is suspending production forecasts beyond 2008.

Quadra's quarterly copper production rose 26 per cent to 38.6 million pounds, and gold production jumped 27 per cent to 30,629 ounces, but revenue fell from \$134.6 million to \$116 million, thanks to a copper price that has fallen nearly 50 per cent since the beginning of July.

See STREET LIFE

Page 23



Go Online With Business Edge

 www.businessedge.ca

Check out our **Careers** section for postings, articles, advice and much more!




Moms move from playroom to boardroom

Author tells stories of women returning to careers after raising children

By Terri Schlichenmeyer
Business Edge

These days, your CEO wears diapers. The executive office smells like talcum. You know, because you're summoned there round the clock on a moment's notice.

Your boardroom contains a bouncy chair at the head of a conference table crusted with dried cereal. Your power suit is stained with spit-up and the only paperwork you know is of the towel variety, but you think you've got the World's Best Job.

That's because you've stepped off the job track to be a Mom. Someday, though, you'll have your career back. There's time.

You hope.

In the new book *The Comeback*, by Emma Gilbey Keller, you'll read about mothers who quit their careers to raise families, then found new, more fulfilling employment years later.

When she was twentysomething, Emma Gilbey Keller says she immersed herself in her journalism career to the point where she had no social life. Then she met her husband, fell in love, sold her cottage and

moved to the city less than a month before the birth of her first child.

She was glad she had the opportunity to stay home with her girls. Keller's husband had a good job and she says she kept in touch with journalism via his stories and visits to his newspaper office.

But when her younger daughter mentioned that Daddy goes to work and Mommy goes to the gym, Keller knew it was time to return to a career.

In this book, Keller tells the stories of seven different women who stepped out of their careers to raise their children – their challenges, their surprises, and how they handled their returns to work.

Judith Feder of Manhattan stayed home to become her young twins' best advocate after they were born prematurely. Now teens, the twins are enormously proud of their mother, a sentiment that makes her cry.

After a near-deadly confrontation with a criminal, Lauren Jacobson fled with her children to London while her husband stayed behind in South Africa. Jacobson held the family together, while wondering if she

could do the same to a career.

Amazingly, Jacobson had a comeback – and then quit!

And lest you think that a "comeback" is only for women whose husbands make lots of money, read on. One woman went back to medical school after her divorce at age 48.

While the stories in *The Comeback* are inspirational and will undoubtedly encourage any Mom who longs for a 9-to-5, the real worth of this book is in author Emma Gilbey Keller's asides.

"If you want to stay at home and take care of (your kids) full-time," she says, "then do it. It doesn't mean you will never get another job. It's a finite stage.

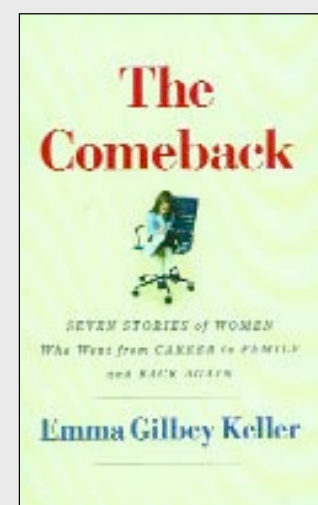
"There is nothing wrong with serial comebacks. If you can do it once, you can do it twice or more."

If your CEO doesn't COO any more and you're ready to go back to work, read this book.

The Comeback will give you the oomph you need to get out of the playroom and back to the meeting room.

(Terri Schlichenmeyer can be reached at schlichenmeyer@businessedge.ca)

Business Books

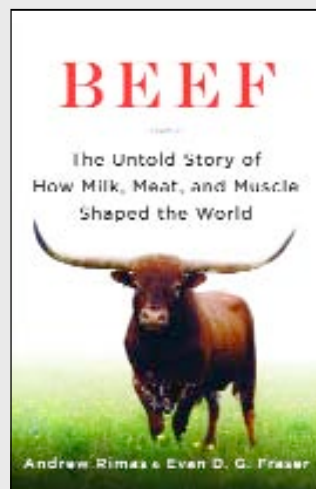


The Comeback, by Emma Gilbey Keller; c.2008, Bloomsbury; \$27.50; 228 pages.

Beef worth a look-see and that ain't no bull

Readers can chew on history of the animal that helped shape the world

Business Books



Beef: The Untold Story of How Milk, Meat, and Muscle Shaped the World, by Andrew Rimas & Evan D.G. Fraser; c.2008, Wm. Morrow; \$27.95; 238 pages.

By Terri Schlichenmeyer
Business Edge

What's for dinner? How about steak?

Think about it – thick, tender, cooked to within an inch of perfect, topped with mushrooms, dripping with marinade that goes well with any sidedish, man, you could eat steak til ... uh, the cows come home.

So how much do you know about the critter who'll furnish dinner, as well as milk for breakfast and a burger at lunch?

Not much, huh? Well, chew on this: *Beef: The Untold Story of How Milk, Meat, and Muscle Shaped the World*, by Andrew Rimas & Evan D.G. Fraser.

Somewhere between 1.5 and two million years ago, an aurochs (the ancestor of modern-day cattle) lumbered out of what's now India and spread across Africa, lower Europe and Asia.

As glaciers retreated, the behemoths spread north where they survived until the mid-1600s. Aurochs were fierce and huge – even Julius Caesar commented on their size (nearly six feet at the withers).

Though aurochs were hard to tame, captive breeding produced a gentler strain that evolved into cattle – and

they eventually became a source of wealth.

As human societies became more agrarian and mobility ensured survival for both man and beast, owning cows became important because animals could walk to water and crops could not.

In Kenya, where cows make the man, Masai warriors tell stories of brazen cattle raids; traditional Masai, in fact, believe that all cows are theirs, as decreed by God.

Cowpokes and vaqueros were hired by cattle-rich barons partly to keep wealth-on-the-hoof safe and together. The word "cowboy", by the way, wasn't always laden with ropin' and romance.

While bison are native to North America, the first cows were brought to the New World via Mexico by 17th century Spanish colonizers.

Later, the cattle became chattel used in exchange for Caribbean slaves who would porter baggage for the Spanish conquerors.

These days, when you think of cows, you probably either think of bucolic, Wisconsin-pastured, black-and-white Holsteins or rangy Texas longhorn cattle on their way to your plate.

But the mooovement from

pasture to platter hasn't been without controversy, and the subject continues to incite argument.

As much as I liked this book, there were parts of it that almost made me stop reading. *Beef: The Untold Story of How Milk, Meat, and Muscle Shaped the World* is, at times, filled with mind-numbing passages on mythology, ancient text, and esoteric poetry that are better-suited for a college thesis.

Yes, this book is supposed to be history of a sort, but the antiquated accounts grew wearisome.

On the other hand, the modern-day accounting of *Beef* is horns-and-shoulders better, with lively stories of ranching and dairying, and cattling in the future.

I enjoyed those parts of this book much more, and I also thought the interspersed recipes were a fun addition.

While rural readers may be amused at occasional incorrect usages of cattle-gender words, I thought this book was OK.

As long as you keep the above caveats in mind, *Beef* is worth a look-see, and that ain't no bull.

(Terri Schlichenmeyer can be reached at schlichenmeyer@businessedge.ca)

Edge@Work

Making connections – without a business card

Author finds sincerity, conversation can lead to amazing results

By **Greg Forbes Siegman**
For *Business Edge*

A little over a year ago, on the second leg of a plane ride home from a business trip to Ontario, I sat next to a complete stranger.

(It was a chance meeting that almost never happened. I got distracted by a conversation with an interesting woman at the airport in Thunder Bay and just barely made it to the gate in time. He was on my connecting flight only because he had changed his itinerary earlier in the day.)

The man was dressed informally for a day of travel. There was no way for me to know he was actually in a position of some authority with one of North America's best-known companies.

And it would not have mattered. I was happy to learn about him, his family and his interests simply because life had seated us side-by-side. In fact, even after he said what he did for a living and for whom he did it, we still spent most of the flight talking about other things (predicting who would win the next Super Bowl, for instance).

None of which is to say the overall experience had no impact on business. Six months after our chance meeting on that plane, he hired me to speak at an event he was hosting for a hundred or so of his colleagues. That day, I discussed, among other things, the importance of treating the kid who serves coffee with as much respect as you would show the CEO who drinks it.

At the time, I had no idea my words would prove so ironic.

One night earlier, after arriving in town for the event and getting dinner with a friend who happened to live in the area, I had gone to a coffeeshop to prepare for the speech and work on a portrait I had been sketching (a hobby to take my mind off business every now and then).

While I was there, the coffeeshop's employees – some of whom were also in school – approached me to look at the portrait-in-progress. (I was drawing Shel Silverstein, the legendary poet who addressed seemingly complicated issues in profoundly simple ways.) The staffers and I ended up speaking for the next 30 or 40 minutes. At first, we talked about art. Before long, the conversation had covered everything from



Greg Forbes Siegman, en route to Robben Island during his time in South Africa as an American Scholar in Residence.

civil rights to college to careers.

I'd never been to this place (or the town, for that matter), and did not know anyone on the staff. There was no way for me to know some young people working at a coffeeshop had the influence to do anything more than give me a complimentary treat to go with my drink.

And it would not have mattered. I was happy to take the time to get to know them simply because we found ourselves in the same place at the same time.

The next day, unbeknownst to me, while I was delivering the speech, one of the staff members at the coffeeshop told one of her teachers about our chance meeting. In turn, from what I understand, that teacher looked up my website and then shared it with someone else. And just like that, the ripple effect had begun – the link being passed along, one person at a time.

online and then extended an offer for me to do some work in the United States and some additional work in Africa.

Three months later, as improbable as it might seem, I was packing my bags for Cape Town.

The man on the plane and the young woman who serves coffee. I treated them the same – blissfully unaware that either could impact my life quite like they did, and yet, profoundly convinced it was worth treating them like they could. I ended up with two new friends, and a journey half way around the world.

There are some who will read about this chain of events that led me to Africa and chalk it up to little more than serendipity and dumb luck.

Admittedly, when it comes to business, I am not exactly sophisticated. I have been known to keep my files in cereal boxes. I don't know the first thing about venture capital. Interest rates confuse me and I have never written a business plan.

But rest assured, what happened was no fluke. In fact, these ripple effects can and do happen every day. It just requires time, the willingness to spend it, and a little curiosity.

Well, actually, there is another prerequisite. Sincerity.

If we want to experience extraordinary results from the seemingly ordinary, chance meetings that happen every day, then we have to believe – sincerely – that it is worth our time to meet people who do not appear to be able to help us advance our careers.

See **OBSTACLES**

Page 19



HOSTED PBX

**Relocate your business
without disruption:**

- Keep your phone number(s)
- Eliminate moving fees
- Add new extensions

Hosted small business phone system
starting at \$21.50 per user.

Versature
1-877-49-VERSA
www.versature.com

Porsche Canada's top exec drives away

Business Edge

Porsche Cars Canada Ltd. says president and CEO **Christian Marti** has left, due to "a difference of opinion on the strategic direction of the company." **Michael Bartsch**, executive VP & COO of **Porsche Cars North America** of Atlanta, will be interim president and CEO of Porsche Canada until a successor is named. Porsche Canada was founded April 1 as a direct subsidiary of **Porsche AG**. Its head office is in Mississauga.

Scotiabank (TSX, NYSE:BNS) has named **Sabi Marwah** as vice-chairman and COO. Marwah joined the bank's finance department in 1979. He was most recently vice-chairman and chief administrative officer. **Brian Porter**, previously executive VP and chief risk officer, has been named group head of risk and treasury. **Stephen Hart**, previously senior VP and head of credit risk, has been named to the new role of executive VP and chief credit officer.

Location intelligence solutions company **DMTI Spatial** has named **George Staikos** as president of **DMTI Canada**. Staikos joined DMTI Spatial early in 2006 as VP of sales and marketing. Privately held DMTI Spatial has its head office in Markham.

Jeff O'Neill has resigned as CEO of the **Prizm Income Fund** (TSX: QSR.UN), operating 459 KFC, Taco Bell and Pizza Hut restaurants in seven provinces. His departure was attributed to personal reasons. He had been CEO since April. Vaughan-based Prizm said its board has begun a

Moving On

search for a successor, and in the meantime the senior management team will assume provisional leadership responsibilities.

Noront Resources Ltd. (TSXV: NOT), under pressure from **Rosseau Asset Management Ltd.**, has agreed to a board shakeup. Following a recent agreement, CEO **Richard Nemis** will "stand down" and be given the title chairman emeritus for life. Rosseau, a Toronto-based hedge fund operator which owns about nine per cent of Noront's common stock and Noront say they "have agreed to a jointly determined single slate of directors." Noront, which explores for base and precious metals, has its head office in Toronto.

Second Cup Royalty Income Fund (SCU.UN) says that **Stephen Devito** has resigned as CFO of the fund; secretary and CFO of **Second Cup GP Inc.**; and CFO of **The Second Cup Ltd.** **James Anas**, executive vice-chairman of the **Second Cup Coffee Co. Inc.** and director of **GP Inc.**, has been appointed as the interim CFO of the fund and Second Cup, and secretary and CFO of GP Inc. The fund holds, through an indirect wholly owned limited partnership, the Canadian trademarks and other intellectual property and associated rights used in connection with the operation of Second Cup cafés in Canada. Its head office is in Mississauga.

TeraGo Networks Inc. (TSX:TGO) says that **Scott Browne** has been

appointed CFO of the company. Browne worked most recently at **Bell Canada** and **BCE** for three years, where his roles included VP for new ventures and VP of VoIP business and financial performance. TeraGo Networks is a business broadband provider. It is a wholly owned subsidiary of TeraGo Inc. TeraGo is based in Thornhill.

Sceptre Investment Counsel Ltd. (TSX:SZ) says that president and CEO **Richard Knowles** is leaving the company. He is being replaced as CEO by **Glenn Inamoto**, who also carries the title of chief investment officer of Sceptre, which has \$8.1 billion in assets under supervision. Inamoto has been with Sceptre since 1999, working as senior Canadian equity portfolio manager. **David Pennycook** becomes president and continues as head of institutional marketing and servicing, while CFO **David Morris** adds the functions of COO. Sceptre has its head office in Toronto.

EnGlobe Corp. (TSX:EG) says that CFO **Aline Bélanger** has left to pursue other opportunities. **Mario Saucier** is EnGlobe's new CFO. He was previously senior VP and chief accounting officer of Quebecor World. EnGlobe is an international integrated environmental services company with head office in Burlington.

Jiminex Inc. (TSXV:JIM.P) has named **David Chan** as its CFO. Chan has been providing accounting services to Jiminex on a consulting basis. It is expected that he will continue on a part-time basis and that the duties for which he will receive consulting fees will include matters related to the

CFO role. Jiminex is a capital pool company evaluating assets or businesses with a view to completing a qualifying transaction. Its head office is in Pass Lake, Ont.

GlobeStar Mining Corp. (TSX:GMI) has appointed **David Brace** as CEO. Brace's most recent position was as senior executive of Aur Resources Inc. before its acquisition by Teck Cominco. GlobeStar is a mining and exploration company with head office in Toronto.

Harte Gold Corp. (TSXV:HRT) has appointed **Milton Klyman**, CA, as chief financial officer. Klyman is also the chairman, founder and former president of Harte and replaces **Paul Ankcorn**, who has resigned as CFO. Toronto-based Harte is a gold-mining and development company focused on the Abitibi gold belt.

Richmond Minerals Inc. has named **Ian Shaw** as CFO. Shaw has been a chartered accountant since 1969 and was most recently managing director of Shaw & Associates. Richmond is a base- and precious-metal miner and explorer in Northern Ontario and Quebec. It has its head office Toronto and trades on the TSX Venture Exchange as RMD.

BMV Holdings has appointed former Bell Mobility president **Alek Krstajic** as CEO to lead its introduction of wireless services in Ontario and Quebec in 2009. BMV plans to build a wireless network in both provinces. BMV was created in July following its purchase in Industry Canada's wireless spectrum auction of PCS G Band covering almost 19 million Canadians in the Windsor to Quebec City corridor.

Former New Brunswick premier **Bernard Lord** has been named president and CEO of the **Canadian Wireless Telecommunications Association** (CWTA). The industry association has its office in Ottawa. Lord was most recently senior counsel at the McCarthy Tétrault law firm.

Eurogas Corp. (TSXV:EUG) has hired **Joanne Ferstman** as executive VP and CFO, replacing **Andrew Constantinidis**. Ferstman has been executive VP and CFO for Dundee Corp. and DundeeWealth Inc. Executive VP and COO **Bruce Sherley** has resigned from EUG; he and his team will become full-time employees of Dundee Resources Ltd., a wholly owned subsidiary of Dundee Corp. Toronto-based Eurogas indirectly owns a 24.6-per-cent interest in the Castor Underground Gas Storage project located off the east coast of Spain.

— with files from *The Canadian Press*
(E-mail notices and photos at least two weeks before publication date to murdoch@businessedge.ca)

OBSTACLES from Page 18

Opportunities beckon from many sources

Upon reflection, we have to believe – sincerely – that it was worth our time even if they never did help advance our careers. We have to believe sincerely that they possess knowledge and experience we can learn from. And we have to believe sincerely that their lives cannot be defined in full by anything printed on a small rectangular piece of paper.

A business card can only tell us a person's name, what he or she does, and where he or she does it. It cannot truly tell us who a person is. It cannot tell us why they do what they do. It cannot tell us about the family who raised them, the teachers who guided them, the supervisors who mentored them, the books which influenced them, the places they have explored, the obstacles they have overcome or the philosophies by which they live.

To be clear, I am not suggesting we blindly trust everyone we encounter.

Nor am I trying to minimize the value of meeting men and women who have ascended to the top of the corporate ladder and are justifiably proud of the impressive titles on their business cards.

All I am suggesting is that they are not the only ones who can influence us.

If we are open to learning about the people who cross our path during our travels – without regard to the "prestige" associated with what they do or where they do it – there is a good chance they can impact our work (and, more importantly, our lives), too.

The server who brings us lunch while we are in the airport restaurant, the flight attendant who reminds us to fasten our seat belts before takeoff, the passenger sitting next to us on the plane and the bellman who helps with our bags when we arrive at the

hotel all may well be just as worth learning about and learning from as the executives who sign their paycheques.

At the very least, there is only one way to find out.

(*Greg Forbes Siegman* is co-author of *The First Thirty* and *The Silhouette Man*. He speaks about topics including diversity and service at schools, companies and events. He recently served as *American Scholar-in-Residence in South Africa for Warriors Reaching Out* – a U.S.-based stewardship program providing students with volunteerism opportunities around the globe. In 2005, he was honored at Princeton University as one of America's top social entrepreneurs under 40. This month, he is receiving the 2008 Portraits in Humanity Award presented by Lot 66. His website is www.GregForbes.com. He can be reached at greg@businessedge.ca)

Renewable energy remains an elusive target

Wind-power advocates find progress difficult as opposition mobilizes

During his first term in office, Prime Minister Stephen Harper repeatedly declared that Canada was “an emerging energy superpower,” a boast that rests largely on our ability to extract petroleum from the vast oilsands deposits of northern Alberta.

Since the start of the decade, Canada has been exporting more oil to the United States than Saudi Arabia and this country's exports now account for almost one-fifth of the foreign petroleum consumed in the U.S.

But, as any environmentalist will tell you, we pay a steep price ecologically by mining Alberta's bitumen – that gooey, black stuff that contains both oil and sand.

A new book on the subject, *Tar Sands: Dirty Oil and the Future of the Continent* by Alberta author Andrew Nikiforuk, is enough to scare just about anyone except a downtown Calgary oil executive.

According to Nikiforuk, the industry must excavate two tons of earth and sand just to make a barrel of bitumen. It takes three barrels of water, mostly in the form of steam required to separate sand and oil, to produce one barrel of petroleum.

The industry also burns enormous quantities of natural gas – enough to heat four million homes daily, says Nikiforuk, the result being that a

barrel of bitumen generates three times as many greenhouse gases as a conventional barrel of oil.

Given such costs, it is no wonder that so many left-leaning and eco-friendly politicians – everyone from Elizabeth May and Jack Layton, to Stéphane Dion and U.S. president-elect Barack Obama – would like to wean us from our dependence on petroleum.

They would have us believe that we could reduce our consumption of hydrocarbons power if only we were prepared to think outside the box and make the right investments in clean and renewable wind, solar and water power.

Unfortunately, there is a too-good-to-be-true tone to these politically inspired narratives and the cheer-leading from the environmentalists. The Ottawa-based Canadian Wind Energy Association (CWEA) estimates that wind could potentially generate 20 per cent of the country's electricity demand.

Currently, according to the CWEA, there are 83 wind farms and 1,410

turbines operating in Canada. They have the capacity to produce 1,876 megawatts, enough to supply 569,000 homes, or 0.8 per cent of our energy requirements.

That means we would need tens of thousands of turbines to generate 20 per cent of our needs and the question is: Where on earth would we put them? The Ontario wind energy industry, as small as it is, is already encountering resistance from rural and urban residents who don't want turbines anywhere near their backyards.

Currently, there are seven full-fledged wind farms in the province and six wind projects, mostly single turbines installed to test the potential of producing power in certain locales. Toronto Hydro, the municipally owned utility that generates or purchases electricity to meet the city's needs, is contemplating a two-year test of the wind potential off the Scarborough Bluffs and extending east to the suburbs of Pickering and Ajax.

The utility plans to install an anemometer, a device that measures the strength and consistency of the winds blowing off Lake Ontario. If the results are positive, Toronto Hydro could create a wind farm consisting of 40 to 60 wind turbines erected about two kilometres offshore on a shelf beneath the surface of the lake.

Already, local residents are organizing against the idea. Nearly 500 showed up recently for a public information session, but Toronto Hydro

had to reschedule the event because it had booked a community hall with a capacity for 200.

Naturally, many of these people endorse clean, renewable forms of alternate energy. They just don't want enormous wind turbines ruining the view when they are out for a weekend walk along the Scarborough Bluffs.

Resistance to wind farms is also growing in rural Ontario. Wind Concerns Ontario says it's a coalition of 24 local organizations formed, according to its website, to create “a strong, unified voice of opposition to the unchecked rush to locate over 640 massive industrial wind turbines across the province in the last five years.”

Such grassroots opposition can be effective. In mid-October, Edmonton-based Epcor Utilities Inc. cancelled plans to build a \$300-million, 160-megawatt wind farm near the town of Goderich on Lake Huron after it failed to obtain all the necessary provincial and municipal approvals, partly due to vocal protests from local landowners.

The wind may be “an infinite source of clean power,” as the Canadian Wind Energy Association puts it. For now though, it is an industry in its infancy, like most forms of renewable energy, and there are significant barriers to growth that must be overcome if we are ever to reduce our dependence on fossil fuels.

(D'Arcy Jenish can be reached at jenish@businessedge.ca)

Opinion



D'Arcy Jenish
Business Edge



Coming Events

- **North York Chamber of Commerce** (Nov. 21, 7:30 - 9 a.m.) – Speaker: **Jennifer Goheen**, program manager for brand and marketing communications at Telus Business Solutions. Location: Crowne Plaza Toronto Don Valley, 1250 Eglinton Ave. E. Cost: Members \$20, non-members \$30. Info/register: www.bot.com
- **Navigating Change** (Nov. 26, 8 - 9:15 a.m.) – Strategic Leadership Forum research briefing presented by **Carli Kinnear**, partner in organization and change strategy, IBM global business consulting services. Location: The National Club, 303 Bay St., Toronto. Cost: SLF members \$50, non-members \$75. Info/register: www.slftoronto.com
- **Power Breakfast** (Nov. 28, 7:30 - 9 a.m.) – Speaker: **Hugh MacDiarmid**, president and CEO of Atomic Energy Of Canada Ltd. Topic: Canada, the Next Global Energy Superpower. Location: Toronto Board of Trade downtown centre, 77 Adelaide St. W. Cost: BOT members \$55, non-members \$75. Info/register: www.bot.com
- **International Construction Conference** (Dec. 2, 9 a.m.) – Full-day conference. Location: Room 713, South

Building, Metro Toronto Convention Centre, 222 Bremner Blvd. Cost: Canada Eurasia Russia Business Association members \$60, others \$100. Info/register: www.cerbanet.org

• **Institute of Corporate Directors** (Dec. 4, 7:30 - 9 a.m.) – Director Duties: BCE Transaction. Location: Fairmont Royal York Hotel, 100 Front St. W., Toronto. Cost: \$85. Info/register: Email admin@icd.ca

• **Toronto Board of Trade** (Dec. 4, 7:30 - 9 a.m.) – Speaker: **Sherry Cooper**, executive VP and global economic strategist, BMO Financial Group. Topic: The Road to Recovery – Canada and the Global Financial Pandemic. Location: Toronto Board of Trade downtown centre, 77 Adelaide St. W. Cost: BOT members \$65, others \$85. Info/register: www.bot.com

• **Toronto Board of Trade** (Dec. 9, 7:30 - 9 a.m.) Speaker: **David Hay**, president and CEO of New Brunswick Power. Location: Toronto Board of Trade downtown centre, 77 Adelaide St. W. Cost: BOT members \$55, others \$75. Info/register: www.bot.com

(E-mail your events at least two weeks before publication date to murdoch@businessedge.ca.)

Ontario eyes Obama victory as economic good-news story

The Canadian Press

Ontario's battered economy will benefit from Barack Obama's ascent to the White House as the Democrat's presidency will likely mean more government aid for the struggling U.S. auto industry, provincial ministers predict.

Increased support for the U.S. sector can only help automakers and manufacturers in Ontario, said International Trade Minister Sandra Pupatello.

“I'm looking forward to some very good things to come in terms of support for the economy, in particular for manufacturing, and that is going to bode very well,” she said.

Obama has promised to help Ford Motor Co., General Motors Corp., and Chrysler LLC by doubling a recently approved loan program to \$50 billion to help the U.S. auto industry develop more fuel-efficient cars.

Ontario needs the American economy to recover because the province's

fortunes are inextricably tied to the U.S., said Pupatello.

Most of the finished vehicles and automotive parts manufactured in Canada are exported to the U.S., which experts say is facing the worst economic downturn in about 50 years.

But her cabinet colleagues were more cautious in divining the province's future under the Obama administration. “What the prognosis is for us, I'm not 100 per cent certain,” said Deputy Premier George Smitherman, who manages the massive energy and infrastructure portfolio.

“But we obviously hope that (the new) U.S. presidency can help to establish some traction for the economy in the United States, which is very interrelated with our own. I think we're going to have to watch and see.”

Economic Development Minister Michael Bryant said he's confident Obama will make “responsible” decisions, despite his earlier hints about renegotiating the North American Free Trade Agreement.

Restaurateurs bracing for leaner times

Owners look to trim costs as many diners re-think expensive nights out

By Laura Severs
Business Edge

Wine and dine is about to become whine and dine as the U.S. credit crunch and financial crisis spreads deeper into Canada.

And that means this country's restaurant sector is bracing for hard times ahead, even though earlier indicators have been fairly positive when it comes to dining out.

"Our sector is usually the first in when bad times are called and the last out," says Tony Elenis, president and CEO of the Ontario Restaurant Hotel & Motel Association (ORHMA), the largest provincial hospitality association in Canada with 4,000 members. "What will happen moving forward all depends on consumer confidence."

Officials say it's too early to tell how recent economic events, including a dramatic downturn in the stock market, will play out when it comes to choosing between eating at home or going out to a restaurant.

However, they also agree that any fallout will likely hurt expensive fine dining destinations more than it will affect smaller restaurants that offer value for the dollars spent.

"The restaurant sector is certainly affected by the economy," says chef David Adje, who has 28 years of experience and works as a restaurant industry consultant. "But when you shake the tree, usually the apples that fall off are the restaurants that are very expensive and high priced."

When restaurant spending dries up, chefs are more likely to revert to comfort food or home-style cooking such as mashed potatoes and meatloaf, instead of expensive gimmicks such as \$300 tasting menus or table-side ice-cream freezing at \$25 a pop, says Adje.

"That's (those excesses) a sign for chefs that something is wrong with the economy – and that's usually just at the peak before an economic downturn," adds Adje, who stars in the upcoming Food Network series *Restaurant 101*, where first-time restaurant owners are given the tools



Chef David Adje believes the restaurant sector will move away from 'expensive gimmicks' in favour of home-style cooking.

to open and run a successful business, and is one of the hotshot chefs on the TV show *Restaurant Makeover*.

"People never stop going out. We just choose to spend our money differently."

In Ontario, many residents are opting to spend more of their dining-out dollars at the supermarket instead of the restaurant, according to a new online survey of 1,081 grocery shoppers in the province.

Sixty per cent of Ontarians are dining in more often to reduce expenses, according to the Metro Food-Life Balance Survey, conducted by Ipsos Reid for the Metro supermarket chain.

In the face of such frugality, there's no question restaurant operators "are under pressure to control their costs and to keep their prices down," said Jill Holroyd, vice-president of research and communications for the Canadian Restaurant and Foodservices Association.

Menu changes

How can small restaurants deal with an economic slowdown?

The answer is simple, says David Adje, a chef, television personality and restaurant consultant. Here are some of his suggestions:

● **Back To Basics:** In economic downturns, people tend to turn to food that is comforting and brings back good memories. Add items like meatloaf and mashed potatoes and emphasize the home-cooking aspect of your menus.

● **Give Them What They're Looking For:** Great food, great service and good value for their dollar.

● **Get Back To The Art Of Cooking:** Rather than buying expensive pre-cut cuts of meat such as rack of lamb, buy the whole lamb. Braise the shoulder and roast the leg. That way, you can still serve lamb, but you're bringing the portion cost down.

● **Consider rewards programs:** Offer customers reasonable rewards or points designed to increase traffic levels. But don't limit these to clients. Loyalty and reward programs for kitchen employees can help ensure staff retention.

– Source: David Adje Cuisine

"We're forecasting menu inflation to rise by 3.2 per cent in 2009," said Holroyd, whose group represents most members of the food service and restaurant industry.

To stay afloat, restaurant owners will be looking to trim their costs wherever they can through negotiating with their suppliers, improved labour and energy efficiencies, Holroyd added.

They will only pass higher costs onto their customers "as a last resort," she said.

By the end of 2009, Metro will have 158 stores in Ontario, consolidating its A & P, Dominion, Loeb, The Barn and Ultra stores under the Metro banner.

Metro's figures show its home meal replacement (HMR) offerings – a large assortment of ready-to-serve meals as well as premium items such as salmon with mango salsa – are up by 20 per cent in 2008, compared to 2007.

While the polling numbers are from late August, Metro believes the numbers would likely be at least as strong now or stronger when it comes to eating at home.

"From everything we're hearing and reading, the economy is at the forefront of consumer's minds, so we

would imagine that this trend would continue," says Selena Fiacco, director of communications for Metro Ontario Inc.

"We definitely think that in times of economic uncertainty, dining out is one of the most controllable factors consumers have."

But others don't completely agree.

"Right now this is not a bad-news story," says Jane Graham, the Toronto-based vice-president of the U.S.-based research firm NPD Group.

"The overall economic indicators are good in Canada, Canadians are employed and they have disposable income. All of this should fare well for the industry."

Figures released in mid-September show that despite rising gasoline prices and an economic slowdown, consumer spending at Canadian restaurants increased 4.6 per cent in the 12 months ending May 2008 over the same period in 2007.

During this time, according to the NPD group, a 6.3-per-cent increase in the average check per person helped to offset a modest decline in restaurant traffic of 1.6 per cent.

With menu inflation of only 2.5 per cent, most of the increase in the average check size came from increased consumer spending, rather than from rising menu prices, Graham says.

Graham adds that the fact more money is being spent at supermarkets instead of restaurants is not new, and only a slight trend.

Ian Tostenson, president and CEO of the Vancouver-based BC Restaurant & Foodservices Association (BCRFA), agrees restaurants, especially those owned by small-business owners, shouldn't be counted out.

"I think what you have there is more of a convenience factor than an economic factor," he says. "I still think restaurants will win with quality and fair value."

"Small restaurants will win by being an integral part of their local community and as a place serving fairly priced food, good quality as well as a place to socialize. I think that's a winning ingredient."

Tostenson adds people will still continue to dine out.

"There's a general comfort for people – dining out and putting the realities of life behind them," says Tostenson, adding that they may pare back their spending a bit by not buying a drink with their meal or sharing a dessert instead of ordering two.

He also believes it's the higher-end establishments – not the small ones – that will be hit hardest, and notes the situation in Canada is nowhere near as bad as the U.S.

– With files from *The Canadian Press*
(Laura Severs can be reached at laura@businessedge.ca)

New wind energy farm powers up

Business Edge

Canadian Hydro Developers Inc. (TSX:KHD) has opened a new wind farm two hours northwest of Toronto.

The Melancthon EcoPower Centre is located in Melancthon and Amaranth Townships near Shelburne and is 100-per-cent owned and operated by Canadian Hydro.

The company said it is the largest

wind energy installation in Canada.

Canadian Hydro Developers owns and operates 20 power generation facilities in Canada totaling net 364 MW of capacity in operation, 517 MW in and nearing construction, and 1,632 MW in development.

Its renewable generation portfolio is diversified across water, wind, and biomass technologies in British Columbia, Alberta, Ontario, and Quebec.

Technology Edge

Middle ground needed for new technology

In what might be termed a blinding flash of the obvious, Hewlett-Packard Canada recently released a study assuring us that "Canadian Gen Y entrepreneurs are taking a 'do it yourself' attitude when it comes to learning how to use new technology."

The report goes on to note that 46 per cent of entrepreneurs under the age of 30 say that they try to figure out how to use technology themselves, versus using a manual or talking to experts, while older small-business owners tend to go rummaging for the instructions.

HP could have saved their money, since you can learn the same thing by going to Future Shop and buying most any high-tech product, including those from HP.

Gone are the multipage, multi-lingual manuals, replaced by a one-page "quick start" guide, and sometimes a CD or website with all the gory details. They know most people won't read the book, so why print it?

We are moving to a plug-and-play world, and of course the Gen Ys take this for granted. But there's a downside too. Want to see a panicky look on the face of a young person? Just spill a drink on his or her smartphone. After lovingly drying it off, they'll mutter about how they really should back up their contacts.

What we really need is a middle ground of technology that young and old can understand, use and appreciate. Even more important is that it be affordable, secure and virtually maintenance free. This is particularly vital for small companies. If you work for a big outfit, there's probably an IT guru who's got your back, syncing up your calendar and archiving vital information. Little guys are more on their own, and have to be smarter.

Some recent announcements hold out rays of hope. Take accounting, for example. Back in the day, this was something you had to hire a programmer to do.

Now, many small businesses use a product like QuickBooks Pro, but it's possible to grow out of that software. Making the jump to a major-league system such as SAP can be costly and time-consuming. California-based Intuit, Inc., which does significant R&D work in Edmonton, has just introduced an enterprise edition of its software. They also offer a web-based

accounting software that starts at US\$9.95 a month, with additional fees if you want to do things like payroll and accepting credit cards. At the really low level of online money management, free site buxfer.com is great for sorting out who owes money to the coffee fund.

Future/ Present



Tom Keenan
Business Edge

Customer relationship management (CRM) is really the lifeblood of a business, and many are moving to a web-based CRM like salesforce.com. You can control who has access to these contacts, and they can be used on the go from a growing number of devices from BlackBerrys, to iPhones to PDAs.

For a more public profile, you might consider one of the business social networking systems like Plaxo, LinkedIn, Ryzee, or Tribe.net.

OK, Tribe is probably better for exchanging vegan recipes than selling oil rigs. Poke around all of them, preferably as an individual rather than a company, and see which matches your business personality.

There are even country-by-country differences in what people use, so consider where your customers are located. LinkedIn certainly seems to be the dominant one in North America.

There's one caveat – if you go online, do it right. Business advice sites correctly note that your profile is

a 24/7/365 invitation for other people to connect with you, so try to make yourself as "attractive" as possible. This might include photos, product information, and, a key bugbear for me, phone numbers to allow people to actually reach you without relying on an email submission form. Don't just put up a skeletal front – you're shooting yourself in the foot, especially with new potential contacts, if you waste your exposure.

Obviously, you should Google yourself and your business to make sure you're being presented the way you want to be. You never know what you'll find.

Then there are domain names. If you missed out on your favourite in the dot-com rush, it looks like those wacky web entrepreneurs are giving you a second chance to grab some prime real estate.

Vancouver-based Webnames.ca has announced the imminent availability of dot-tel domain names, and urges companies and individuals to register their .tel now, "because popular company and individual names will be claimed."

The idea behind .tel is to give you a single, permanent point of contact for life (of yourself, your company, your Rotary Club, etc.) People looking for you will type yourname.tel into a web browser, and be presented with up-to-date contact info, including what social networks you're on, gaming IDs, location maps, and of course

more mundane facts like email address and phone number. When you move, you can update it securely.

The company is now accepting pre-bookings, and in true entrepreneurial fashion is using the "land rush" model for pricing. From Dec. 3, 2008 to Feb. 3, 2009, registered trademark owners can pay a US\$399 application fee, which "applies for all submitted applications whether successful or not."

You can expect coke.tel and pepsi.tel to be gone, because those companies would be foolish not to protect their trademarks. The next phase lasts through March 23, 2009, and you can register anything you please for US\$375. The price drops to US\$19.99 for the leftovers after that date. Whether this will be a fad or the next internet gold mine remains to be seen.

In a world where people won't bother to read an instruction manual, it may be that a single contact point is an idea whose time has come. Then again, .tel doesn't really give any information that you couldn't put on your own website.

With people worrying about paying their fuel and heating bills, it remains to be seen how many will line up for yet another business expense, just to make themselves easier to find.

(Tom Keenan is a professor at the University of Calgary and an expert on technology and its social implications. He can be reached at keenan@businessedge.ca)



NHL GAMES/MEDIA ROOM PACKAGE

INCLUDES:
LIMITED EDITION SUPER CHESS
"DUMMIE" TABLET
AND
A NHL DREAM SEAT
LEATHER RECLINER
AND NHL TEAM

\$4195
PLUS SHIPPING
AND TAX \$500

CORPORATE GAMES ROOM PACKAGE

INCLUDES:
REFURBISHED COMMERCIAL
7' VALLEY POOL TABLE
WITH ALUMINUM
REFURBISHED COMMERCIAL
TORNADO FOOTBALL

\$2099
PLUS SHIPPING
AND TAX \$1000





www.SMLentertainment.com

Tougher rules urged for mine cleanups

The Canadian Press

Ontario must catch up to other provinces and fix loopholes that have left taxpayers on the hook for the estimated \$500-million cost of cleaning up abandoned minesites across the province, a new report urges.

Lax regulations have allowed mine owners to walk away from 5,700 minesites in Ontario, 4,000 of which the government has deemed to be potentially hazardous to public health and the environment, it said.

The report by the environmental group Ecojustice recommends that Ontario toughen its mining laws to make sure companies foot the bill for the cleanup work before a mining permit is granted.

Currently, the government can accept a company's credit rating as sufficient proof that they'll have the funds to cover the cost of restoring the site – a test that's come under fire from the province's auditor general and environmental commissioner in recent years.

Ontario should collect a security deposit for the cleanup costs as Alberta and Newfoundland and Labrador do, said the report by Ecojustice and the Canadian Institute for Environmental Law and Policy.

It also recommends that Ontario require environmental assessments of new mining projects and consult with Aboriginal groups and property owners before allowing prospecting or exploration on their lands.

Mining has been exempted from environmental assessment in Ontario for decades, despite the harm it can wreak on wildlife and waterways, said Justin Duncan, a lawyer at Ecojustice.

"We really need a decent environmental assessment process and not just green lipstick on a pig," Duncan added.

PROBLEM from Page 12

Oilpatch knows it's under microscope

"We were truly shocked and saddened by this incident," Kruger says, adding that the company records an average 25 waterfowl deaths a year and has never experienced anything of this magnitude. "This isn't indicative of how Syncrude operates. Our system has worked for over 30 years, and we're trying to find out how can we prevent this from happening again."

CAPP's Pryce says oil companies are generally doing a good job preventing such incidents.

"Companies know they're under the microscope and are doing their best to minimize these things, but occasionally incidents happen. This case is unfortunate, but not unique. It's a problem that exists across all sectors of the economy – that there are impacts as a result of disturbance."

Simon Dyer, oilsands program director with the Pembina Institute, an Alberta-based non-profit group that specializes in environmental policy research and education, says the

effects of current and projected development are clear.

"The future of the herd of woodland caribou on the east side of the Athabasca has declined by 65 per cent in the past 16 years largely as a result of cumulative impacts of in-situ development and forestry," says Dyer, who is a wildlife biologist. "One of the benefits of Alberta's robust economy is we're seeing some of the best wildlife research occurring anywhere, but unfortunately we're just documenting the decline of species."

Dyer describes operational best-practices such as directional drilling as positive steps toward reducing the environmental impact, and he points to research on dry-tailings technologies that would create a waste product that could be removed. However, he says there are no incentives for companies to implement this.

"It's thought to be more expensive, and the government is willing to approve projects with the old tech-

nologies. So companies don't want to risk a technology that has never been demonstrated commercially."

Ultimately, Dyer maintains that serious land-use planning should be a precondition to all project approvals.

"Letting development proceed at the pace and speed projected just by industry and government alone is not acceptable. Government and industry like to talk about improvements to the footprint of specific projects, but the real issue is the cumulative impact."

However, Pryce describes Alberta government land-use planning and accumulative effects management policies as rigorous and evolving.

"Industry is well experienced with the process. We provide the information they ask for and we follow the policy expectations. In doing this, our expectation would be that we have met the conditions and should have a reasonable expectation of a project proceeding."

(Saul Chernos can be reached at chernos@businessedge.ca)

3 STARS from Page 14

Company awaits news of Kurdistan project

"All of these are discoveries that are just now going through the completion phase. And then in the fourth quarter of next year, a play called Ptarmigan. So production will go from 20,000 BOEs a day currently to over 45,000 BOEs a day in the end of 2009. Then they have more growth coming in 2010 from (other) discoveries."

"So without having to make another exploration discovery, the company has the ability to triple its production over the next three years. We have them doing cashflow this year of about \$2.50. Next year, we think cashflow could be as high as \$6 a share. And in 2010 it could be as much as \$10 a share, based on the discoveries already made. That's based on a stock that's trading at \$5.45 and has a NAV of \$9.25. It's a

very, very cheap stock."

- **Risk Rating:** Medium
- **Web Watch:** www.oilexco.com

THIRD STAR

- **Western Zagros Resources** (TSXV:WZR)
- **Recent Price:** \$0.84
- **52-Week High/Low:** \$3.77/\$0.69 (11-05-08/10-31-08)
- **Snapshot:** Western Zagros is engaged in acquiring and exploring properties for developing and producing crude oil and natural gas.
- **President and CEO:** Simon Hatfield
- **Head Office:** Calgary
- **Vital Stats:** Price/Earnings Ratio (trailing 12 months), n/a; Revenue (last fiscal year), US\$817,000; Earnings Per Share (ttm), US\$-0.06; Market Cap, \$130 million.

• **Schachter's View:** "We have a \$4.75 stock price target. Western Zagros is well financed. They have about \$1 a share in cash at the end of Q2 of 08. So the stock trades below cash. They have a partner in Talisman and they're drilling a well in the Kurdistan area of Iraq, which should be at total target in the next few weeks. It could potentially be a project that could (contain) greater than a hundred million barrels of oil. They have a 40-per-cent net interest. They have enough funding for a three-well exploration program (with Talisman)."

"These are plays where a successful well could test in excess of 15,000 BOEs a day. The company is trading below its cash value and is imminently going to be receiving news on the first of three wells. If this well is successful, it could add impact on the upside of a couple of bucks per share, on any sizable discovery."

- **Risk Rating:** High
- **Web Watch:** www.westernzagros.com

NOTE: Schachter holds positions in all three stocks.

Schachter's Edge Record (based on three previous picks in 2008): **Best Pick:** Delphi Energy, -44 per cent. **Worst Pick:** Oilexco, -60 per cent. (Both stocks were among Schachter's previous picks for 3 Stars.)

(This feature is provided for informational purposes. Investors are advised to do their own research or consult a qualified investment professional before making investment decisions. Quotes are based on results through Nov. 4, 2008.)

STREET LIFE from Page 16

Resource firm gives boot to B.C. property

Quadra is expected to complete its review of production forecasts for 2009 and beyond by the end of November.

ACT IV: TORONTO LOSS, RUSSIAN GAIN

- **The Player:** Sprott Resource Corp. (TSX:SCP)
- **Action:** Down 12 per cent in a month (from \$2.40 Oct. 3)
- **Recent Price:** \$2.11
- **52-Week High/Low:** \$4.98/\$1.27

A Toronto-based resource company, along with other principal shareholders, has given the boot to its interest in a B.C.-based coal business.

Sprott Resource Corp., which owns approximately 37 per cent of private PBS Coals Ltd., has announced a numbered company (7027940 Canada Ltd.) has agreed

to buy all outstanding shares of PBS.

The numbered company, a subsidiary of Russian-based Severstal Resources, originally offered to pay \$8.30 per PBS share, then was granted a price reduction on the total deal of \$382 million. The final agreement gives Sprott net proceeds of around \$141 million for its portion of PBS shares. Sprott shares bounced between \$2.11 and \$2.20 the day of the announcement.

NOTE: The above is not intended as investment advice to buy or sell any mentioned securities. Investors should do due diligence before investing. Quotes are based on results through Nov. 3, 2008.

(Nicole Strandlund can be reached at nicole@businessedge.ca)

70 PERCENT
OF THE WORLD'S WEALTHY BECAME SO
THROUGH REAL ESTATE INVESTMENT.



WHAT'S YOUR STRATEGY?

- RRSP eligible, \$10K minimum
- RRSP transfers accepted
- 11% cash flow Bonds
- Use home equity to invest
- High quality Western Canadian real estate
- Exceptional profit participation options
- Experienced development team
- Proven record of success



FOUNDATION
CAPITAL CORPORATION

A DIVISION OF THE HARVEST GROUP OF COMPANIES

FOUNDATIONCAPITAL.CA
WHERE LAND, LIFE AND OPPORTUNITY MERGE