Regional Economic Development Initiative for Northwest Alberta

Tourism Investment Opportunity Assessment

EXECUTIVE SUMMARY

[To be completed upon approval of this Draft Report]

Contents

1 Purpose and Objectives

1.1 REDI Purpose

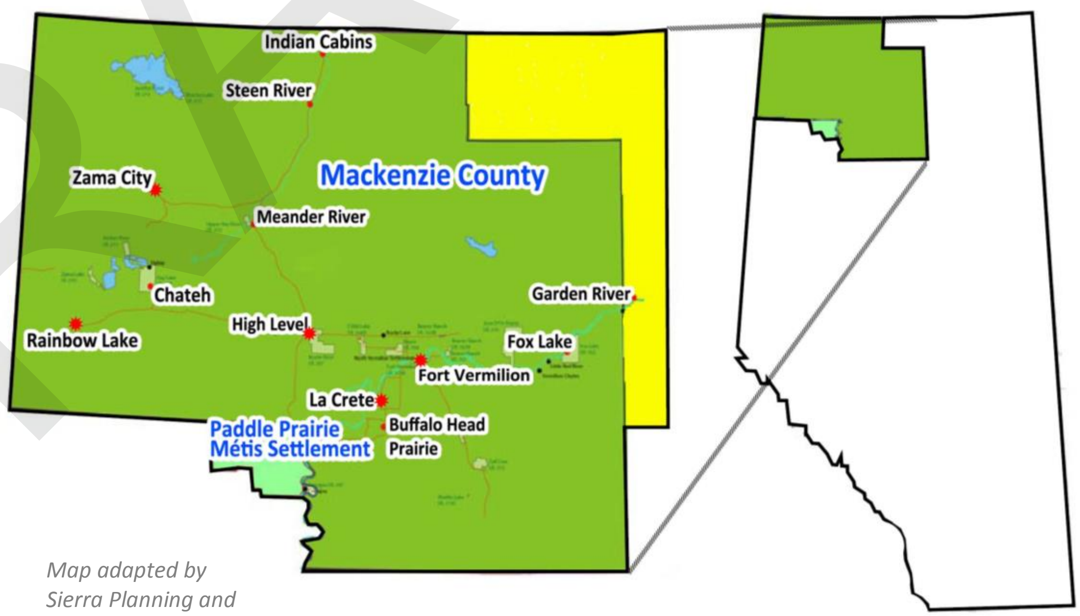
Sierra Planning and Management in association with [the] Tourism Company were retained by the Regional Economic Development Initiative (REDI) for Northwest Alberta to undertake a strategic assessment of potential tourism investment opportunities throughout the REDI Region. REDI is the local Regional Economic Development Alliance (REDA) responsible for maintaining and enhancing economic growth and opportunity for localities in northwest region of Alberta through information gathering/dissemination, advocacy, and partnerships.

The study area is comprised of Mackenzie County, Paddle Prairie Métis Settlement and Garden River (located within Improvement District No. 24 Wood Buffalo). Key settlement areas within Mackenzie County include:

- Town of High Level;
- Town of Rainbow Lake;
- Hamlet of Fort Vermilion;
- Hamlet of La Crete;
- Hamlet of Zama City;
- Settlement areas: Steen River, Rocky Lane, Buttertown, Blumenort, Buffalo Head Prairie/Blue Hills; and
- Multiple First Nation Communities: Dene Tha' First Nation, Beaver First Nation, Little Red River Cree Nation and Tallcree First Nation.

REDI is a partnership between these key communities as well as the La Crete & Area Chamber of Commerce, High Level & District Chamber of Commerce, Northern Lakes College, Fort Vermilion Board of Trade and Community Futures Northwest.

Exhibit 1 - REDI Region in Context to Surrounding Markets



Map adapted by Sierra Planning and Management

1.2 Purpose of the Tourism Investment Opportunities Assessment

This report builds on the Phase 1 Report which details the Region's economic structure, infrastructure and tourism asset profile and itemizes 11 potential tourism investment opportunities which represent achievable ventures over the short-term (realistically defined as initiatives realizable over the next 5 years).

The objectives of this assessment report are as follows:

1. To identify tourism investment opportunities which can be implemented over the next 1-3 years (and perhaps more realistically depending on the opportunity in question, over the next 5 years). This implies that such opportunities are essentially investment-ready; and

2. Develop an action-oriented investment attraction strategy in order to position the identified opportunities with potential investors and developers.

Opportunities are considered investment-ready by virtue of their being either existing assets in the control of organizations with a mandate or interest in economic development and tourism expansion. However, as in all cases of capital investment in development and business creation, there is considerable due diligence that is required to (a) further define and refine the concept and business plan and (b) ensure regulatory approval and necessary partnerships are in place.

As regards to investment potential in the shorter-term, the following must be recognized:

- Tourism is largely, but not exclusively, a seasonal opportunity in the Region.

- Investment in any sector has an opportunity cost. For tourism, the reality of significant investment sourced locally must be weighed against the investment potential associated with other major sectors including agricultural production, oil and gas field development, extraction and transportation, business services, construction and other linked opportunities.

- For tourism to represent a competitive investment option, the opportunity must be one which has a motivated operator/owner/investor with a degree of local knowledge and capacity to invest over the long-term.

- The scale of investment is likely to be that achievable by local investors.

- Opportunities will be most apparent where these are part of, or adjacent to, existing tourism opportunities/operations, have or are likely to achieve regulatory approval by virtue of the precedent set by nearby development, and which will draw on existing tourism to the area. The goal of these investment opportunities is to promote extended stays and higher expenditures by tourists visiting the Region.

Notwithstanding several opportunities presented in this Report represent distinct innovations in the tourism offer of the area. These are signature opportunities which should be pursued but will require the development of a partnership approach if they are to be achieved in the short-term.

The following potential tourism investment opportunities are developed as part of this Report. Detailed assessments of each opportunity/concept have been provided inclusive of locational assessments and pre-feasibility assessments of order of magnitude capital costs and operating performance.

Potential Tourism Investment Opportunities	
Opportunity 1	Base Camp and Research Station in Caribou Mountains Wildland Provincial Park
Opportunity 2	Fly-in Fishing Lodge in Caribou Mountains Wildland Provincial Park
Opportunity 3	Rocky Lane Agricultural Educational Hostel
Opportunity 4	Driving Tour from High Level to Fort Vermilion, La Crete, Old Carcajou and Tompkins Landing
Opportunity 5	Machesis Lake Horse Ranch
Opportunity 6	Upgraded RV Sites at Fox Haven Golf & Country Club, Fort Vermilion Bridge Campground and Hutch Lake Campground
Opportunity 7	La Crete Bed and Breakfast/Inn
Opportunity 8	La Crete Ferry Campground Expansion
Opportunity 9	Buffalo Head Hills Downhill Ski Facility
Opportunity 10	Hay-Zama Lakes Wildland Provincial Park Dene Tha' Cultural Educational Facility
Opportunity 11	Tapawingo Lodge

1.3 The Implementing Stakeholders

The required partnerships, implicitly or explicitly identified in each of the opportunities, are presented in further detail under the relevant sections.

However, at the outset, it is important to note that REDI should not limit its horizon to those short-term opportunities that require only private investment to succeed. As in many other jurisdictions, the best opportunities are not always the simplest to create, and complexity does not necessarily mean that they should be viewed universally as long-term. These projects require partnerships – between the private sector, communities, and various levels of government – which should be explored in developing unique tourism offerings in the Region.

The opportunity for the REDI is to promote, advocate and advance a partnership approach in developing and implementing these opportunities over the next 5 years. Alongside REDI, the Mackenzie Frontier Tourist Association must also play a key role in showcasing the potential associated with these opportunities.

While the nature of partnerships will differ according to each opportunity, collectively the broader context of partnership support is critical for tourism expansion.

Likely partners include:

REDI Region Stakeholders	
REDI	**First Nations and Métis: Dene Tha' Beaver, Little Red River Cree, Tallcree and Paddle Prairie Métis Settlement**
Mackenzie Frontier Tourist Association	**Province of Alberta – Alberta Tourism, Parks and Recreation (ATPR) and Alberta Environment and Sustainable Resource Development (ESRD)**
Chambers of Commerce: La Crete & Area Chamber of Commerce and High Level & District Chamber of Commerce	**Potentially the Federal Government and Parks Canada**
Alberta Hotel & Lodging Association	**Educational Institutions: Northern Lakes College and Albertan universities**
Fort Vermilion Board of Trade	**Individual private land owners and investors**

1.4 Outline of Report

The report is organized in four major sections:

A: Tourism Potential & Market Dynamics
B: Short-term Opportunities
C: Longer-term Opportunities
D: Tourism Investment Attraction Strategy

1.5 Limitations

For purposes of this Report, Sierra Planning and Management and its sub-consultant rely on a range of information sources, including secondary source data prepared by the Government of Alberta, consulting reports and information provided by the Advisory Committee, data from Statistics Canada, REDI Region's upper and lower-tier municipalities, various local associations and others.

While every effort is taken to ensure the accuracy of this information, the consultant team makes no representation as to the accuracy or completeness of the information received. The content of this report is based therefore on the consultant team's knowledge, information available and mitigating circumstances at the time of writing. All assumptions which underlie the analysis are subject to potential change over time and should be revisited as appropriate as market conditions evolve. Any use of this report by a third party is entirely at its own risk.

Part A: Tourism Potential & Market Dynamics

2 The Potential for Tourism – Characterizing the Tourism Assets

2.1 Regional Connections

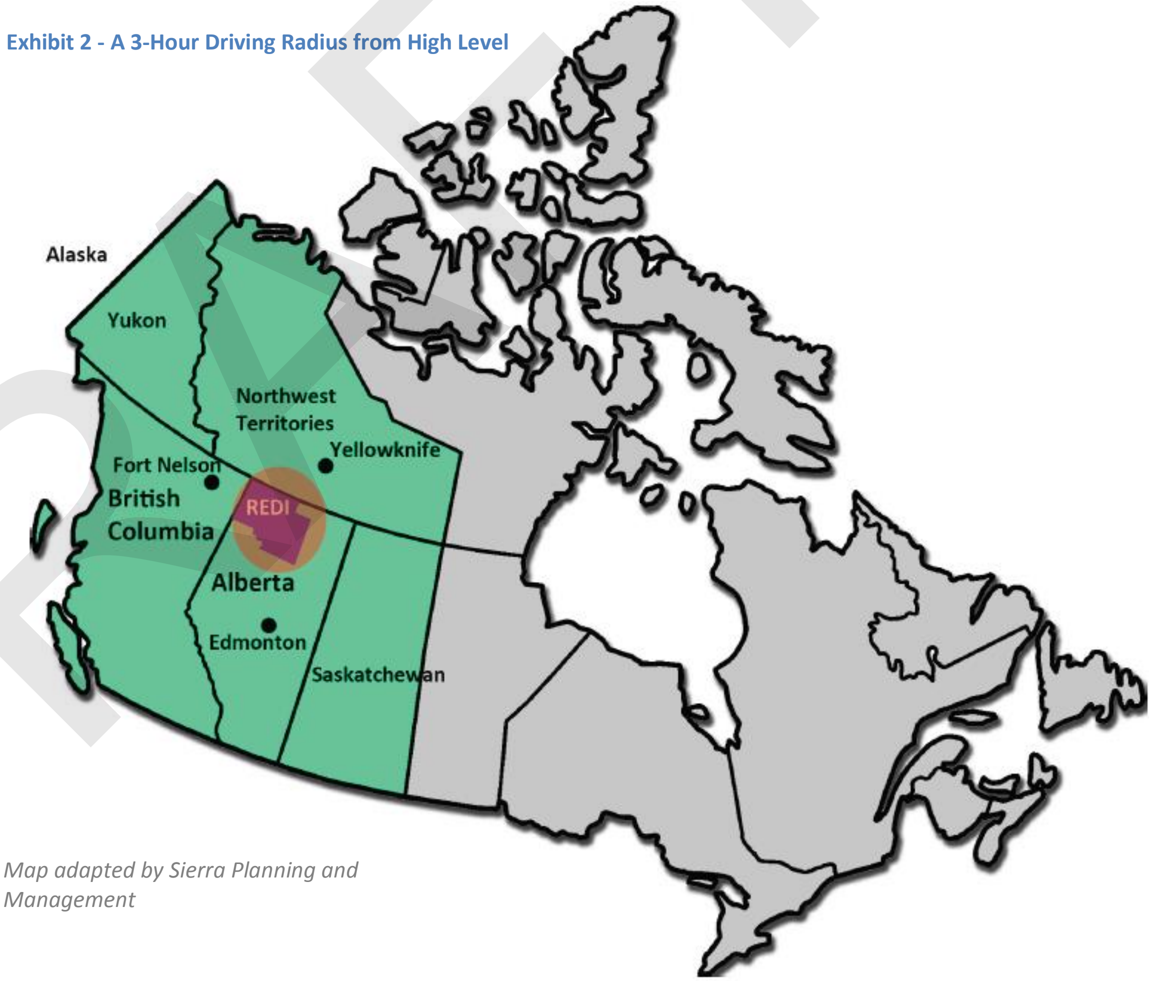
The REDI Region is both remote as a destination but also part of a significant commercial and tourism recreational corridor connecting Alberta and the Northwest Territories. The Region is centrally located between the markets to the north and south:

- **North:** Yellowknife (NWT) along the Mackenzie Highway (roughly 11 hour drive from High Level);
- **South:** Edmonton (AB) along Highway 2 or 44 off of the Mackenzie Highway (roughly 8 hour drive from High Level);
- **West:** Fort Nelson (BC) along the Alaska Highway (roughly 10.5 hour drive from High Level); and
- **Northwest:** Alaska (US) along the Alaska Highway (roughly 37 hour drive from High Level).

2.2 The Economic Picture

Tourism is a developing sector which requires a focused approach by the communities within the Region to achieve its potential. REDI Region's economy is largely based on its natural and geographical assets. The regional economy is primarily based on the sectors of oil and gas, forestry and agriculture, which have traditionally accounted for a significant share of local investment. The

Exhibit 2 - A 3-Hour Driving Radius from High Level



Map adapted by Sierra Planning and Management

identified tourism opportunities offer alternative investment prospects across the regional tourism sector. The scale of investment potential is less important than establishing a planned and phased approach to developing a critical mass of tourism opportunities and visitor services in each of the principal communities.

Exhibit 3 - Oil and Gas Statistics for the REDI Region, 2004-2009

Oil and Gas Statistics	2009	2008	2004	% Change 1 Year	% Change 5 Years
Crude oil production (millions of cubic metres)	1.1	1.2	1.6	-9.8%	-29.52%
Natural gas production (billions of cubic metres)	3.1	3.7	5.2	-15.83%	-39.79%
Number of wells spudded	18	114	501	-84.2%	-96.41%

Source: Government of Alberta, Mackenzie Region (2012)

2.2.1 Oil and Gas

Mackenzie County (which represents the majority of the geographic area of the REDI Region) holds 36% of the Peace Region's natural gas reserves, and 80% of its light-medium crude oil reserves. REDI Region's oil and gas industry has been prominent since the discovery of oil fields at Rainbow Lake, High Level and Zama City during the 1960s.

Approximately 6% of the regional labour force is employed in this industry. Relative to the Province, as of 2010 the Region was the ninth largest conventional oil producing region and the tenth largest overall oil producer (conventional and oil sands). Over the period of 2004 to 2009, there was a decline in the number of spudded wells and oil and gas production.

The oil and gas industry has played a crucial role in the growth of Rainbow Lake, High Level and Zama City.

In 1965 oil was discovered in the Rainbow Lake area after which the Town of Rainbow Lake developed quickly thereafter. Additionally, Zama City was found to be located in the center of the largest known oil and gas field in the Province. Oil fields in the area were first discovered in 1965 and 1969, and in 1985 the Norman Wells pipeline was developed which currently connects Zama City with the Northwest Territories.

Oil fields were also discovered in the Town of High Level area during the 1960s, and the Town was incorporated in 1965. Transient oil and gas workers populate the Region, peaking during winter for the exploration and drilling season; accounting for a significant influx of industrial workers annually. The Town of High Level acts as a secondary service centre for the Region's local oil and gas industry.

Long-term Opportunity: The tourism sector should leverage the services needs of the oil and gas in the off-season.

In general terms, the accommodations sector, including RV park development, has developed in response to the needs of transient workers in the oil and gas sectors. Attracting summer tourists requires improvement to local accommodations and other local services, as well as the development of tourism destinations. This business case is not straight forward and will require the Mackenzie Frontier Tourist Association to help market the opportunities for tourism in and around Zama City and Rainbow Lake, including those identified as shorter-term opportunities in this Report.

2.2.2 Agriculture

Agriculture defines the central core of the Region along both sides of the Peace River and surrounding the communities of High Level, For Vermilion and La Crete.

Long-term Opportunity: The rich agricultural lands of this area represent an internationally-recognized example of high latitude prairie production. The growing markets for cultural tourism, and as well as learning vacations offer potential for packaging themed tourism (excursions as well as unstructured tourism) around the agricultural industry past and present.

Key attributes of an agricultural tourism experience include:

- 20th Century expansion of wheat and other arable croplands – significantly by Mennonite farming families since the mid-1930s;
- The Dominion Experimental Farm at Fort Vermilion was established in 1907 by Frederick S. Lawrence. Crop varieties developed through the Experimental Farm include Peace Alfalfa and Noralta Flax. Artifacts, photographs and records from the Experimental Farm were transferred to the Fort Vermilion Heritage Centre after the administration office closed in 1994. The Experimental Site is now called the Fort Vermilion Sub-Station – part of the Agriculture and Agri-Food Canada's Lacombe Research Centre – and is currently home to the Mackenzie Applied Research Association; a non-profit organization that conducts applied agricultural research, demonstration trials and rural extension in Mackenzie County.
- In 1981, the Fort Vermilion Provincial Grazing Reserve – the most northerly of Alberta's 32 Provincial Grazing Reserves – was established. Provincial Grazing Reserves are administered by ESRD, where the primary purpose is to provide summer pasture for Alberta's farmers and ranchers on public land.

Exhibit 4 - Agricultural Land along the Peace River

Source: Google Earth

- La Crete itself offers good potential to further develop as a tourism service hub set within the heartland of the agricultural landscape. This provides important critical mass of services, and potentially accommodations, as well as interpretative opportunities via the La Crete Mennonite Heritage Village.

The agriculture industry provides the Region with the opportunity to expand and develop agritourism-related ventures as related to the tourism investment trends and opportunities below:

Tourism Trends & Investment Opportunities	
1	Agritourism pursuits relatively untapped (Fort Vermilion, La Crete and High Level most northerly agricultural production areas in the Province; strong Mennonite farming base)
2	Market opportunity similar to other nationally and internationally known agricultural landscapes: Amish Country, Pennsylvania and St. Jacobs, Ontario (artisans shops, farmers' markets, Mennonite heritage and traditional events, including rodeo ground events; equine safety seminars, rodeo parade, horse races, junior and outdoor rodeo)
3	Rocky Acres Program (school-based agricultural learning program through Fort Vermilion School Division in partnership with Rocky Lane School, Rocky Lane Agricultural Society and the Beaver First Nation) showcases local agriculture to youth – opportunity for tourism focus

As with those service centers allied to the oil and gas sector, the further development of tourism potential of the prairie lands depends on the development of market drivers. Based on the consultation undertaken as part of this study, a number were identified relevant to the Le Crete area as follows:

Tourism Trends & Investment Opportunities	
1	Opportunities for farm house stays, sampling traditional lifestyle, culinary experiences and cultural interpretation
2	La Crete Polar Cats (local snowmobile club) interested in additional trail development
3	Summer driving excursions through the Peace River farmland communities
4	Proposed development of quad trails for visitors
5	Local events have the potential to attract the ATV/off road and snowmobile markets on the Region's extensive trail systems
6	Rocky Lane Agricultural Society would like to develop links to canoeing, expand into survival-type skiing expeditions and lit trails. Currently not part of immediate plans as they need funds to move forward

2.2.3 Forestry

REDI Region lies within Canada's largest forest region – the Boreal. Natural regions that encompass the Region include Northern Mixed Wood, Lower Boreal Highlands, Boreal Subarctic and Dry Mixed Wood. As such the area is characterized by:

- River valleys;
- Vast forest areas (Aspen, balsam, poplar, black and white spruce and paper birch);
- Peatlands; and
- Wetlands.

A more detailed description of the characteristics found in each of the Region's natural sub-regions can be found in Appendix A.

As of 2009, Mackenzie County was the fifth largest producer of forestry products, where the industry provided approximately 1,000 jobs and 23% of the area's employment; either directly or indirectly. The Region accounted for 6% of total volume of logs consumed in Alberta.

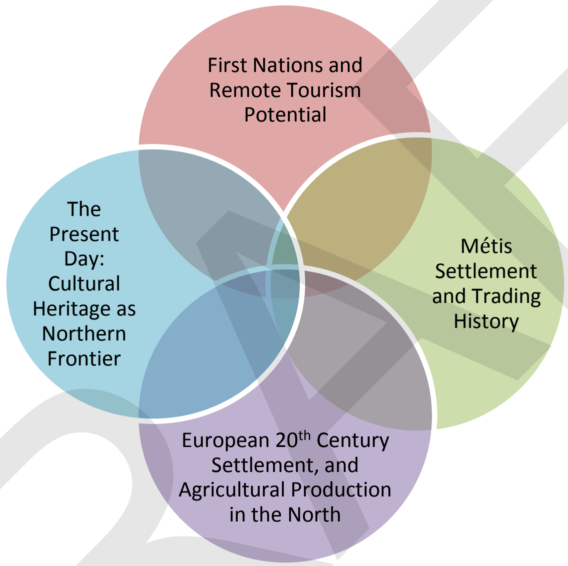
These natural geographic characteristics provide the Region with various ecotourism, adventure and local recreational opportunities. These are discussed in further detail in Section 2.4.

2.3 The Culture

The REDI Region is a mosaic of English, French, Mennonite, First Nations and Métis cultural and historical elements. Many parts of Alberta offer an intriguing complexity of cultural origins such that tourists, and particularly international tourists, are presented with opportunities for cultural experiences as part of self-guided or structured tours. The cultural history of the Mackenzie County and Paddle Prairie areas is a principal tourism asset that should be marketed. This asset does not lend itself necessarily to any one tourism opportunity, but rather a mix of tourism, including interpretive exhibits, distinct accommodation experiences and both eco-tourism and adventure-based tourism opportunities. The cultural richness of the area, underpinned by the significant Mennonite heritage, is also an asset which can attract niche markets, including the German Hobbyist Movement (Germans interested in North American First Nations culture).

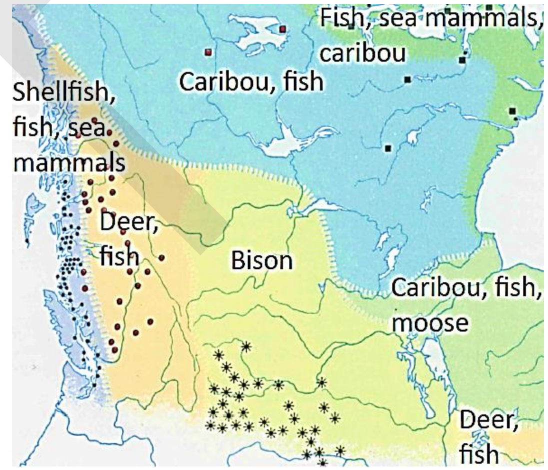
2.3.1 First Nations Asset Base

The REDI Region is home to the Dene Tha', Tallcree, Beaver and Little Red River Cree Nation. These First Nations span the Region, and is encompassed as part of the Treaty 8 lands. Prior to European settlement, the area was characterised by the greater reliance on bison for subsistence, and part of a large swath of



plains, wetlands and grasslands extending north and south of the Peace Region. The historic importance of the bison as well as the fur trade across the west is a principal asset that should underpin new and alternative forms of tourism in the Region. Exhibit 8 lists key regional First Nations and their associated Indian Reserves and Settlements.

Exhibit 7 - Subsistence Archaeological Data



Source: Historical Atlas of Canada: From the Beginning to 1800

Exhibit 6 - 2011 Mackenzie County Households' Non-Official Language Mother Tongue

Language	Single Responses
Cree	115
Arabic	5
Croatian	5
Dutch	60
German	7,050
Japanese	5
Malayalam	5
Polish	5
Spanish	5
Tagalog (Pilipino, Filipino)	20
Ukrainian	20
Other	310
English and non-official language	175
French and non-official language	135

Source: Statistics Canada, 2011 Census

Exhibit 8 - Reserves in REDI Region by First Nation

Reserve (IR)	First Nation
Amber River IR 211	Dene Tha' First Nation
Beaver Ranch IR 163	Tallcree First Nation
Beaver Ranch IR 163A	Tallcree First Nation
Beaver Ranch IR 163B	Tallcree First Nation
Bistcho Lake IR 213	Dene Tha' First Nation
Boyer IR 164	Beaver First Nation
Bushe River IR 207	Dene Tha' First Nation
Child Lake IR 164A	Beaver First Nation
Fox Lake IR 160	Little Red River Cree Nation
Fort Vermilion IR 173B	Tallcree First Nation
Garden River	Little Red River Cree Nation
Fort Vermilion IR 173B	Tallcree First Nation
Garden River	Little Red River Cree Nation
Hay Lake IR 209 (Chateh)	Dene Tha' First Nation
Jackfish Point IR 214	Dene Tha' First Nation
Jean d'Or Prairie IR 215	Little Red River Cree Nation
Tallcree IR 173	Tallcree First Nation
Tallcree IR 173A	Tallcree First Nation
Upper River IR 212 (Meander River)	Dene Tha' First Nation
Wadlin Lake IR 173C	Tallcree First Nation
Zama Lake IR 210	Dene Tha' First Nation

Source: Alberta Aboriginal Relations, Métis Settlements and First Nations in Alberta: Community Profiles, March 2010

According to Alberta Municipal Affairs, the total on-reserve First Nations population within REDI Region totaled 9,285 in 2010 – a 4.76% increase since 2008. First Nations lands occupy important areas of the Region from a tourism development perspective. This includes remote tourism potential in the Caribou Mountains Wildland Provincial Park, and remote communities including Fox Lake, John d'Or Prairie and Hay-Zama Lakes Provincial Park.

Traditional lands of the Region's First Nations include, but are not limited to:

First Nation	Traditional Lands
Dene Tha' First Nation	Hay-Zama Lakes Wetland Complex Bistcho Lake
Little Red River Cree Nation	Caribou Mountains Wood Buffalo National Park (Garden River)

The opportunities for remote tourism are split between development of lodge and other opportunities/activities on public land involving local investors and tourism business operators, and opportunities developed by, or in conjunction with, the principal First Nations partners in the Region. The First Nations and Métis experience are themselves fundamental parts of the authentic tourism experience and should be showcased, as well as opportunities promoted for developing capacity within the First Nations to undertake tourism enterprises.

2.3.2 MÉTIS

The Province of Alberta is the only province in Canada that recognizes Métis land bases and governments. As one of the eight Métis settlements in Alberta, Paddle Prairie Métis Settlement is the most northerly located Métis settlement. Paddle Prairie is located within the County of Northern Lights; to the south of Mackenzie County and is governed by a five-person elected Council with statutory authority to develop collective and local laws.

Paddle Prairie, as a distinct community, should be promoted as a gateway to Mackenzie County. Visitor services and interpretive facilities are not private sector opporunities at their core, however, targeting visitor services at the entry to the County will provide opportunities to market the destinations within the Region east and west of the Peace River.

2.3.3 Key Historical Assets for Tourism: Fort Vermilion and Carcajou Flats

Cultural expression through shared history is a key asset which the Region should promote. This includes the following:

1. The Peace River as a principal waterway in the Province's early trade system. Fort Vermilion's historic standing as the oldest European settlement (totalling 225 years in its existence since 1788-2013), as well as its location on the banks of the Peace River create an overnight destination of significance.

2. The history of the Old Colony Mennonite migration from Saskatchewan to the Peace River, the role of Carcajou Flats as a staging ground for the development of this community and the later development of the La Crete community. The 75th anniversary of the Mennonite community in La Crete is a further opportunity to continue to invest in cultural heritage – to develop the range of walking trials and park which serve both locals and visitors.

Fort Vermilion has over 25 historical sites and buildings. Three registered historic sites in the Hamlet include the Fort Vermilion National Historic Site, Hudson's Bay Company Factor's House and Trapper's Shack.

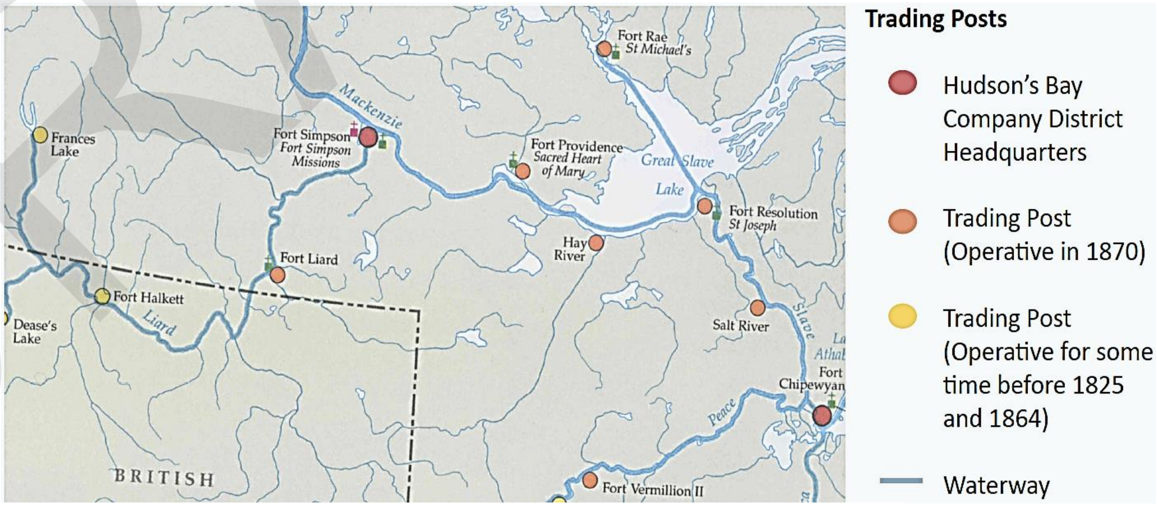
2.4 Location-specific Tourism Drivers

2.4.1 Peace River

The Peace River traverses through Mackenzie County between Paddle Prairie Métis Settlement in the southwest extending to Wood Buffalo National Park in the northeast. The River facilitates major tourist attractors – namely parks, campgrounds, trails and water based amenities (e.g. boat launches). The Peace River also provides a market for cultural and tourist attractions as well as accommodations for communities located near or along the River.

The Peace River provides a historical appeal, as the route was crucial to the early fur trade and the establishment of the Hudson's Bay Company post at Fort Vermilion. Flow North Paddling Company, operating out of High Level, is a tourism establishment which has targeted the recreational/historical pursuits offered

Exhibit 9 - Early Settlement Trading Posts



Source: Historical Atlas of Canada: The Land Transformed 1800-1891 from the Peace River. In partnership with GeoTourism Canada, Flow North Paddling Company led the 18-day York Boat Expedition from Fort Dunvegan to Fort Vermilion – mirroring the voyages of the 19th-century fur traders. The York Boat (designed to replicate vessels utilized in the early fur trade) was on tour at various local community events during the summer of 2012. Dates for a future York Boat Expedition are still to be determined.

Despite the River as a defining asset, water-based tourism (active use of the river for boating, canoeing, kayaking) is a limited tourism market, both in scale and likely economic impact. It will appeal to niche markets and should be promoted on that basis, with consideration given to improving opportunities for boat access to the River. Improved opportunity for boating access to the water will enhance the appeal of the area as a destination.

2.4.2 Remote Wilderness Assets within the Protected Lands System

The Region's Wildland Provincial Parks (WPPs) – Hay-Zama Lakes Wildland Provincial Park and Caribou Mountains Wildland Provincial Park – provide opportunities to distinguish the tourism offer of the area. Achieving this will require multi-sectoral partnerships involving the Alberta Government, First Nations and local partners.

Both Wildland Provincial Parks offer remote backcountry opportunities in wildlife viewing, outdoor recreational activities, culture and history. Significant features of the Parks include the following:

1. **Hay-Zama Lakes Wildland Provincial Park**:
   - Traditional territory of the Dene Tha' First Nation – includes Zama Lake Indian Reserve 210, Amber River Indian Reserve 211 and

Wildland Provincial Park (WPP)	Location and Size	Description	Facilities and Services	Recreational Activities
Hay-Zama Lakes Wildland Provincial Park	▪ 100 km west of High Level ▪ Approximately 120,000 acres	▪ Includes lakes, flood plains, wetland and deltas ▪ Used by migrating waterfowl from three of four North American migration routes ▪ Home to herd of bison ▪ Limited road access	No facilities onsite	• Hunting • OHV riding onsite
Caribou Mountains Wildland Provincial Park	▪ Northeast corner of Mackenzie County bordering Wood Buffalo National Park ▪ Approximately 1,460,000 acres	▪ Alberta's largest and most northerly located WPP ▪ Includes wetlands and sub-arctic habitat ▪ Wildlife species include woodland caribou (80% of Alberta's threatened species), wood bison (endangered species), gray-cheeked thrush, red-necked phalarope, red-throated loon, American tree sparrow, mew gull, pacific loon and surf scoter ▪ No vehicular access	No facilities onsite	• Backcountry camping • Hunting • OHV riding onsite

Hay Lake Indian Reserve 209 (Chateh and Habay);
- Preservation of a large wetland complex;
- Hay-Zama Lakes designated as a Wetland of International Significance in 1982 under the Ramsar Convention on Wetlands;
- Hay-Zama Lakes area designated as a Wildland Provincial Park in 1999;
- Twinned with the Dalai Lake Biosphere Reserve in northeast China – an area which is also considered internationally important for migratory birds under the Ramsar Convention;
- The only site in Alberta selected for the re-introduction of wood bison – an at risk species which has expanded since 1984 from 29 to around 500;
- Located on three of the four major North American migration flyways and has been designated as an Important Bird Area; and
- Located in a remote setting with the only road access at Habay – an abandoned Dene Tha' settlement.

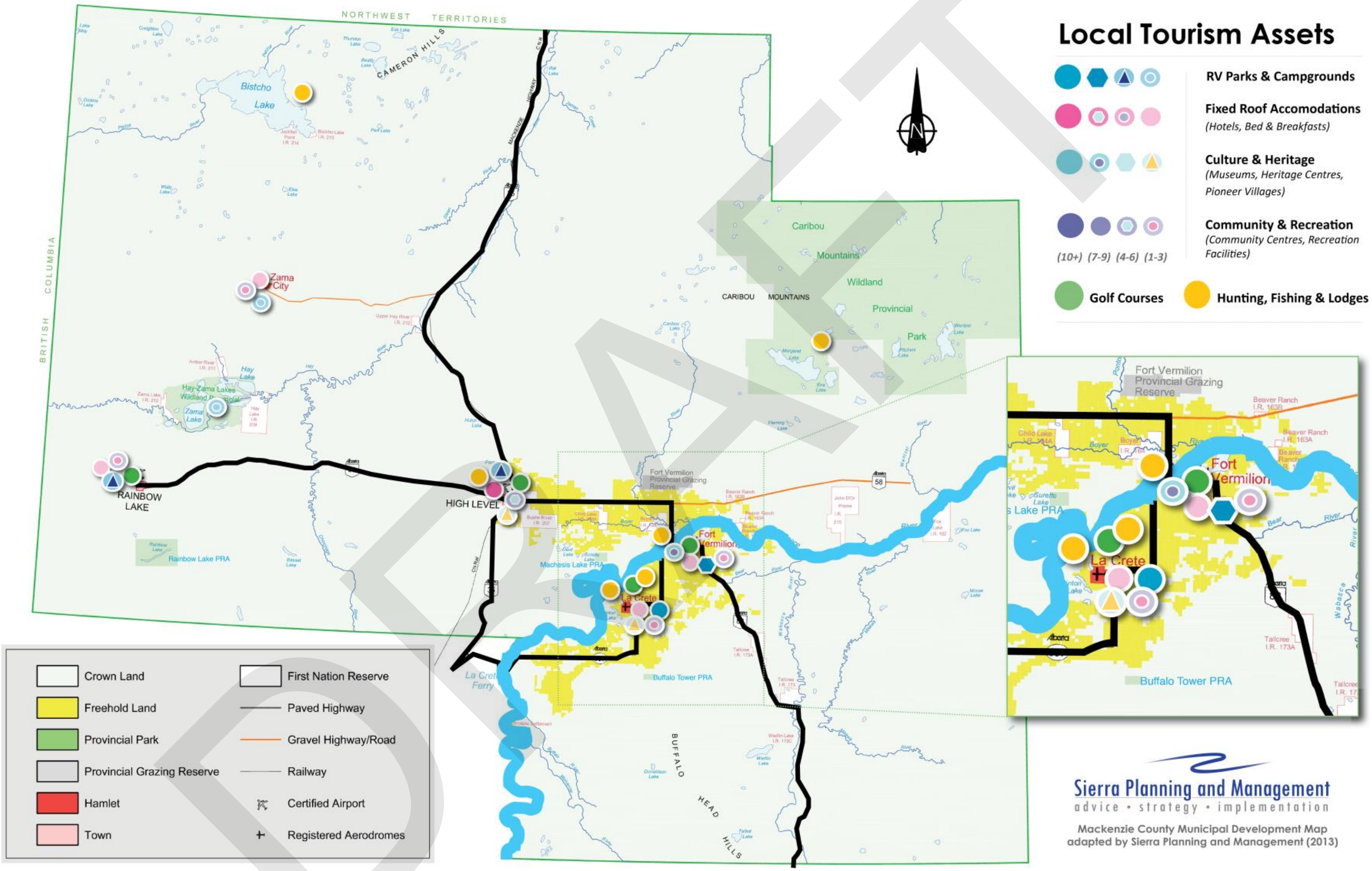
2. **Caribou Mountains Wildland Provincial Park:**
   - Borders Wood Buffalo National Park and encompasses most of the Caribou Mountain plateau which rises 600-700m above the surrounding lowlands. The highest peak reaches 1,030m in the western part of the plateau;
   - Traditional territory of the Little Red River Cree Nation and Tallcree First Nation. Beaver First Nation once inhabited the area;
   - Protects wetland that offers nesting for birds and is a core habitat for the threatened woodland caribou – the largest known caribou winter range in the Province. Also home to a small number of wood buffalo;
   - Provides habitat for species found much further north such as gray-cheeked thrush, red-throated loon, mew gull and American tree sparrow.

Although not part of the REDI Region, the neighbouring Wood Buffalo National Park – the largest National Park in North America – provides the Region with an opportunity to leverage its proximity to this internationally-significant asset and destination market.

The Region is offers various tourism attractions, which are shown as clusters around key settlement areas throughout the area in Exhibit 10. Other distinct attractions are as follows:

- Fort Vermilion Historic Trading Post And Waterfront;
- La Crete Heritage Centre and the La Crete Mennonite Heritage Village;
- The Regional Golf Courses – Fantasy North Golf & RV Park, Fox Haven Golf & Country Club, La Crete Golf Course and Rainbow Lake Golf & Country Club;
- The Wildland Provincial Parks
- The Provincial Recreation Areas– Fort Vermilion Bridge Campground, Hutch Lake Campground and Machesis Lake Campground;
- La Crete Ferry Campground/Tompkins Landing;
- Watt Mountain Look Out And Trail System;
- Margaret Lake Lodge;
- Tapawingo Lodge; and
- Buffalo Head Hills.

Exhibit 10 – Tourism Assets in REDI Region



Key infrastructure assets which have a combined impact of creating tourism markets include the following:

- Highway 35 (The Mackenzie Highway) as part of the Deh Cho Travel Connection and regional access to/from the Northwest Territories and Edmonton;

- The soon to be 100% paved Highway 88 which provides an alternate route north from Lesser Slave Lake shortening travel time and linking to other important tourism destinations via Highway 2 south to Edmonton;

- Highway 58 west from Highway 88 to Rainbow Lake – is the potential east-west connector to Fort Nelson, BC which if achieved, will open up a realm of additional investment opportunities in tourism associated with Rainbow Lake and its surrounding market area; and

- Provincial Highway 697 connecting Highway 35 and Highway 88, creating a paved loop between Fort Vermilion, La Crete, Paddle Prairie Métis Settlement and High Level. The Ferry, while an iconic feature and capable of carrying very large vehicles including RVs, is a limiting factor in achieving maximum accessibility. Congestion during the peak summer season is likely to have a dampening effect on the touring market on Highway 697.

Air Service	**Certified Airports**	▪ High Level Airport – Operated by the Town of High Level at Footner Lake. Scheduled carrier provides flights to Edmonton. ▪ Rainbow Lake Airport – Operated by the Town of Rainbow Lake. Scheduled air carrier provides passenger flights to Edmonton International Airport and Calgary International Airport. Charter services are also provided.
	Registered Aerodromes	▪ Zama Lake Airport; ▪ John d'Or Prairie Aerodrome; ▪ Fort Vermilion Airport; and ▪ La Crete Airport.

2.5 Access Constraints Impacting Tourism Demand

The potential for the area to develop higher-end tourism opportunities including winter lodges, retreats and conference venues is limited not only by the seasonality of tourism but also by the relative remoteness of the REDI – some 8 hours by car from Edmonton and 11 hours Yellowknife, NWT from High Level. The airlift currently provided by the principle airport at High Level is insufficient to achieve greater access and more affordable air access to the Region. Access within the Region is improved by the presence of several airstrips and existing charter companies able to provide fly-in services to remote locations. It remains true, however, that the market for remote access tourism experiences is reliant on the scale, availability and cost associated with transportation. As part of any tourism strategy, maintaining and improving transportation access should remain a priority.

3 Tourism Market Dynamics

3.1 Tourism Characteristics

Tourism represents a growing opportunity in Canada and represents an important economic sector for the REDI Region as it is a growth industry. In 2011, Canada hosted $15.6 million international overnight visitors, a decrease of 1.8% from 2010. This was largely driven by a continuing decline in US visitors, specifically a 2.4% decline in US overnight visitors in 2011. Between 2007 and 2011 US leisure visitors to Canada declined by 15%.

Tourism in Canada is dominated by domestic tourism – that is, Canadians travelling within Canada. While international tourists represent a smaller proportion of total visitors, they often represent higher yield segments.

At present the Canadian Tourism Commission (CTC), Canada's national tourism marketing agency, is focusing on four core markets and six emerging/transitional markets, with Germany being one of the core markets. CTC core markets include:

- United Kingdom;
- France;
- Germany; and
- Australia.

The CTC is not currently marketing within Canada to the domestic markets. The responsibility for marketing domestically is therefore left to the provincial Destination Marketing Organizations (DMOs) and regional DMOs.

Markets being targeted by Travel Alberta include Albertans travelling within their own province, followed by BC and Saskatchewan then Ontario, California and a range of international overseas markets corresponding with the CTC targets.

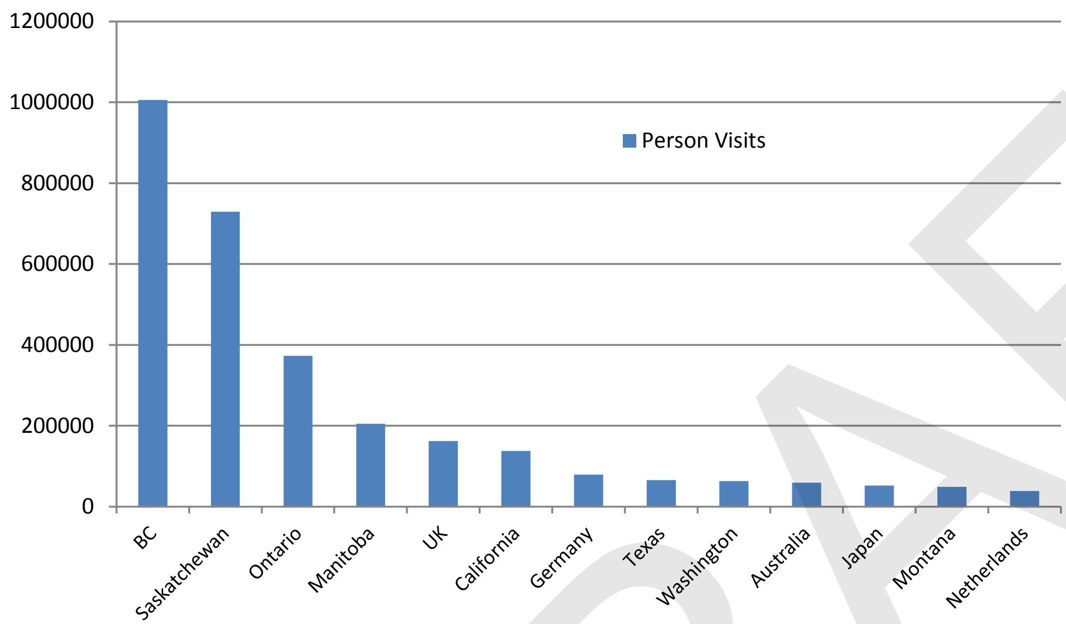
Current research by the CTC into the motivations of international travelers to Canada identifies 'nature' as the most compelling reason to visit. Beautiful scenery and National Parks are the top two motivators in most markets and wildlife typically places in the top five motivating reasons. However, the research points to the desire from most markets for a combination of both culture and nature experiences when they travel internationally. Canada is seen to be weak on the cultural side and perceived to be largely one-dimensional.

There is a significant opportunity and a need to develop Canadian experiences that combine nature and culture, including Aboriginal culture.

The REDI Region certainly has some of the ingredients to develop a strong tourism sector, and there is reason to believe the tourism opportunity will continue to grow given the opportunity to cater to some of the key future growth markets.

To place the foreign markets in context against domestic markets the following chart illustrates the major inbound markets in 2010 to Alberta in order of scale. Inter-Canada travel is the most important, with BC and Saskatchewan providing the largest volume of visitors to the Province.

Exhibit 11 - Inbound Visits to Alberta: Major Origin Markets, 2010



Source: Statistics Canada, International Travel Survey, Travel Survey for Residents of Canada

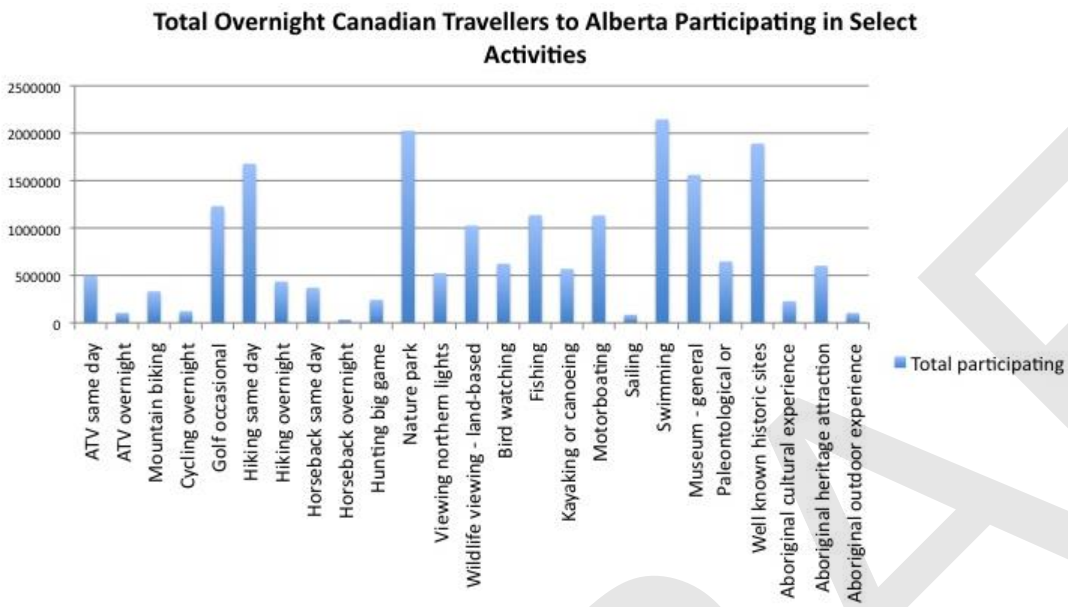
However, it is important to recognize that the typical pattern is for more distant markets to both stay longer and spend more on their trip in Alberta. Foreign markets are typically higher yield markets, so for those regions in the Province that can attract them they represent a very important market.

To provide some context to the activity interests and motivations for the large domestic, or other Canadian market to Alberta the following chart illustrates the relative scale of activity participation in 2004-2005 when the Travel Activities and Motivations Survey (TAMS) was conducted. Visiting parks and protected areas as well as heritage activities and hiking are amongst the most common activities for Canadian overnight travelers to Alberta. This data would include both Albertans and other Canadian travelers in Alberta. Some of the activities of particular note for REDI Region are visiting parks, historic sites and museums, hiking, fishing, wildlife viewing and motorboating.

In 2010, the Alberta North Tourism Destination Region (TDR) hosted a total of 1.23 million person visits representing 5% of the total person visits in the Province. Of this total, just over 70% came from within Alberta with residents of Alberta North (39%) and Edmonton (20%) being the two largest markets.

Of the total person, visits approximately 55% came for more than one night representing 671,000 overnight person visits, resulting in 2.69 million person nights in the Region. The three largest overnight visitor markets were Edmonton (29%), residents in Alberta North (23%) and BC (15%). In 2006, overnight person visits to Alberta North reached 657,000. Total overnight person visits grew by only 2% over the last five years (2005-2010). But even modest growth in a very challenging environment is positive.

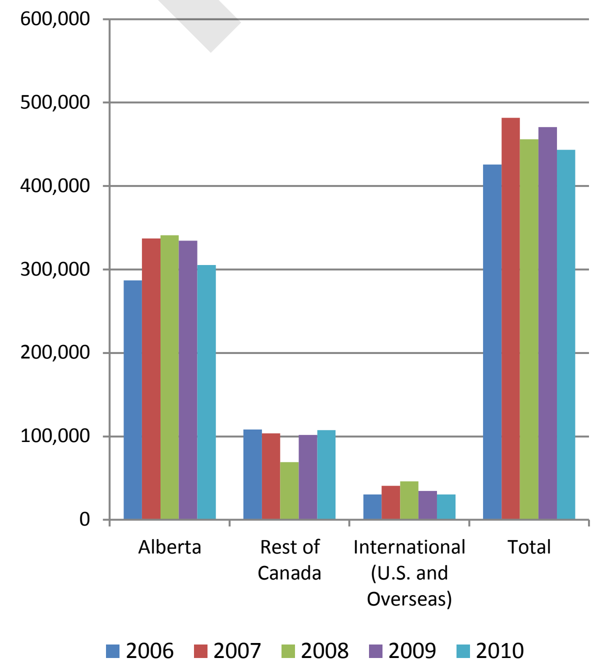
Exhibit 12 – Overnight Canadian Travelers



Source: Special Run of eTAMS by the Tourism Company

The closest proxy for visitation statistics and characteristics for REDI Region are the statistics for Census Divisions 17 and 19 combined. Due to relatively small sample sizes from the International Travel Survey and the Travel Survey for residents of Canada, at this level of geography the two census districts had to be combined. A special run of the data provided by ATPR does provide a bit more insight into the characteristics of visitation to the Northwest Region of Alberta. In 2010 a total of 443,473 overnight person visits were hosted in this Region representing 66% of total overnight person visits to Alberta North. These overnight visitors spent a total of 1.45 million person nights in the region representing close to 54% of total person nights spent in Alberta North. Overnight visitation grew 5% between 2006 and 2010, slightly higher than the 2% growth in Alberta North as a whole. However total person nights declined by 3% over the same period – more overnight visitors but staying on average less nights.

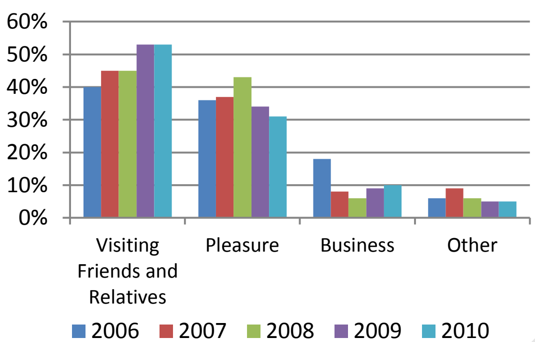
Exhibit 13 - Visitors to Census Division 17 and 19



Source: the Tourism Company based on Statistics Canada, International Travel Survey, and Travel Survey of Residents of Canada data

The following chart illustrates growth in visiting friends and relatives (VFR) as the main purpose for total visitors and a slight decline in pleasure proportions. In this Region other Canadian visitors were more likely to stay with friends and relatives (71% vs. average of 62%) and Albertan travelers were more likely to use campgrounds than the average (16% vs. average of 11%).

Exhibit 14 – Trip Purpose for Visitors to Census Division 17 and 19



Source: the Tourism Company based on Statistics Canada, International Travel Survey, and Travel Survey of Residents of Canada data

Growth in the tourism sector in the REDI Region can only be accomplished by strategically targeting those markets where the Region has a competitive advantage, and where the local tourism sector can develop compelling market ready experiences.

The in-Province domestic markets may continue to provide the 'bread and butter' for most businesses but the other higher yield Canadian and international markets that can be drawn to this Region could represent the opportunities with greater investment potential.

3.2 Longer-term Tourism Potential

The longer-term potential for the REDI Region resides in future growth markets which have been identified as nature-based tourism, ecotourism, cultural tourism including Aboriginal cultural tourism, and adventure tourism – in summary tourism that is referred to as 'experiential tourism'. In 2001 the World Tourism Organization, in their *Tourism 2020 Vision* report, identified experiential tourism as among the sectors expected to grow most quickly over the following two decades. Each of these market segments appeals to different types and origins of travelers, and each offer potential in the REDI Region.

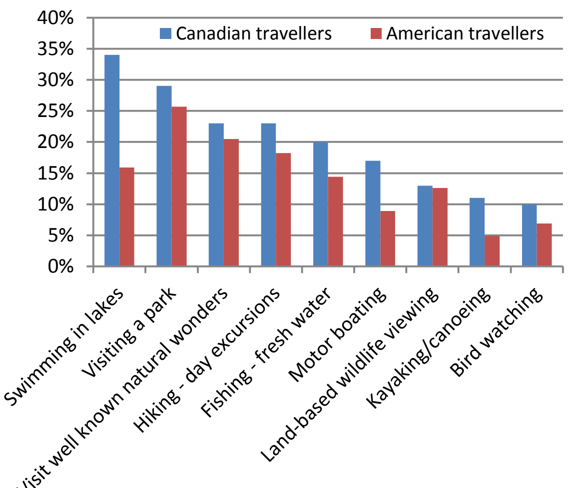
The US Government in their 2012 *National Travel & Tourism Strategy* identified that more than half of outbound US travelers were engaged in some form of experiential travel, including nature, culture or heritage tourism experiences.

The following tourism opportunities are identified as longer- term given the relevant products and experiences to attract these markets need further development and in some cases capacity for tourism must first be established.

3.2.1 REDI Region has the Product Sought by Nature-Based Tourists

The following chart illustrates some of the most common nature-based activities participated in by both Canadian and US travelers.

Exhibit 15 - Prominent Nature-Based Activities for Canadian and US Travelers



Source: the Tourism Company based on Travel Activities & Motivations Survey (2006) data

Access to wilderness areas along the Peace River could provide interesting opportunities for unique wildlife viewing experiences in the REDI Region.

Birdwatching is another specific opportunity for the REDI Region. From a competitive standpoint the following table lists globally significant birding sites (generally in northern Alberta) as identified by Bird Studies Canada and Nature Canada as part of the international Important Birding Areas initiative coordinated by BirdLife International. The list includes the Hay-Zama Lakes area in REDI Region.

3.2.2 REDI Region can Develop Compelling Experiences for Cultural Travelers

The ageing baby boomers in Canada and the US are avid cultural consumers and they are the reaching the point where they will have the time and inclination to travel more as they retire and/or become empty-nesters. Culture and heritage is

Exhibit 16 - Globally Significant Birding Sites

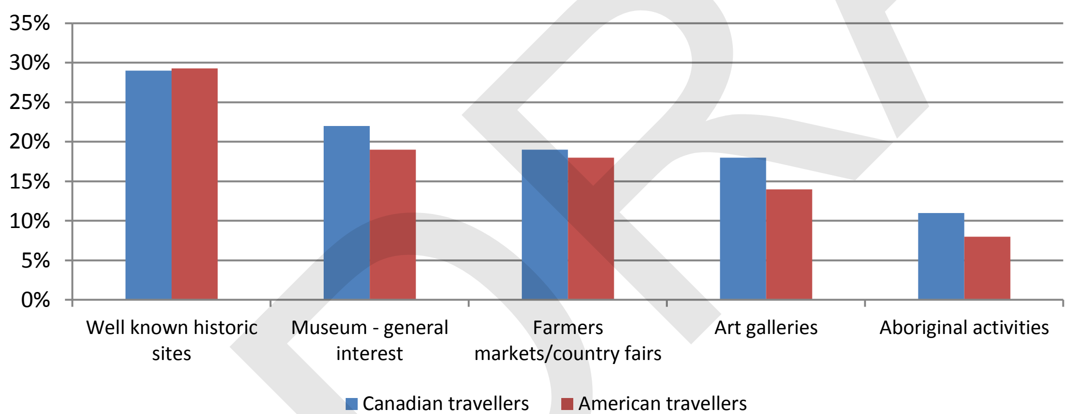
Globally Significant Birding Sites		
Site	**Location**	**Features of Global Significance**
Beaverhill Lake (Beaverhill Bird Observatory)	60km SE of Edmonton	▪ Waterfowl staging ▪ Shorebirds ▪ Forest birds
Big Lake	Western edge of St Albert	▪ One of 20 most important waterfowl habitat units in Alberta
Cardinal Lake	20km west of Peace River	▪ Waterfowl concentration
Grande Prairie	Lakes in the vicinity	▪ Trumpeter swans ▪ Tundra swans ▪ Waterfowl
Hay-Zama Lakes	Remote complex in NW Alberta	▪ Waterfowl ▪ Woodland caribou ▪ Wood bison
Lac La Biche		▪ Colonial waterbird species
Lakeland	35km east of Town of Lac La Biche	▪ Red-necked Grebes ▪ Forest breeding birds (251 species)
Lesser Slave Lake		▪ Over 200 species of forest birds & waterbirds
Ministock, Joseph & Oliver	20km east of Edmonton	▪ Waterfowl
Peace Athabasca Delta	Located in Wood Buffalo National Park	▪ Supports waterfowl from all 4 major continental flyways ▪ Endangered whooping cranes & vulnerable peregrine falcon

emerging as a strong complementary motivator to nature-based activities for this market. Based on the TAMS research for both Canadian and American travelers, shopping and dining (increasingly looking for local foods) top the list of their travel activities. Cultural and heritage activities are the next most important activities for most travelers. The following chart illustrates the proportions of Canadian and American participation in some of the most common sought cultural and heritage activities while travelling.

Travelers with an interest in culture and heritage are well-educated, well-heeled (more affluent than the average travelers), and well-travelled (taking more trips). These travelers are typically looking for authenticity in their experience and they want to learn and be stimulated. The static displays from museums of the past are no longer appealing and suitable for this market. They are looking for interactive experiences that incorporate technology in creative ways.

The REDI Region is rich in cultural heritage resources – First Nations, Mennonite, fur trade history etc. This cultural heritage needs to be brought alive through creative means of interpretation and storytelling

Exhibit 17 - Prominent Cultural Activities for Canadian and US Travelers



Source: the Tourism Company based on Travel Activities & Motivation Survey (2006) data

3.2.3 There are Some Strong Adventure Possibilities in the Region

The Adventure Travel and Tourism Association in association with Xola Consulting and George Washington University completed their regular update on the state of the adventure travel sector (*Adventure Tourism Market Report, 2010)* and found that 34% of Latin American tourists, 23% of Europeans and 18% of North Americans are looking to soft adventure experiences in their travels. Adventure tourism[1] is recognized

[1] **Adventure tourism** is leisure tourism that includes at least two of the following three aspects:

- Physical activity;
- Interaction with nature; and
- Cultural learning and exchange.

Adventure travelers expect to experience varying degrees of risk and excitement and to be personally tested. Soft adventure requires less physical risk, little or no experience and offers more convenience in terms of sleeping arrangements and cuisine.

as a major growth market segment with increasing focus on off-the-beaten path destinations where visitors can make meaningful connections with local peoples and have authentic experiences.

Adventure activities that could be developed in the REDI Region include hiking in the Caribou Mountains, canoeing or kayaking down the Peace River into the National Park, horseback riding and/or trail riding, mountain biking, river tours along the Peace, snowmobiling on the extensive trail systems, and winter animal tracking by snowshoe in the Caribou Mountains. These are just examples as no doubt local tourism entrepreneurs will come up with more creative ways to appeal to these markets.

3.2.4 Educational Tourism Represents a Growing Opportunity

Educational tourism will be a highly sought experience for the massive ageing baby boom market segment in Canada and the US (i.e. those born between 1946-1964). According to Elderhostel research in the US, *Mental Stimulation and Lifelong Learning in the 55+ Population,* 2007, this distinct market segment will increasingly look for learning travel programs that feature hands-on learning, 'on-theme' meals and accommodation, catering to small groups with active programs. The research identifies two segments based on psycho-graphics that offer the best potential. In the US, and likely in Canada the *focused mental achievers* representing 13% of the US population and *contented recreational learners,* representing 34% of the US population already represent the vast majority of clients (84%) catered through Elderhostel programs. In Canada the equivalent organization, Road Scholars, has found the following trips to be amongst their top sellers:

- Adventures afloat cruises aboard river boats, ocean liners and small ships;
- Independent city discoveries;
- Grandparent travel where grandchildren travel with grandparents on interactive learning trips;
- National Parks with specialized experts sharing their knowledge;
- Outdoor adventures like hiking, biking, tennis and golf; and
- Service learning like helping to restore crucial forest habitat for wildlife.

The thriving agricultural sector in this Region may present a unique educational tourism opportunity given the fact it is one of the most northerly agricultural areas in the world. In addition to the possible programming opportunities associated with the Fort Vermilion Experimental Farm there is good potential in the Region to develop agritourism ventures catering to all markets.

- **Agritourism** is a commercial enterprise at a working farm, ranch or agricultural production facility conducted for the enjoyment or education of visitors and travelers and generating supplemental income for the owners. The following types of agritourism operations should be considered: Farm markets or roadside stands;
- Farm stays;
- Agricultural fairs and festivals marketed to tourists;
- On farm tours or educational programs;
- Animal feeding and petting areas;
- Horseback riding;
- Hay or sleigh rides and
- Other related activities.

3.2.5 Aboriginal Cultural Tourism can be a Point of Difference for the Region

The CTC have identified Aboriginal cultural tourism[2] as a significant growth opportunity for Canadian tourism. In their *Global Tourism Watch* series of research to monitor awareness, travel intentions and other indicators for key markets visiting parks and protected areas, observing wildlife in their natural habitats and Aboriginal cultural tourism all continue to rank very high for major growth markets like China, Mexico, France and Germany. CTC research suggests Aboriginal cultural tourism may not be a driver in destination selection (as wildlife viewing would be) but can add significant value and it can provide the authentic experience that travelers are increasingly looking for.

The broader opportunities for ecotourism[3] and sustainable tourism[4] in the REDI Region have yet to be tapped and should involve the First Nations. An inventory of eco-tourism providers completed in 2010 by the consulting team indicated that no self-identified eco-tourism operators were active in the Region. This is not to say that some tourism operations currently in place do not conform to the definitions of ecotourism and non-consumptive tourism generally. However, it does imply that potential exists to better exploit ecotourism given the Region's competitive advantages – namely its northern location (borealis and dark sky opportunities), wilderness, parks, the Peace River, and wildlife. Translating this potential into a meaningful number of self-sustaining tourism business opportunities is undoubtedly long-term.

The big hurdle in developing Aboriginal cultural tourism will be the lack of capacity and skills for tourism in the First Nations communities. Development of this sector will require government support for developing capacity in the First Nations and ensuring the tourism experiences are developed by the communities themselves.

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[2] **Aboriginal cultural tourism** is tourism owned (at least 50%) and operated by Aboriginal peoples providing guests with some type of interactive cultural experience.

[3] **Ecotourism** is nature-based tourism that exemplifies and embraces the following principles:

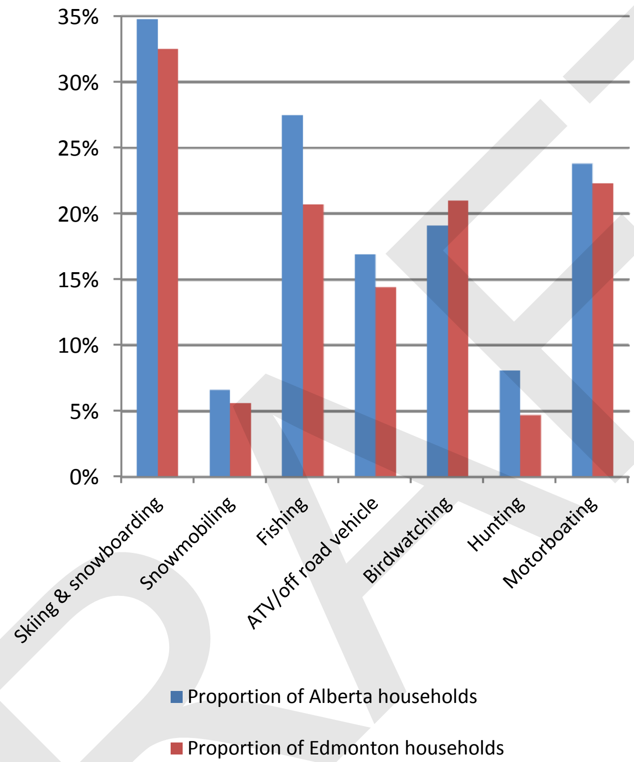
- Appropriately scaled and programmed to minimize negative environmental and social/cultural impacts;
- Results in significant benefits to conserving the local environment and/or preserving the local culture/community;
- Maximizes economic benefits locally and local involvement;
- Focus on authentic experiences;
- Operated sustainably with attention to a quadruple bottom line: ecological; cultural; social; and economic;
- Provides educational opportunities for guests and hosts, and fosters inter-cultural respect and understanding.

[4] **Sustainable tourism** actively fosters appreciation and stewardship of the natural, cultural and historic resources and special places by local residents, the tourism industry, governments and visitors.

3.2.6 Catering to Local and Regional Recreation Markets Offers Potential

The Alberta Recreation Survey which has been undertaken by Alberta Tourism, Parks and Recreation every few years since 1984 provides useful insight into the proportion of households that participate in different recreation activities relevant to the REDI Region. The following chart illustrates the relative scale of household participation (meaning at least one person in the household participated in the activity over the previous twelve-month period) for a select few recreation activities. The popularity of snow sports, fishing, birdwatching and motorboating are the most noteworthy. Within the Alberta market both snowmobiling and hunting are smaller niche markets. For comparison the chart also illustrates the proportions of Edmonton households specifically showing a slightly lower participation rate in most sports, with the exception of birdwatching. It is likely that the participation in these recreation activities in more rural areas like northwestern Alberta would be somewhat lower.

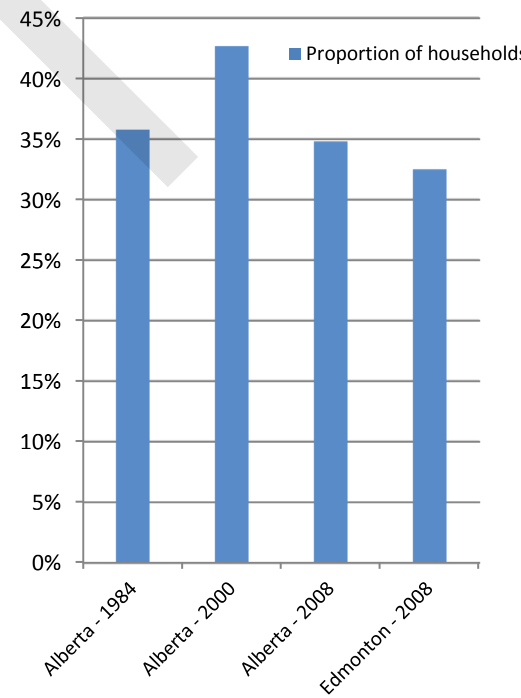
Exhibit 18 - Select Alberta Recreation Interests



Source: the Tourism Company based on Alberta Recreation Survey, ATPR (2008) Data

To specifically address the skier and snowboarder market for the proposed ski area in REDI Region, the following chart illustrates the proportion of household participation in both sports from the 2008 survey.

Exhibit 19 - Household Participation in Skiing & Snowboarding in Past 12 Months



Source: the Tourism Company based on Alberta Recreation Survey, ATPR, (1984, 2000, 2008) Data

Between 30-35% of households in Alberta and more specifically in Edmonton have at least one individual who has participated in either skiing or snowboarding over the previous twelve-month period. To provide some context for this number, the Canadian Ski Council estimated in 2009 that 15.2% of the Canadian population aged 12 years and older participated in snow sports, including skiing, snowboarding and cross-country skiing. The general wisdom is that approximately 10-12% of the Canadian adult population are active skiers and snowboarders.

3.3 Shorter-term Opportunities

In the immediate or short-term, the REDI Region can begin to capitalize on some of the tourism products already in place. In particular travel from within the Province for activities like sport fishing and hunting, and RV travel offer potential. The more international markets travelling the Deh Cho and Mackenzie Highway routes also offer short-term opportunity as they are already travelling through the region and some of the services and attractions that would be of interest to this market are already in place. More efficient packaging and marketing can lead to increased visitation and in turn expenditure in the Region.

3.3.1 The RV and Highway Touring Markets are Already on the REDI Doorstep

Recent research commissioned by ATPR, *Recreation Vehicle Camping in Alberta: A Demand Side Perspective & A Supply Side Perspective*, clearly illustrates the potential for the RV market within the Province. The following points summarize key findings and directions from the research.

- 18% of households in Alberta own an RV – compared to a national average of 7%;
- Over 40% of Albertans take part in overnight camping with three quarters using RV's – compared to 57% of Canadian campers;
- An estimated $700 million is spent annually on RV purchases in Alberta – representing one third of all annual sales in Canada;
- In 2008, half of Albertan RV owners did all of their camping in Province;
- Close to a quarter of BC RV owners and 18% of Saskatchewan RV owners did at least some of their camping in Alberta in 2008;
- There was consensus among industry experts surveyed that the current supply of campgrounds in the Province lacks quality and there is a serious shortage of campsites that meet current market needs and expectations; and
- Most RV's owned by Albertans are relatively new (a third being one or two-years-old) and 24% of RV owners indicated they would be buying, generally larger, RV in the near future.

In addition to the provincial RV markets, the REDI Region has an opportunity to capitalize on the broader other Canadian and international RV visitors starting out on the three main highway routes. The cadence of RV and car touring is important to consider originating at the departure point. Those locations that are a day's distance apart can attract with the right mix of attractions and services.

The REDI Region sits in a strategic position with regards to a number of very prominent road touring routes. Mile Zero on the Mackenzie Highway lies just south of REDI (Grimshaw) while Mile Zero on the Alaskan Highway lies not far to the southwest across the border in Dawson Creek, BC. The Deh Cho Travel Connection route connects the two in a circle route along with the Liard Highway to and from the Northwest Territories and Northern BC. Most visitors taking the Mackenzie Highway and the Deh Cho Travel Connection routes originate in Alberta. The only other route from the south would be Highway 97, which runs south to Prince George, BC.

Northwest Territories Tourism (NWT Tourism) with their current strategy are focusing on what they feel are their five iconic attractions:

- Aurora Borealis;
- Lakes and rivers;
- Parks and wilderness;
- Culture and people; and
- Northern realities (i.e. ice roads, midnight sun, bush pilots/planes etc.).

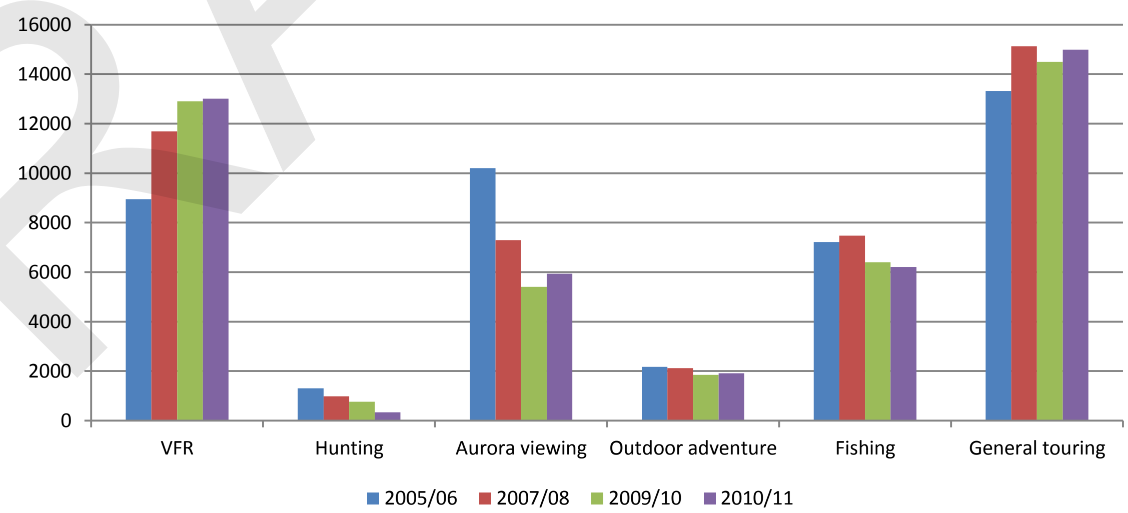
One of their key target markets based on experiences is the general touring market. This is a market they have seen increase steadily over the past ten or so years with the exception of the last two years affected by the recession. They are targeting the following characteristics with this market:

- 72% Canadian, 17% US and 11% Overseas;
- 85% free independent travel (FIT); and
- Motivated by the combination of nature and culture.

In their current marketing plan they note there is strong interest from the German market in the Deh Cho Travel Connection, travelling in rental RVs. Inuvik has benefited with the German market given the direct flights into Whitehorse and RV satellite node there. They indicate the changing rental car situation in Whitehorse may lead to their losing the RV rental node. This could be very positive for the Deh Cho Travel Connection and Alaska Highway connecting via flights into Calgary of Edmonton. The following chart summarizes the split on tourism visitation to the NWT from 2005/06 to 2010/11, verifying the trends noted above.

In 2003, research was conducted on Alaska Highway travelers and published by Tourism BC in the report *Northern Rockies – Alaska Highway Visitor Research Project.* Although a little dated, the research provides some very useful insights into the markets travelling the highway. From the research sample it was determined there were approximately

Exhibit 20 - Tourist Visitation to the Northwest Territories



Source: the Tourism Company based on NWT Industry, Tourism & Investment Data

320,400 passengers travelling the highway in just under 140,000 vehicles.

The market composition is very different from the profiles for northern Alberta visitors. In 2003 50% of the travelers on the highway were from Canada, and of these travelers BC and Alberta comprised 70%. Approximately 45% of the travelers were from the US, primarily from Alaska, California, Washington, Michigan, Florida and Texas, and close to 6% were overseas visitors – mainly Germans and Swiss. The market is typically older with over half indicating they were over 55 years and over 25% over 65 years. Less than 15% of travelers were travelling with children.

The other important difference with typical northern Alberta visitors is a significantly higher proportion of leisure travelers (83%) and less VFR (less than 10%). It is also interesting to note the destinations by market origin. Most Americans were heading to or from Alaska (75%) compared to Canadians at 20%. Canadians were also likely to be heading to the Yukon (27%) or simply northeast BC (24%). Overseas visitors were almost as likely to be heading to Alaska (40%) or on a circle tour with no specific destination (33%). All travelers on the highway were long-stay travelers averaging 20 nights away from home for regional travelers, and averaging 40 nights away for all.

Since 2003 there have been significant improvements to the Mackenzie Highway and the Deh Cho Travel Connection came to be, so if traveler characteristics are anywhere close to what they were in 2003 – and if the tourists taking the Alaska Highway are anywhere similar on the Mackenzie Highway – it would suggest there is significant opportunity for the REDI region to target the following touring markets (domestic, US and international) that are being targeted in Dawson Creek:

- Older couples (55+) representing 53% of tourists looking for a combination of shopping, wildlife viewing, photo opportunities, interaction with locals and entertainment;
- Boomers (35-54 years) representing 32% of the market typically in cars rather than RV's like the older segment, and looking for experiential learning, and more likely to stay in hotels and B&B's; and
- Families with children representing 14% of the market looking for a variety of activities and fun with history.

The following are key motivations for travelers on the Alaska Highway, likely somewhat similar to travelers on the Mackenzie Highway:

- Viewing wildlife and wild landscapes;
- Visiting places never been before;
- Enjoying outdoor activities;
- Learning about history;
- Learning about local ways of life by meeting local people; and
- Gaining a better understanding of First Nations.

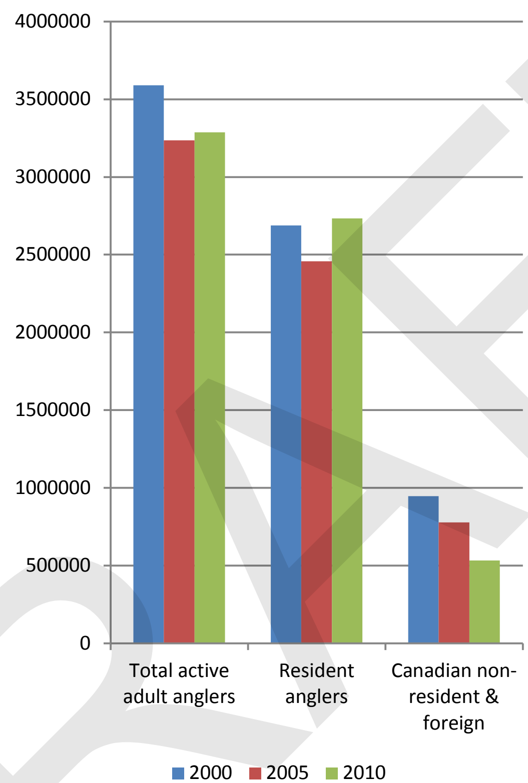
The REDI Region already has some of the attractions and services required by this market and the Region is well situated at about the half-way point between Edmonton and Yellowknife. Better organization and increase of packaging and awareness should result in visitation from those already travelling through the Region. In the longer-term, further development of attractions and services and increased critical mass should result in an even larger penetration of this market for the Region's economic benefit.

3.3.2 Sport Fishing and Hunting are Market Segments that can be Strategically Grown

Fisheries and Oceans Canada have been completing detailed surveys of recreational fishing in Canada since 1990. These five-year databases provide consistent data to analyze trends in sport fishing. In the 8th version of the survey, *Survey of Recreational Fishing in Canada 2010* it was found the numbers of non-resident anglers (tourist anglers) in and to Canada had declined, particularly the non-resident non-Canadian anglers. In 2010 there were a total of 147,000 non-resident Canadian anglers in Canada and 406,000 non-resident foreign anglers, primarily from the US. Non-resident Canadian anglers had declined 2% from 2005 and the non-resident foreign anglers had declined by 35% (average of 9% per year), double the decline that occurred between 2000 and 2005.

The following chart illustrates the trend that the sport fishing market in Canada is in decline, most dramatically with the non-resident foreign anglers to Canada.

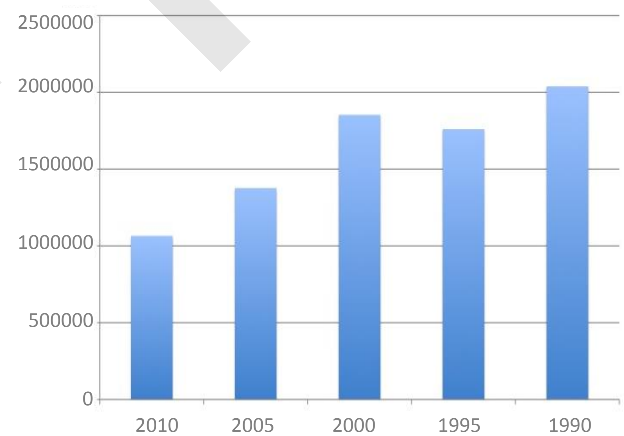
Exhibit 21 - Total Active Anglers in Canada



Source: the Tourism Company based on Survey of Recreational Fishing in Canada, Department of Fisheries and Oceans data

The following chart presents a summary of non-resident, including both Canadian and foreign fishing trips to and in Canada. Once again the trend for non-resident sport fishing has been in steady decline at least of the past 10 years.

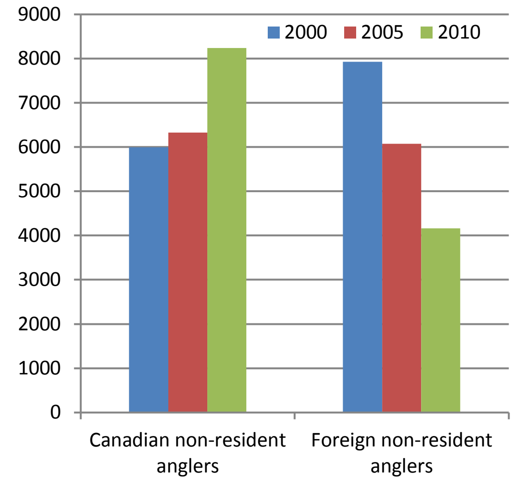
Exhibit 22 - Non-Resident (Canadian & International) Fishing Trips in Canada, 1990-2010



Source: the Tourism Company based on Survey of Recreation Fishing in Canada, Fisheries and Oceans Canada data

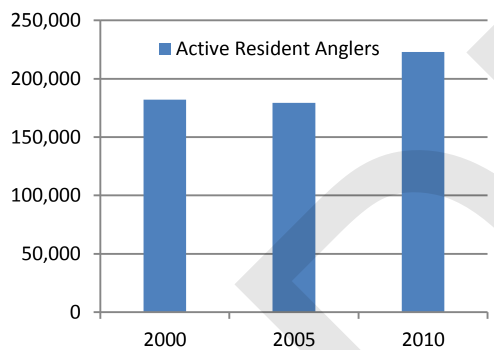
The following two charts illustrate the decline in foreign non-resident anglers but they also confirm a growing Canadian non-resident and active resident angler market. Sport fishing maybe becoming an increasingly competitive market but there still appears to be a substantial market opportunity for the Region from Albertan, BC and Saskatchewan anglers.

Exhibit 23 - Non-Resident Anglers in Alberta



Source: the Tourism Company based on Survey of Recreational Fishing in Canada, Department of Fisheries and Oceans data

Exhibit 24 - Active Resident Anglers in Alberta



Source: the Tourism Company based on Survey of Recreational Fishing in Canada, Department of Fisheries and Oceans data

The TAMS research provides some additional insight into the Canadian sport fishing traveler market. The report *Canadian Travel Market; Fishing While on Trips, 2007,* indicates there were 4,351,708 adult Canadians (17.6%) of adult Canadians that went on fishing trips while on an out-of -overnight trip in 2004 and 2005. The majority were fishing in fresh waters (86%) as opposed to ice fishing (22%) and salt water (18%). Similar to the sport hunting markets the provinces of Saskatchewan and Manitoba (32.6% and 29.4% respectively) had higher proportions of pleasure travelers who went on fishing trips versus the 23.6% in Alberta.

A special analysis of the TAMS database was completed for Alberta in 2007 looking specifically at sport hunting. The report *The American Market for Hunting in Alberta, 2007, ATPR* provides some interesting insights into the US sport hunting market for Alberta. Some of the key findings of this research are summarized below:

- 6.6 million Americans (4% of the US pleasure travel market) travelled for sport hunting;
- A total of 265,000 (4%) claimed to have been to Alberta over the past decade, but only 94,000 (1%) had been to Alberta in the previous two years;
- Sport hunters are focused on hunting as the main activity and the trip motivator although there is some degree of overlap with sport fishing;
- Three-quarters of hunters are looking for big game;
- The majority of American hunters have not travelled outside the US on an overnight pleasure trip;
- The most likely targets for Alberta are a niche hunting segment in California, Minnesota, Texas, or Colorado or some of the largest cities (i.e. LA, NYC, Chicago, Houston, Detroit); and
- At present travel to Canada is impeded by unfavourable economic conditions.

The TAMS research for Canadian pleasure travelers (*Canadian Travel Market; Hunting While on Trips of One or More Nights, 2007, TAMS)* found that 869,255 adult Canadians (3.5%) went on a hunting trip while on an out-of-town, overnight trip during 2004 and 2005. The majority (74%) indicated hunting was the main reason for the trip. The largest proportion of the market were looking for big game (81%) followed by small game (45%) with

18% looking for both. Both Saskatchewan and Manitoba have higher than average proportions of pleasure travelers looking for hunting experiences.

As with sport fishing even though sport hunting may be a stagnant or declining market in North America it is still a large market. It is just an increasingly competitive market and to grow their business operators need to be able to offer more compelling programs (through quality, value and uniqueness) and they need to be far more effective in target marketing.

Actions and priorities for the development of REDI Region's tourism sector include:

1. **In the longer-term development:**
   - Aboriginal tourism and capacity building with in the First Nations;
   - Cultural tourism;
   - Create opportunities and packaging which will draw on domestic and international markets comprised of baby boomer generation and the emerging market niche of education tourism and learning experiences (can include agritourism);
   - Foster ecotourism as a means to involve the first nations and buttress against the existing traditional markets in hunting and fishing; and
   - Focus on the parks as a long-term opportunity for iconic experiences separate and apart from the offer in the Northwest Territories or in areas further south.

2. **In the short-term:**
   - Reverse the problems of limited investment in RV campground development and expansion;
   - Stimulate local accommodations sector and provide distinct regional experiences including urban and rural (agricultural) accommodation experiences;
   - Re-invest in the existing market opportunities for fishing and expand to include other activities including wildlife viewing, photography, etc.;
   - Exploit the opportunities presented by the Wildlands and their iconic values – innovate around the potential for select and scoped commercial tourism operations in these parks; and
   - Develop/deepen local recreational assets and services.

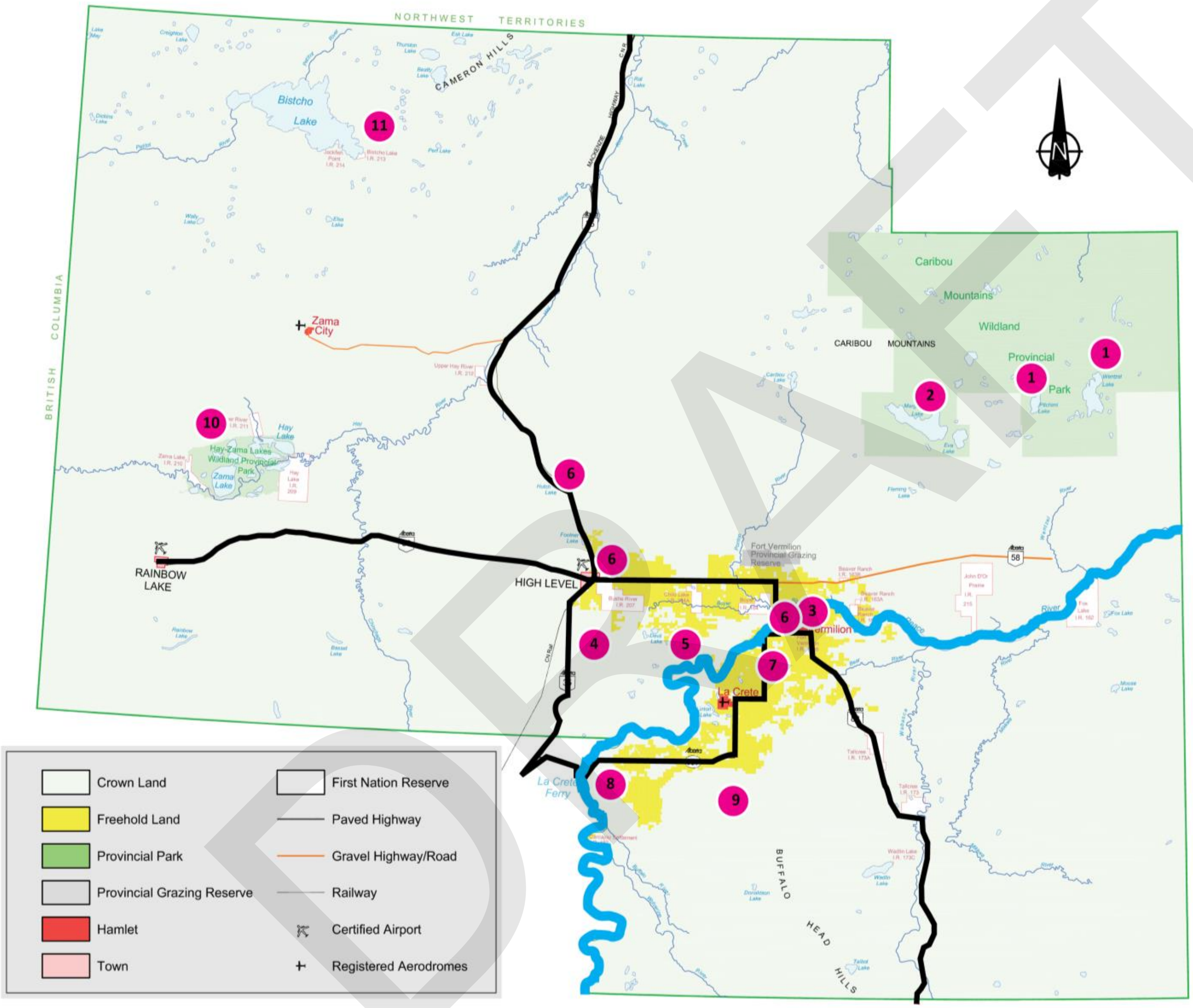
3. **In the immediate-term:**
   - Develop the resources, skills and strategic plan for Mackenzie Frontier Tourist Association to selectively identify and market distinct tourism experiences that currently exist. This will center on the primary assets of the Region, and packaging opportunities for visitor experiences. This recognizes that only several of the assets in the Region represent strong enough attractors to act as primary motivators for travel. These include assets such as the Wildland Provincial Parks, the Peace River as well as the Deh Cho Travel Connection which, although part of a broader loop, is a demand generator of significance. Developing an integrated approach to marketing also recognizes that the area has a number of significant assets which, when collectively considered, provide the opportunity for a number of related experiences and potential packaging along the key themes emerging: cultural discovery, lakes and rivers, wildlife and touring.

3.4 Summary

Long, short and immediate-term developments are summarized as:

Long-term Developments	▪ Aboriginal tourism and assist with capacity-building for tourism within the First Nations. ▪ Cultural tourism: create opportunities for creative ways to interpret the local cultural and heritage resources and pull together existing facilities and attractions through packaging that appeals to both domestic and international markets, in particular the ageing baby boomer generation that is increasingly looking for off-the-beaten path destinations. ○ Target the emerging market niche for educational tourism and create compelling learning experiences (including for example agritourism focussing on the world's most northerly agricultural zone. ▪ Encourage eco-tourism product development as a means to involve the First Nations and assist in diversifying away from consumptive tourism. ▪ Focus on the parks as a long-term opportunity for iconic experiences separate and apart from the offer in the Northwest Territories or in areas further south.
Short-term Developments	▪ Encourage investment in the RV campground sector to better meet the needs and expectations of today's RV markets. ▪ Stimulate creative expansion of the local accommodations sector and provide accommodation options reflecting the region's character (for example wilderness lodges, urban hotels/motels and B&B's and agricultural farm stays). ▪ Re-invest in the existing market opportunities for fishing and expand to include other activities including wildlife viewing, photography, etc. to broaden seasonality. ▪ Exploit the opportunities presented by the Wildlands and their iconic values – innovate around the potential for select and scoped commercial tourism operations in these parks. ▪ Develop/deepen local recreational assets and services.
Immediate-term:	▪ Develop the resources, skills and strategic plan for the DMO to selectively identify and market distinct tourism experiences that currently exist. This will centre on the primary assets of the region, and packaging opportunities for visitor experiences. This recognizes that only several of the assets in the region represent strong enough attractors to act as primary motivators for travel. These include assets such as the Wildland Provincial Parks, the Peace River itself, the world's most northerly agricultural zone, canoe access into Wood Buffalo National Park, as well as the Deh Cho trail which although part of a broader loop is a demand generator of significance. Developing an integrated approach to marketing also recognizes that the area has a number of significant assets which, when collectively considered, provide the opportunity for a number of related experiences and potential packaging along the key themes emerging: cultural discovery, lakes and rivers, wildlife and touring.

Part B: Short-term Opportunities



Tourism Investment Opportunities

Opportunity 1: Base Camp & Research Station in Caribou Mountains Wildland Provincial Park

Opportunity 2: Fly-in Fishing Lodge in Caribou Mountains Wildland Provincial Park

Opportunity 3: Rocky Lane Agricultural Educational Hostel

Opportunity 4: Driving Tour Along High Level to Fort Vermilion, La Crete, Old Carcajou and Tompkins Landing

Opportunity 5: Machesis Lake Horse Ranch

Opportunity 6: Upgraded RV Sites at Fox Haven Golf & Country Club, Fort Vermilion Bridge Campground and Hutch Lake Campground

Opportunity 7: La Crete Bed and Breakfast/ Inn

Opportunity 8: La Crete Ferry Campground Expansion

Opportunity 9: Buffalo Head Hills Downhill Ski Facility

Opportunity 10: Hay-Zama Lakes Wildland Provincial Park Dene Tha' Cultural Educational Facility

Opportunity 11: Tapawingo Lodge

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Mackenzie County Municipal Development Map adapted by Sierra Planning and Management (2013)

4 Identified Opportunities

4.1 Opportunity #1: Base Camp and Research Station in Caribou Mountains Wildland Provincial Park

The opportunity comprises a minimum-footprint, seasonal base camp tourism experience and associated research station located in the Caribou Mountains Wildland Provincial Park. The opportunity, described in detail in Section 4.1.2 below, conforms to a number of the criteria for selection of priority projects.

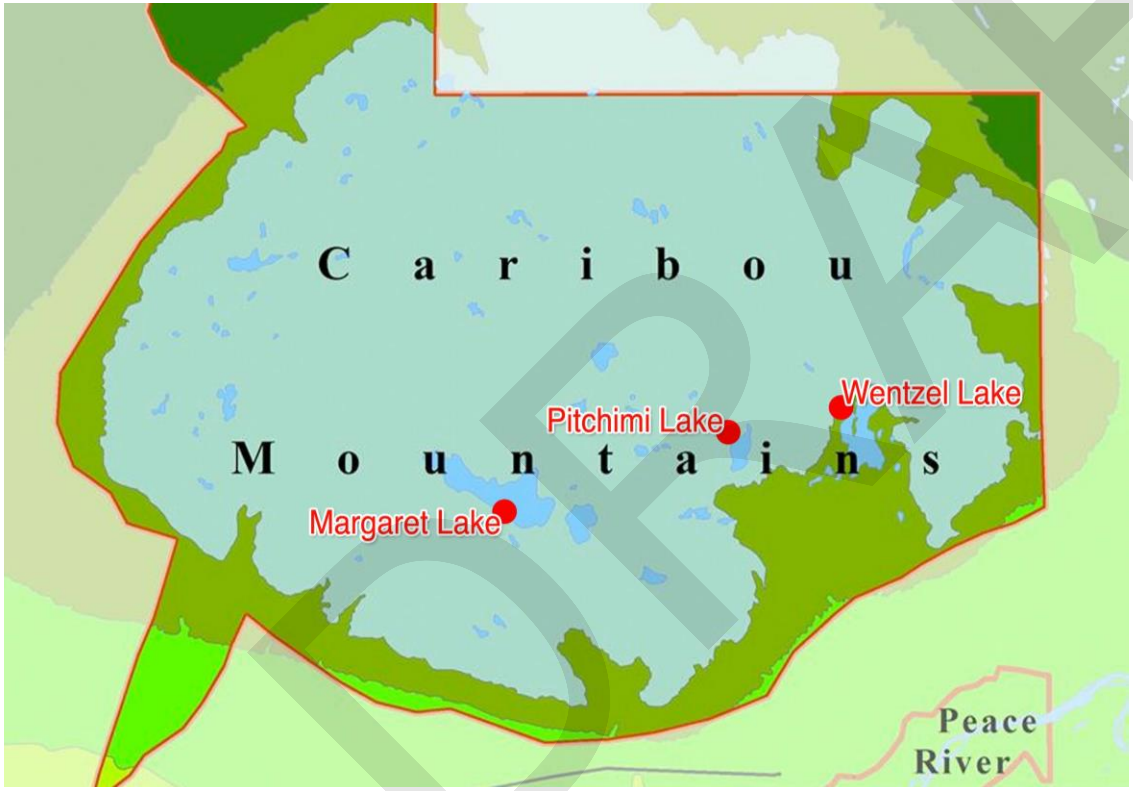
Criteria	Does the Opportunity Meet Criteria?	Criteria	Does the Opportunity Meet Criteria?
Does the project conform with the regional destination area opportunities?	✓	Does the project lend itself to innovative off-season programming?	✓
Is the project located close to a substantial local/regional market and/or on a major travel corridor and/or easily accessible to national/international target markets?		Is it likely to be a catalyst for other private sector investment in development of complementary generator or support attractions, facilities and services?	N.A.
Does the project have a clear master plan or is it part of a larger master plan that will permit phased development?	Management Plan pending approval	Are the necessary support services in place to support initial development of the project?	✓
Will the project be effective in expanding the critical mass of attractions/support services in the destination area?	Not required	Is there an existing tourism/accommodation operation(s) which can benefit from investment/renewal/expansion?	✓
Does the project capitalize on inherent strengths and/or unique qualities of its regional location?	✓	Is a site identified which offers significant potential?	Location identified. Due diligence to locate site required
Does the project properly recognize expected quality of product to achieve strong value in the eyes of the target markets?	✓	There are limited regulatory hurdles to implement the project?	✓
Does the project lend itself to formulation of strong partnerships and coordination with other stakeholders in the destination area?	✓	Is there an existence of qualified and experienced owners/operators?	
Is there potential for local support and commitment for the project?	✓	Can this project be implemented (contingent on investment) in the short-term?	✓
Will the project effectively capitalize on current/identified market trends?	✓		

4.1.1 Existing Footprint

Within Caribou Mountains Wildland Provincial Park, Little Red River Cree Nation owns property along Margaret Lake, Eva Lake, Pitchimi Lake and Wentzel Lake.

These properties were once commercial fly-in fishing lodges operated by the First Nations. In 1992 Little Red River Cree Nation purchased two lodges at Margaret Lake and Pitchimi Lake, and later developed an outpost camp on Wentzel Lake and Eva Lake. The usual operating

Exhibit 25 - Caribou Mountains Wildland Provincial Park



Source: Alberta Wilderness Association

Torngat Mountain Base Camp (Kangidluasuk)

Located north of Nain, Labrador's most northerly community, this BC&RS hosts international researchers, Inuit community and a range of other visitors. Accommodations are tent-style and facilities include a kitchen, laundry and washrooms. The BC&RS was originally piloted by Parks Canada as a research camp and which is now owned by the Nunatsiavut Government with Parks Canada as the main tenant. Transportation options are provided by the Nunatsiavut Group of Companies (NGC), and include zodiacs, passenger/long liner boats, helicopter and hiking.

season for these lodges was from May to September. The main lodge is located at Margaret Lake. During operations, the lodge facilities were inclusive of:

- Two-storey main lodge (conference room, sauna, jacuzzi, washrooms, showers, fireplace, lounge, pool table and shuffleboard);
- Smaller log cabins which could accommodate 35 people;
- Boating dock (inclusive of fuel, fishing gear and life jackets); and
- A landing strip in addition to lake-landing (the Lodge is also a fire control base).

Smaller lodges are located at Eva Lake, Pitchimi Lake and Wentzel Lake. The Eva Lake Lodge, located 1.6 km from Margaret Lake, served as an outpost day camp to Margaret Lake Lodge. Pitchimi Lake Lodge can accommodate 10 people, while Wentzel Lake is a cabin which also acts as a basic outpost.

In 2000, there were hopes of expanding the fly-in fishing lodges to other lakes throughout the Wildland Provincial Park. A proposal (however preliminary) called for opening a lodge in the western part of Wood Buffalo National Park. Despite earlier plans for expansion, the lodges were closed down in 2011.

Exhibit 26 – Platform Raised Tent Camping

Alberta Parks has demonstrated an interest in utilizing the Margaret Lake Lodge potentially for park stewardship, research and tourism; however, the Little Red River Cree Nation did not wish to sell the property.

At this time the pre-existing land lease through ESRD has expired; currently, a new lease under the leasing policy protocols of Alberta Parks is being reviewed by legal advisors for both parties, with a view to re-establishing a long-term lease for the property.

4.1.2 The Opportunity

An opportunity exists to build upon the existing footprint of activities in the Caribou Mountains Wildland Provincial Park but in a way which provides for new and innovative forms of tourism catering to a growing niche of the tourism market. The concept is the development of a central tourism base camp and research station (BC&RS) along with outpost locations elsewhere in the Park. The realization of this goal can occur in the short-term (within 5 years) and can be achieved through a partnership model of development and operation. Details of the partnerships which are possible are presented in a following section.

The concept further described as follows:

Concept	➢ Base Camp and Research Station; ➢ Minimum footprint; ➢ Seasonal (May-September); ➢ Principal location with outposts possible.
Target Markets - Tourism	➢ High-end tourism market; ➢ Focus on soft adventure travel market (both domestic and international);
Target Markets - Research	➢ Significant research agenda possible; ➢ University of Alberta, and University of Calgary active in Wood Buffalo National Park; ➢ International research teams possible;
Location	➢ Wentzel Lake or Pitchimi Lake; ➢ Wentzel provides closer proximity to the National Park and potential viewing opportunities for small group wood bison herds known to populate the Wentzel Lake area.
Built Form	➢ Principal Base Camp utilizing existing built structures/enhancement/expansion as needed to create central service lodge building; ➢ Accommodations: Tent-style accommodations on platforms; potential for small eco-cabins.
Transportation	➢ Fixed-wing airplane; ➢ Helicopter (50 km from Fort Vermilion).
Tourism Program	➢ Hiking; outpost trips; fishing; wildlife viewing/photography, First Nations cultural interpretation.

4.1.3 Private & Community Investment Potential

Caribou Mountains offered a highly distinct natural habitat and tourism experience. The Park also has an evident research mandate which can sustain activities in the Park for research purposes over the long-term. Its proximity to the National Park translates into commonality of research opportunities and applicability to the ecosystems of the National Park. Specifically:

- First Nations history dates back 5,000 years and offer appropriate and culturally sensitive opportunities for interpretation of aboriginal history in this area;
- The laurentide ice sheet left several areas of highland amidst lowlands surrounding the Peace Valley and elsewhere. The highlands constitute the highest land rise in Northern Alberta (700m above the surrounding lowlands and as high as 1030m in the western part of the plateau). Thin soils upon a bedrock of shale and sandstone, creates rolling landscapes, and a number of significant landscapes such as a variety of fens and palsas, deep lakes and escarpment country.
- As a research site, the Park offers significant areas of interest:
    - The original land form has resulted in a considerable diversity of flora and opportunities for research (lichen count is one of the highest globally and a staple of the Caribou herd);

- A significant habitat for bird species (over eighty) and particularly those species are found much further north; and
- Existing breadth of habitats including a winter range for woodland caribou range.

The BC&RS model refers to semi-permanent or potentially permanent tourism and research accommodations that are typically located in a remote wilderness setting ideally in or immediately adjacent a large protected area such as a National Park, is developed under sustainable tourism principles, and is developed through a partnership between the Government and local Aboriginal communities. Some of the key characteristics are as follows:

- Catering to higher yield markets in a sustainable manner, minimizing the environmental footprint;
- Developed with socio cultural sustainability in the forefront – i.e. providing a platform for First Nations to share their culture and traditional territory, create economic opportunity, develop tourism capacity in the local communities, generate local pride and present ways to preserve local culture and traditions through tourism;
- Incorporating traditional ecological knowledge alongside scientific research;
- Creating a connection between scientific research and tourism with mutual benefits;
- To provide active monitoring and stewardship in a protected landscape;
- To provide a unique and appealing base camp for researchers engaged in northern research who need to be in this area for data-gathering and testing;
- Shared risk in the development and operation across the park agency and local operators/owners, yielding capacity building in the local communities and significant credibility in both the research and tourism fields;
- Educational institution partnerships for both research and tourism programming; and
- The local First Nations become the hosts recognizing they are the keepers of the ancient stories and history as well as traditional ecological knowledge of the land.

Exhibit 27 – Sample Base Camp

The intent of the BC&RS model is to promote and facilitate more tourism and research visitation to northern parks in the system in collaboration with local Aboriginal communities. While the political will within a Provincial Wildland Park would need to be generated, there is an emerging precedent at the national level for use of the BC&RS model to provide visitor experiences in the northern parks and to allow for further exploration through excursions into these wilderness areas for both tourist and scientists.

The demand for pristine, wilderness destinations featuring an abundance of wildlife viewing and cultural experiences is growing worldwide. This segment of the market is referred to as soft adventure and travelers in this segment have a high propensity for visiting national parks and other protected areas. This market requires a base level of services and amenities ranging from self-camping to luxury, high-end ecolodges. To reach the broadest segment of the soft-adventure market it is necessary to provide at least some fixed-roof accommodation (or a combination of tented and fixed-roof lodging), food and beverage, transportation, guiding and/or outfitting services, cultural interpretation and high quality guest services and amenities.

More specifically the draws to a BC&RS concept in the Caribou Mountains would be as follows:

- Wildlife viewing specifically for woodland caribou and woodland bison in a unique natural setting (the strength of this will be dependent on the ability to almost guarantee siting of these large ungulates);
- Northern Lights viewing;
- Hiking in a very scenic, unique natural setting;
- Aboriginal cultural experiences featuring the Cree culture of northern Alberta;
- Cultural heritage interpretation;
- Birdwatching;
- Research in a boreal sub-arctic area;
- Possibly winter wildlife tracking;
- Other silent forms of land travel – snowshoeing, cross-country skiing, paddle boating; and
- Sustainable sport fishing.

All National Parks and Provincial Wildland Parks can boast of beautiful scenery, often lots of the same wildlife and similar recreation opportunities. The challenge is in uncovering the true individual essence and draw (compelling experiences) of the park for visitors – therein establishing the framework for the brand story of the Park as a destination which in turn will allow the prospective visitor to emotionally connect with the destination.

Once the brand story is understood then it must guide all aspects of the business and destination. The BC&RS must provide an authentic sense of place using design materials and equipment that reflect the local culture and vernacular. The internal furnishings and equipment in the BC&RS should also reflect the brand story.

4.1.5 Implementation

The operating season is initially anticipated to run from June to September (16 weeks); in future years, the potential may exist for commencing the season in May conditional on carving, mud season and other sensitivities that will determine feasibility of spring lodging. The activity base extends beyond the proposed operating season should the market potential evolve over time for other seasons.

January	February	March
	▪ Trap line tours with the Little Red River Cree Nation ▪ Aurora Borealis ▪ Animal tracking	▪ Southern-edge caribou viewing ▪ Aurora Borealis ▪ Animal tracking
April	**May**	**June**
		▪ Fishing ▪ Birdwatching ▪ Wildlife viewing around the lakes
July	**August**	**September**
▪ Fishing ▪ Birdwatching ▪ Wildlife viewing around the lakes	▪ Fishing ▪ Birdwatching ▪ Wildlife viewing around the lakes	▪ Birdwatching ▪ Fall colours
October	**November**	**December**
▪ Birdwatching ▪ Fall colours ▪ Wildlife viewing	▪ Aurora Borealis	

The keys assumptions which frame the capital cost estimates, the operating season, revenues and operating expenses are outlined below. Costs associated with travel to the Park are assumed over and above the operating revenues/costs shown below. These costs are paid by the guests based on airlifts arranged by the operator of the base camp. For illustration, it is assumed that these costs are passed on to the guests. An allocation for contingency costs for air travel costs which cannot be recouped from the patron base, as well as other contingencies is factored into the operations.

Opportunity #1: Base Camp and Research Station in Caribou Mountains Wildland Provincial Park
Financial Proforma Summary

A. Scale of Capital Investment

Assumptions	
Function	Develop seasonal tourism and research infrastructure for joint use/access into Park; Create a signature eco-tourism opportunity focused on higher end wilderness experience
Accommodation	Tent platform & equipment; 30 double occupancy units at $10,000/unit
Central Facility	Rebuild existing cabin & expand to include laboratory space, central dining and meeting space
Outpost Development	Regular tenting based on "leave no trace" principles

B. Range of Potential Capital Costs

Source	Total Capital Costs
Site Infrastructure Costs	$300,000
Buildings	$1 million - $1.5 million
Camp Style Accommodations	$300,000
Furniture, Fixtures & Equipment (FF&E) and Contingency	$620,000
Total	$2.22 million - $2.72 million

C. Key Revenue Assumptions

Revenue Assumptions	
Operating Season	4 months (June-September)
Average Daily Rate (ADR)	$300
Effective Seasonal Occupancy Rate	Ramp up from 40%-50% from Years 1 to 5
Types of Ancillary Revenue	Potentially special purpose guiding expeditions/programming

D. Potential Revenue Sources

Source	Percentage of Total Revenues
Base Camp - Tourism	79%
Research Station	21%

E. Key Operating Assumptions

Operating Assumptions	
Management	2 Camp Managers, revolving (1 manager at camp at any one time)
General Staff/Guides/Programming	10-15 personnel
Food & Beverage	Chef and support staff; food and beverage included in daily rate
Air Transport	Contracted out

F. Income Statement Highlights

Year 1	
Revenues	$833,280
Expenses	($628,317)
Indicative Net Operating Income (NOI)	$204,963

Opportunity #1: Base Camp and Research Station in Caribou Mountains Wildland Provincial Park
Order of Magnitude Construction Cost Estimates

Design Metrics					
No. of Units		30			
Tent (Yurt)/Platform Cost		$300,000	estimate based on	$10,000	per unit
Central Building Renovation/Expansion		$1,000,000	to	$1,500,000	
Capital Costs					
Site Infrastructure Costs		$300,000			
Furniture, Fixtures & Equipment (FF&E)		$250,000	estimate based on development of board walk, deck and camp supplies/equipment storage areas, fuel and water storage, latrines, and potential renewable fuel sources (such Eco-Nomad Units x 2)		
Contingency	20%	$370,000			
Estimated Capital Cost Range		**$2,220,000**	**to**	**$2,720,000**	

Opportunity #1: Base Camp and Research Station in Caribou Mountains Wildland Provincial Park
5-Year Operating Revenue/Cost Projections

		Year 1		Year 2		Year 3		Year 4		Year 5	
Escalation (p.a.)	*3%*	*1.00*	*Percent*	*1.03*	*Percent*	*1.06*	*Percent*	*1.09*	*Percent*	*1.13*	*Percent*
Revenue											
BC - Tourism		$654,720	79%	$716,509	80%	$781,417	80%	$894,288	82%	$921,116	82%
RS - Research Teams		$178,560	21%	$183,917	20%	$189,434	20%	$195,117	18%	$200,971	18%
Total Revenue		**$833,280**	**100%**	**$900,426**	**100%**	**$970,851**	**100%**	**$1,089,405**	**100%**	**$1,122,087**	**100%**
Expenses											
Department Expenses		($498,460)	60%	($545,502)	61%	($594,918)	61%	($680,851)	62%	($701,276)	62%
Gross Profit Margin		$334,820	40%	$354,924	39%	$375,933	39%	$408,554	38%	$420,811	38%
Undistributed (Indirect Operating) Expenses		($129,857)	16%	($133,753)	15%	($137,766)	14%	($141,898)	13%	($146,155)	13%
Total Expenses (Excl. Debt)		($628,317)	75%	($679,255)	75%	($732,684)	75%	($822,749)	76%	($847,432)	76%
Net Operating Income (NOI) Before Debt		**$204,963**	25%	**$221,171**	25%	**$238,167**	25%	**$266,656**	24%	**$274,655**	24%

The partnerships required to achieve the development would include the following possibilities:

- Government of Alberta Parks Division;
- Little Red River Cree Nation;
- Potentially individual investor/operator (non-Aboriginal);
- A lead academic institution, supported by the Government of Alberta; and
- A possible alignment between Parks Canada and the research mandate pursued in the Park.

The implementation of the development would require the engagement of the First Nation to enable the project to be developed to its full potential. Recognition of the necessity of private operators to achieve sufficient scale of operations to ensure financial viability is important, as is the need for sufficient expertise and human capital to operate the base.

It is assumed that the appropriate scale of operations, and obligations to mitigate impact, will be determined principally by (i) establishing universally applicable protocols and (ii) establishing site-specific obligations as part of the licensing and partnership process.

4.2 Opportunity #2: Fly-in Fishing Lodge in Caribou Mountains Wildland Provincial Park

The opportunity comprises the reinvestment in the existing fishing lodge at Margaret Lake.

Criteria	Does the Opportunity Meet Criteria?	Criteria	Does the Opportunity Meet Criteria?
Does the project conform with the regional destination area opportunities?	✓	Does the project lend itself to innovative off-season programming?	✓
Is the project located close to a substantial local/regional market and/or on a major travel corridor and/or easily accessible to national/international target markets?		Is it likely to be a catalyst for other private sector investment in development of complementary generator or support attractions, facilities and services?	
Does the project have a clear master plan or is it part of a larger master plan that will permit phased development?	Management Plan pending approval	Are the necessary support services in place to support initial development of the project?	✓
Will the project be effective in expanding the critical mass of attractions/support services in the destination area?		Is there an existence tourism/accommodation operation(s) which can benefit from investment/renewal/expansion?	
Does the project capitalize on inherent strengths and/or unique qualities of its regional location?	✓	Is a site identified which offers significant potential?	✓
Does the project properly recognize expected quality of product to achieve strong value in the eyes of the target markets?	✓	Are there limited regulatory hurdles to implement the project?	
Does the project lend itself to formulation of strong partnerships and coordination with other stakeholders in the destination area?	✓	Is there an existence of qualified and experienced owners/operators?	
Is there likely to be strong local support and commitment for the project?	✓	Can this project be implemented (contingent on investment) in the short-term?	✓
Will the project effectively capitalize on current/identified market trends?			

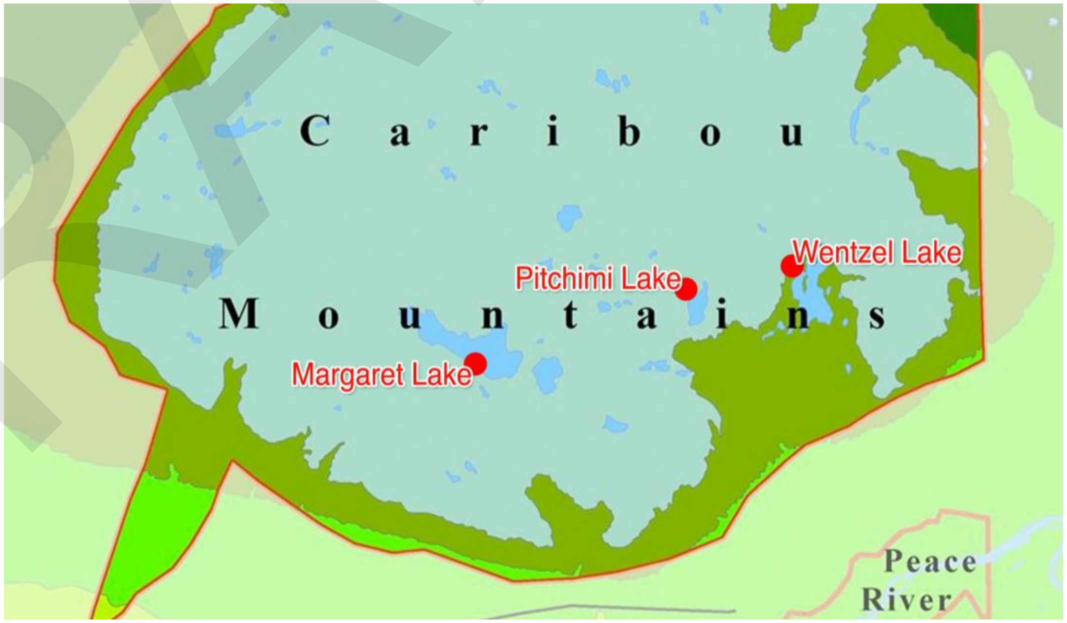
4.2.1 The Opportunity

Caribou Mountains Wildland Provincial Park offers the experience of a remote and natural landscape. Development within Wildland Provincial Parks is limited as these protected areas are specifically established to preserve and protect natural heritage, while providing opportunities for backcountry recreation. Development of new lodges is therefore constrained; however, the current facilities owned by Little Red River Cree Nation provide an opportunity for the reintroduction of a fly-in fishing lodge.

The proposed opportunity is to re-open Margaret Lake Lodge in partnership with the Little Red River Cree Nation or – through agreement with the First Nation – an independent operator. Specifically, the opportunity is comprised of:

- Renovation as required to the existing 2-storey main lodge building, and upgrade of building systems;
- Provision of new furniture, fixtures and equipment (FF&E), purchase of new rental equipment;
- Similar renovation to the (assumed) 8-10 log cabins which accommodates 30-40 guests;
- Development of necessary storage, staff accommodations (assumed to be in main building) and other on-site enhancements and amenities;
- Developing and implementing a renewed brand for the Margaret Lake Lodge; and
- Contingent on the development of the base camp and research station model at either Pitchimi Lake or Wentzel Lake, the reinvestment in these fishing outposts. This can potentially be undertaken as a partnership.

Exhibit 28 - Location of Margaret Lake



Source: Alberta Wilderness Association

4.2.2 Private and Community Investment Potential

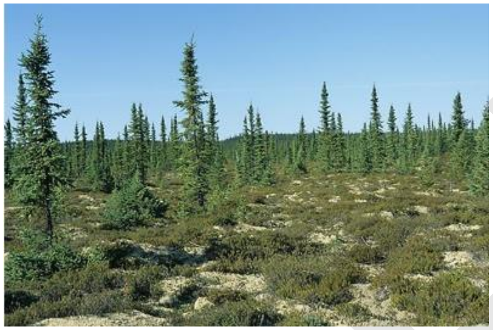
Caribou Mountains Wildland Provincial Park has an existing Draft Management Plan. The Plan has not been finalized and has remained in draft form for a number of years. Management of the Park and its resources has been ongoing and several assessments of the major lakes in the Park have occurred in recent years.

The existence of the lodge represents a major attribute in any business case supporting its re-introduction into the tourism inventory of the Region. Any additional development on site would require regulatory oversight pursuant to the terms of the existing lease agreement.

A new lease governing the use of the land is currently subject to review as described earlier in the Report. This provides the opportunity to include provisions favourable to a potential investor or operator of the site. It is understood that the lease would not currently permit a sub-lease agreement between the First Nation as holder of the lease and a private operator.

Given that the First Nation has closed the lodge, likely as a result of operational capacity issues rather than a long-term loss of market demand for stays at the lodge, and in view of the recent history of interest by Alberta Parks in utilizing the

Exhibit 29 - Caribou Mountains Forest



Source: Alberta Wilderness Association

lodge itself, it is recommended that a partnership approach be created whereby the necessary improvements to the lodge and its accommodations and equipment are joint funded. The opportunity for a private operator, either Aboriginal or non-Aboriginal, to operate the lodge on a time-limited basis should then be entertained.

The re-opening of the lodge is a significant market opportunity. The regulatory hurdles are likely to be very minor and the land asset is located within a protected area of significant regional appeal. The Lake is also within a relatively short distance from the local airstrips/airport.

Margaret Lake is classified as one of Alberta's Trophy Lakes. Fish that can be found both within Margaret Lake and the surrounding lakes include:

Lake	Features
Eva Lake	▪ Fly-in lake ▪ Fish: arctic grayling, pike and lake whitefish
Margaret Lake	▪ Fly-in lake ▪ Fish: large lake trout, pike and whitefish
Pitchimi Lake	▪ Fly-in lake ▪ Fish: northern pike, lake trout, lake whitefish, grayling and burbot
Wentzel Lake	▪ Fly-in lake ▪ Fish: walleye, lake trout, lake whitefish and burbot

Source: Northern Alberta Backroad Mapbook 2nd Edition (2012)

4.2.3 Implementation

Schematic financials are outlines based on the following key assumptions:

Opportunity #2: Fly-in Fishing Lodge in Caribou Mountains Wildland Provincial Park
Financial Proforma Summary

A. Scale of Capital Investment

Assumptions	
New Construction	No new development/Expansion; Capital upgrade to existing facilities as needed
Upgrades	Minor upgrade to existing rented cabins
Site Work	None
Scale of Capital Costs	Unknown

B. Key Revenue Assumptions

Revenue Assumptions	
Operating Season	Mid May - Mid October
Average Rate per cabin per 3 day trip (Rate is a blend of 3 nights and longer trips)	$3,000
Cabin Occupancy Rate	50%
Cabins for Rent	10

C. Potential Revenue Sources

Source	Description
Lodging	Pricing based on comparative assessment (no data for Margaret Lake Lodge prior to closing)
Airfare	Core service includes airfare from High Level (with return), cabin, boat and hotel tax as applicable
Ancillary Revenues - tackle/other	Tackle/equipment, Grocery supplies

D. Key Operating Assumptions

Operating Assumptions	
Manager	On-Site
Fishing/Activity Guides	3
General Staff (maintenance/ stores, grounds and housekeeping)	2
Pilot for Fly-Out Lakes	Contract Option

E. Income Statement Highlights

Year 1	
Revenues	$813,750
Expenses	($707,560)
Indicative Net Operating Income (NOI) Before Debt	$106,190

Opportunity #2: *Fly-in Fishing Lodge in Caribou Mountains Wildland Provincial Park* 5-Year Operating Revenue/Cost Projections											
		Year 1		Year 2		Year 3		Year 4		Year 5	
Escalation (p.a.)	*3%*	*1.00*	*Percent*	*1.03*	*Percent*	*1.06*	*Percent*	*1.09*	*Percent*	*1.13*	*Percent*
Revenue											
Lodging		$775,000	95%	$798,250	95%	$822,198	95%	$846,863	95%	$872,269	95%
Ancillary Revenue		$38,750	5%	$39,913	5%	$41,110	5%	$42,343	5%	$43,613	5%
Total Revenue		**$813,750**	**100%**	**$838,163**	**100%**	**$863,307**	**100%**	**$889,207**	**100%**	**$915,883**	**100%**
Expenses											
Department Expenses		($524,916)	65%	($540,663)	65%	($556,883)	65%	($573,590)	65%	($590,798)	65%
Gross Profit Margin		$288,834	35%	$297,499	35%	$306,424	35%	$315,617	35%	$325,085	35%
Undistributed (Indirect Operating) Expenses		($182,644)	22%	($188,123)	22%	($193,767)	22%	($199,580)	22%	($205,568)	22%
Total Expenses (Excl. Debt)		($707,560)	87%	($728,787)	87%	($750,651)	87%	($773,170)	87%	($796,365)	87%
Net Operating Income (NOI) Before Debt		**$106,190**	13%	**$109,376**	13%	**$112,657**	13%	**$116,037**	13%	**$119,518**	13%

4.3 Opportunity #3: Rocky Lane Agricultural Educational Hostel

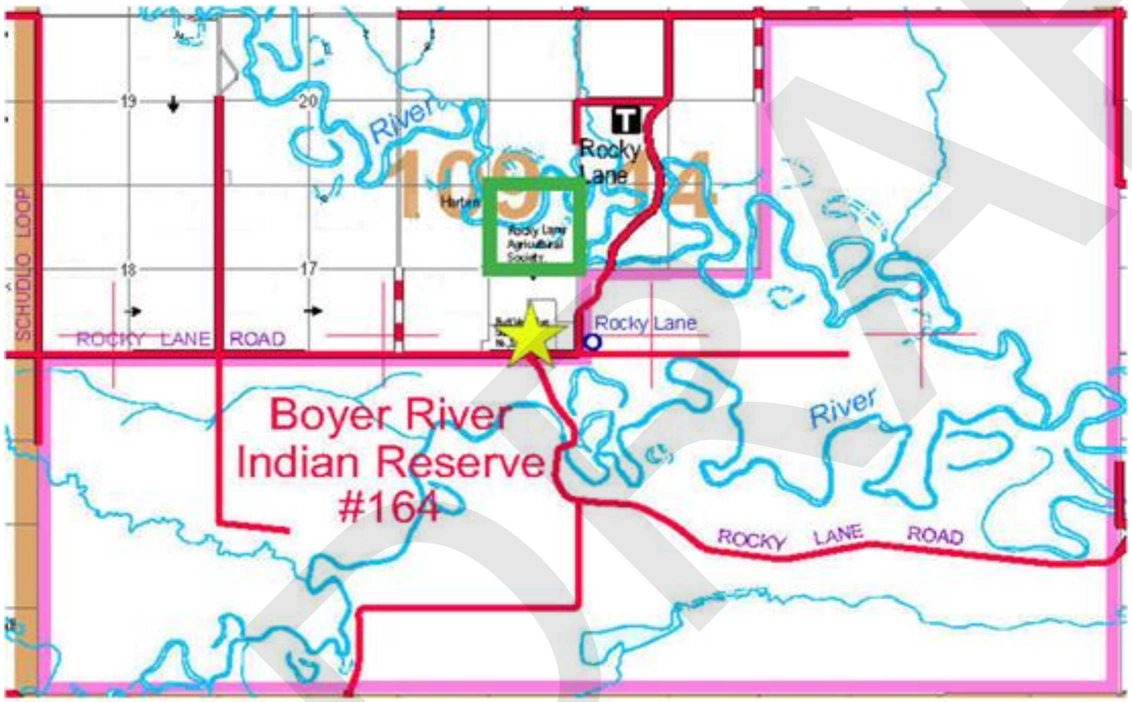
Rocky Lane Agricultural Educational Hostel meets a demand for accommodations in Fort Vermilion and area, catering explicitly to tourists as well providing interpretive and education opportunities associated with the existing institutional investment in agricultural sciences in this area.

Criteria	Does the Opportunity Meet Criteria?	Criteria	Does the Opportunity Meet Criteria?
Does the project conform with the regional destination area opportunities?	✓	Does the project lend itself to innovative off-season programming?	✓
Is the project located close to a substantial local/regional market and/or on a major travel corridor and/or easily accessible to national/international target markets?	✓	Is it likely to be a catalyst for other private sector investment in development of complementary generator or support attractions, facilities and services?	
Does the project have a clear master plan or is it part of a larger master plan that will permit phased development?	✓	Are the necessary support services in place to support initial development of the project?	✓
Will the project be effective in expanding the critical mass of attractions/support services in the destination area?	✓	Is there an existence tourism/accommodation operation(s) which can benefit from investment/renewal/expansion?	✓
Does the project capitalize on inherent strengths and/or unique qualities of its regional location?	✓	Is a site identified which offers significant potential?	✓
Does the project properly recognize expected quality of product to achieve strong value in the eyes of the target markets?	✓	Are there limited regulatory hurdles to implement the project?	✓
Does the project lend itself to formulation of strong partnerships and coordination with other stakeholders in the destination area?	✓	Is there an existence of qualified and experienced owners/operators?	✓
Is there likely to be strong local support and commitment for the project?	✓	Can this project be implemented (contingent on investment) in the short-term?	✓
Will the project effectively capitalize on current/identified market trends?	✓		

4.3.1 The Opportunity

The Rocky Acres Program is an agricultural program which provides off-campus learning for students through the operation of a farm. The farm is inclusive of vegetable gardens, a greenhouse, grain crops and livestock. Through hands-on learning, students gain practical skills and knowledge development in agricultural production, livestock rearing, entrepreneurship, leadership and business operations. Initiated in 2012, the program is a collaborative effort between the Fort Vermilion School Division, Rocky Lane School, Rocky Lane Agricultural Society, Alberta Education, Mackenzie County, Rural Alberta Development Fund, Agricultural Initiatives Program and Beaver

Exhibit 30 - Agricultural Educational Hostel Potential Site for Development



Potential Development Site

Map adapted by Sierra Planning and Management

Exhibit 31 - Rocky Acres Program Phased Plan for Development

	Activities	Status
Year 1	▪ Barn ▪ Shop (construction & mechanics) ▪ Greenhouse ▪ House ▪ Water system ▪ Heating system ▪ 1 km of trenching and directional drilling ▪ Paddock	Construction Phase
Year 2	Setup programming for: ▪ Animal production ▪ Crop production ▪ Greenhouse production ▪ Student mentorship ▪ Riding camp May 21	Complete Construction
Year 3	▪ Small animals husbandry – pigs, chickens, turkeys, rabbits, cows, horses, goats ▪ Breed program with cattle ▪ Horse riding school ▪ Crop production ▪ Hay production ▪ Vegetable crop	Full Operational Greenhouse

First Nation. The program is in Year 1 of its operation and the opportunity to develop the hostel will require the ongoing growth and development of the program.

In support of the program, the school is seeking multiple revenue sources. The development of a hostel can provide an important revenue base and can include summer student camps – both day and overnight stays.

Although the intent for the program was for student development of the Rocky Lane School (enrolment kindergarten to grade 12), the program is envisioned to expand to not only target students from the Region and beyond, but also visitors to the area.

Future development of the hostel is proposed to include:

- 2 group dormitories to accommodate 8 guests each;
- 8 rooms based on double occupancy;
- Restaurant; and
- Agricultural interpretive programming.

4.3.2 Private & Community Investment Potential

Rocky Lane is a community which is located approximately 29 km northeast of Fort Vermilion. Along with the programming and opportunities provided by the Rocky Acres Program, potential assets that the hostel can leverage include:

- Fort Vermilion Heritage Center – Fort Vermilion Experimental Farm artifacts are on display in the Heritage Center; and
- Historical Fort Vermilion Experimental Farm site at Stoney Point.

The potential market for the Agricultural Educational Hostel and camp facility (at least for short overnight group stays) is also supported by the REDI Region's demographic profile. Statistics Canada data illustrates that the REDI Region has a relatively young population, where the 2011 median age of the population was 24.7[5]. This figure is compared to Alberta's median age (36.5) and Canada (40.6). As of 2011, more than half of the population was under the age of 24[6].

Fort Vermilion School Division covers the following schools throughout the REDI Region:

Community	School	Enrolment
High Level	Florence MacDougall Community School	Grades K-3
	Spirit of the North Community School	Grades 4-6
	High Level Public School	Grades 7-12
La Crete	Sand Hills Elementary School	Grades K-3
	Ridgeview Central School	Grades 4-7
	La Crete Public School	Grades 8-12
	Hill Crest Community School	Grades K-9
Fort Vermilion	Fort Vermilion Public School	Grades 7-12
	St. Mary's Elementary School	Grades K-6
Rocky Lane	Rocky Lane Public School	Grades K-12
Buffalo Head	Blue Hills	Grades K-9

[5] Due to data availability from Statistics Canada, Paddle Prairie Métis Settlement and Garden River were not included in the median age population for the REDI Region.

[6] Due to data availability from Statistics Canada, Paddle Prairie Métis Settlement and Garden River were not included in the age cohort breakdown of the REDI Region.

Community	School	Enrolment
Prairie	Community School	
	Buffalo Head Prairie School	Grades K-9
Rainbow Lake	Rainbow Lake School	Grades K-12
Zama City	Zama City School	Grades K-9
Meander River	Upper Hay River School	Grades K-9

Source: Fort Vermilion School Division No. 52 (2013)

Fort Vermilion School Division is a partner in the Rocky Acres Program. The land on which the program operates is owned by the Rocky Acres Agricultural Society and leased to the Fort Vermilion School Division. Under terms of the lease, the School Division has the right to determine what additional development can occur on site during the lease period. These two organizations should represent the key partners to the project, supported by a willing operator as an additional partner for the development of the hostel.

4.3.3 Implementation

The schematic financial performance of the hostel is demonstrated below:

Opportunity #3: Rocky Lane Agricultural Educational Hostel
Financial Proforma Summary

A. Scale of Capital Investment

Assumptions	
Function	Can accommodate up to 32 persons; common rooms and central kitchen/eating space
Rooms	Blend of Hostel and Hotel Style: Dormitory style plus double occupancy rooms for adults general tourism market
Quality	Moderate quality construction and fit-up
Infrastructure and Land	Moderate site servicing; no land cost

B. Range of Potential Capital Costs

Source	Total Capital Costs
Infrastructure	$110,000
Buildings	$2,188,800
Furniture, Fixtures & Equipment (FF&E)	$364,800

C. Potential Revenue Sources

Source	Percentage of Total Revenues
Lodging Revenue (Rooms and Dormitories)	60%
Restaurant (Net)	27%
Ancillary - Visitor Gift Shop	3%
Ancillary - Educational Interpretive Programming	9%

D. Key Revenue Assumptions

Revenue Assumptions	
Operating Season	6 months (May - October)
Average Daily Rate (ADR)	Room $100; Dormitories $300/night
Effective Seasonal Occupancy Rate	66%
Types of Ancillary Revenue	Visitor Gift Shop; Educational Programming

E. Key Operating Assumptions

Operating Assumptions
1 General Staff
1 Overnight Security

F. Income Statement Highlights

Year 1	
Revenues	$293,502
Expenses	($162,900)
Indicative Net Operating Income (NOI)	$130,602

Opportunity #3: Rocky Lane Agricultural Educational Hostel Order of Magnitude Construction Cost Estimates				
Design Metrics				
No. of Rooms	8			
No. of Dormitories	2			
Rooms	3,200	sq. ft.	297	sq. m.
Dormitories	2,000	sq. ft.	186	sq. m.
Common Area	5,000			
Kitchen/Restaurant	3,000			
Meeting Rooms	2,000			
Estimated Gross Floor Area (GFA)	15,200	sq. ft.	1412	sq. m.
Capital Costs				
Site Infrastructure Costs	$110,000			
Base Building Hard Construction Costs	$1,824,000			
Design and Soft Costs	$364,800			
Furniture, Fixtures and Equipment (FF&E)	$364,800			
Estimated Capital Cost	**$2,663,600**			

Opportunity #3: Rocky Lane Agricultural Educational Hostel 5-Year Operating Revenue/Cost Projections		Year 1		Year 2		Year 3		Year 4		Year 5	
Escalation (p.a.)	*3%*	*1%*	*Percent*	*1.03%*	*Percent*	*1.06%*	*Percent*	*1.09%*	*Percent*	*1.13%*	*Percent*
Revenue											
Lodging Revenue (Rooms and Dormitories)		$177,429	60%	$182,751	60%	$188,234	60%	$193,881	60%	$199,697	60%
Restaurant		$78,936	27%	$81,304	27%	$83,743	27%	$86,255	27%	$88,843	27%
Ancillary - Visitor Gift Shop		$9,800	3%	$10,094	3%	$10,397	3%	$10,709	3%	$11,030	3%
Ancillary - Educational Interpretive Programming		$27,337	9%	$28,157	9%	$29,002	9%	$29,872	9%	$30,768	9%
Total Revenue		$293,502	100%	$302,307	100%	$311,376	100%	$320,717	100%	$330,339	100%
Expenses											
Department Expenses		($83,435)	28%	($158,002)	52%	($162,742)	52%	($167,624)	52%	($172,653)	52%

Opportunity #3: Rocky Lane Agricultural Educational Hostel 5-Year Operating Revenue/Cost Projections											
		Year 1		Year 2		Year 3		Year 4		Year 5	
Gross Profit Margin		$210,067	72%	$144,305	48%	$148,634	48%	$153,093	48%	$157,686	48%
Undistributed Expenses		($90,400)	31%	($9,785)	3%	($10,079)	3%	($10,381)	3%	($10,692)	3%
Total Expenses (Excl. Debt)		($162,900)	56%	($167,787)	56%	($172,821)	56%	($178,005)	56%	($183,345)	56%
Net Operating Income Before Debt		**$130,602**	**44%**	**$134,520**	**44%**	**$138,555**	**44%**	**$142,712**	**44%**	**$146,993**	**44%**

4.4 Opportunity #4: Driving Tour from High Level to Fort Vermilion, La Crete, Old Carcajou and Tompkins Landing

4.4.1 The Opportunity

The area between High Level, Fort Vermilion, La Crete, Old Carcajou and Tompkins Landing – wherein a number of existing cultural heritage assets are sited (see table at right) – provides an opportunity for the development of a themed and branded Driving Loop (a circular driving tour along Mackenzie Highway, Highway 58 and Highway 697).

Despite that fact that a number of historical sites and natural landmarks are evident across the area, there are no identified/designated historical routes geared at linking the existing cultural assets in a manner which provides

Exhibit 32 – Abandoned Building at Old Carcajou

	RV & Campgrounds	Culture & Heritage	Fishing, Hunting & Outfitters	Golfing
Fort Vermilion	• Fantasy North Golf & RV Park • Machesis Lake Campground • Fort Vermilion Bridge Campground • Pioneer Park • Fort Vermilion Rodeo Grounds • Fort Vermilion Arena Park • SS D.A Thomas Park	• Fort Vermilion Heritage Centre • Lean-To Museum & Archives • Trapper's Shack • Hudson's Bay Company Factor's House • Fort Vermilion Experimental Station	• Lightning D Outfitters	• Fantasy North Golf & RV Park
High Level	• Aspen Ridge Campgrounds • Watt Mountain Lookout • Hutch Lake Campground • Fox Haven Golf & Country Club	• Mackenzie Crossroads Museum & Visitor's Centre	• Flow North Paddling Company	• Fox Haven Golf & Country Club
La Crete	• La Crete Motel RV Park • Tourangeau Lake Day Use Area • 108 Street Park • Woodland RV Park • Hillside Park • Reinland Park • Wadlin Lake Campground and Day Use • La Crete Rodeo Grounds & Heritage Center • Buffalo Head Tower Day Use Area	• La Crete Heritage Center • La Crete Mennonite Heritage Village	• Wingmaster Outfitting Ltd • Top Notch Adventures	• La Crete Golf Course
Tompkins Landing	• La Crete Ferry Campground • Tompkins Landing Day Use Area			

visitors the opportunity to engage in self-guided driving tours via accessible historical points, tourism attractions and services. The potential also exists to develop a seasonal visitor information post as part of drive tour/loop.

The Town of High Level, Fort Vermilion, La Crete and Old Carcajou each are rich in historical and cultural significance linked to the First Nations, European, Metis, and Mennonite settlements in the Region. The circularly connected highways and ferry infrastructure central to Mackenzie County provide the Region with an opportunity to more effectively market these cultural assets while targeting transient visitors and encouraging longer stays in the Region.

The Driving Loop would be developed and targeted with a purpose to attract those travelers on the Deh Cho and Mackenzie Highway routes to turn off the main route north and spend time in the REDI region. If the travelers on the Alaska Highway are of similar propensity to the travelers on the Deh Cho and Mackenzie Highway routes the following are market characteristics that need to be considered in developing the Driving Loop:

- Large market base from British Colombia and Alberta;
- Smaller but valued market from the US particularly from states like California, Texas, Michigan, and Florida;
- Older market demographic with the typical travelers being 55 years and over;
- Fewer family travelers (perhaps 15% of the market);
- Typically long-stay travelers with a significant number of individuals geared to RV travel and experiences;
- Looking for experiential learning (e.g. wildlife viewing, exposure to historic sites and experiences and First Nations culture).

To attract this market the route needs to be turned into a compelling experience. Any successful tourism destination must be comprised of the following attributes:

- Good location in the context of identified target markets and accessible by various modes or providing various modes of travel to experience the destination;
- Coordinated critical mass of attractors and support services of a quality and nature suited to the target markets;
- Capitalizes on the inherent strengths and unique qualities of the area;
- Strong cooperation and coordination between all stakeholders in the destination;

Great Spirit Circle Trail

The Great Spirit Circle Trail is a route that offers nature-based and Aboriginal cultural tourism in Manitoulin Island and Sagamok Region of Northeastern, Ontario. Visitors are guided by local Aboriginal hosts. The route is packaged to include itineraries that reflect the area's history and culture. Tourism packages include local accommodations, attractions and events.

- Innovative off-season programming to help extend the season and enhance viability;
- Strategic use of special events and festivals to create time-sensitive draws, to enhance awareness, and to strengthen the brand; and
- Effective marketing and branding.

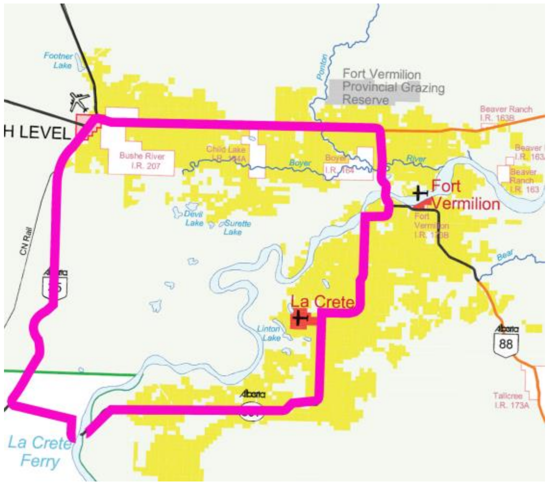
Best practice case studies for themed touring routes include well-known examples like the Oregon Coastal Highway, the Blue Ridge Parkway in North Carolina, and the Great Ocean Road in Australia. Based other successful tour development initiatives in North America, themed road touring routes must meld a variety of the following characteristics:

- Scenic escapes – memorable, distinctive, uninterrupted, unified and quality views;
- Natural ecological features – the presence and accessibility of unique natural features;
- Cultural experiences – in terms of the presence, access, uniqueness and authenticity of cultural experiences;
- Historic features – the presence and significance of accessible historic sites and features as well as archaeological features; and
- Recreational opportunities – the availability of outdoor adventures and escapes like hiking/walking trails and water-based recreation

A successful themed touring route must also offer an enjoyable, low stress driving experience for autos, RV's and motorcycles (considering surface quality, maintenance, roadside amenities, and character) and must be effectively marketed and managed. To successfully develop this route as a compelling tourist route will require:

- An appealing brand;
- Local character accommodation options;
- Interactive and creative means of telling the local stories and interpreting the history (i.e. more than static museum displays);
- Ways for travelers to meet and interact with locals;
- Authentic Aboriginal cultural experiences;
- Local cuisine;
- Wildlife viewing opportunities;
- Authentic to the area, and unique retail options;
- Easy and accessible recreation opportunities (i.e. hiking/walking trails, ways to explore the river, golf packages including rental equipment);
- Supporting infrastructure and services that are market ready, good quality

Exhibit 33 – Drive Loop



Map adapted by Sierra Planning and Management

and professional; and

- Effective signage – branding and wayfinding.

Effective packaging and promotion of tourism establishments, sites and historic buildings should be coordinated by the Mackenzie Frontier Tourist Association.

To achieve all of the above requires a multi-year strategy to identify, resource and implement the actions identified above. In order to achieve an authentic tourism offer, this will require:

- Funding for the creation of marketing material, branding separate from the Mackenzie Frontier Tourist Association brand, and engagement of service providers to link opportunities;
- Strategic route research and development whereby the final marketing product is inclusive of both a published route map in print, online and accessible via mobile "app";

- A web-based tourism portal geared at linking activities along the drive loop with accommodations, restaurants and other amenities (e.g. packaged offers/discounts) via one consolidated hub; and

- A budget in the order of $500,000 will provide the Mackenzie Frontier Tourist Association with the opportunity to make significant headway in developing the touring route. This excludes any capital investment by the public sector for public realm and civic realm enhancement related to roadside services, interpretive signage and materials.

The opportunity to develop a branded driving route is largely a public sector funded project but it cannot succeed with private sector buy-in to showcase the assets, provide exemplary service and market tourism with a consistent message. The driving route can become an effective umbrella to support a number of private sector opportunities, all of which can be achieved within the short-term. These include:

- Machesis Lake Horse Ranch;
- Upgraded RV Sites at Fox Haven Golf & Country Club, Fort Vermilion Bridge Campground and Hutch Lake Campground & Day Use Area;
- La Crete Bed and Breakfast/Inn; and
- La Crete Ferry Campground Expansion.

Aspects of Local History Which Should be Promoted in Marketing the Driving Loop				
Community	**Community Name Meaning**	**Historical Relation to First Nations**	**Historical Relation to Early Mennonite Settlement**	**Historical Relation to Early Fur Trade/European Settlement**
High Level	Derived from the description of the height of the land that separates the Peace River and Hay River.	Around 1780s, stopping place for trappers on their route home from Hay Lakes to Fort Vermilion.		Early fur traders arrived in the area around 1786, however the first settlers arrived in 1947, and the Town was founded later that year.
Fort Vermilion	Named after the clay coloured by opaque red pigment (vermilion) lining the river banks	Historically home to Beaver First Nation, Dene Tha' First Nation and Cree First Nation.	During the 1930s, Mennonite farmers settled the areas. These settlers were critical in opening and developing one of Canada's most northerly farm frontiers.	Along with Fort Chipewyan, the oldest settlement area in Alberta (celebrating its 225th anniversary this year). In 1788 the Fort Vermilion trading post was established at Boyer's Post, 5 miles from Fort Vermilion. In 1821, Fort Vermilion was taken over by Hudson's Bay Company, and 10 years later the post was moved to Fort Vermilion.
La Crete	Named "La Crete Landing" by the Rivard Brothers due to the location off of the Peace River. "La Crete" refers to the "The Crest"/"Rooster's Comb" in relation to the ridge of land the Rivard Brothers came ashore southwest of the Hamlet.		Mid 1930s, the Mennonite community decided to settle midway between Old Carcajou and Hudson's Bay trading post.	Settled by the Rivard Brothers from Quebec who were evading recruitment into World War I.
Old Carcajou	Name owed to transit of French and Métis fur traders in the area. Carcajou is a French derivative from the Alquonquine/Montagne which means wolverine (from the nearby Wolverine Point).	This area was a stopover for and home to First Nations. Beaver First Nation first inhabited the area. Area	Early Mennonite settlers came to the area in the early 1930s. The community was later flooded. Inhabitants moved on to La Crete and Saskatchewan for more land. Old log houses, sheds and stables still exist in the area.	Was the main stopover for river transport between Fort Vermilion and Peace River Crossing. Northwest Company started a post in the area in the early 1800s.

4.5 Opportunity #5: Machesis Lake Horse Ranch

The opportunity exists for a seasonal horse riding trails facility catering to the visiting public at or nearby the Provincial Recreation Area at Machesis Lake. The location is not the only candidate in the Region but the existing and potential future concentration of visitor activities, recreation areas and trails, as well as services suggests that the development of formal riding stables would deepen the range of soft adventure tourism available in the area.

However, this location, while serving an apparent tourism market, contrasts with locations closer to High Level which can accommodate a range of services year-round. The potential exists for a broader business involving education, training and programming for a riding school serving the regional community, as well as the tourist market. Achieving a broader range of services will greatly improve the viability for the facility. More specifically, it enables a year-round operation. Any seasonal operation is likely to be more limited in scale and more susceptible to failure over time.

Criteria	Does the Opportunity Meet Criteria?	Criteria	Does the Opportunity Meet Criteria?
Does the project conform with the regional destination area opportunities?	✓	Does the project lend itself to innovative off-season programming?	✓
Is the project located close to a substantial local/regional market and/or on a major travel corridor and/or easily accessible to national/international target markets?	✓	Is it likely to be a catalyst for other private sector investment in development of complementary generator or support attractions, facilities and services?	
Does the project have a clear master plan or is it part of a larger master plan that will permit phased development?		Are the necessary support services in place to support initial development of the project?	
Will the project be effective in expanding the critical mass of attractions/support services in the destination area?		Is there an existence tourism/accommodation operations which can benefit from investment/renewal/expansion?	✓
Does the project capitalize on inherent strengths and/or unique qualities of its regional location?	✓	Is a site identified which offers significant potential?	✓
Does the project properly recognize expected quality of product to achieve strong value in the eyes of the target markets?	✓	Are there limited regulatory hurdles to implement the project?	
Does the project lend itself to formulation of strong partnerships and coordination with other stakeholders in the destination area?		Is there an existence of qualified and experienced owners/operators?	
Is there likely to be strong local support and commitment for the project?	✓	Can this project be implemented (contingent on investment) in the short term?	✓
Will the project effectively capitalize on current/identified market trends?	✓		

4.5.1 The Opportunity

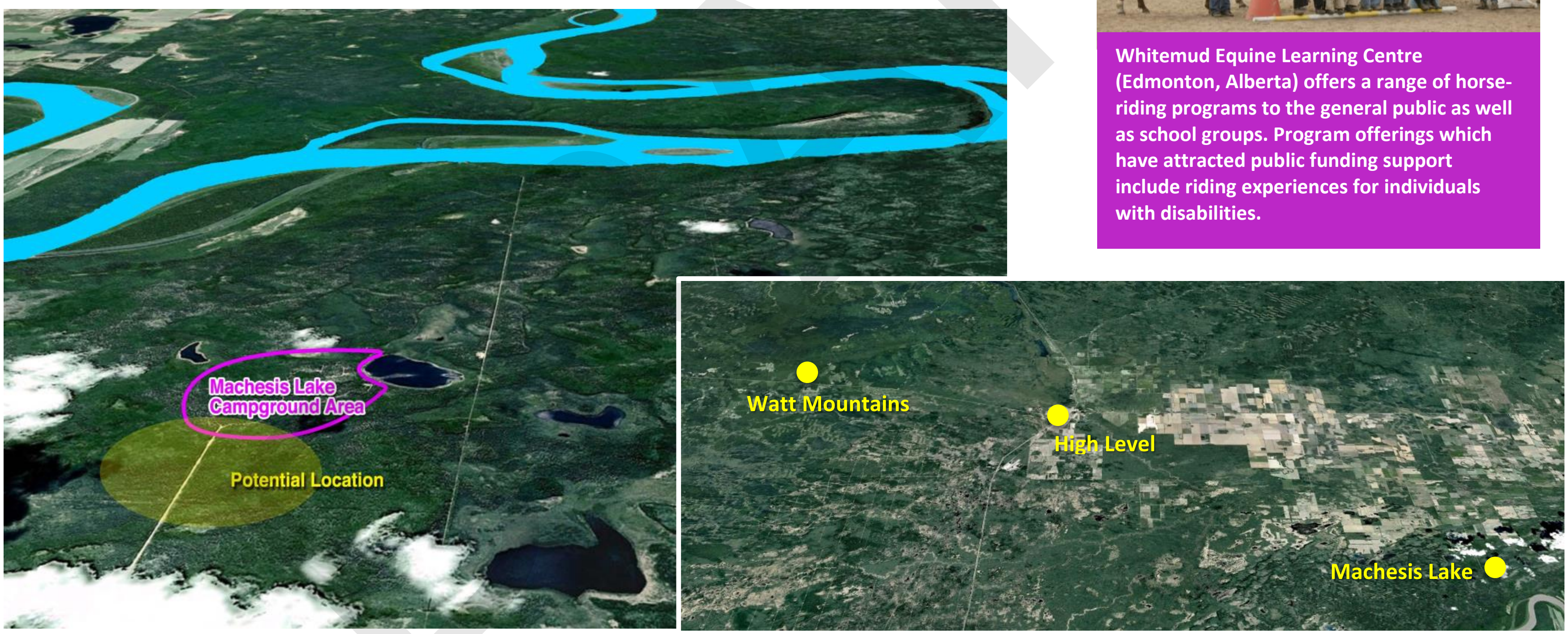
Machesis Lake, located near Fort Vermilion, offers the opportunity for the development of a horse riding school and trail riding operation. The Watt Mountain area provides another location of interest. Equine tourism in the REDI Region has largely been underrepresented. The development of a horse ranch would respond to the legitimate role of equines in the historic development of the area, as well as the present-day importance of the agricultural economy. Coupled with open spaces, long viewscapes in the heartland agricultural areas, the precise location should be carefully considered to maximize the potential for iconic horse riding trails.

Just as places such as Banff have utilized horse trekking along the river valleys surrounding the town, the iconic nature of the La Crete-Fort Vermillion corridor as the World's most northerly agricultural zone

Exhibit 34 - Whitemud Equine Learning Centre Association

Whitemud Equine Learning Centre (Edmonton, Alberta) offers a range of horse-riding programs to the general public as well as school groups. Program offerings which have attracted public funding support include riding experiences for individuals with disabilities.

Exhibit 35 - Machesis Lake Horse Ranch Potential Development Site



Map adapted by Sierra Planning and Management

(and 18 hours days in summer) provides the opportunity.

Wildhorse Mountain Ranch

This guest ranch offers horseback riding camps, trail riding and horseback adventures around Rocky Mountain House, Alberta. Visitors get to experience the rancher lifestyle. Facilities include 7 rustic cabins, teepees, a saloon, sunroom, sweatlodge, campfire area and vast open spaces.

4.5.2 Private & Community Investment Potential

Equine tourism provides an interesting opportunity for tourism development within the REDI Region. The proposed development area is located within the Driving Loop. The proposed site area is relatively accessible from Highway 58 east of High Level via gravel road. According to Mackenzie County, horseback riding is a recreational opportunity that is pursued by visitors to the area; however, there is no formal establishment which taps into this activity.

There are any number of alternative locations including the Watt Mountain area which have a significant trail network (principally for winterized travel via snowmobile) and vistas toward High Level and the Peace Valley beyond. Watt Mountain also provides additional wildlife viewing potential. Notwithstanding, the potential for associating the ranch with an existing PRA will provide a balanced range of visitor opportunities which may help stimulate demand for overnight stays as opposed to day trips to the ranch.

4.5.3 Implementation

The schematic illustration of this investment and partnership opportunity is based on the following key assumptions, all of which can be expected to vary dependent on detailed market research and financial feasibility study that will be required for this opportunity.

Opportunity #5: Machesis Lake Horse Ranch (Non-Location-Specific) Financial Proforma Summary

A. Scale of Capital Investment

Assumptions	
15-20 horse riding stables	Requires stables, office, visitor amenities and parking
Nature of Capital Investment	Full development of stables, facilities catering to the visiting public, training and programming
Additional Site Works	Paddocks, summer stables, fencing
Off-Site	Trails development
Other	Winterized internal

B. Range of Potential Capital Costs

Source	Percentage of Total Capital Costs
Site Infrastructure Cost	11%
Base Buildings Hard Construction Cost	56%
Soft Costs	7%
Furniture, Fixtures & Equipment (FF&E)	20%
Pre-opening, Marketing and Logistics Cost (allocation)	7%

C. Potential Revenue Sources

Source	Percentage of Total Revenue
Trail Riding	38%
Lessons/Clinics	29%
Therapeutic horseback riding	27%
Boarding	6%

D. Key Operating Assumptions

Operating Assumptions	
Management	1 FTE
3 General Staff	General hired labour
Instruction	Certified instructors

E. Income Statement Highlights

Year 1	
Revenues	$306,200
Expenses	($210,697)
Indicative Net Operating Income (NOI) Before Debt	$95,503

Opportunity #5: Machesis Lake Horse Ranch (Non-Location Specific) Order of Magnitude Construction Cost Estimates		
Design Metrics		
Building Area incl. offices and stables, winter paddock	5,000	sq. ft.
Outside Paddocks, training and summer stabling	10-15 acres	
Capital Costs		
Site Infrastructure Cost	$130,000	
Base Buildings Hard Construction Cost	$639,000	
Soft Costs	$76,900	
Furniture, Fixtures and Equipment (FF&E)	$229,897	
Pre-Opening Marketing Costs	$75,000	
Estimated Capital Cost Range	**$1,150,797**	

Opportunity #5: Machesis Lake Horse Ranch (Non-Location Specific)
5-Year Operating Revenue/Cost Projections

		Year 1		Year 2		Year 3		Year 4		Year 5	
Escalation (p.a.)	*3%*	*1.00*	*Percent*	*1.03*	*Percent*	*1.06*	*Percent*	*1.09*	*Percent*	*1.13*	*Percent*
Revenue											
Winter (November-April)											
Lessons/Clinics		$30,000	10%	$30,900	10%	$31,827	10%	$32,782	10%	$33,765	10%
Therapeutic Riding Programming		$33,000	11%	$33,990	11%	$35,010	11%	$36,060	11%	$37,142	11%
Boarding		$9,000	3%	$9,270	3%	$9,548	3%	$9,835	3%	$10,130	3%
Summer (May-October)											
Lessons/Clinics/Children and Youth Camps		$60,000	20%	$61,800	20%	$63,654	20%	$65,564	20%	$67,531	20%
Trail Riding		$115,200	38%	$118,656	38%	$122,216	38%	$125,882	38%	$129,659	38%
Therapeutic Riding Programming		$50,000	16%	$51,500	16%	$53,045	16%	$54,636	16%	$56,275	16%
Boarding		$9,000	3%	$9,270	3%	$9,548	3%	$9,835	3%	$10,130	3%
Total Revenue		**$306,200**	**100%**	**$315,386**	**100%**	**$324,848**	**100%**	**$334,593**	**100%**	**$344,631**	**100%**
Total Department Expenses		($119,083)	39%	($122,656)	39%	($126,336)	39%	($130,126)	39%	($134,029)	39%
Gross Profit Margin		$187,117	61%	$192,730	61%	$198,512	61%	$204,467	61%	$210,601	61%

Opportunity #5: Machesis Lake Horse Ranch (Non-Location Specific) 5-Year Operating Revenue/Cost Projections											
Undistributed (Indirect Operating) Expenses		($91,614)	30%	($94,362)	30%	($97,193)	30%	($100,109)	30%	($103,112)	30%
Total Expenses (Excl. Debt)		($210,697)	69%	($217,018)	69%	($223,529)	69%	($230,235)	69%	($237,142)	69%
Net Operating Income (NOI) Before Debt		**$95,503**	31%	**$98,368**	31%	**$101,319**	31%	**$104,358**	31%	**$107,489**	31%

4.6 Opportunity #6: Upgraded RV Sites at Fox Haven Golf & Country Club, Fort Vermilion Bridge Campground and Hutch Lake Campground

The RV market will remain a staple of the tourism sector in northern Alberta. The REDI region should ensure that its portfolio of RV camping provides adequate, higher quality locations to meet the ongoing demand and to effectively compete with RV camping opportunities located just outside of Mackenzie County. RV campsites can occupy locations close to waterbodies and other key natural features which make the sites somewhat of a destination while other locations clearly function as a support base to other activities such as golf, or are simply located in areas which allow for easy pull-off from the highway for those engaged in long-haul RV travel.

Criteria	Does the Opportunity Meet Criteria?	Criteria	Does the Opportunity Meet Criteria?
Does the project conform with the regional destination area opportunities?	✓	Does the project lend itself to innovative off-season programming?	✓
Is the project located close to a substantial local/regional market and/or on a major travel corridor and/or easily accessible to national/international target markets?	✓	Is it likely to be a catalyst for other private sector investment in development of complementary generator or support attractions, facilities and services?	
Does the project have a clear master plan or is it part of a larger master plan that will permit phased development?	✓	Are the necessary support services in place to support initial development of the project?	✓
Will the project be effective in expanding the critical mass of attractions/support services in the destination area?		Is there an existence tourism/accommodation operation(s) which can benefit from investment/renewal/expansion?	✓
Does the project capitalize on inherent strengths and/or unique qualities of its regional location?	✓	Is a site identified which offers significant potential?	✓
Does the project properly recognize expected quality of product to achieve strong value in the eyes of the target markets?	✓	Are there limited regulatory hurdles to implement the project?	✓
Does the project lend itself to formulation of strong partnerships and coordination with other stakeholders in the destination area?	✓	Is there an existence of qualified and experienced owners/operators?	✓
Is there likely to be strong local support and commitment for the project?	✓	Can this project be implemented (contingent on investment) in the short-term?	✓
Will the project effectively capitalize on current/identified market trends?	✓		

4.6.1 The Opportunity

RV Park and Campground	Amenities and Recreation Opportunity	Operator
Fox Haven Golf & Country Club	▪ 18-hole golf course ▪ Clubhouse ▪ Restaurant (The Bunker) ▪ The Pro Shop ▪ Campground ○ 10 serviced sites ○ 12 unserviced sites	Fox Haven Golf & Country Club Society
Fort Vermilion Bridge Campground	▪ 10 unserviced overnight and day use sites (inclusive of fire pits and picnic tables ▪ Shelter area ▪ Swings ▪ ATV trails ▪ fishing	Mackenzie County (administered by ATPR as a Provincial Recreation Area)
Hutch Lake Campground & Day Use Area	▪ 13 unserviced overnight and 4 day use sites (inclusive of fire pits and picnic tables) ▪ Boat dock and launch ▪ Beach ▪ Fishing ▪ Horseshoe pits ▪ Trails ▪ Playground ▪ Shelter area ▪ RV dump station	Mackenzie County and the Town of High Level

Various locations throughout the REDI Region offer the potential for the expansion and redevelopment of facilities to include an increased number of serviced sites. The identified locations for serviced sites include:

- Fox Haven Golf & Country Club – 3 km north of High Level;
- Fort Vermilion Bridge Campground – 10 km northwest of Fort Vermilion, northeast of the Fort Vermilion Bridge; and
- Hutch Lake Campground & Day Use Area – 35 km north of High Level, west of Hutch Lake.

(See table for an inventory amenities and recreation opportunities at these three facilities).

An opportunity exists for the development of serviced sites within the identified RV parks and campgrounds. Development is modest enhancement of the existing offer:

- Fox Haven Golf & Country Club – addition of 30 serviced sites on the current unserviced site section of the campgrounds;
- Fort Vermilion Bridge Campground – addition of 20 serviced sites and conversion of 10 unserviced sites to serviced; and
- Hutch Lake Campground & Day Use – addition of 20 serviced sites and conversion of 13 unserviced sites to serviced.

4.6.2 Private & Community Investment Potential

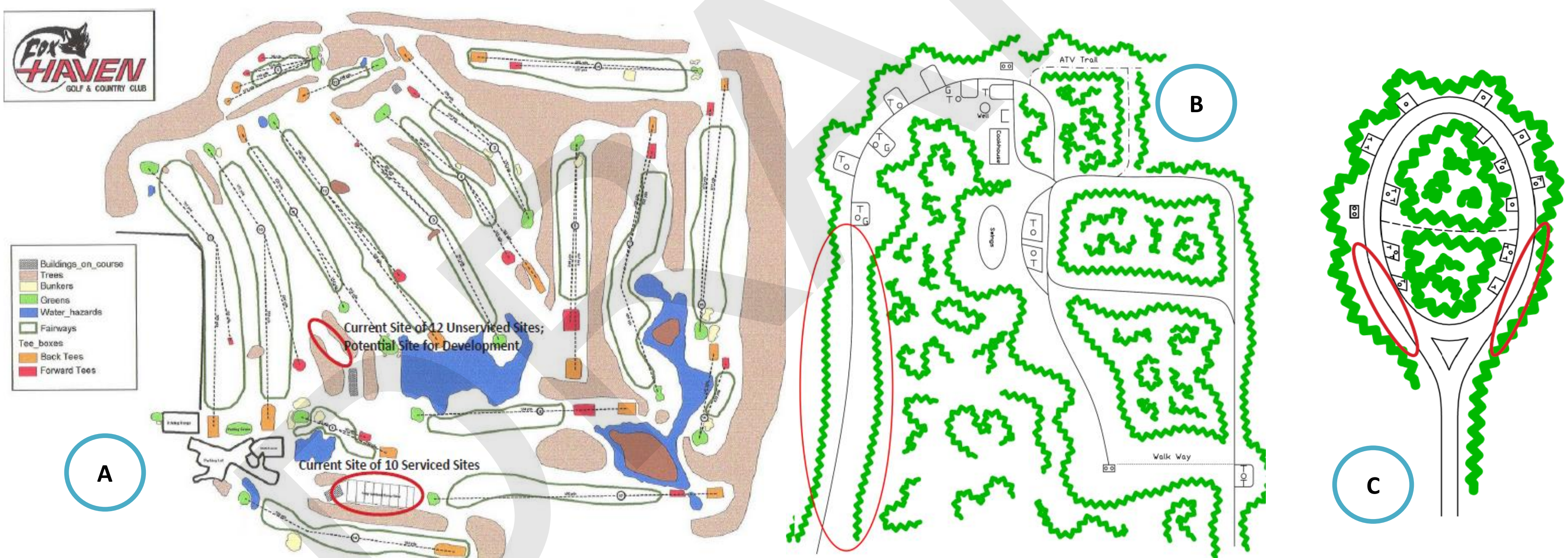
Our detailed research contained Section 3.0 indicates the importance of the RV market. This series of investment opportunities should be actively pursued by stakeholders in the REDI Region as a key means of renewing tourism infrastructure in the near-term.

These projects are incremental additions. The reality is that a number of the RV parks cater predominantly to the transient workforce in sectors such as oil, gas and forestry. These parks do not have a clear "tourism" mandate to cater to travelling domestic vacationers, weekend getaway markets or the significant international touring market. A number of new RV locations could be opened up but these will likely represent longer-term opportunities. In the short-term, RV campground expansion represents a viable and cost-effective means to improve the supply of RV sites which provide destination experiences.

725 km south of Yellowknife, NWT and 733 km north of Edmonton (roughly an 11 hour drive to and an eight hour drive to Edmonton from High Level) –the Region is a natural breakpoint for pass-through traffic.

Regional stakeholders identified that there is generally a lack of serviced sites for RVers. This has led to visitors resting in parking lots not designed for RVs,

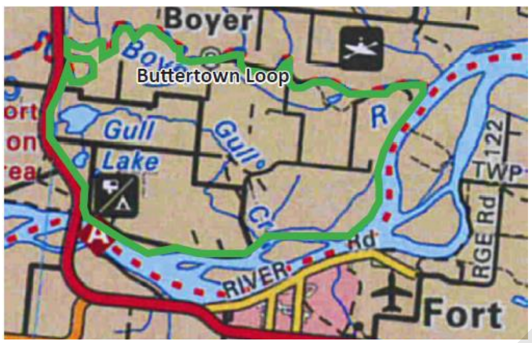
Exhibit 36 - Potential Sites for Development at Fox Haven Golf & Country Club, Fort Vermilion Bridge Campground and Hutch Lake Campground



a) Fox Haven Golf & Country Club
b) Fort Vermilion Bridge Campground
c) Hutch Lake Campground

Maps Adapted by Sierra Planning and Management unserviced campsites or not stopping in the County. Regional stakeholders also identified that campsites along Mackenzie Highway tend to be full, especially in the summer, representing demand for serviced facilities. These campgrounds are relatively closely located to the Mackenzie Highway.

Exhibit 38 - Buttertown Loop



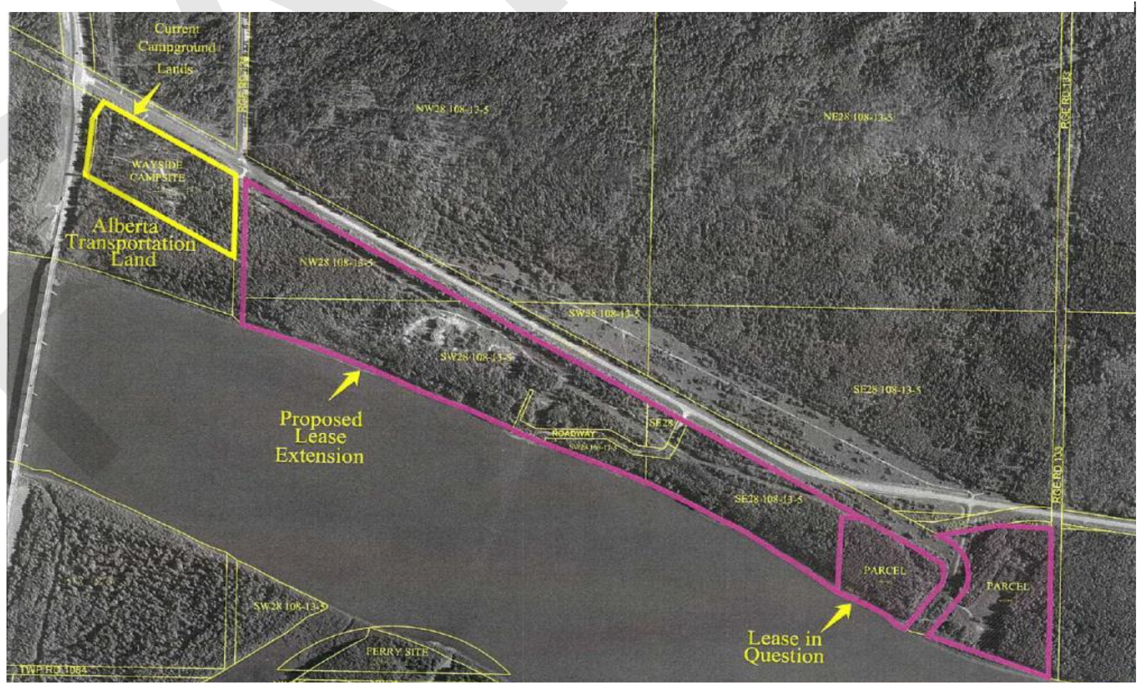
Map adapted by Sierra Planning and Management

Fox Haven Golf & Country Club Society expressed interest in expanding the campgrounds to include more serviced sites. According to the Society, development would occur within the current location of the unserviced sites. Currently there is room for 10-14 additional sites.

Fort Vermilion Bridge Campground is located along the Buttertown Loop. The campground is operated by Mackenzie County under a lease with ATPR. Currently the County is seeking to expand its lease with ATPR to a broader area along the Peace River. This expansion would occur east of the current location of the campground. If the proposed lease extension is approved, the current potential development site could be located in the extended campground. Contingent on the Park's extension, this opportunity could also link the assets found in the Buttertown Loop through effective packaging and promotion (complementary to Opportunity #4). These assets include:

- Buttertown (North Vermilion) – Located across the Peace River from Fort Vermilion, this community engaged in trade with the Hudson's Bay Company; and
- Historic sites such as the St. Louis Roman Catholic Church.

Exhibit 37 - Fort Vermilion Bridge Campground Proposed Extension



Source: Mackenzie County (2013)

According to Mackenzie County, visitor statistics were not available for Fort Vermilion Bridge Campground as there is no caretaker. Visitor statistics for day and overnight use from 2009 to 2012[7] indicate that there has been increased usage of the Hutch Lake Campground facilities in recent years.

Exhibit 39 – Hutch Lake Campground 2009, 2011 and 2012 Day and Overnight Usage (Number of Users)

2009	2011	2012	
Day Use	630	3056	5039
Overnight Use	425	332	752
Total	1055	3388	5791

Source: Mackenzie County (2013)

[7] 2010 Hutch Lake Campground and Day Use visitor statistics were not available.

4.6.3 Implementation

The schematic financial performance of the additional development is based on the following framework of development and operating assumptions. The conversion of unserviced sites to serviced represents an additional capital costs. For each campground, the operating estimates below are based on the combined operation of the existing and additional camp sites.

Opportunity #6a: Upgraded RV Sites at Fox Haven Golf & Country Club
Financial Proforma Summary

A. Scale of Capital Investment

Assumptions	
New Building	30 Additional Serviced Sites
Ancillary Services	Central Washroom Facility
Road access	Internal access only (external access exists)
Existing RV sites	Included in Business Opportunity: 10 serviced and 12 unserviced pads

B. Range of Potential Capital Costs

Source	Total Capital Costs
Site Infrastructure Costs + Buildings	$607,000
Design and Soft Cost	$113,550
Furniture, Fixtures & Equipment (FF&E)	$20,000

C. Key Revenue Assumptions

Revenue Assumptions	
Operating Season	6 months (May-October)
Average Daily Rate (ADR)	Daily $30; Weekly $25/night
Effective Seasonal Occupancy Rate	59%
Types of Ancillary Revenue	Rentals; Grocery/Convenience Retail (net); Other

D. Potential Revenue Sources

Source	Percentage of Total Revenues
Pad Revenue- Serviced	70%
Pad Revenue - Unserviced	17%
Ancillary - Revenues to Golf Course	13%

E. Key Operating Assumptions

Operating Assumptions	
General Staff	1
Security/Overnight Desk Duty	1

F. Income Statement Highlights

Year 1	
Revenues	$204,677
Expenses	($128,209)
Indicative Net Operating Income (NOI)	$76,468

Opportunity #6a: Upgraded RV Sites at Fox Haven Golf & Country Club Order of Magnitude Construction Cost Estimates						
Design Metrics						
No. of Units		30				
Estimated Gross Floor Area (GFA)		217,801	sq. ft.	20234	sq. m.	
Capital Costs						
Site Infrastructure Cost		$607,000				
Design and Soft Cost	15.00%	$113,550				
Furniture, Fixtures & Equipment (FF&E)		$20,000				
Estimated Capital Cost		**$890,550**			**$29,685**	**Per Pad**

Opportunity #6a: Upgraded RV Sites at Fox Haven Golf & Country Club 5-Year Operating Revenue/Cost Projections		Year 1		Year 2		Year 3		Year 4		Year 5	
Escalation (p.a.)	*3%*	*1.00*	*Percent*	*1.03*	*Percent*	*1.06*	*Percent*	*1.09*	*Percent*	*1.13*	*Percent*
Revenue											
Pad Revenue - Serviced		$142,447	70%	$146,720	70%	$151,122	70%	$155,656	70%	$160,325	70%
Pad Revenue - Unserviced		$34,964	17%	$36,013	17%	$37,094	17%	$38,206	17%	$39,353	17%
Ancillary Revenues to Golf Course:		$27,266	13%	$28,084	13%	$28,927	13%	$29,795	13%	$30,688	13%
Total Revenue		$204,677	100%	$210,818	100%	$217,142	100%	$223,656	100%	$230,366	100%
Expenses											
Department Expenses		($18,500)	9%	($19,055)	9%	($19,627)	9%	($20,215)	9%	($20,822)	9%
Gross Profit Margin		$186,177	91%	$191,763	91%	$197,516	91%	$203,441	91%	$209,544	91%
Undistributed (Indirect Operating) Expenses		($109,709)	54%	($113,000)	54%	($116,390)	54%	($119,882)	54%	($123,478)	54%
Total Expenses (Excl. Debt)		($128,209)	63%	($132,055)	63%	($136,017)	63%	($140,097)	63%	($144,300)	63%
Net Operating Income (NOI) Before Debt		$76,468	37%	$78,762	37%	$81,125	37%	$83,559	37%	$86,066	37%

Opportunity #6b: Upgraded RV Sites at Fort Vermilion Bridge Campground
Financial Proforma Summary

A. Scale of Capital Investment

Assumptions	
New Building	17 Additional Serviced Sites
Ancillary Services	Central washroom facility
Road access	Internal access only (external access exists)
Existing RV sites	Included in Business Opportunity: 13 unserviced pads

B. Range of Potential Capital Costs

Source	Total Capital Costs
Site Infrastructure Costs + Buildings	$457,000
Design and Soft Cost	$85,425
Furniture, Fixtures & Equipment (FF&E)	$15,000

C. Key Revenue Assumptions

Revenue Assumptions	
Operating Season	6 months (May-October)
Average Daily Rate (ADR)	Daily $30; Weekly $25/night
Effective Seasonal Occupancy Rate	52%
Types of Ancillary Revenue	Rentals; Grocery/Convenience Retail (net); Other

D. Potential Revenue Sources

Source	Percentage of Total Revenues
Pad Revenue - New Pads (serviced)	56%
Pad Revenue - Existing (converted to serviced)	28%
Ancillary	16%

E. Key Operating Assumptions

Operating Assumptions	
General Staff/Caretaker	1 Full Time Equivalent (FTE) Seasonal Position

F. Income Statement Highlights

	Range
Revenues	$130,636
Expenses	($84,950)
Indicative Net Operating Income (NOI)	$45,686

Opportunity #6b: Upgraded RV Sites at Fort Vermilion Bridge Campground Order of Magnitude Construction Cost Estimates					
Design Metrics					
No. of Units		20			
Estimated Gross Floor Area (GFA)		145,201	sq. ft.	13490	sq. m.
Capital Costs					
Site Infrastructure Cost		$457,000	Includes Conversion of Existing Pads to Serviced		
Design and Soft Cost	15.00%	$85,425			
Furniture, Fixtures & Equipment		$15,000			
Estimated Capital Cost		**$669,925**		**$30,622**	**Per New Pad Only (20 pads)**

Opportunity #6b: Upgraded RV Sites at Fort Vermilion Bridge Campground 5-Year Operating Revenue/Cost Projections											
		Year 1		Year 2		Year 3		Year 4		Year 5	
Escalation (p.a.)	*3%*	*1.00*	*Percent*	*1.03*	*Percent*	*1.06*	*Percent*	*1.09*	*Percent*	*1.13*	*Percent*
Revenue											
Pad Revenue -New Pads (serviced)		$72,765	56%	$74,948	56%	$77,196	56%	$79,512	56%	$81,897	56%
Pad Revenue - Existing (converted to serviced)		$36,382	28%	$37,474	28%	$38,598	28%	$39,756	28%	$40,949	28%
Ancillary		$21,489	16%	$22,134	16%	$22,798	16%	$23,482	16%	$24,186	16%
Total Revenue		$130,636	100%	$134,555	100%	$138,592	100%	$142,749	100%	$147,032	100%
Expenses											
Department Expenses		($15,000)	11%	($15,450)	11%	($15,914)	11%	($16,391)	11%	($16,883)	11%
Gross Profit Margin		$115,636	89%	$119,105	89%	$122,678	89%	$126,359	89%	$130,149	89%
Undistributed (Indirect Operating) Expenses		($69,950)	54%	($72,049)	54%	($74,210)	54%	($76,437)	54%	($78,730)	54%
Total Expenses (Excl. Debt)		($84,950)	65%	($87,499)	65%	($90,124)	65%	($92,828)	65%	($95,612)	65%
Net Operating Income (NOI) Before Debt		$45,686	35%	$47,056	35%	$48,468	35%	$49,922	35%	$51,420	35%

Opportunity #6c: Upgraded RV Sites at Hutch Lake Campground
Financial Proforma Summary

A. Scale of Capital Investment

Assumptions	
New Building	17 Additional Serviced Sites
Ancillary Services	Central Washroom Facility
Road access	Internal access only (external access exists)
Existing RV sites	Included in Business Opportunity: 13 unserviced pads

B. Range of Potential Capital Costs

Source	Total Capital Costs
Site Infrastructure Costs + Buildings	$427,000
Design and Soft Cost	$75,300
Furniture, Fixtures & Equipment (FF&E)	$10,000

C. Key Revenue Assumptions

Revenue Assumptions	
Operating Season	6 months (May-October)
Average Daily Rate (ADR)	Daily $30; Weekly $25/night
Effective Seasonal Occupancy Rate	52%
Types of Ancillary Revenue	Rentals; Grocery/Convenience Retail (net); Other

D. Key Operating Assumptions

Operating Assumptions	
General Staff/Caretaker	1 FTE Seasonal Position

E. Potential Revenue Sources

Source	Percentage of Total Revenues
Pad Revenue - New Pads (serviced)	47%
Pad Revenue - Existing (converted to serviced)	36%
Ancillary	16%

F. Income Statement Highlights

Year 1	
Revenues	$130,636
Expenses	($83,622)
Indicative Net Operating Income (NOI)	$47,014

Opportunity #6c: Upgraded RV Sites at Hutch Lake Campground Order of Magnitude Construction Cost Estimates					
Design Metrics					
No. of Units		17			
Estimated Gross Floor Area (GFA)		123,421	sq. ft.	11466	sq. m.
Capital Costs					
Site Infrastructure Cost		$427,000	Includes Conversion of Existing Pads to Serviced		
Design and Soft Cost	15.00%	$75,300			
Furniture, Fixtures & Equipment (FF&E)		$10,000			
Estimated Capital Cost		**$587,300**		**$29,135**	**Per New Pad Only (17 pads)**

Opportunity #6c: Upgraded RV Sites at Hutch Lake Campground 5-Year Operating Revenue/Cost Projections		Year 1		Year 2		Year 3		Year 4		Year 5	
Escalation (p.a.)	*3%*	*1.00*	*Percent*	*1.03*	*Percent*	*1.06*	*Percent*	*1.09*	*Percent*	*1.13*	*Percent*
Revenue											
Pad Revenue -New Pads (serviced)		$61,850	47%	$63,705	47%	$65,617	47%	$67,585	47%	$69,613	47%
Pad Revenue - Existing (converted to serviced)		$47,297	36%	$48,716	36%	$50,177	36%	$51,683	36%	$53,233	36%
Ancillary		$21,489	16%	$22,134	16%	$22,798	16%	$23,482	16%	$24,186	16%
Total Revenue		$130,636	100%	$134,555	100%	$138,592	100%	$142,749	100%	$147,032	100%
Expenses											
Department Expenses		($15,000)	11%	($15,450)	11%	($15,914)	11%	($16,391)	11%	($16,883)	11%
Gross Profit Margin		$115,636	89%	$119,105	89%	$122,678	89%	$126,359	89%	$130,149	89%
Undistributed (Indirect Operating) Expenses		($68,622)	53%	($70,681)	53%	($72,801)	53%	($74,985)	53%	($77,235)	53%
Total Expenses (Excl. Debt)		($83,622)	64%	($86,131)	64%	($88,715)	64%	($91,376)	64%	($94,118)	64%
Net Operating Income (NOI) Before Debt		$47,014	36%	$48,424	36%	$49,877	36%	$51,373	36%	$52,914	36%

4.7 Opportunity #7: La Crete Bed and Breakfast/Inn

Demand and investor interest exists for the development of character accommodations in the Hamlet of La Crete.

Criteria	Does the Opportunity Meet Criteria?	Criteria	Does the Opportunity Meet Criteria?
Does the project conform with the regional destination area opportunities?	✓	Does the project lend itself to innovative off-season programming?	
Is the project located close to a substantial local/regional market and/or on a major travel corridor and/or easily accessible to national/international target markets?	✓	Is it likely to be a catalyst for other private sector investment in development of complementary generator or support attractions, facilities and services?	
Does the project have a clear master plan or is it part of a larger master plan that will permit phased development?		Are the necessary support services in place to support initial development of the project?	
Will the project be effective in expanding the critical mass of attractions/support services in the destination area?		Is there an existence tourism/accommodation operation(s) which can benefit from investment/renewal/expansion?	✓
Does the project capitalize on inherent strengths and/or unique qualities of its regional location?	✓	Is a site identified which offers significant potential?	
Does the project properly recognize expected quality of product to achieve strong value in the eyes of the target markets?	✓	Are there limited regulatory hurdles to implement the project?	
Does the project lend itself to formulation of strong partnerships and coordination with other stakeholders in the destination area?		Is there an existence of qualified and experienced owners/operators?	
Is there likely to be strong local support and commitment for the project?	✓	Can this project be implemented (contingent on investment) in the short-term?	✓
Will the project effectively capitalize on current/identified market trends?	✓		

4.7.1 The Opportunity

Example of Authentic Character Branding: Patricia Hotel

The Patricia Hotel is an authentic bar, restaurant and local inn, located close to Dinosaur Provincial Park in southern Alberta. Famous for its authentic décor of western cowboy bar, the hotel has a region-wide reputation as a "must-experience" example of authentic western saloon style, food and ranching communities. Authenticity creates its own marketing.

An opportunity exists for the development of a character style bed and breakfast/small inn facility in La Crete. Regional consultation identified private sector interest in such type of development in the area. La Crete is well-positioned to attract the market of German RVers travelling the Deh Cho Travel Connection. This opportunity is proposed to include:

- 10-room guest house;
- Bed and breakfast style with breakfast included;
- Evening restaurant; and variety of potential character themes: 20th Century settlement, German and Mennonite cultural / familial traditions, northern character.

4.7.2 Private & Community Investment Potential

As a predominantly Mennonite community, La Crete can justifiably develop an authentic accommodation that stands apart from the existing hotel base in town (2 hotels). Whether this in on acreage out-of-town or within the main urban area is dependent on the resources that a willing landowner/investor is prepared to bring forward. The community is another natural breakpoint in a relaxed travel route along the Drive Loop. The opportunity for a rustic inn is furthered by the authentic nature of the community itself which is very much a market town and social hub for the farming community as well as an agricultural industry service centre.

The main hotel in town (La Crete Motel) has recently expanded in response to sustained demand primarily from business related travel and VFR tourism (visiting friends and relatives). In addition, earlier plans for hotel investment failed to materialize despite evident demand. La Crete is one of the fastest growing communities in the north of the Province; and with the completion of the paving of Highway 88, demand for accommodations can be expected to increase.

Churchtown Inn Bed & Breakfast

Churchtown Inn and Bed & Breakfast is located in Amish Country in Pennsylvania. In addition to the Inn and B&B, accommodations are also inclusive of two cottage rentals: the Covered Bridge Cottage and the Farmview Cottage. The rooms are themed and reflect local cultural aspects.

4.7.3 Implementation

The schematic assessment of capital cost and operating performance of a medium-scaled character inn is set out below. The premise is a year-round operation with higher-end dining capability for guests and local residents. The location in the La Crete area (in Hamlet, on an acreage or as part of an existing farming enterprise) will reflect the nature of the opportunity, scale of operation and whether full-service inn or a more modest B&B style. A location in proximity to the Heritage Centre will maximize marketing potential. It is likely that demand exists, and will fortify over time, for several such operations to locate in the La Crete- Fort Vermilion corridor.

Opportunity #7: La Crete Bed and Breakfast/Inn
Financial Proforma Summary

A. Scale of Capital Investment

Assumptions	
New Build	Assume 100% New Build
Rooms	10
Common Area	Restaurant; Lounge; meeting space

B. Range of Potential Capital Costs

Source	Total Capital Costs
Site Infrastructure Cost	$52,000
Building	$1,345,400
Furniture, Fixtures & Equipment (FF&E)	$193,077

C. Key Revenue Assumptions

Revenue Assumptions	
Operating Season	12 months
Average Daily Rate (ADR)	Summer (May-October): $175; Winter (November-April): $100
Effective Annual Occupancy Rate	65%
RevPAR	$57,775

E. Potential Revenue Sources

Source	Percentage of Total Revenue
Rooms	60%
Food and Beverage	35%
Ancillary (Art sites, other)	5%

D. Key Operating Assumptions

Operating Assumptions (FTE)	
Manager Owner	1
General Staff	1
Housekeeping	3
Restaurant Staffing	2

F. Income Statement Highlights

Year 1	
Revenues	$577,752
Expenses	($475,304)
Indicative Net Operating Income (NOI)	$102,448

Opportunity #7: La Crete Bed and Breakfast/Inn Order of Magnitude Construction Cost Estimates					
Design Metrics					
No. Of Rooms		10			
Finished Interior Area		7,000	sq. ft.	650	sq. m.
Estimated Gross Floor Area (GFA)		7,000	sq. ft.	650	sq. m.
Capital Costs					
Site Infrastructure Cost		$52,000			
Base Buildings Hard Construction Cost		$1,050,000			
Soft Costs	20%	$220,400			
Furniture, Fixtures and Equipment (FF&E)		$193,077			
Pre-opening, Marketing and Logistics Cost (allocation)		$75,000			
Estimated Capital Cost Range		**$1,590,477**			

**Note: Excludes land cost*

Opportunity #7: La Crete Bed and Breakfast/Inn 5-Year Operating Revenue/Cost Projections											
		Year 1		Year 2		Year 3		Year 4		Year 5	
Escalation (p.a.)	*3%*	*1.00*	*Percent*	*1.03*	*Percent*	*1.06*	*Percent*	*1.09*	*Percent*	*1.13*	*Percent*
Revenue											
Room Revenue		$348,275	60%	$358,723	60%	$369,485	60%	$380,569	60%	$391,987	60%
Winter (November-April)											
Number of Rooms		10		10		10		10		10	
Available Room Nights		181		181		181		181		181	
Average Daily Rate (ADR)		$100		$103		$106		$109		$113	
Effective Seasonal Occupancy Rate		50%		50%		50%		50%		50%	
Summer (May-October)											
Number of Rooms		10		10		10		10		10	
Available Room Nights		184		184		184		184		184	
Average Daily Rate (ADR)		$175		$180		$186		$191		$197	
Effective Seasonal Occupancy Rate		80%		80%		80%		80%		80%	
RevPAR		$57,775		$59,508		$61,294		$63,133		$65,026	
Ancillary Revenue											

Opportunity #7: La Crete Bed and Breakfast/Inn 5-Year Operating Revenue/Cost Projections											
		Year 1		Year 2		Year 3		Year 4		Year 5	
Escalation (p.a.)	*3%*	*1.00*	*Percent*	*1.03*	*Percent*	*1.06*	*Percent*	*1.09*	*Percent*	*1.13*	*Percent*
Food and Beverage (Evening Restaurant)		$200,941	35%	$206,969	35%	$213,178	35%	$219,574	35%	$226,161	35%
Art Sides, Other		$28,536	5%	$29,392	5%	$30,274	5%	$31,182	5%	$32,118	5%
Total Revenue		**$577,752**	**100%**	**$595,085**	**100%**	**$612,937**	**100%**	**$631,325**	**100%**	**$650,265**	**100%**
Total Department Expenses		($282,181)	49%	($290,646)	49%	($299,365)	49%	($308,346)	49%	($317,597)	49%
Gross Profit Margin		$295,572	51%	$304,439	51%	$313,572	51%	$322,979	51%	$332,668	51%
Undistributed (Indirect Operating) Expenses		($193,124)	33%	($198,917)	33%	($204,885)	33%	($211,031)	33%	($217,362)	33%
Total Expenses (Excl. Debt)		($475,304)	82%	($489,563)	82%	($504,250)	82%	($519,378)	82%	($534,959)	82%
Net Operating Income (NOI) Before Debt		**$102,448**	18%	**$105,521**	18%	**$108,687**	18%	**$111,948**	18%	**$115,306**	18%

4.8 Opportunity #8: La Crete Ferry Campground Expansion

The La Crete Ferry Campground at Tompkins Landing is a highly strategic site. It is recommended that Mackenzie Frontier Tourist Association strengthen the tourism opportunities in this area (accommodation options as well as activities) because of the "gateway" role of the Landing. Indeed, consideration should be given to developing an iconic gateway, made from natural materials and designed in the local vernacular. This should be located alongside a seasonal visitor information post created as part of the Drive Loop. As with other opportunities, this entrance and exit from the County is the opportunity to establish an authentic brand to the traveler.

Criteria	Does the Opportunity Meet Criteria?	Criteria	Does the Opportunity Meet Criteria?
Does the project conform with the regional destination area opportunities?	✓	Does the project lend itself to innovative off-season programming?	
Is the project located close to a substantial local/regional market and/or on a major travel corridor and/or easily accessible to national/international target markets?	✓	Is it likely to be a catalyst for other private sector investment in development of complementary generator or support attractions, facilities and services?	
Does the project have a clear master plan or is it part of a larger master plan that will permit phased development?	✓	Are the necessary support services in place to support initial development of the project?	
Will the project be effective in expanding the critical mass of attractions/support services in the destination area?	✓	Is there an existence tourism/accommodation operation(s) which can benefit from investment/renewal/expansion?	✓
Does the project capitalize on inherent strengths and/or unique qualities of its regional location?	✓	Is a site identified which offers significant potential?	✓
Does the project properly recognize expected quality of product to achieve strong value in the eyes of the target markets?	✓	Are there limited regulatory hurdles to implement the project?	✓
Does the project lend itself to formulation of strong partnerships and coordination with other stakeholders in the destination area?	✓	Is there an existence of qualified and experienced owners/operators?	✓
Is there likely to be strong local support and commitment for the project?	✓	Can this project be implemented (contingent on investment) in the short-term?	✓
Will the project effectively capitalize on current/identified market trends?	✓		

4.8.1 The Opportunity

The La Crete Ferry Campground is a RV park and campsite located on the eastern banks of the Peace River south of Highway 697. The campground is operated by the La Crete Ferry Campground Society under a lease with Mackenzie County.

In 2010, the La Crete Ferry Campground Society received federal funding of $117,676 through the Community Adjustment Fund and an additional

$50,000 in funding from Mackenzie County in support of Phase 3 construction of 34 campsites and enhancement of existing amenities. This project was completed in the summer of 2010. The campground currently includes the following amenities:

- 104 sites; 64 powered sites; 40 non-powered sites; 2 group use areas;
- Dock;
- Day use area; RV dump station;
- Shelter; and
- Caretaker on site.

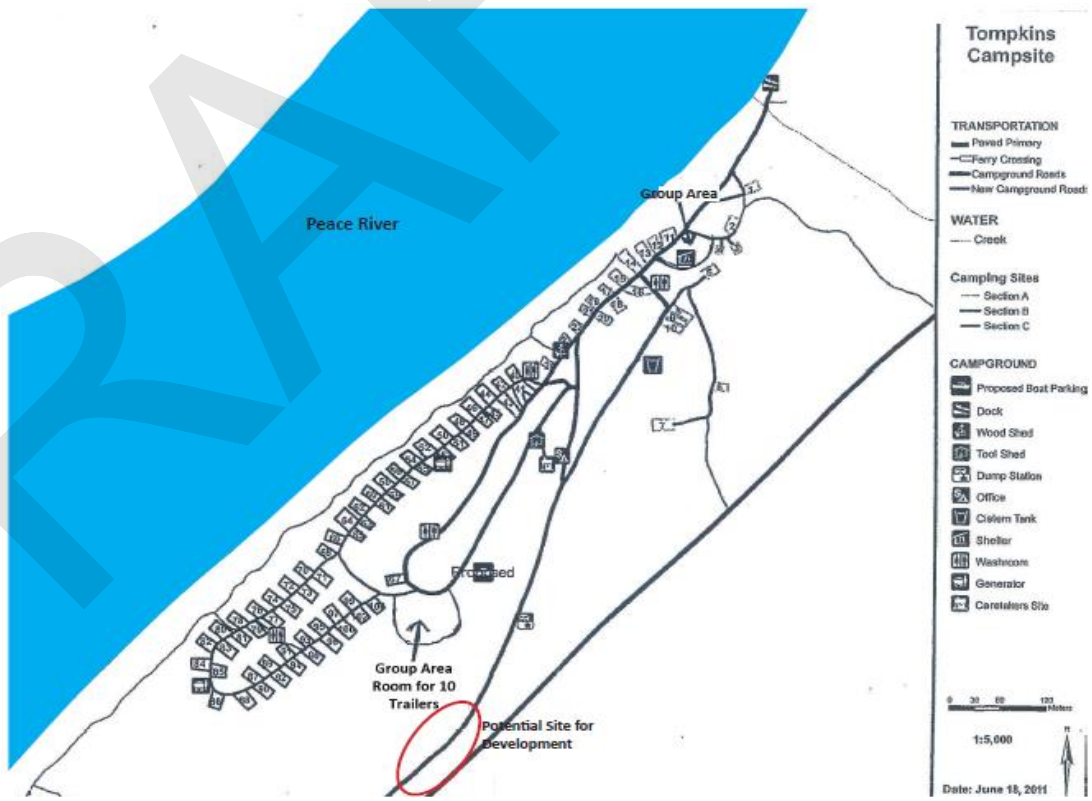
According to the La Crete Ferry Campground Society, the opportunity exists for the development of basic cabins. Based on research conducted by the consultant team, the recent expansion of the campground is sufficient in the short-term given the nature of the site and its existing constraints. The location on the banks of the Peace River, in proximity to the crossing and principal roads leading to the Mackenzie Highway and La Crete/Fort Vermilion suggest that demand may exist for a modest destination style development . This should comprise 10 or more basic wooden (log) cabins, self-catered, with views to the River and spaced to enable sufficient privacy. Cabins should include water, sanitary and electricity supply. All other services are provided as part of the broader campground.

4.8.2 Private & Community Investment Potential

The La Crete Ferry is the most northerly located of the seven ferries throughout the Province of Alberta. The ferry crossing began at Tompkins Landing in 1961 when the suspension bridge replaced the ferry at Dunvegan.

The campground location on the shores of the Peace River with access from the La Crete Ferry provides easy accessibility along Highway 697 mixed with a uniquely

Exhibit 40 - La Crete Ferry Campground Potential Site for Development



Map Adapted by Sierra Planning and Management

and relatively remote experience for visitors to the area. The campground is located approximately 68 km southeast of La Crete and 78 km south of High Level. The area further provides cultural and historical significance to visitors along the Drive Loop which mirrors the early First Nations, Métis, Mennonite and European settlers hunting and trading patterns (see Opportunity #4 for more detail).

Recent development to the campground provides an indication of site utilization. According to the La Crete Ferry Campground Society, on average 50-60 sites are used during summer weekends (50%-60% occupancy with potential to peak as high as 75%). According to Alberta Transportation, the annual average daily traffic (AADT) heading east over the La Crete Ferry was around 380-390 vehicles during the summer of 2012.

4.8.3 Implementation

A discrete suite of 10 log cabins operated as a concession would likely have an operating yardstick similar to the results set out below. The opportunity exists to grant a ground lease or other license/partnership or joint venture between the land owner (Mackenzie County) and a private investor providing both the capital and operator. The operator would be required to maintain the units at an agreed level of service and ensure all County policies and regulations are enforced. Alternatively, this opportunity could be funded by the County or the current lessee (La Crete Ferry Campground Society) and operated by the Society under a third-party management agreement or via a concession.

Opportunity #8: La Crete Ferry Campground Expansion
Financial Proforma Summary

A. Scale of Capital Investment

Assumptions	
New Development	10 Rustic Cabins
Accommodates 5 people each	Average of 2-4 persons through season
Site preparation	Minor
Services	Basic Provisions - Electricity provided; Central Washrooms

B. Range of Potential Capital Costs

Source	Total Capital Costs
Infrastructure	$110,000
Buildings	$471,625
FF&E Central Facility and Ancillary Facility	$50,000

C. Key Revenue Assumptions

Revenue Assumptions	
Operating Season	7 months (April-October)
Average Daily Rate (ADR)	$110
Effective Seasonal Occupancy Rate	69%
Types of Ancillary Revenue	Store/Convenience retail; Rentals; Tackle/other

D. Potential Revenue Sources

Source	Percentage of Total Revenues
Cabins - Peak Season (July-August)	54%
Cabins - (May, June, Sept., Oct.)	29%
Ancillary Revenue	17%

E. Key Operating Assumptions

Operating Assumptions	
Manager/General Staff	1
Housekeeping	Basic
Office	Included - separate from existing campground

F. Income Statement Highlights

Year 1	
Revenues	$101,140
Expenses	($59,630)
Indicative Net Operating Income (NOI)	$41,510

Opportunity #8: La Crete Ferry Campground Expansion Order of Magnitude Construction Cost Estimates					
Design Metrics					
No. of Units		10			
GFA per Unit		500	sq. ft.		
Finished Interior Area		5,000	sq. ft.	465	sq. m.
Estimated Gross Floor Area (GFA)		5,000	sq. ft.	465	sq. m.
Capital Costs					
Site Infrastructure Costs		$110,000			
Base Building Hard Construction Cost		$418,750			
Sub-Total Design and Soft Costs	20.00%	$52,875			
Furniture, Fixtures & Equipment (FF&E)		$50,000			
Estimated Capital Cost Range		**$631,625**			

Opportunity #8: La Crete Ferry Campground Expansion 5-Year Operating Revenue/Cost Projections		Year 1		Year 2		Year 3		Year 4		Year 5	
Escalation (p.a.)	*3%*	*1.00*	*Percent*	*1.03*	*Percent*	*1.06*	*Percent*	*1.09*	*Percent*	*1.13*	*Percent*
Revenue											
Cabins - Peak Season (July-August)		$54,560	54%	$56,197	54%	$57,883	54%	$59,619	54%	$61,408	54%
Cabins - (May, June, Sept., and Oct.)		$29,760	29%	$30,653	29%	$31,572	29%	$32,520	29%	$33,495	29%
Ancillary Revenue		$16,820	17%	$17,325	17%	$17,844	17%	$18,380	17%	$18,931	17%
Total Revenue		**$101,140**	**100%**	**$104,174**	**100%**	**$107,299**	**100%**	**$110,518**	**100%**	**$113,834**	**100%**
Expenses											
Department Expenses		($8,000)	8%	($8,240)	8%	($8,487)	8%	($8,742)	8%	($9,004)	8%
Gross Profit Margin		$93,140	92%	$95,934	92%	$98,812	92%	$101,777	92%	$104,830	92%
Undistributed (Indirect Operating) Expenses		($51,630)	51%	($53,179)	51%	($54,775)	51%	($56,418)	51%	($58,110)	51%
Total Expenses (Excl. Debt)		($59,630)	59%	($61,419)	59%	($63,262)	59%	($65,160)	59%	($67,115)	59%
Net Operating Income (NOI) Before Debt		**$41,510**	41%	**$42,755**	41%	**$44,038**	41%	**$45,359**	41%	**$46,719**	41%

4.9 Opportunity #9: Buffalo Head Hills Downhill Ski Facility

This opportunity comprises a well-located site with good vertical drop, but located within a market place that will require a broader than usual draw (up to 3.5-4 hours) to ensure sufficient usage of the facility and rend the site viable.

Even if a strong market share can be established, competition from ski hills further south that are closer to the main population bases will impact financial feasibility. In our view, it is likely that this opportunity will require some level of public funding to ensure a manageable debt coverage requirement.

Criteria	Does the Opportunity Meet Criteria?	Criteria	Does the Opportunity Meet Criteria?
Does the project conform with the regional destination area opportunities?	✓	Does the project lend itself to innovative off-season programming?	✓
Is the project located close to a substantial local/regional market and/or on a major travel corridor and/or easily accessible to national/international target markets?	✓	Is it likely to be a catalyst for other private sector investment in development of complementary generator or support attractions, facilities and services?	✓
Does the project have a clear master plan or is it part of a larger master plan that will permit phased development?	✓	Are the necessary support services in place to support initial development of the project?	✓
Will the project be effective in expanding the critical mass of attractions/support services in the destination area?	✓	Is there an existence tourism/accommodation operation(s) which can benefit from investment/renewal/expansion?	✓
Does the project capitalize on inherent strengths and/or unique qualities of its regional location?	✓	Is a site identified which offers significant potential?	✓
Does the project properly recognize expected quality of product to achieve strong value in the eyes of the target markets?	✓	Are there limited regulatory hurdles to implement the project?	✓
Does the project lend itself to formulation of strong partnerships and coordination with other stakeholders in the destination area?	✓	Is there an existence of qualified and experienced owners/operators?	✓
Is there likely to be strong local support and commitment for the project?	✓	Can this project be implemented (contingent on investment) in the short-term?	✓
Will the project effectively capitalize on current/identified market trends?	✓		

4.9.1 The Opportunity

In 2008, REDI commissioned the *Northwest Alberta Downhill Ski Facility Site Selection Study* by Brent Harley and Associates Inc. for the feasibility assessment of the development of a downhill skiing facility in the REDI Region.

An evaluation of the potential development sites of Watt Mountain, Blue Hills and Buffalo Head was completed. It was determined that Buffalo Head Hills would be the most suitable area for downhill ski facility development. Buffalo Head Hills' adjacent lands are furthermore conducive to snowmobile and cross-country ski trail development.

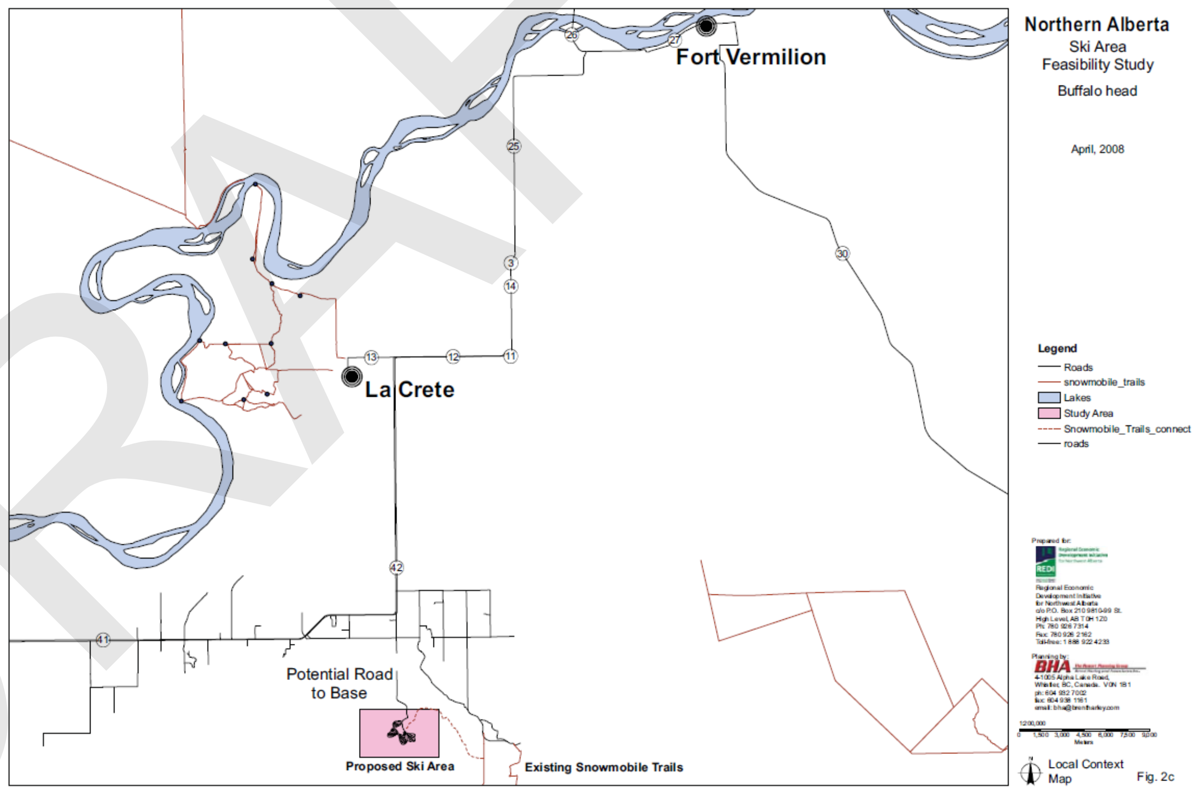
The proposed development includes the following as Phase 1:

- Double chair ski lift and beginner double chair list;
- Ski trails;
- Modest snow grooming and snowmaking investment;
- Access road (presumed gravel based on existing cost estimate);
- Base Lodge (6,000 sq. ft.); and
- Required maintenance buildings.

If a tubing hill were added to Phase 1, based on our analysis, the specifications would be as follows:

- Length of tubing hill would be about 300 metres with 150m having an average gradient of 12-15%, with rolling humps in the profile, and then a further 150m for stopping area with a reverse slope of 3%;
- Width of tubing lanes would be 12-14 feet; and
- The lift would be either a Harusch handle lift or a carpet lift running up

Exhibit 41 - Buffalo Head Hills Proposed Downhill Ski Facility Development Site



Source: Northwest Alberta Downhill Ski Facility Site Selection Study (2008) Brent Harley & Associates Inc.

the 150m slope providing about 2000 people per hour rated capacity.

4.9.2 Private & Community Investment Potential

The report indicated the following as rationale for development of a downhill ski facility at Buffalo Head Hills:

- The terrain is conducive to the phased development of a lift and trail configuration;
- The area is located relatively close to the Town of High Level (within a 1.25 hour drive);
- The area's proximity to the High Level Weather Station suggests that there should be enough natural snow to provide a full season of skiing on summer groomed trails;
- The physical lay of the land will enable the development of facilities and trail systems for snowmobiling and cross country skiing that provide complementary activities to the ski area; and
- Temperatures are conducive to the establishment of a snowmaking system to ensure skiing.

In realizing this opportunity, a partnership between the proponents of the ski hill (either a municipally-owned and operated facility, municipally-owned and non-profit operated, or non-profit owned and operated) and other users included both snowmobile associations, and potentially summer users/concession operators is very possible. This could include the La Crete Polar Cats which has expressed an interest in a joint-use facility between the snowmobilers and skiers and perhaps other user groups.

The assessment by Brent Harley and Associates of the physical development opportunities in the Region identified the Buffalo Hills site as the best option with a potential vertical drop of 170 metres and a good range of potential ski terrain with suitable exposure and snowfall. The market draw for the facility could extend as far south as Peace River. However, the potential competition between a facility at Buffalo Head and Whispering Pines as well as Misery Mountain, could impact market penetration somewhat unless the quality of the skiing is substantially superior to the competing venues.

Powder King Mountain Resort

Powder King is a ski resort in the Pine Pass of the Northern Rockies in northern British Columbia. The resort is inclusive of a triple chairlift, T-bar, lodge (with dining facilities) as well as a 60 room hostel.

Based on our knowledge of the development concept for the Buffalo Hills property and the existing facilities at Whispering Pines Ski Hill, it would appear the new facility will be very competitive so could draw some visitation from as far away as Peace River. However, it would be expected the majority of ski visitation from the Peace River market would travel to Whispering Pines due to proximity. The primary market is expected to include the area around La Crete extending just north of Peace River.

Our recommendation is as follows:

Develop this site over the long-term as a more diversified and possibly year-round recreation centre, adding activities like tubing to increase snow season revenues (with relatively small additional capital requirement) and consideration for off-season activities like zip-lining and mountain biking (downhill and cross country) and base chalet rentals. Snow tubing is a proven means to broaden the market appeal of a winter recreation facility with low to nil skill requirements. Many ski areas have begun to diversify their facilities to include summer and other off-season activities in order to maintain staff and spread the high capital costs over a greater range of revenue streams.

Skiing and snowboarding are both inversely age-related (participation declines with age). For this market area, a reasonable market share would be in the order of 15% of total population (including First Nations). The potential frequency will vary across the populations but an average of four visits (ski days) per year will yield a conservative assessment of market potential. The average participation rate in these sports across Canada is typically assumed to be about 10%; however, with a population in the REDI region that has a higher proportion of younger cohorts, the participation is expected to be higher.

4.9.3 Implementation

The schematic financial performance of the ski facility is demonstrated below:

Opportunity #9: Buffalo Head Hills Downhill Ski Facility
Financial Proforma Summary

A. Revenue Assumptions

A	Visitor Capacity per Day	860	
B	Utilization per day	45%	387
C	Season Length (days)	52	20,124
D	Frequency of Visit	3	6,708
E	Potential Market Area Population		98,517
F	Market Penetration	15%	14,778
G	Assumed Population Draw as % of Potential		45%
H	Average Lift Pass	$30	

B. Per Capita Revenues

Per Cap Revenues	Per Capita Expenditure	Cost of Sales
Food & Beverage	$7.50	75%
Programs (20% take-up)	$4.00	48%
Rentals (30% take-up)	$11.67	20%
Concession Retail	$2.00	75%

Opportunity #9: Buffalo Head Hills Downhill Ski Facility
Capital Cost Estimate

	Unit Cost		Units	Cost
Ski Lift (Double Chair)	$ 2,200,000	/chair	1	$ 2,200,000
Ski Lift (Beginner Double Chair)	$ 1,100,000	/chair	1	$ 1,100,000
Ski Trails	$ 16,500	/acre	45	$ 742,500
Snowcats	$ 330,000	/cat	1	$ 330,000
Snowmaking	$ 192,500	/acre	15	$ 2,887,500
Maintenance Building	$ 275,000		1	$ 275,000
Roads	$ 55,000	/km	6	$ 330,000
Base Lodge	$ 220	/sq.ft.	6,000	$ 1,320,000
Subtotal				$ 9,185,000
Contingency		15%		$ 1,377,750
Total Estimate				**$ 10,562,750**

Opportunity #9: Buffalo Head Hills Downhill Ski Facility 5-Year Operating Revenue/Cost Projections										
	Year 1		Year 2		Year 3		Year 4		Year 5	
	1.00	*Percent*	*1.03*	*Percent*	*1.06*	*Percent*	*1.09*	*Percent*	*1.13*	*Percent*
Revenue										
Lift Revenue	$603,720	54%	$621,832	54%	$640,487	54%	$659,701	54%	$679,492	54%
F&B Revenue	$150,930	14%	$155,458	14%	$160,122	14%	$164,925	14%	$169,873	14%
Lessons	$80,496	7%	$82,911	7%	$85,398	7%	$87,960	7%	$90,599	7%
Rentals	$234,780	21%	$241,823	21%	$249,078	21%	$256,550	21%	$264,247	21%
Retail	$40,248	4%	$41,455	4%	$42,699	4%	$43,980	4%	$45,299	4%
Total Revenue	$1,110,174	100%	$1,143,479	100%	$1,177,784	100%	$1,213,117	100%	$1,249,511	100%
Expenses										
Cost of Sales	($228,978)	21%	($235,847)	21%	($242,922)	21%	($250,210)	21%	($257,716)	21%
Other Departmental Expenses	($499,578)	45%	($514,566)	45%	($530,003)	45%	($545,903)	45%	($562,280)	45%
Gross Profit Margin	$381,618	34%	$393,067	34%	$404,859	34%	$417,004	34%	$429,515	34%
Undistributed Expenses	($177,628)	16%	($182,957)	16%	($188,445)	16%	($194,099)	16%	($199,922)	16%
Total Expenses	**($906,184)**	**82%**	**($933,369)**	**82%**	**($961,370)**	**82%**	**($990,211)**	**82%**	**($1,019,918)**	**82%**
Net Operating Income (NOI) Before Debt	**$203,990**	**18%**	**$210,110**	**18%**	**$216,413**	**18%**	**$222,906**	**18%**	**$229,593**	**18%**

4.10 Opportunity #10: Hay-Zama Lakes Wildland Provincial Park Dene Tha' Cultural Educational Facility and Summer Lodge

The following is an exploratory concept that provides a longer-term opportunity for creating a sustainable model for tourism in the area of Hay Zama Wildland Provincial Park. It is included here as a shorter-term opportunity specifically because planning for such a facility and the capital funding necessary represents an ongoing venture. The Mackenzie Frontier Tourist Association and Dene Tha' First Nation should work cooperatively to further define the possibilities under this umbrella concept.

Criteria	Does the Opportunity Meet Criteria?	Criteria	Does the Opportunity Meet Criteria?
Does the project conform with the regional destination area opportunities?	✓	Does the project lend itself to innovative off-season programming?	✓
Is the project located close to a substantial local/regional market and/or on a major travel corridor and/or easily accessible to national/international target markets?		Is it likely to be a catalyst for other private sector investment in development of complementary generator or support attractions, facilities and services?	
Does the project have a clear master plan or is it part of a larger master plan that will permit phased development?		Are the necessary support services in place to support initial development of the project?	✓
Will the project be effective in expanding the critical mass of attractions/support services in the destination area?		Is there an existence tourism/accommodation operation(s) which can benefit from investment/renewal/expansion?	
Does the project capitalize on inherent strengths and/or unique qualities of its regional location?	✓	Is a site identified which offers significant potential?	
Does the project properly recognize expected quality of product to achieve strong value in the eyes of the target markets?	✓	Are there limited regulatory hurdles to implement the project?	
Does the project lend itself to formulation of strong partnerships and coordination with other stakeholders in the destination area?	✓	Is there an existence of qualified and experienced owners/operators?	
Is there likely to be strong local support and commitment for the project?	✓	Will the project effectively capitalize on current/identified market trends?	✓

4.10.1 The Opportunity

Hay-Zama Lakes Wildland Provincial Park is one of REDI Region's two Wildland Provincial Parks and is located approximately 50 km northeast of the Town of Rainbow Lake and 50 km southwest of Zama City. The park is a wetland complex which offers a unique backcountry experience. Although camping is permitted, the wet terrain makes the area unsuitable for a range of activities. There are currently no developed camping facilities adjacent to or in the vicinity of the park.

An opportunity exists for the development of a Cultural Educational Facility located around the Hay-Zama Lakes Wildland Provincial Park. This would be a Dene Tha' project with site location at the discretion of the First Nation. The opportunity could include the following:

- Cultural learning centre of the Dene Tha' First Nation;
- Multi-use space for local Dene Tha' communities during the off seasons; and
- May-October use of facilities as a Lodge.

The opportunity is to run cultural programming during the winter and spring supplanted by tourism in the summer and fall. Cultural programming should encompass traditional activities, storytelling, skills on the land, programs for youth and other programming as deemed as appropriate.

4.10.2 Private & Community Investment Potential

The area is a difficult terrain where visitors have to be self-reliant in order to explore the unique wilderness opportunities. As the area is traditional land of the Dene Tha' First Nation, they have the capacity to provide guiding services throughout the park. The park's significance as a Wetland of International Significance under the Ramsar Convention on Wetlands, an internationally important area for migratory birds and twinning with the Dalai Lake Biosphere Reserve in northeast China makes this a prime area for tourism and research.

A best practice example for the Cultural Educational Facility and Summer Lodge is the Koeye Lodge in the Great Bear Rainforest which lies between the Alaska panhandle and northern Vancouver Island. The Lodge is owned and operated by the QQS Projects Society. QQS Projects Society is a registered charity and non-profit established by the Heiltsuk First Nation. QQS Projects Society's mandate is to support Heiltsuk youth, culture and environment.

The Koeye Lodge is part of Heiltsuk First Nation traditional territory. Vast biodiversity is found in the area. Activities at the lodge include ecotourism, camp programming, and week-long training retreats.

Exhibit 42 - Koeye Lodge

4.10.3 Implementation

The opportunity is based on the achievement of a common series of goals – the promotion of sustainable tourism and within this the development of eco-tourism potential in Hay-Zama, while also investing in community infrastructure in the Dene Tha' First Nation. The achievement of this particular concept will rest on the capacity of the First Nation to undertake the necessary capital fundraising as well as develop the business plan in detail. The operating model for such a facility is one of the most important aspects to consider. There is no predetermined solution to developing a financially viable operating model, but the concept of achieving a multi-use and multi-seasonal facility provides a potential vehicle for overcoming the obvious investment constraints to a single purpose commercial lodging operation.

Partnership between the Dene Tha' First Nation, Mackenzie County and the Mackenzie Frontier Tourist Association to (a) assess the respective level of interest by each and (b) establish a broad terms of reference to investigate and fund a centre run by a co-operative society is perhaps the first and most important step in the process. The achievement of a summer lodge or hostel will necessarily require a level of investment in both the development of the facility but also in the range of services and visitor amenities sufficient to entice tourists every year. It will also require the development of programming or guiding which builds on the potential of this area for wildlife viewing in particular.

4.11 Opportunity #11: Tapawingo Lodge

Tapawingo Lodge is an existing facility that provides a good example of the potential associated with incremental development to improve and renew an existing asset. This lodge, like others represents a sunk cost – not only in terms of the original capital and any upgrades over time, but also in terms of the regulatory approvals which are already in place, and the demonstrated capacity of the lodge to provide a return on investment. As such the lodge should be maintained as one of the best bets for continued development of the hunting and fishing market. As a viable operation, the lodge also improves the potential to diversify the offer into other activities including wildlife viewing, and potentially shoulder season /late winter opportunities associated with wildlife viewing, Aurora Borealis and traditional aboriginal culture.

Criteria	Does the Opportunity Meet Criteria?	Criteria	Does the Opportunity Meet Criteria?
Does the project conform with the regional destination area opportunities?	✓	Does the project lend itself to innovative off-season programming?	✓
Is the project located close to a substantial local/regional market and/or on a major travel corridor and/or easily accessible to national/international target markets?		Is it likely to be a catalyst for other private sector investment in development of complementary generator or support attractions, facilities and services?	
Does the project have a clear master plan or is it part of a larger master plan that will permit phased development?		Are the necessary support services in place to support initial development of the project?	✓
Will the project be effective in expanding the critical mass of attractions/support services in the destination area?		Is there an existence tourism/accommodation operation(s) which can benefit from investment/renewal/expansion?	✓
Does the project capitalize on inherent strengths and/or unique qualities of its regional location?	✓	Is a site identified which offers significant potential?	✓
Does the project properly recognize expected quality of product to achieve strong value in the eyes of the target markets?	✓	Are there limited regulatory hurdles to implement the project?	
Does the project lend itself to formulation of strong partnerships and coordination with other stakeholders in the destination area?	✓	Is there an existence of qualified and experienced owners/operators?	✓
Is there likely to be strong local support and commitment for the project?	✓	Can this project be implemented (contingent on investment) in the short-term?	✓
Will the project effectively capitalize on current/identified market trends?	✓		

4.11.1 The Opportunity

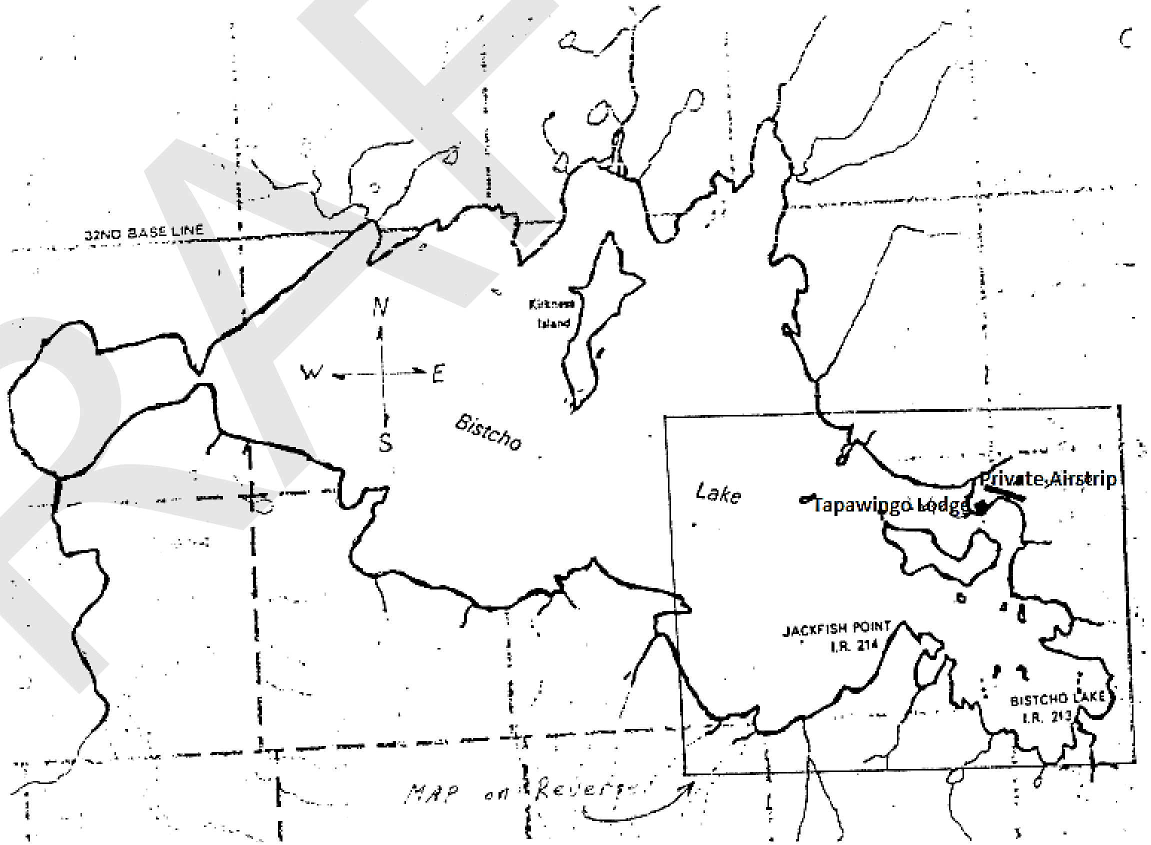
Tapawingo Lodge is a fly-in fishing lodge located on the shores of Bistcho Lake. The lodge includes 11 cabins (9 rented out), where the majority accommodate 6 people. The complex also includes a central lodge. The cabins are basic and include wood heaters, propane light fixtures and cook stoves. Guests bring their own sleeping bags, food supplies, fishing gear and license. Tapawingo Lodge provides visitors with an area to enjoy the isolated area of Alberta's northwest. The lodge is located on 22 acres of land which is leased through ESRD. Further amenities and services provided by the lodge include:

- Gazebo recreation area;
- Barbeques and picnic tables;
- 16' wide hull aluminum motorboats;
- Shower facilities;
- Private unlicensed air strip; and
- Store.

Exhibit 44 - Tapawingo Lodge

Source: Tapawingo Lodge (2013)

Exhibit 43 - Bistcho Lake, Tapawingo Lodge and Dene Tha' First Nation Communities



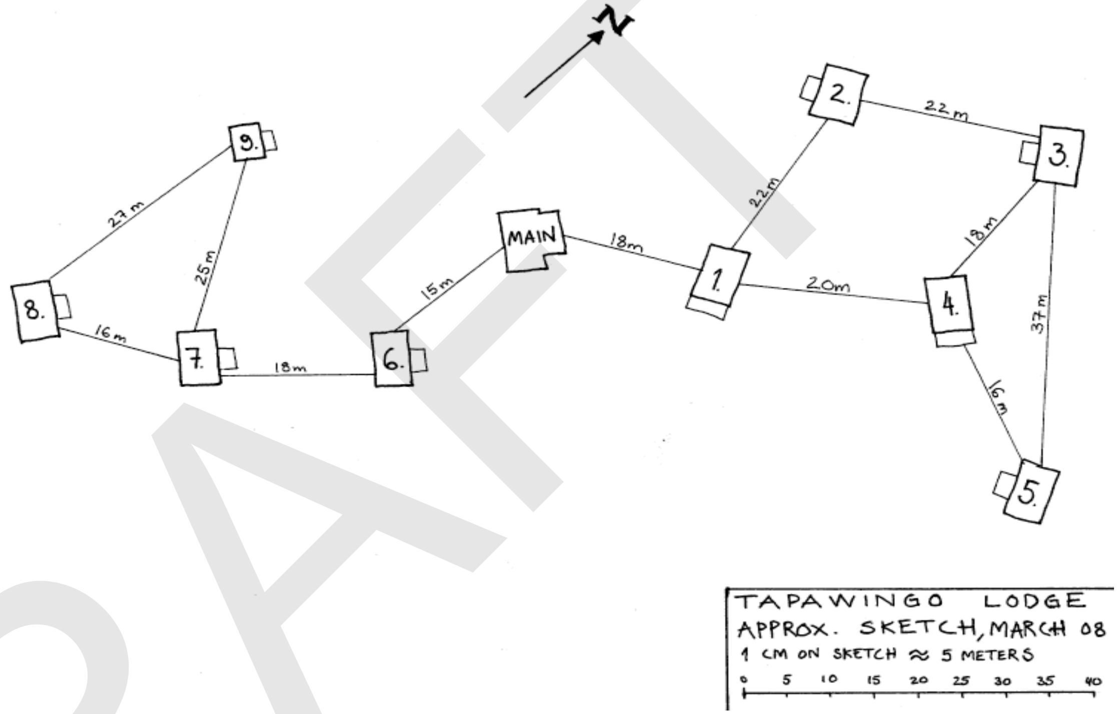
Source: Tapawingo Lodge (2013)

The lodge is currently up for sale – understood to be for personal reasons of the current owner and not a demonstration of any financial weakness of the Lodge itself. However, none of this can be verified at this time. The asking price is $880,000 which includes 13 moose hunting allocations. It is not known whether this price is based on the income profile of the lodge at present but is assumed to bear some relation to the viability of the operation as well as the capital assets and value of the land lease.

The opportunity exists for the development of additional cabins as part of a comprehensive purchases and reinvestment in the Lodge. According to Tapawingo Lodge, the opportunity exists for the development of:

- The construction of 6 cabins which provide closer access to Bistcho Lake; and
- Operation of an overall complement of 15 rented cabins.

Exhibit 45 - Tapawingo Lodge Cabin Locations



Source: Tapawingo Lodge (2013)

4.11.2 Private & Community Investment Potential

Bistcho Lake is one of Alberta's largest lakes. The lake is remote, where during the winter an ice road (owned by Dene Tha' First Nation) provides access to the lake. This is potentially significant in enabling winter season use of the lodge (if winterized). The lake is relatively shallow and is stocked with walleye, pike, whitefish, burbot and arctic grayling. The surrounding area is called Bistcho. According to Alberta Wilderness Association, over 70% of the Bistcho Area is considered a Provincial Environmentally Significant Area. Species found in the area include woodland caribou, moose, wolverines, black bears, muskrats and various birds.

The area is Dene Tha' traditional land, offering potential to further the opportunities for aboriginal guiding in the area.

4.11.4 Implementation

The schematic financial performance of the lodge is demonstrated below:

Opportunity #11: Tapawingo Lodge
Financial Proforma Summary

A. Scale of Capital Investment

Assumptions	
New Construction	6 additional cabins at waterfront
Upgrades	Minor upgrade to existing 9 rented cabins
Site Work	Minor site preparation
Other	Purchase of existing Lodge

B. Key Revenue Assumptions

Revenue Assumptions	
Operating Season	Mid May - Mid October
Average Rate per 3 Cabin per 3 Day Trip (Rate is a blend of 3 night and longer trips)	$3,200
Cabin Occupancy Rate	45%
Cabins for Rent	15

C. Potential Revenue Sources

Source	Description
Lodging	$3,200 represents an average based on party size and duration of stay
Airfare	Core service includes airfare from High Level (with return), cabin, boat and hotel tax
Ancillary Revenues - tackle/other	Tackle/equipment, Grocery supplies

D. Key Operating Assumptions

Operating Assumptions	
Manager	On-Site
Fishing/Activity Guides	5
General Staff (maintenance/ stores, grounds and housekeeping)	2
Pilot for Fly-Out Lakes	Contract Option

E. Income Statement Highlights

	Range
Revenues	$1,171,800
Expenses	($976,230)
Indicative Net Operating Income (NOI) Before Debt	$195,570

Opportunity #11: Tapawingo Lodge Order of Magnitude Construction Cost Estimates					
Design Metrics					
No. of Units		6			
GFA per Unit		700	sq. ft.		
Finished Interior Area		3,360	sq. ft.	312	sq. m.
Unfinished Interior (equipment storage)		840	sq. ft.	78	sq. m.
Estimated Gross Floor Area (GFA)		4,200	sq. ft.	390	sq. m.
Capital Costs					
Purchase Price of Existing Lodge, Site Infrastructure Additions		$940,000			
Base Building Hard Construction Cost		$290,000			
Sub-Total Design and Soft Costs	20.00%	$58,000			
Furniture, Fixtures & Equipment (FF&E)		$67,200			
Estimated Capital Cost Range		**$1,355,200**			

Opportunity #11: Tapawingo Lodge 5-Year Operating Revenue/Cost Projections											
		Year 1		Year 2		Year 3		Year 4		Year 5	
Escalation (p.a.)	*3%*	*1.00*	*Percent*	*1.03*	*Percent*	*1.06*	*Percent*	*1.09*	*Percent*	*1.13*	*Percent*
Revenue											
Lodging		$1,116,000	95%	$1,149,480	95%	$1,183,964	95%	$1,219,483	95%	$1,256,068	95%
Ancillary Revenue	5%	$55,800	5%	$57,474	5%	$59,198	5%	$60,974	5%	$62,803	5%
Total Revenue		**$1,171,800**	**100%**	**$1,206,954**	**100%**	**$1,243,163**	**100%**	**$1,280,457**	**100%**	**$1,318,871**	**100%**
Expenses											
Department Expenses		($797,169)	68%	($821,084)	68%	($845,716)	68%	($871,088)	68%	($897,220)	68%
Gross Profit Margin		$374,632	32%	$385,870	32%	$397,447	32%	$409,370	32%	$421,651	32%
Undistributed (Indirect Operating) Expenses		($179,061)	15%	($184,433)	15%	($189,966)	15%	($195,665)	15%	($201,535)	15%
Total Expenses (Excl. Debt)		($976,230)	83%	($1,005,517)	83%	($1,035,682)	83%	($1,066,753)	83%	($1,098,755)	83%
Net Operating Income (NOI) Before Debt		**$195,570**	17%	**$201,437**	17%	**$207,480**	17%	**$213,705**	17%	**$220,116**	17%

Part C: Longer-term Opportunities

5 Longer-term Opportunities

5.1 Expansion of Rainbow Lake Golf & Country Club (18-hole Golf Course)

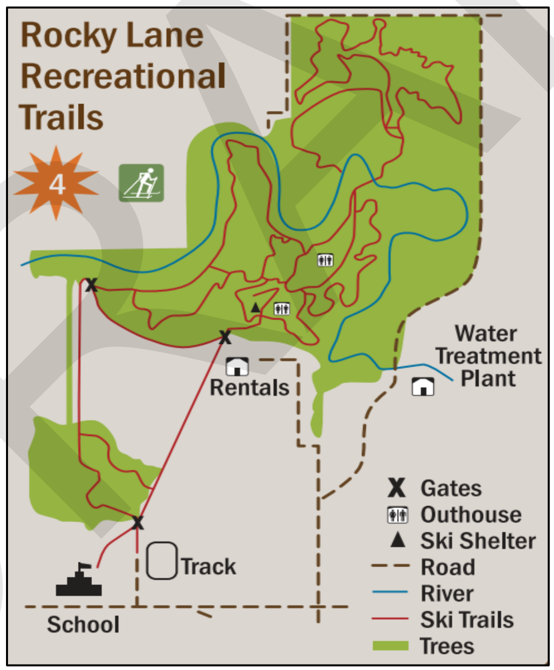
The Rainbow Lake Golf & Country Club is a 9-hole golf course located along Rainbow Drive immediately north of Highway 58 in the Town of Rainbow Lake. The golf course is operated by the Rainbow Lake Golf & Country Club Society and is sited on Town-owned land.

The opportunity exists for the expansion of the golf course from a 9-hole facility to an 18-hole course as planned expansions to Highway 58 are initiated over the longer-term and will likely to impact the potential market/marketability of the site for the site. The development of Highway 58 to Fort Nelson, BC is expected to bolster the town's role as a service hub as well as the local transient population.

The potential also exists to expand the club's recreational and leisure offer to residents, visitors and industrial work crews in the surrounding area. The Region's long summer days provide a unique opportunity for evening and night golfing.

5.2 Rocky Lane Agricultural Society Trail Development

The Rocky Lane Agricultural Society is a non-profit organization that has been in operation for around 28 years. The Society works with local community groups and schools to provide opportunities through agricultural education, cultural development and recreation in the Rocky Lane area. The Society currently has approximately 100 acres of land that is used for cross-country skiing. The area includes 15+ km of heightened groomed trails (classic and skate skiing) for beginner to advance levels.



Source: Mackenzie Frontier Tourist Association (2013)

The opportunity exists for the expansion of the Rocky Lane Recreational Trails to include lighting on trails, linking trails to the Ponton River for canoeing activity and including survival type skiing expeditions.

5.3 Farm Stays and Farmers Market in Mennonite Country

The La Crete area offers the potential for the development of Mennonite Country complete with linking various Mennonite-related establishments. The La Crete Agricultural Society has provided the basis for such type of development as the Society currently operates:

- La Crete Heritage Center;
- La Crete Mennonite Heritage Village;
- Jubilee Commemorative Park; and
- Various annual events.

These establishments – along with the development of Mennonite farm stays, bed and breakfasts and a farmers market[8] – can be effectively branded as the La Crete Mennonite Country where visitors can experience the local culture.

This opportunity is presented as a longer-term opportunity as community buy-in and support will be crucial for the development, growth and maintenance of such an initiative. Effective signage, promotion and local access routes to present Mennonite-related tourism establishments will be crucial in the branding and identity of the local Mennonite Country.

5.4 Ecotourism Along Peace River

The western border of Mackenzie County, neighbouring Wood Buffalo National Park offers the opportunity for the development of an ecotourism-based canoe outfitting operation. This opportunity would include canoeing along the Peace River into the National Park. Operations would likely include designated camping zones for a 4-6 day excursion, with necessary logistical support to paddlers including return by motorized craft. The policies of the National Park with respect to motorized access will impact the viability of this opportunity.

This remains a niche opportunity that is identified because of the interface which exists between the REDI Region and the Park. Currently, there is little access into the National Park at its western fringe. Market demand for remote access to the Park via the Peace River will exist, particularly among backcountry enthusiasts. For some paddlers (a smaller subsection of the market), navigating the Peace River through the Park to its outflow into Lake Athabasca would represent a signature trip. This opportunity remains one which should be couched in terms of the potential for River travel and experiences.

The role of tourism agencies and the Park is to provide information, and identify/promote the necessary outfitting and guiding resources to achieve the potential of this opportunity.

The opportunity for further development of cross-Region niche paddling tours is exampled by companies such as Flow North Paddling Company which provides paddling expeditions along the Peace River, Hay River, Chinchaga River, Wabasca River, Footner Lake, Hutch Lake, Hay-Zama Lake and Rainbow Lake.

Recreational paddling throughout REDI Region's rivers and lakes differ in terms of difficulty level and wilderness viewing opportunities. The following table describes paddling sections of lakes and rivers in the REDI Region along with their level of difficulty and wilderness rating:

---

[8] According to the La Crete Agricultural Society, the La Crete Farmers Market shutdown.

River	Section	Distance	Difficulty[9]	Wilderness Rating[10]
Peace River	Hudson's Hope to Peace River	375 km	Class I	Level 2-3
Peace River	Peace River to Fort Vermilion	433 km	Class I	Level 2-3
Hay River	Hay-Zama Lake to Meander River	148 km	Class I-II	Level 2-3
Hay River	Meander River to 60th Parallel	149 km	Class I	Level 3
Chinchaga River	Keg River area to Chin Bridge	117 km	Class I-II	Level 4
Chinchaga River	Chin Bridge to the Hay River	~113 km	Class I	Level 4
Wabasca River	North Wabasca Lake to Loon River Bridge	237 km	Class II	Level 4
Wabasca River	Loon River Bridge to Tallcree Bridge	111 km	Class I-II	Level 3
Wabasca River	Tallcree Bridge to the Peace River	105 km	Class I	Level 4
Lakes	Approximate Size	Driving Time from High Level		Wilderness Rating
Footner	3.3 km x 0.6 km	15 minutes		Level 1
Hutch	11 km x 0.5 km	25 minutes		Level 2
Rainbow	13 km x 0.4 km	~2.5 hours		Level 3
Hay-Zama	32 km x 17 km	1.5-2 hours		Level 3-4

Source: Flow North Paddling Company

5.5 Cabin Development along Snowmobile Trails

Snowmobiling remains a popular activity within the REDI Region. Snowmobiling opportunities exist at various locations through the Region's backcountry and trails systems. These trails are inclusive of maintained routes by local groups as well as numerous unmaintained trails.

An opportunity exists for the development of rustic log cabins along trails currently maintained by the two regional snowmobile associations: the Watt Mountain Snowmobile Wanderers Club and La Crete Polar Cats.

The Watt Mountain Snowmobile Wanderers Club currently maintains about 300km of trails. The main trail system circles around Watt Mountain Natural Area, High Level and Machesis Lake. The Club's trail system includes emergency warming shelters and rest areas.

The La Crete Polar Cats currently maintain approximately 80.5km of the Sandhills trail system and 322km of trails in the Buffalo

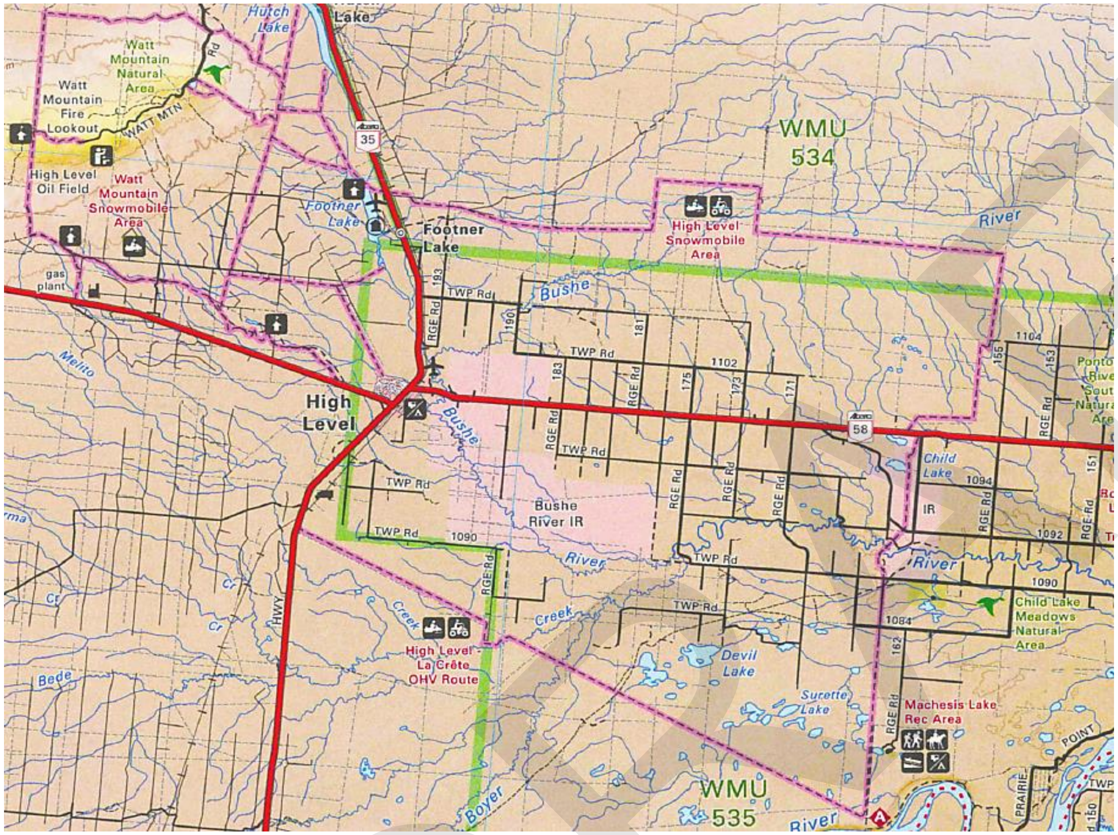
[9] Difficulty level is based on the following classification system:

- Class I: Rapids (with few obstructions);
- Class II: Rapids (novice; occasional maneuvering required);
- Class 3: Intermediate;
- Class 4: Advanced; and
- Class 5: Expert.

[10] Wilderness rating is based on the following classification system:

- Level 1: Not remote;
- Level 2: Somewhat remote;
- Level 3: Remote;
- Level 4: Very Remote

Exhibit 47 - Watt Mountain Snow Wanderers Snowmobile Trails



Head Hills around Wadlin and Talbot Lakes. The La Crete Polar Cats also manage a warm-up cabin along the Buffalo Head Hills trails and overnight shelters for Alberta Snowmobile Association (ASA) members.

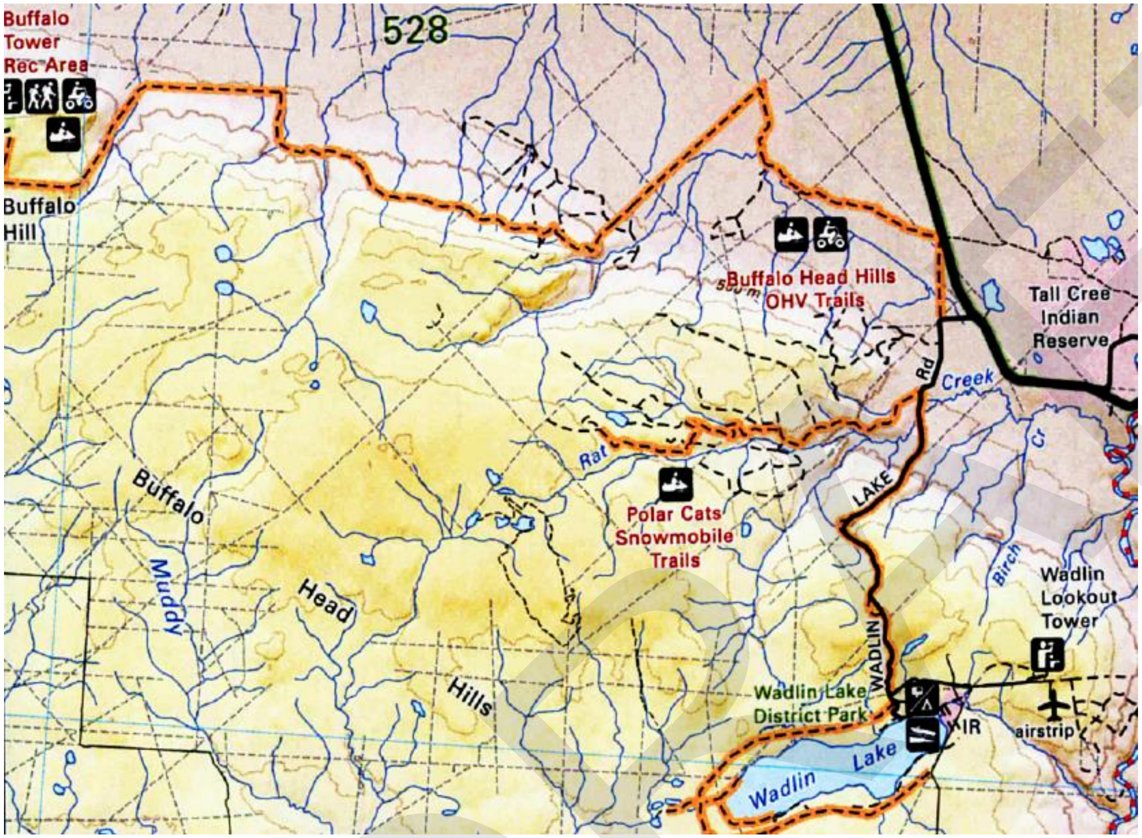
The aforementioned trails offer the potential for development of cabins along various locations that are proposed to include:

- Clusters of 5 rustic log cabins – no services available at any of these. Lighting and basic cooking facilities, and outhouses would be provided, but all supplies would need to be brought in by riders; and
- Accommodation for five persons per cabin.

In order to determine which areas would be most advantageous for cabin development, the following criteria should be utilized:

1. Sufficiently distant from an existing warm-up cabins and/or overnight shelters;
2. Proximity to lakes and/or rivers of interest; and
3. Preference for locations with summer time proximity to gravel road or track.

Exhibit 48 - La Crete Polar Cats Snowmobile Trails



5.6 Cameron Hills RV Park & Campsite

Cameron Hills is a Provincial Environmentally Significant Area that is located in Mackenzie County's far northwest, just south of the Northwest Territories border and west if Indian Cabins. The remote area is geologically distinctive with parallel grooves in glacial till. The area is approximately 309 km^2 in size and is an important habitat for the woodland caribou.

Exhibit 49 – Cameron Hills

Source: Alberta Wilderness Association (2013)

According to the Alberta Wilderness Association, there are plans for the designation of Cameron Hills as a Wildland Provincial Park. The opportunity exists for the development of an RV park and campsite in Cameron Hills. This area should function as a destination along exit routes from REDI Region; and which could capture the transient market en route to the Northwest Territories via Mackenzie Highway. The development of access roads linked to the Mackenzie Highway will be crucial in attracting through market to the area.

5.7 First Nations and Métis Cultural Centers – Tallcree First Nation and Paddle Prairie Métis

The opportunity exists for the development of two cultural centers designated to showcase First Nation and Métis heritage in the Region. An ideal location for a First Nation Cultural Centre can be found along Highway 88 south of Fort Vermilion. The area is home to a number of Tallcree First Nation communities including:

- Fort Vermilion Indian Reserve 173B;
- Tallcree Indian Reserve 173;
- Tallcree Indian Reserve 173A;
- Wadlin Lake Indian Reserve 173C;
- Beaver Ranch Indian Reserve 163;
- Beaver Ranch 163A; and
- Beaver Ranch Indian Reserve 163B.

This site would allow for experiential learning opportunities; offering visitors hands-on exposure to First Nation culture.

The second Cultural Center is proposed to showcase the Paddle Prairie Métis Settlement. An ideal site for the Métis Cultural Center would be along Highway 35 at the gateway location between the Paddle Prairie Métis Settlement and Mackenzie County.

Squamish Lil'Wat Cultural Centre

Squamish Lil'Wat Cultural Centre is an award winning Aboriginal cultural centre that showcases the art, culture and history of the Squamish and Lil'wat First Nations. Located in Whistler, BC, the visitors can meet artists, ambassadors and learn through guided and/or self-guided tours, film, workshops/seminars, cultural events and crafts. Also inclusive of the Thunderbird Café and Gift Gallery, the venue also includes the Great Hall, Istken Hall and Mezzanine Patio and Longhouse for events and meetings.

Part D: Tourism Investment Attraction Strategy

6 Tourism Investment Attraction Strategy

The purpose of the initial business plans, land use review and market assessment is to highlight the constraints to development as well as the opportunities.

The 11 identified tourism investment opportunities should be positioned as short-term (1-5 years) opportunities; immediate tasks for which include the marketing of the opportunities to raise the profile of projects among potential investors.

Garnering investor appeal is one of the most significant aspects of any tactical plan to further development potential. Achieving recognition and a level of understanding of the opportunity is key to attracting investor attraction and commitment.

There will therefore need to be concurrent activities and responsibilities around showcasing the opportunities and continuing to deepen the understanding of constraints. This will lead to clarity and most importantly certainty in the concept, timing, location and – to the extent possible – the range of risks faced by investors.

The marketing of projects remains a central role for the DMO, Province and Regional Associations. Governments' most effective role in leveraging private sector investment is to assist in the acquisition of an information base for each project. While the undertaking of due diligence and fiscal impact reviews is the primary responsibility of individual investors; government and community partners have an appropriate role to play in providing direction as to existing and potential site-related, capital and regulatory challenges. Given the risk-averse nature of capital investment, actions which scope, refine and reduce the level of risk associated with projects are more likely to achieve implementation in the short-term.

The following section outlines the range of issues pertaining to regulations and approvals that may be of significance given the range of projects suggested in this report. These issues include the approvals necessary for development on public land, parks and protected areas.

These requirements are in addition to the policy decisions necessary to either open or close parts of parks system to allow for development which may boost potential tourism markets in the Province.

6.1 Regulatory Approvals, Permit and Agreement Requirements

Approval requirements are often complex, particularly in environmentally sensitive areas. Depending on the project, its scale and location, the range of needs including infrastructure (roads, servicing and utilities) may be considerable. These needs are a potentially significant financial investment which may necessitate infrastructure funding by government to stimulate any opportunity for private investment. They are also a significant upfront barrier to investment that necessitates a clear understanding of approval needs, processes and required professional expertise.

It is important therefore that those aspects of investment readiness that are within the purview of the communities and public sector as a whole, are executed prior to, or in concert with, investment interest by the private sector. Land use approvals may be required and should be identified in advance as a requirement for individual sites. The following outlines some of the typical types of approvals that may be required:

Portable Water Service	Wastewater Service	Stormwater Management Service	Flood Plain & Other Riparian Issues
Municipal: ▪ Plumbing permits for holding tanks and associated plumbing. ▪ Development agreement and potential cost sharing agreement if an offsite water pipeline is installed. ▪ Agreement for truck-hauled service if this option is chosen. **Provincial:** ▪ For onsite treatment plant and distribution systems, Alberta Environment approvals and water licenses are required under the Water Act and Environmental Protection and Enhancement Act and Alberta Sustainable Resource Development under the Public Lands Act. ▪ For a water pipeline, Alberta Environment approvals are required under the Water Act and Environmental Protection and Enhancement Act and Alberta Sustainable Resource Development under the Public Lands Act. **Federal (in regard to lake side development):** ▪ For onsite treatment plant and associated Lake Intake (where relevant), Department of Fisheries and Oceans approval under the Fisheries Act is required. A Clearance letter under the Navigable Waters Act will also be necessitated.	**Municipal:** ▪ Plumbing permits for holding tanks and associated plumbing. ▪ Development agreement and potential cost sharing agreement if offsite wastewater pipeline is installed. ▪ Agreement for truck hauled service if this option is chosen. **Provincial:** ▪ For onsite treatment plant and collection system, Alberta Environment approvals are required under the Water Act and Environmental Protection and Enhancement Act and Alberta Sustainable Resource Development under the Public Lands Act. ▪ For a wastewater pipeline, Alberta Environment approvals are required under the Water Act and Environmental Protection and Enhancement Act and Alberta Sustainable Resource Development under the Public Lands Act.	Depending on the nature, size, and imperviousness of the new development, stormwater management from a range of measures and techniques may be required. This could include erosion and sedimentation control, low impact development approaches such as green roofs and bio-swales, constructed wetland or storm pond. For the stormwater management system, municipal, provincial, and federal authority approvals, permits, or agreements will be required as follows: **Provincial**: ▪ Alberta Environment approvals and water license are required under the Water Act and Environmental Protection and Enhancement Act and Alberta Sustainable Resource Development under the Public Lands Act. **Federal (where required):** ▪ Department of Fisheries and Oceans approval under the Fisheries Act. ▪ Clearance letter under the Navigable Waters Act.	Alberta Environment may impose restrictions on development due to the risk of flooding. There is discretion as to what constitutes an acceptable development in flood plains depending on location and whether the river flow is already controlled. Notwithstanding, the Government should assist the development and investment community in defining the scope of projects and working collaboratively with those ministries, field offices and agencies with responsibility for the range of approvals necessary for development.

6.2 Marketing and Investment Awareness Strategy

Over the next six months, promotion of the opportunities will be crucial in garnering prospective investor awareness and interest. It will be the responsibility of ATPR and the Mackenzie Frontier Tourist Association to align and lead in the effort of promoting opportunities via the development of a comprehensive marketing and communications strategy.

In association with the Region's communities, tourism development opportunities can effectively be targeted towards in-Region, in-Province and potentially a wider scope of investors and developers through a range of methodologies including, but not limited to:

1. **The development of a tailored prospectus of the opportunities** complete with graphics and high level business case analyses (based on the results of this report).

2. **Strategic marketing via provincial, regional and community outlets/portals** as may be deemed appropriate. These avenues, though not exhaustive, may include the following:

6.2.1 Community-based Strategies

Within the Region, communities can take a proactive role in highlighting opportunities to potential local investors. Community promotion options for tourism investment opportunities include:

- **The use of municipal (economic development) webpages and economic profiles** as a platform to promote opportunities (prospectus). Mackenzie County, Town of High Level and Town of Rainbow Lake utilize online mechanisms to support and promote local economic development and business, retention and expansion initiatives.

- **Economic development partnerships with municipal departments** to raise awareness of the tourism investment opportunities to potential investors.

In addition to municipal involvement, the High Level & District Chamber of Commerce, La Crete & Area Chamber of Commerce and the Fort Vermilion Area Board of Trade can play critical roles in advertising the opportunities to both their members and interested investors/ developers.

6.2.2 Regional Strategies

Organization	Actions
Mackenzie Frontier Tourist Association (MFTA) (REDI Region)	MFTA's website currently promotes existing tourism operations, sites and events. Online promotion of opportunities (prospectus) should be explored.
Northern Alberta Development Council	The "Growing the North Conference" is a platform to showcase the tourism investment opportunities.

6.2.3 Provincial-level Strategies

Alberta Tourism Parks and Recreation (ATPR) plays a critical role in promoting tourism investment opportunities at the Provincial level, and offers a range of existing business and investment attraction supports which could and should be leveraged in attracting private sector investment in tourism development opportunities in the REDI Region. ATPR's *Tourism Investment Forum* presents a key opportunity for this. The Forum allows communities to showcase market-ready, land-based tourism development opportunities at no cost. Communities are invited to submit opportunities as long as they include:

1. Opportunity name and description;
2. Community profile;
3. Market/feasibility analysis;
4. Development site overview;
5. Regulatory status of the site;
6. Total development cost, investment required and committed funds; and
7. Key financial projections and estimated visitation.

Further initiatives through ATPR that can be utilized for tourism investment are outlined in the following table. In taking advantage of these events, the MFTA should be proactive in utilizing such forums to identify and target interested parties on an ongoing basis; developing a database of investors (and details of investor interests) via which future opportunities may be communicated and promoted.

Provincial Initiative	Type of Promotion	Description
Tourism Investment Symposium	**Annual event that rotates between Edmonton and Calgary**	**Showcase of tourism investment opportunities.**
Offshore Tourism Investment Attraction Missions	**Ministry investment attraction trips**	**Showcase of investment opportunities to an international audience.**
Business Information and Advice	**ATPR service**	**ATPR officials connect with entrepreneurs and investors to link them with investment opportunities.**

6.2.4 Opportunity Showcases, Investor Tours & Conferences

The development of investor site tours within the REDI Region may be a key means of facilitating on-going investor engagement. The Mackenzie Frontier Tourist Association in partnership with ATPR should consider the development of site tour events whereby prospective investors have the opportunity to conduct field reviews and other intelligence gathering which may facilitate and encourage investor commitment to projects.

Effective promotion of the identified opportunities to potential out-of-Region developers and investors can be achieved through REDI and/or Mackenzie Frontier Tourist Association's participation in various tourism-related conferences. Conferences to take note of include:

- Canadian Hotel Investment Conference;
- Grow North Conference;
- Canadian Hotel & Resort Investment Conference; and
- Travel Alberta Conference.

Appendix A: Natural Sub Regions

Natural Sub Regions

		Natural Sub Regions			
Natural Region	**Characteristics**	**Northern Mixed Wood**	**Central Mixed Wood**	**Lower Boreal Highlands**	**Boreal Subarctic**
Boreal Forest	Physiography	Level to undulating plains. Fine textured till and lacustrine materials.	Undulating plains, some hummocky uplands. Equal proportions of till, lacustrine, and fluvial materials.	Lower slopes of the Northern Alberta Highlands and undulating to hummocky uplands. Mainly till.	Undulating to rolling plateaus in the Northern Alberta Highlands; mainly till.
	Major Soils	Uplands are Orthic Gray and Gleyed Gray Luvisols. Wetlands are Organic Cryosols and Mesisols; permafrost is common.	Orthic Gray Luvisols. Brunisols on sands. Wetlands are mainly Mesisols, some Fibrisols, Gleysols	Orthic and Gleyed Gray Luvisols. Wetlands are mainly Mesisols with some Gleysols	Uplands are Orthic Gray and Gleyed Gray Luvisols or Brunisols. Wetlands are Organic Cryosols and Mesisols; permafrost is common.
	Main Vegetation Types	Wetland vegetation is characteristic (closed, open black spruce). Upland sites (mainly isolated elevated areas and in fluvial areas) forested by pure or mixed aspen, white spruce and black spruce stands.	Closed-canopy mixedwood; aspen dominant in early seral stages, white spruce increasing with age; jack pine common on sandy sites; black spruce (tamarack stands) common on extensive peatlands	Early to mid-seral pure or mixed forests (aspen, balsam poplar, black and white spruce, paper birch). Lodgepole pine–jack pine hybrids are common. Open black spruce peatlands; graminoid marshes and willow/marsh reed grass wetlands.	Open, stunted black spruce forests on organic materials are typical. Predominantly lodgepole pine with some lodgepole pine–jack pine hybrids on drier areas. Wetlands are bogs and fens, often influenced by permafrost features.
	Wetlands and Water	70% (wetlands); 3% (lakes, streams).	40% (wetlands, mainly peatlands); 3% (lakes and streams)	30% (wetlands, mainly in the Chinchaga area); 1% (lakes, streams).	60% (wetlands); 2% (lakes)
	Land use	Forestry, oil and gas, recreation, subsistence	Forestry, oil and gas, coal mining, recreation, grazing in southern areas, minor till cropping, subsistence	Forestry, oil and gas, recreation, subsistence	Oil and gas, recreation (fishing)

Source: Natural Regions and Subregions of Alberta, Natural Regions Committee (2006)

Appendix B: Regulatory Approvals

Regulatory Approvals

Opportunities #1 & #2: Base Camp and Research Station & Fly-in Fishing Lodge in Caribou Mountains Wildland Provincial Park

Caribou Mountains Wildland Provincial Park is administered by Alberta Environment and Sustainable Resource Development (ESRD). The identified potential development sites at Margaret, Pitchimi and Wentzel lakes are all located in the Park. Development within the Park could occur under a lease with ESRD.

The properties located at Margaret, Pitchimi and Wentzel lakes are all properties of Little Red River Cree Nation. Consultation with the First Nation's Chief and Council would be crucial in partnership opportunities for the reopening and redevelopment of these lodges. Development on this land should be cognizant of First Nations. The Little Red River Cree Nation have been looking at tourism development options since the 1980s with the development of the Community Tourism Action Plan in 1988. In 1996 the First Nation had a partnership with Western Canada Wilderness Committee who did some marketing of ecotourism trips to the Caribou Mountains, however there was little market response.

Expansion of fly-in fishing lodges may be constrained as there is currently a restriction on the number of commercial fishing lodges in the area due to the fishing pressure on the area's slow-growing fish.

Opportunity #3: Rocky Lane Agricultural Educational Hostel

The Rocky Acres Program farm is located on private property owned by the Rocky Acres Agricultural Society which is leased to the Fort Vermilion School Division. The land use is Agriculture District (A). As related by a Rocky Acres Program and Rocky Lane School representative, any improvements to the land is to Fort Vermilion School Division's discretion where hostel development would be permitted. In addition to the Rocky Acres Agricultural Society owned land, the Rocky Acres Program was provided with land donated in-kind from the Beaver First Nation.

Opportunity #5: Machesis Lake Horse Ranch

Machesis Lake is located southwest of Rocky Lane. Machesis Lake is surrounded by Crown land. Machesis Lake Provincial Recreation Area lies east of the lake. Development inside Machesis Lake Provincial Recreation Area would require a lease or other form of contractual agreement with Alberta Tourism, Parks and Recreation (ATPR). The rest of the surrounding Crown Land is administered by ESRD. Development on such land could occur through either:

a. A lease with ESRD; or
b. Transfer of Crown land to private ownership. Crown land transferred to private ownership will immediately be considered as Agriculture District (A) unless otherwise zoned by the County. Development of a horse camp on Agricultural land is allowable according to the listed discretionary uses.

Opportunity #6: Upgraded RV Sites at Fox Haven Golf & Country Club, Fort Vermilion Bridge Campground and Hutch Lake Campground

a. Fox Haven Golf & Country Club

Fox Haven Golf & Country Club is located 3 km north of the Town of High Level. The golf course is located on land designated under the Municipal District of Mackenzie – Town of High Level Inter-Municipal Development Plan (IDP) and is Freehold land. The expansion of the current facilities requires no new types of operational activities that may be adverse to the current land use designations. Since the development opportunity requires no new types of operations for Fox Haven Golf & Country Club, the expansion of more serviced sites is deemed as appropriate.

b. Fort Vermilion Bridge Campground

Fort Vermilion Provincial Recreation Area is located approximately 10 km west of Highway 88 and 10 km northwest of the Hamlet of Fort Vermilion (across the Fort Vermilion Bridge along the Peace River). The Park is administered by ATPR and operated by Mackenzie County. Land surrounding the Park is designated as Agriculture District (A) and includes both Freehold and Crown land.

Development in the Park could occur under a lease or other form of contractual agreement with ATPR. Development of serviced sites on land surrounding the Park would be permitted, as according to Mackenzie County Land Use Bylaw No. 791-10 intensive recreational uses is categorized as discretionary use for such land designation.

c. Hutch Lake Campground

Hutch Lake Campground is located northeast of Hutch Lake right off the Mackenzie Highway. Hutch Lake is a man-made lake that lies approximately 35 km north of High Level along the Mackenzie Highway. The majority of surrounding land of the Lake is Crown land. Land to the northwest of the Lake (adjacent to the Mackenzie Highway) is designated as Country Residential where there are currently privately owned cottages. Hutch Lake Campground is operated by Mackenzie County in partnership with the Town of High Level under a lease with ESRD. As such, further development within the campground would need approval by ESRD.

Opportunity #8: La Crete Ferry Campground Expansion

La Crete Ferry Campground is located on the banks of the Peace River south of Highway 697. The campground is under an ESRD lease by Mackenzie County, and operated by the La Crete Ferry Campground Society. Development in the campground would occur under the current lease with ESRD. Expansion of the campground may require development on adjacent land. Land surrounding the campground is designated as Agriculture District (A) and is divided between Freehold and Crown land. Based on the land use bylaws of the area, campsite development on private land may be appropriate.

Opportunity #9: Buffalo Head Hills Downhill Ski Facility

The identified location of the proposed ski area in the Northwest Alberta Downhill Ski Facility Site Selection Study (2008) is on Crown land. As such development would need to be approved by ESRD, and could occur through either:

a. A lease with ESRD; or
b. Transfer of Crown land to private ownership. Crown land transferred to private ownership will immediately be considered as Agriculture District (A) unless otherwise zoned by the County. Development of a ski facility on Agricultural land is allowable according to the listed discretionary uses.

Opportunity #10: Hay-Zama Lakes Wildland Provincial Park Dene Tha' Cultural Educational Facility

Hay-Zama Wildland Provincial Park is administered by ESRD. Land surrounding the Park consists of three Indian Reserves (Zama Lake Indian Reserve 210 to the west, Amber River Indian Reserve 211 to the north and Hay Lake Indian Reserve 209 to the east) and Crown land. Development in this area must be cognizant of First Nations land rights. Development both within the Park and surrounding Crown land would require approval from ESRD and the Hay-Zama Committee.

Opportunity #11: Tapawingo Lodge

Tapawingo Lodge is located on the southeast section of Bistcho Lake and lies on 22 acres of land leased from ESRD. Bistcho Lake is also surrounded by Dene Tha' First Nations land, where Bistcho Lake Indian Reserve 213 and Jackfish Point Indian Reserve 214 are located on the southeast section of the Lake. Development in this area must be cognizant of First Nations land rights and may require approval by Dene Tha' Chief and Council. The *Bistcho Lake/Cameron Hills Draft Resource Management Plan* (1994) calls for the protection of First Nation former communities, grave sites and other historical features. The greater surrounding area of Bistcho Lake is Crown land. Development on Tapawingo Lodge property would be completed under a lease with ESRD. Further expansion of the property would need approval by ESRD.

Land Use Designation	Purpose	Permitted Uses	Discretionary Uses
Agricultural (A)	To conserve land for a wide range of agricultural uses, to minimize the fragmentation of agricultural land, and to limit non-agricultural land uses to those which would not interfere with agricultural practices.	• Ancillary building/shed • Bunkhouse • Contractor's business/yard • Dwelling – single family • Dugout • Extensive agriculture • Farm subsidiary business • Garage – attached • Garage – detached • Garden suite • Home based business • Intensive agriculture 1 • Manufactured home – modular • Manufactured home – double wide • Sea can • Shop – farm • Storage yard • Yard site development	• Auction mart • Auto salvage • Automotive equipment and vehicle services • Bed and breakfast business • Cemetery • Church • Communication tower • Enviro – tank • Forestry lookout tower • Handicraft business • Industrial camp • Institutional use • Intensive recreational use • Natural resource extraction industry • Pressure vessel storage • Public use • Retail store • Secondary suite • Sewage lagoon • Sewage treatment plant • Temporary/portable unit • Tradesmen's business • Veterinary clinic • Waste transfer station • Water reservoir structure

Source: Mackenzie County Land Use Bylaw No. 791-10

Appendix C: Tourism Inventory

Tourism Inventory

City/Town	Business/Event Name
Accommodation	
Fort Vermilion	Country Gardens Bed & Breakfast
	Sheridan Lawrence Inn
High Level	Greenway Bed & Breakfast
	Greenway Corporate Suites
	Best Western PLUS Mirage Hotel & Resort
	Days Inn High Level/ Frontier Motor Inn
	EconoLodge High Level (formerly called Sahara Motor Inn)
	Flamingo Inn
	Quality Inn
	Super 8 Motel
	Executive House Suites Hotel and Conference Center
	Four Winds Motor Hotel
	Sweet Dreams Motel
	Our Place Motel
	Stardust Motor Inn
Keg River	Millennium Cabins
La Crete	La Crete Motel
	Cozy Corner Guest Home
Rainbow Lake	Noralta Motor Inn
	Rainbow Centre Hotel
	Rainbow Inn Hotel
Zama City	Noralta Inn West
RV & Camp Ground/Park	
Fort Vermilion	Fantasy North Golf & RV Park
	Machesis Lake Campground
	Fort Vermilion Bridge Campground
	Pioneer Park
	Fort Vermilion Rodeo Grounds
	Fort Vermilion Arena Park
	SS D.A Thomas Park
High Level	Aspen Ridge Campgrounds
	Watt Mountain Lookout
	Hutch Lake Campground
Tompkins Landing	La Crete Ferry Campground
	Tompkins Landing Day Use Area

City/Town	Business/Event Name
RV & Camp Ground/Park	
La Crete	La Crete Motel RV Park
	Tourangeau Lake Day Use Area
	108 Street Park
	Woodland RV Park
	Hillside Park
	Reinland Park
	Wadlin Lake Campground and Day Use
	La Crete Rodeo Grounds & Heritage Center
	Buffalo Head Tower Day Use Area
Rainbow Lake	Rainbow Lake Trout Pond
	Shady Acres Campground
	Lederer Enterprises RV Park
Zama City	Zama Community Park & Campground
	Zama Community Hall
	Hay-Zama Wildland Complex
Provincial Parks and Recreation Areas	
Fort Vermillion	Fort Vermilion Provincial Recreation Area
High Level	Machesis Lake Provincial Recreation Area
Mackenzie County	Caribou Mountains Wildland Provincial Park
Rainbow Lake	Rainbow Lake Provincial Recreation Area
Zama City	Hay-Zama Lakes Wildland Provincial Park
Restaurants	
Fort Vermilion	Copper Cookery
	Trapper Shack
	Shirley's Place
High Level	Boston Pizza
	Daylight Café & Bakery
	Family Chinese & Western Restaurant
	Frontier Pub & Restaurant
	Grandma Lee's Bakery Café
	Shorty's Pizza
	Traditions Garden Café & Gift Shop
	Matt's Pizza
	Midos Shawarma and Donair
	Mirage Restaurant and Lounge
	Quiznos Sub
	Canton Restaurant
La Crete	Country Grill Steak & Ribs
	Subway

City/Town	Business/Event Name
Restaurants	
La Crete	Mr. Crispy
	The Pizza Place
Rainbow Lake	New Eagles Nest Restaurant
	Oak Room Restaurant
	Outrigger Bar & Grill
	Rainbow Chasers
Zama City	Noralta Inn Restaurant
Culture & Heritage	
Fort Vermilion	Fort Vermilion Heritage Centre
	Lean-To Museum & Archives
	Trapper's Shack
	Hudson's Bay Company Factor's House
	Fort Vermilion Experimental Station
High Level	Mackenzie Crossroads Museum & Visitor's Centre
La Crete	La Crete Heritage Center
	La Crete Mennonite Heritage Village
Fishing, Hunting & Outfitters	
Fort Vermilion	Lightning D Outfitters
Caribou Mountains Wildland Provincial Park	Margaret Lake Lodge (closed)
High Level	Flow North Paddling Company
La Crete	Wingmaster Outfitting Ltd
	Top Notch Adventures
Bistcho Lake	Tapawingo Lodge
Community & Recreation	
Fort Vermilion	Fort Vermilion Community Library
	Fort Vermilion Recreation Complex
High Level	High Level Youth Activity Centre
	Caribou Mountain Wilderness
	High Level Motocross Association
	High Level Sports Complex
	RE Walter Memorial Aquatic Centre
	Watt Mountain Wanderers Snowmobile Club
La Crete	Northern Lights Recreation Centre
	La Crete Polar Cats
Rainbow Lake	Rainbow Lake Multi-Use Complex
	Rainbow Lake Municipal Library
Zama City	Zama Recreation Society
	Zama City Community Library
	The Gym - Zama City
Golf Courses	
Fort Vermilion	Fantasy North Golf & RV Park
High Level	Fox Haven Golf & Country Club
La Crete	La Crete Golf Course
Rainbow Lake	Rainbow Lake Golf & Country Club
Skiing	
Rocky Lane	Rocky Lane Agricultural Society - Cross Country Ski-Trails, Riding Arena

Appendix D: Rate Comparable

Rate Comparable

The following rate comparable is relevant for Opportunity 5:

Horse Ranch	Location	Package	Rate
Horse Trekking Adventures	Fairview, AB	Water, Woods & Wetland (2 night accommodations at Last Lake Guest House; lunch, river cruise and supper at Peace Valley Guest Ranch and; lunch, trail ride & supper at Horse Trekking Adventures)	Starting at $1,040/party of 4
		Couples' Country Getaway (Overnight accommodations at Horse Trekking Adventures, evening meal & trail ride, morning trail ride & breakfast; overnight accommodations at Peace Valley Guest Ranch, river cruise, steak supper, evening trail ride, fire & snacks, private cabin, breakfast & morning trail ride; overnight accommodations at Last Lake Guest House, farmers' golf, wine tasting, campfire & canoeing)	Starting at $890/party of 2
		Day Trip	Starting at $75/person
Anchor D Guiding & Outfitting Ltd	Black Diamond, AB	Cabin Rental (up to 4 guests)	$175/night or $900/week
		2 Hour Ride	$69/person
		6 Day Lost Trail Ride	$1,899/person
Wildhorse Mountain Ranch	Rocky Mountain House, AB	Bed & Breakfast (double occupancy)	April-October: $100 /night
			November-Mid-April: $80/night
		One Week Ranch Vacation (double occupancy)	$590/person
		Trail Rides	$35/hour
Historic Reesor Ranch	Cypress Hills, AB	Cypress Hills Cowboy Adventure Package (3 meals per day, accommodations and horse included)	$225/day/person
		Cypress Hills Cowboy Adventure Overnight Package (accommodations in ranch house or cabin, breakfast, sunset ride on horseback, cowboy poetry, 1 day and 1 night)	$180/person
		Cowboy's Cabin Rental (self-contained cabins)	$139/night/party of 2

The following rate comparable is relevant for Opportunities 6 and 8:

RV Parks and Campgrounds in the Region	Rates
Wadlin Lake Campground	$20 overnight
	$120 weekly
	$50 group plus $16/unit/day plus $250 damage deposit
	$28/ day on marina with camping stall
	$10/day on marina without camping stall
Machesis Lake Campground	$20 overnight (non-service)
	$120 weekly (non-service)
	Day use no charge
Hutch Lake Campground	$20 overnight (non-service)
	$120 weekly (non-service)
La Crete Ferry Campground	$5 day use
	$26 overnight powered site
	$20 overnight non-powered site
	Groups (10 max) $200
	Shelter rental $250
	Seasonal site $750 (May1-Sep 30)
Fox Haven Golf & Country Club	$30 daily (serviced)
	$150 weekly (serviced)
	$450 4 weeks (serviced)
	$20 daily (unserviced)
	$100 weekly (unserviced)
	$300 4 weeks (unserviced)
Zama Community Park & Campground	$20/unit/night full service
	$15/unit/night power only
	$10/unit/night non service
	Day use no charge

The following rate comparable is relevant for Opportunities 2 and 11:

Fly-in Fishing Lodge	Location	Package	Rates
Andrew Lake Lodge	Andrew Lake, AB	Fly-in Fishing Package; Option of addition of full service meals: 3 days add $200, 4 days add $300, 7 days add $500	From Edmonton: $1,995 for 3 days/person
	North Leland Lake, AB		From Edmonton: $1,995 for 3 days/person
	South Leland Lake, AB		From Edmonton: $1,795 for 3 days/person
	Boquene Lake,		From Edmonton: $1,795 for 3

Fly-in Fishing Lodge	Location	Package	Rates
	AB		days/person
	Lynx Lake, AB		From Edmonton: $3,595 for 3 days/person
Tapawingo Lodge	Bistcho Lake, AB	Self-contained cabins inclusive of airfare and hotel tax	Party of 2-3: $3,348 for 3 nights/cabin
			Party of 4-6: $6,696 for 3 nights/cabin
Namur Lake Lodge	Airdrie, AB	Full Service (Transfers between Fort McMurray airport and charter plane base; Air transportation between Fort McMurray and Lodge; Home cooked meals served in the main Lodge and optional shore lunches; Boat (2 per boat), motor, gas, dip nets and life vests)	$1,150 for 2 days/party of 3
		Economy (Air transportation between Fort McMurray and Lodge; Cabin with full cooking facilities; Boat (2 per boat), motor, gas, dip nets and life vests)	$820 for 2 days/party of 3
Misikew Sport Fishing	Fort McMurray, AB	Return floatplane transportation from Fort McMurray; 5 night accommodation; motor boat	$1,299 for 5 nights/person
Island Lake Lodge	Fort McMurray, AB	Full Service (Transfers between Fort McMurray airport or bus terminal; Air transportation between Fort McMurray and the Lodge; Fully equipped log cabin, 16 ft. boat (2 persons per boat), motor, gas, paddles, fish tub, dip net and life jackets; Shower facilities with flush toilets. Home-cooked meals served in the main Lodge)	$1,180 for 3 days/person
		Economy (Air	$880 for 3 days/person

Fly-in Fishing Lodge	Location	Package	Rates
		transportation between Fort McMurray and the Lodge; Fully equipped log cabin, 16 ft. boat (2 persons per boat), motor, gas, paddles, fish tub, dip net and DOT approved life jackets; Shower facilities with flush toilets)	
Redfern Lodge	Burns Lake, BC	Return airfare to Vancouver South Terminal; daily guide service	$3,950 for 5 days/person
North Haven Resort	Utik Lake, MB	One night hotel accommodations in Winnipeg (based on double occupancy); Roundtrip airfare from Winnipeg to North Haven Resort; Lakefront cabin accommodations; Meals; Professional guide for every two guests	$4,800 for 4 days/party of 2 $5,645 for 8 days/party of 2