

# VENTURES

*creating profit and capacity with employment and entrepreneurship opportunities for Kitsumkalum people*

## A New Venture for Kitsumkalum

With a desire for economic prosperity and employment opportunities Kitsumkalum pursued a venture that will produce results for many years to come. In August of 2004 Kalum Ventures Ltd. came to fruition after months of planning and discussion. Kalum's need for a Forest License holder was ultimately the deciding factor in Kalum Venture's existence. Council decided that since they could not hold the Forest License, Kalum Ventures would hold it in hopes that logging would begin by April of 2005.

A competition ensued for the position of Chief Executive Officer. Out of four candidates Ron Bartlett won the honour of becoming KV's CEO. He had the responsibility of building a team of key employees: on full-time Lyle Bolton-Forest Operations Manager, Joe Bevan-Finance Manager, and on part-time Allan Bolton-GIS Technician, Grant Pauls-Business Development Manager, Troy Sam and George Cooley-Silviculture Technicians. With future projects in the works, Kalum Ventures looks forward to hiring more people.

Estevan Forest Management, the forest license holder for the Uchucklesaht Band on Van-

couver Island, was brought on as a key consultant to reveal the types of business practices that have worked in the province thus far. Five years ago, Estevan began their journey much like Kalum Ventures has and now employs 120 people. This is a prime example of what KV is able to achieve in the near future.

Kalum Ventures has the honour of developing the first Forest License in the northwest of any First Nations community. In June of 2004 negotiations between Kalum, Kitselas, and the Ministry of Forests came to an end when MOF offered Kalum and Kitselas a Forest License. Initially, both communities had a joint license. However, circumstances changed due to a difference in vision. From there, it was decided that the Forest License would be split according to traditional territories. Kitsumkalum was awarded 400,000 m3 of wood to harvest over a five-year term. This also includes \$1.585 million in Forest Tenure Development dollars. KV was given a small portion of this money from the Kalum Band for start-up costs.

Through extensive planning and preparation wood has been secured for Kalum under the BC Timber Sales Forest Development Plan. Kalum Ventures worked with MOF staff to develop a license that accommodates Kitsumkalum's unique needs. It has been

a costly process with the first 100,000 m3 of wood, along with negotiations, costing \$80,000 in various fees. A silviculture deposit was paid in the amount of \$60,000. The annual license will cost \$28,700.



China Creek (article page 4)

A Forest Stewardship Plan for Kalum Ventures was put into place, giving the community an opportunity to comment on *continued on pg. 3...*

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# KALUM VENTURES LTD.



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Our office is located at 4560 Lazelle Ave.  
Please feel free to drop in

## *Special Point of Interest*

### **Forest Stewardship Plan**

Public Invitation to review and comment on the 2005 Forest Stewardship Plan for Forest Licenses A73726 and A75962

A Forest Stewardship Plan describes the strategies and results that will be applied on the Plan area to ensure consistency with the objectives set by government for critical forest values. The objectives are described in the Forest and Range Practices Act and its associated regulations.

This Plan will be for a five-year term, and applies to operations on Forest Licenses A73726 and A75962, located in and around the Kitsumkalum Valley.

The Forest Stewardship Plan will be available for public review and comment from February 9 to April 11, 2005 during regular operating hours at the Terrace Public Library (4610 Park Avenue, Terrace, BC), and Kalum Ventures Ltd. (#203-4650 Lazelle Avenue, Terrace, BC).

Comments on the Plan should be in writing, and can be sent to the attention of:

Lyle Bolton, Forest Operations Manager  
Kalum Ventures Ltd.  
RR 3, Site 19, Comp. 52  
Terrace, BC V8G 4R6  
Email: lyle.kalumventures@monarch.net  
Fax: (250) 635-8062

For your convenience, comment sheets will be available at both locations.

We ask that you provide these comments to us no later than April 11, 2005. All input received from the public during the review period will be forwarded to the Kalum Forest District Manager of the BC Ministry of Forests.

# A New Venture for Kitsumkalum

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KV's logging plans. The FSP cost KV \$40,000.

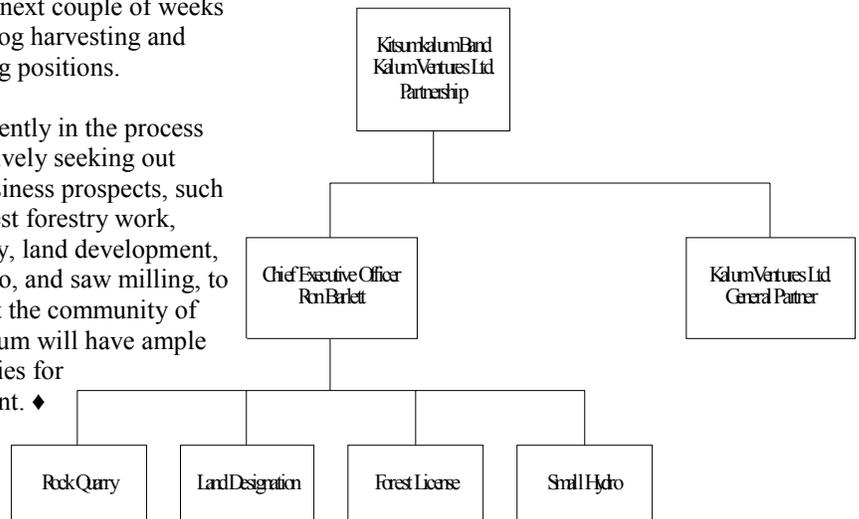
A joint venture was formed between KV and Cypress, a local Terrace firm, to create a sub-company called Traditional Forest Management. TFM will be responsible for layout design, engineering, GIS, site plans, reviews, and cutting permit readiness. This venture will employ Kitsumkalum band members and Cypress Forest Management's key staff. TFM is a majority owned Kalum company.

As of February 2005 Kalum Ventures has signed a joint venture agreement with Main Logging. Ron Bartlett, CEO, is hopeful that KV crews will be harvesting the

first 60,000 m3 of wood by the end of February of this year. Kalum Ventures will be hiring within the next couple of weeks to fill the log harvesting and engineering positions.

KV is currently in the process of aggressively seeking out further business prospects, such as northwest forestry work, rock quarry, land development, small hydro, and saw milling, to ensure that the community of Kitsumkalum will have ample opportunities for employment. ♦

## Kalum Ventures' Company Structure

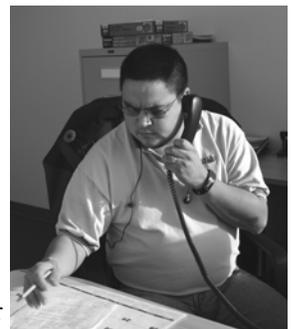


**Ron Bartlett**  
Chief Executive Officer

Ron is a Tsimshian First Nation from Kitsumkalum. He has owned and operated a number of businesses in northwest British Columbia. He brings a wealth of knowledge as well as contacts in the forest industry. Ron has been active in the aboriginal and business community in various capacities from Private business owner, Band Councillor to a Board of Director on various economic boards and banking institutions.

**Lyle Bolton**

**Forest Operations Manager**



Lyle is a Tsimshian First Nation from Kitsumkalum. He has worked as a forest manager for the last five years in Kalum. His combination of education and practical experience has been an asset and success for the operation of the department. He has long-term experience working with the Ministry of Forests as well as a clear understanding of its internal workings and expectations.

# China Creek Small Hydro Project

Site Visit by Ryan Hanson

Kalum Ventures is currently working with a joint venture to develop a micro hydro in the Douglas Creek Watershed. The proposal is for 500 megawatts (5000 homes). Ron Bartlett and Grant Pauls traveled to Port Alberni in the first week of February to view their small hydro project. Kalum Ventures extends their thanks to Ryan Hanson for the opportunity.



Grant and Ryan standing beside stockpiled 48 inch diameter ductile iron pipe before installation.

Grant and Ryan Pauls and Ron Bartlett a tour through the site of the China Creek Small Hydro Project. The project is a 6.5 Megawatt, run-of-river hydroelectric facility being undertaken by the Hupacasath First Nation, near Port Alberni on Vancouver Island.

The project is in the early stages of construction and is expected to be producing power in October 2005. The Hupacasath, as majority owners, are developing the China Creek Project through a partnership with another nearby First Nation, the City of Port Alberni and a private com-



Grant and Ryan standing below a completed section of the buried steel penstock.

pany. The partnership will sell the power produced by the plant to BC Hydro through a 20-year guaranteed contract. Current construction activities include penstock (a pipeline that conveys the water from an intake to the powerhouse) construction and access road construction. Photo 1 shows Grant and Ryan standing below a completed section of the buried steel penstock. The China Creek Project will provide long-term revenues to the Hu-

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On February 4, 2005, Ryan Hanson of Sigma Engineering Ltd. gave Grant

## Joint Venture

What it means to be in a joint venture

A joint venture can be any partnership in which ownership of a business entity is shared between Aboriginal and non-Aboriginal parties. In addition to shared ownership, each party in the joint venture makes some tangible non-monetary contribution to the venture. The contributions on the part of the industry partners typically include expertise, technology and market connections and sometimes start-up and operating capital. The Aboriginal partner often contributes access to timber resources, a labour force, regional good will, an

improved corporate image and political leverage.

Joint venture business relationships are seen as a vehicle through which Aboriginal communities can build business capacity and develop their economic base. Through joint venture arrangements with established companies, First Nation companies typically run by Band-owned economic development corporations can gain entry into the local resource sector, utilizing the knowledge, experience and market positioning of a strategic partner.

It is worth noting that joint venture partnerships often lead to other forms of cooperative business arrangements. These may be between the companies involved in the joint venture or between others with commercial interests in the First Nation partner and the industry partner. ♦

# Forest Tenure

By Grant Pauls

The Kitsumkalum Band holds a 400,000 cubic metre non-replaceable forest tenure over a period of five years. Kitsumkalum has partnered with the newly formed band owner Kalum Ventures Ltd. this company is responsible for the day-to-day function of the forest tenure. *Kalum Ventures Ltd.* Is wholly owned by the *Kitsumkalum Band*.

This license was issued as a commitment to the revitalization of the forest economy in northwest British Columbia by the *Ministry of Forests*. Developing new relationships with First Nations, through measures such as accommodation agreements with revenue sharing components, and direct awards of timber, to create real economic opportunities for First Nations, and increased certainty on the land base.

Our community faces challenges that are common to Indigenous peoples around the world – poverty, unemployment, marginalization, and related social problems such as substance abuse and youth suicides. These problems have deep historical roots. They will only be resolved through cooperation and respect between indigenous peoples and non-native societies. They must be addressed in a manner that ensures the survival of our culture, and to achieve this we know that we must develop our own solutions.

In terms of economic development, we are addressing our challenges through a variety of initiatives. Achieving economic self-sufficiency in keeping with our culture and customs of caring for the land is an urgent priority for us. We lead all of our initiatives and we keep them rooted in our customs and the

wisdom of our Elders. This wisdom has been passed on to us over the generations from our ancestors. Where useful, we also pursue partnerships that enable us to move our economic initiatives forward. ♦



**Joe Bevan**

**Finance Manager  
Controller**

Joe is from the Kitselas First Nation and has resided in Terrace for the last 6 years. Joe’s experience and education was gained in Vancouver.

His first job was working for government, moved on to the private sector, then Tale’ Awtx Aboriginal Capital Corporation as the Accountant/Loans’ Officer, the Sto:lo Nation’s Sto:lo Development Corporation as a Business Development and Loans Officer in Chilliwack. And then moved over from Kitselas Band Administration where he was their Assistant Manager and Finance Manager.

In a nutshell, Joe takes care of all of Kalum Venture’s financial needs and keeps everyone accountable for the funds we spend. From managing the day to day financial needs, to budgets, cash flow, and financial reporting. Joe also assists the company with moving projects forward and giving his financial expertise on handling different situations.

**Grant Pauls**

**Business  
Development  
Manager**



Grant has over ten years experience working with Aboriginal organizations and Governments in the area of business planning, proposal development, negotiations, financing as well as project management, and economic advising. He brings a list of useable business tools that will assist the overall viability of any project.

Send to:  
Kitsumkalum Community

## Rock Quarry Project

### Land Designation (office building, commercial properties)

**R**ock Quarry, land designation (office building, commercial properties).

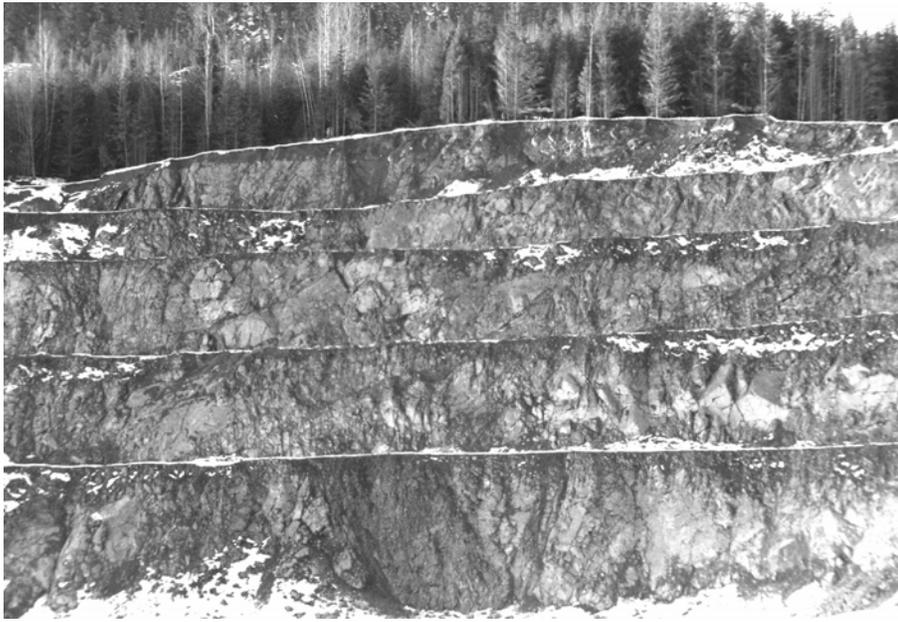
Kalum Ventures is joint venturing with a northern company to develop the quarry. A rock quarry permit will be received on March 31st of 2005. The quarry is currently being surveyed, afterwards zoning will begin.

This project presents employment and training opportunities for eight band members. With the current marketing and start up capital, operations are set to begin in August or September of 2005.

INAC approved the first environmental review of the quarry, and further reviews will be made.

Currently, the rock quarry is located on-reserve and was operated by CNR under a lease arrangement during the period from 1964-1984. Since that time the

nus or less it takes on an oblong shape, which ultimately creates a situation where the packs extremely tightly with minimal compaction.



Kitsumkalum Rock Quarry

lease itself has expired and the location is back in Kitsumkalum control, the overall demand of the quarry rock has been increasing on annual basis. In laboratory testing the rock itself has 3% abrasion factor which is much higher than the minimal standard of 10% or less. Also, when the rock fractures in 1" mi-

The upcoming markets that are being currently examined are CNR double tracking between Prince Rupert and Terrace. The other opportunity is the expansion of the terminal in Prince Rupert. As well as potential markets in Vancouver and lower 48 in the United States. Concrete batch and pre cast products as well as local and regional crush and rock markets. ♦