

# 2015-16

## ANNUAL REPORT



Ontario

Northern Ontario Heritage  
Fund Corporation

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## Introduction from Michael Gravelle, Board Chair



I am delighted to report that 2015-2016 was another successful year for the Northern Ontario Heritage Fund Corporation (NOHFC) – and for the people of Northern Ontario.

Through five unique funding programs, we helped to launch and expand countless businesses in a wide range of sectors, from mining to craft brewing, film and television to tourism, health care to food production and processing.

We also invested in essential infrastructure, commercialization of new technologies and a workforce second to none.

In the process, we helped create unprecedented economic opportunity – and thousands of new jobs – for Northern Ontario.

It takes a dedicated team to achieve results like these. My thanks to everyone at the NOHFC for their diligence and commitment. Working together with the people of Northern Ontario, we're well on our way to building a dynamic and prosperous Northern economy, one that is diversified and globally competitive.

A handwritten signature in black ink that reads "Michael Gravelle".

Michael Gravelle  
Chair,  
Northern Ontario Heritage Fund Corporation  
Minister of Northern Development and Mines

## Board of Directors\*

**Michael Gravelle**, Chair

*Appointment Term:* February 11, 2013 - Present

*City:* Thunder Bay

**Sharon Lenore Hacio**, Member

*Appointment Term:* June 20, 2007 - June 18, 2016

*City:* Thunder Bay

**James Beatty**, Member

*Appointment Term:* August 6, 2016 - August 6, 2019

*City:* Parry Sound

**Murray Alan Scott**, Member

*Appointment Term:* May 17, 1999 - October 21, 2016

*City:* Sudbury

**Geordi Kakepetum**, Member

*Appointment Term:* November 17, 2010 -

November 16, 2016

*City:* Balmertown

**John Simperl**, Member

*Appointment Term:* December 3, 2014 -

December 2, 2016

*City:* Thunder Bay

**David E Sinclair**, Vice Chair

*Appointment Term:* December 18, 2002 -

December 17, 2016

*City:* Kenora

**Marielle Brown**, Member

*Appointment Term:* March 24, 2010 -

March 22, 2017

*City:* Elliot Lake

**Robert George (Bob) Norris**, Member

*Appointment Term:* March 24, 2010 - March 22, 2017

*City:* New Liskeard

**Victoria Hanson**, Member

*Appointment Term:* April 23, 2008 - April 22, 2017

*City:* South Porcupine

**Carolyn Lane-Rock**, Member

*Appointment Term:* May 16, 2007 - May 15, 2017

*City:* Gore Bay

**Ella-Jean Richter**, Member

*Appointment Term:* May 16, 2007 - May 15, 2017

*City:* Sault Ste. Marie

**James Caicco**, Member

*Appointment Term:* May 17, 2011 - May 16, 2017

*City:* Sault Ste Marie

**Michael Fox**, Member

*Appointment Term:* May 17, 2011 - May 16, 2017

*City:* Thunder Bay

**Robert J. Fontaine**, Member

*Appointment Term:* June 13, 2012 - June 12, 2017

*City:* Sudbury

**Jeffrey Perry**, Member

*Appointment Term:* February 10, 2016 -

February 9, 2018

*City:* Sudbury

**Lorraine H.T. Irvine**, 2<sup>ND</sup> Vice Chair

*Appointment Term:* April 7, 2004 - April 5, 2018

*City:* Kirkland Lake

**Jason Corbett**, Member

*Appointment Term:* August 29, 2012 - August 28, 2018

*City:* North Bay

\* as at March 31, 2016

## 2015-2016 NOHFC Board Members with Premier Kathleen Wynne



From Top Left to Right: Dave Sinclair; Marielle Brown; Michael Fox; Honourable Minister Michael Gravelle – Chair; Victoria Hanson; Jason Corbett; Robert Norris; Ella-Jean Richter; James Beatty; and Robert Fontaine. Bottom left to right: John Simperl; Murray Scott; Honourable Kathleen Wynne; Lorraine Irvine; and Carolyn Lane-Rock.



## About the Northern Ontario Heritage Fund Corporation

The Northern Ontario Heritage Fund Corporation was created to help diversify and build Northern Ontario's economy, goals that are more important than ever in today's era of intense global competition.

The NOHFC partners with entrepreneurial Northerners to create and expand promising businesses, develop innovative technologies, invest in infrastructure and create new jobs.

The NOHFC supports Ontario's *Growth Plan for Northern Ontario* by focusing on growing existing and emerging sectors, including minerals and mining supply and services, advanced manufacturing, digital media, arts and culture, health sciences, forestry, renewable energy and services, and tourism.

2015-2016 saw notable successes in all of those sectors.

**FACT: The Northern Ontario Heritage Fund Corporation's budget is \$100 million a year.**

**FACT:** In 2015-2016, the NOHFC committed \$5 million to JEAP. In round one there were 34 approved projects.

## Mining the Future

Active junior exploration companies are crucial to the continued success of Ontario's mining industry. But, it's a high-risk business, and in today's difficult market, juniors often find it challenging to attract investors. That's why companies like Sudbury's Wallbridge Mining applaud the NOHFC's new Junior Exploration Assistance Program (JEAP). The one-year pilot program provides juniors with a rebate of up to \$100,000 per project to conduct exploration work in Northern Ontario. For Wallbridge, with two approved projects in the works, one in the very early exploration stage, the other about to start drilling, it means a helpful \$200,000. "JEAP is a great program," says Wallbridge's vice president of exploration Joshua Bailey. "Ontario is a world leader in mining. Sustained exploration is necessary to maintain our advantage. JEAP is helping to keep exploration going, attract investment and keep expertise and future discoveries in Northern Ontario."



Junior exploration companies are critical in the mining sector and the new JEAP program is helping to attract and keep them here in Ontario."

— Garry Clark,  
Executive Director,  
Ontario Prospectors  
Association





## Lights, Camera, Action

If David Anselmo gets his wish, Hollywood North will one day mean Northern Ontario. And he's got lots of support for that dream, including the Northern Ontario Heritage Fund Corporation. In 2012, Anselmo converted a 20,000 square-foot derelict hockey arena into a film studio. Over the next three years Northern Ontario Film Studios attracted more than 20 productions to Northern Ontario. Impressed with the results, in 2015, the NOHFC invested \$650,000 in new equipment and renovations to

the studio, which was named Company of the Year by the Northern Ontario Business Awards. "Northern Ontario has the growing infrastructure and talent to support excellence in storytelling," says the Sudbury native. "And it is thanks, in no small part, to the NOHFC's vision." Anselmo's latest win? A three-year, \$100 million deal with Motion Picture Corporation of America that's sure to attract more investment in Northern Ontario's burgeoning film and television industry.



**FACT:** In 2015-2016, the Northern Business Opportunity Program invested \$21+ million in 34 film and television projects, including *Two Lovers and a Bear*, *Mean Dreams* and *Sleeping Giant*, all of which debuted at the Cannes Film Festival to excellent reviews.



## Hit Canadian TV Series shot in Sudbury

In March 2016, Crave TV, together with The Comedy Network, announced it was ordering a second season of the smash hit series *Letterkenny*. Shot in Sudbury, it's produced by Toronto-based New Metric Media. Why did the company choose Sudbury? "It was a no brainer," says executive producer Mark Montefiore, whose first project in the northern city was 2012's *Cas & Dylan*, a feature film starring Academy Award winner Richard Dreyfuss and directed by Jason Priestly. "That experience showed me that Sudbury could give us all the landscapes we needed, experienced technical and support people, and critical funding through the Northern Ontario Heritage Fund Corporation."



The investments the Northern Ontario Heritage Fund Corporation have made in our growing film and television industry have helped to create a virtuous circle. By attracting productions to the North, we've built a talented crew base, essential infrastructure, including a full-service studio and equipment houses, and support services such as hair and make-up, carpentry and catering. These, in turn, helped lure a record number of productions to Northern Ontario in 2015."

— *Patrick O'Hearn, Associate Managing Director, Cultural Industries Ontario North*

## Tapping the craft beer boom

The Sleeping Giant Brewing Company opened its doors in June 2012 in a converted equipment rental shop in Thunder Bay with help from the Northern Ontario Heritage Fund. It was a much-needed helping hand that's paid off. The first year in business, the company sold 27,000 "growlers" – a growler is a half-gallon container – of three types of beer. Having doubled its sales every year since then, in 2016, Sleeping Giant is on track to sell 200,000 growlers of 18 different varieties of beer – including its bronze Canadian Brewing Award-winning Northern Logger. "We simply couldn't have

succeeded without the NOHFC grant," says co-owner Matt Pearson who sees more growth ahead. It's a similar story at Kenora's Lake of the Woods Brewery. With funding from the NOHFC, it opened in 2013 and today it sells its six flagship brews in retail outlets all across Manitoba and Ontario and is set to start exporting to Minnesota. Business is so good, Lake of the Woods is looking to add a second brewery in the next six months. "We couldn't have opened without help from the NOHFC," says company president Taras Manzie.



**FACT:** The Northern Business Opportunity Program invested over \$915,000 in five craft brewery projects in 2015-2016: Split Rail Brewing Company, Dawson Trail Craft Brewery, Manitoulin Brewing Company, New Ontario Brewing Company and Stack Brewing.



# Ontario's Economic Future Points North

## Northern Ontario Internship Program

Northern Ontario has been blessed with a wealth of natural resources, including some of the world's biggest mineral deposits. But the greatest resource of all is our people. *The Northern Ontario Internship Program* attracts and retains college and university graduates by providing one-year internships with businesses and organizations in a number of key industries.







The Northern Ontario Internship Program is a win-win-win. It gives students an all-important foot in the door in fields they're trained for, and businesses vital skills they're lacking. It also attracts and keeps educated, hard-working, entrepreneurial young people in the North helping to build our economy."

— Terry Bos, CEO, Sault Ste. Marie Airport

## Flying High

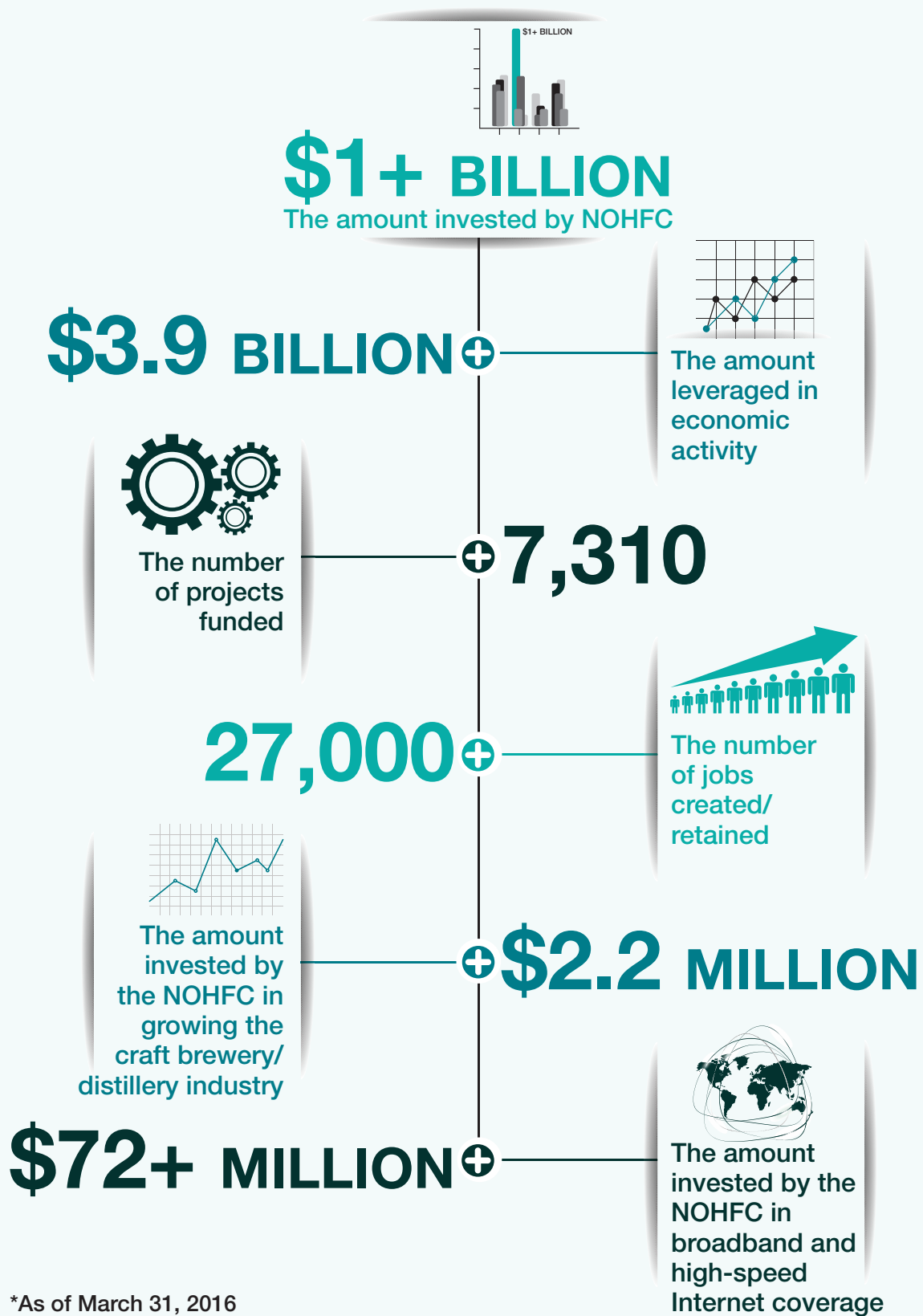
In the spring of 2015, Chris Biocchi was in his third year of a Bachelor of Business Administration program at Algoma University when an ad in the *Sault Star* caught his attention. The Sault Ste. Marie Airport was looking for a communications coordinator intern. The Sault College graduate in commercial aviation saw an opportunity to combine his two passions: aviation and business communications. He applied for, and got, the

one-year paid internship. And much more than he'd hoped for. "I was hired to set up a new website and social media for the airport, which I did," he says. "But I also got involved in different aspects of the business, including stakeholder relations and strategic planning. It was a once-in-a-lifetime opportunity." Best of all, it led to a full-time job as the airport's Security and Business Administration Manager.



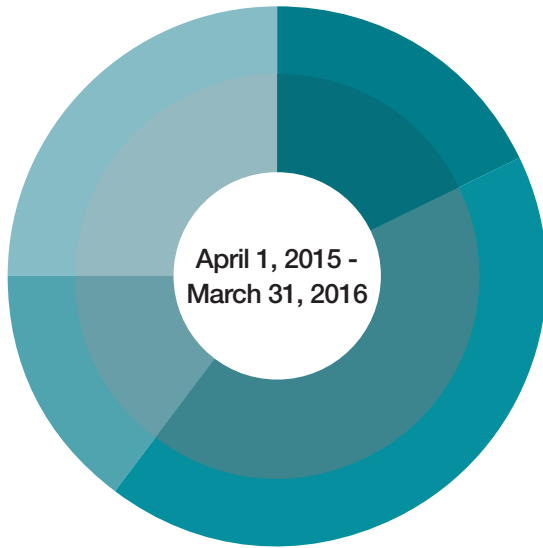
**FACT:** The Northern Ontario Internship Program provides organizations with a portion of a recent graduate's salary to a maximum contribution of \$31,500.

# ◆ Accomplishments ◆



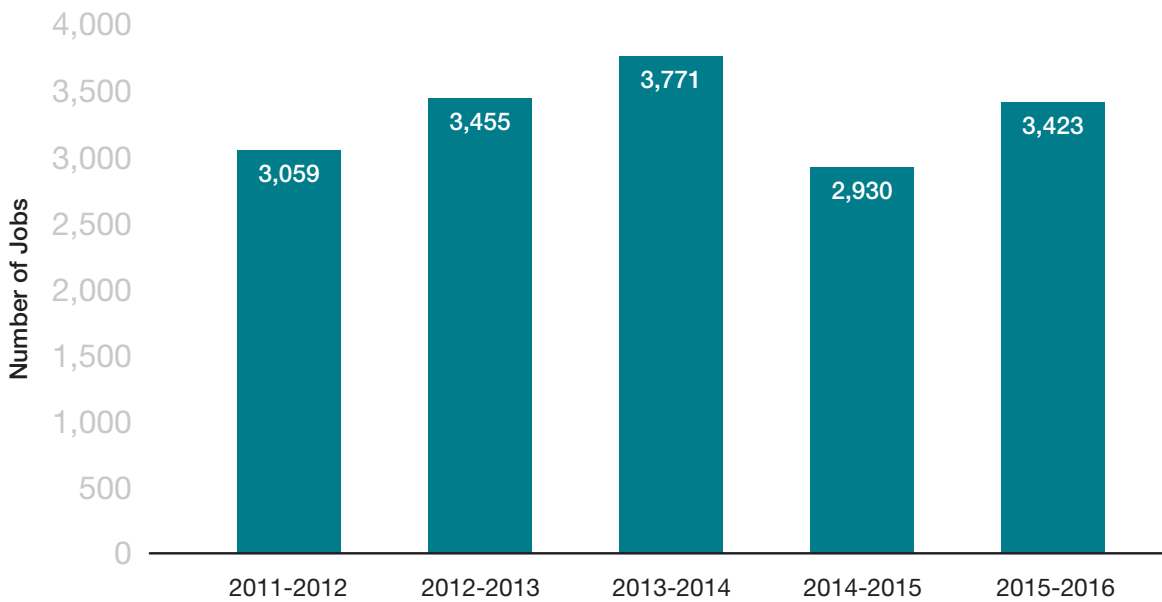
# By the Numbers

## Total Jobs Created/Retained



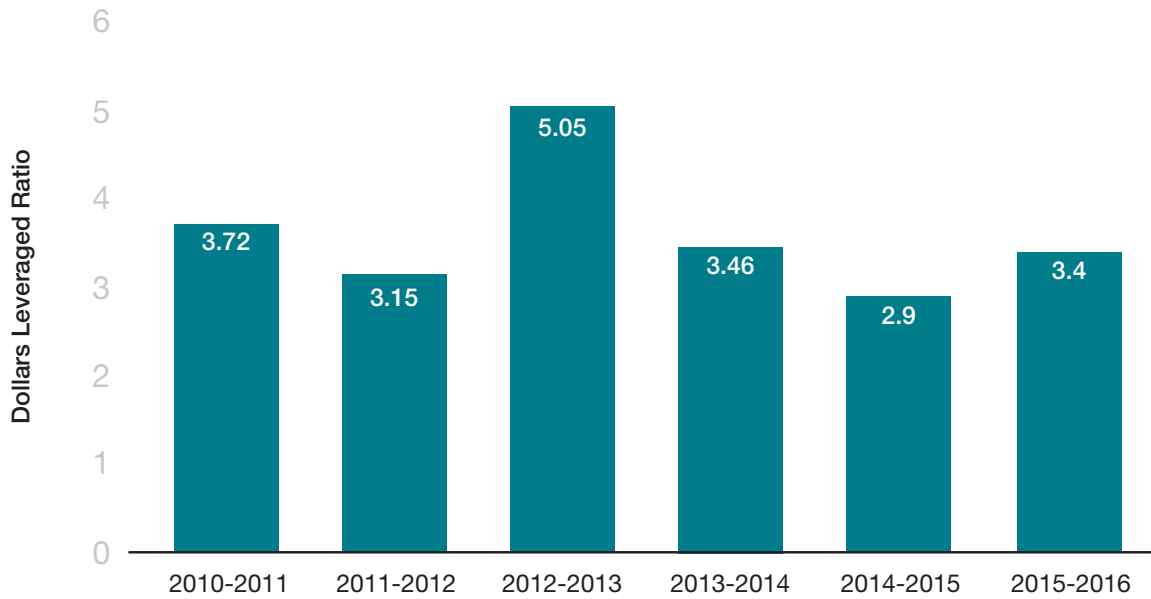
Total Jobs Created/Retained		(3,423)
Jobs Created		609
Jobs Retained		1,455
Internship Jobs		509
Jobs from Infrastructure Investments		850

## Total Jobs Created

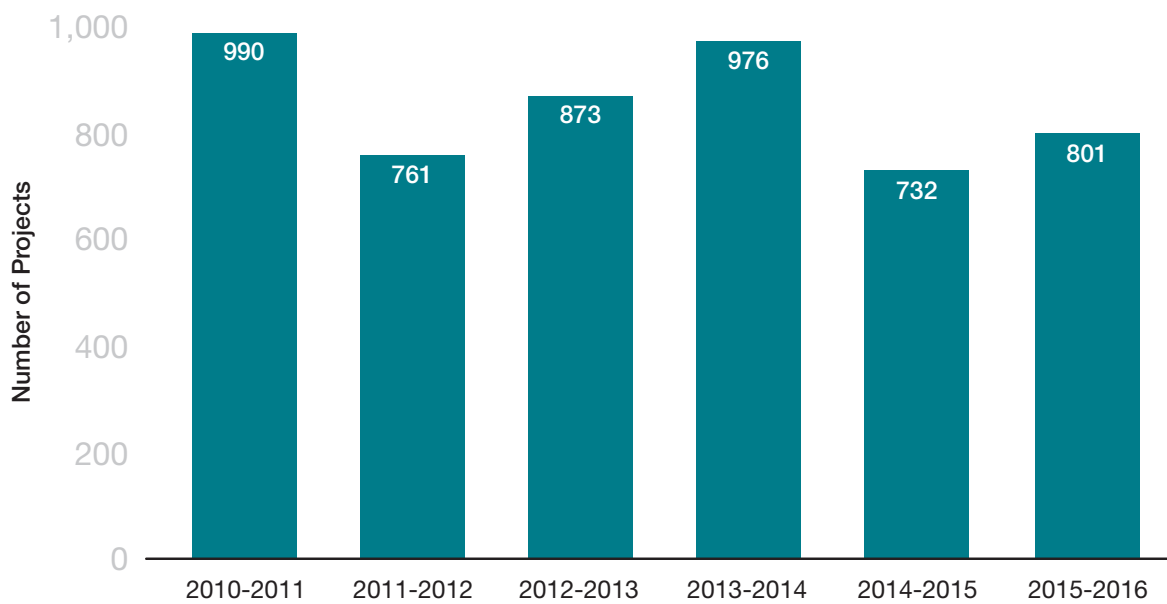




## Dollars Leveraged Ratio



## 6 Year Comparison of Projects Approved



# Success Stories

## Northern Community Capacity Building Program

The *Northern Community Capacity Building Program* helps Northern communities attract new businesses through opportunities and events that promote long-term growth.

### Canada's surprising beach volleyball capital

Who would have thought that North Bay, a city that's snow-covered for more than six months a year, would become a regular stop on the international beach volleyball circuit? North Bay resident Amedeo Bernardi, president of Vision Sports and Entertainment, was hopeful it could happen. And, after successfully hosting the North, Central and Caribbean Volleyball Confederation (NORCECA) Beach Volleyball Tour in 2014, the Northern Ontario Heritage Fund Corporation agreed. The NOHFC invested \$100,000 to build five

permanent international standard outdoor courts at the city's waterfront. They debuted for NORCECA 2015, securing North Bay a spot on the international tour for at least the next four years. They also hosted Olympic Trials this year. "The NOHFC funding was critical," says Bernardi. "Without it we wouldn't have been able to build courts that are attracting national and international interest and drawing thousands of players and fans to North Bay." The latest to sign on? Volleyball Canada's Senior Beach Nationals for 2016 and 2017.





**FACT:** According to a 2016 survey by Colleges Ontario, five northern schools rank in the top eight in Ontario. The survey looked at the quality of the learning experience, facilities, services and environment.

## Study North

With a looming skills shortage in a number of key sectors, including mining, Northern Ontario is on the hunt to attract, and keep, talent. And it's getting help from the Northern Ontario Heritage Fund Corporation through the Study North Initiative. A \$3 million, three-year marketing program, Study North aims to attract students from Southern Ontario to attend one of the six publicly-funded colleges in the North. It targets students in the Greater Toronto Area and includes an extensive ad campaign, together with three recruiters located in Toronto, who travel yearly to every high school in the area. The sales pitch? Study in Northern Ontario and take advantage of available space in the program of your choice, smaller class sizes and higher levels of student-teacher interaction. Year two of the program has concluded and Fred Gibbons, president of Northern College, says it is working. All the colleges have seen an uptake in admissions of students from Southern Ontario.





**FACT:** The Northern Innovation Program's Industrial Research Chairs stream will fund up to 50% of eligible costs to a maximum of \$1 million. Eligible costs include the chair holder's salary and mandatory benefits, construction or renovation of labs or supporting facilities, and purchase, operation and maintenance of research equipment.

## Northern Innovation Program

Continuous innovation is key to success for any economy. The *Northern Innovation Program* supports the development and commercialization of new technologies by fostering collaboration among businesses, academic institutions and research facilities.

### Going Greener

Northern Ontario's forestry and mining industries are about to get even more environmentally friendly and cost competitive thanks to work being done by Dr. Pedram Fatehi and his research group at Lakehead University. The Iranian-born chemical engineer, who arrived in Thunder Bay in 2011, is working with industrial partners including FPIInnovations, Goldcorp and Resolute Forest Products to produce chemicals from waste forestry biomass that will create greener, more cost-effective pulping, mining and oil processes. Supported by the Northern Ontario Heritage Fund Corporation by way of an industrial research chair, it is cutting-edge work that is attracting the best and brightest researchers from around the world to his lab in Northern Ontario. Fatehi's current team of 24 includes scientists from Canada, the U.S., China, India, Russia and Saudi Arabia. "Industry and academia all over the globe are watching what we're doing," says Fatehi. "It wouldn't be possible without the support of both the university and the NOHFC."

## Strategic Economic Infrastructure Program

Innovative businesses need modern, efficient infrastructure if they're to grow and be successful. The *Strategic Economic Infrastructure Program* helps to fund infrastructure that will advance economic development and investment.

### Up to speed

High-speed Internet service is a necessity in today's world. For consumers, it means access to everything from online education to healthcare to shopping. For business, it means the ability to compete at home and abroad by increasing visibility and accessibility, lowering costs and strengthening competitive advantage. Providing northern businesses with a level playing field is a big reason why the Northern Ontario Heritage Fund Corporation has been investing in broadband all across the North. One example of how it has helped a company

improve sales? Take the Manitoulin Chocolate Works, which makes hand-made, specialty chocolates. Thanks to the availability of broadband, the company was able to take part in a Blue Sky Economic Growth Corporation program to enhance its online presence, including its website and social media. The result? Increased sales at home – and a growing online business shipping chocolates across Canada. Says manager Heather McKeen, "We've noticed that a lot of Manitoulin Island is busier. The whole community's presence has grown."



**FACT:** Every \$100 million of public infrastructure investment in Ontario boosts GDP by \$114 million.



## Northern Business Opportunity Program

The *Northern Business Opportunity Program* provides funding to help promising Northern Ontario start-ups get launched – and successful Northern Ontario businesses expand. It also helps companies based in other provinces or territories relocate or begin new operations in the North.

### Building Business

Kenora's Sierra Construction has been doing a booming business in the residential and commercial markets for almost 20 years. But it wanted to keep – and grow – its smaller industrial client base, which includes Weyerhaeuser, TransCanada, H2O Power and North American Palladium. That meant it needed to offer custom steel fabrication. Sierra applied to the Northern Ontario Heritage Fund Corporation for help. The company presented a solid

business case and was successful in receiving both a grant and loan from the NOHFC, which allowed it to expand its facility and buy new steel fabrication equipment. Says president James Minor, "To keep our existing clients and attract new ones in the forestry, mining and pipelines industries, we knew we had to offer more service. Without the assistance of the NOHFC it would have been very difficult for us to expand."







## Ready to Rock

In March 2015, mining equipment manufacturer Rock-Tech opened a new, \$6 million ultra-modern facility with financial help from the Northern Ontario Heritage Fund Corporation. The 32,000 square-foot plant was designed for maximum productivity, energy efficiency and environmental sustainability, and it has positioned the Sudbury-based company for future growth in the highly competitive global mining industry. “We can do three to four times the volume we did prior to the expansion,” says Rock-Tech president Ricky Lemieux. Rock-Tech makes three lines of products: mine utility vehicles, stationary rock breaker systems and fuel/lubricant storage and handling systems and counts Vale, Goldcorp and Glencore among its clients. But the company is keen to increase its export business which currently sits at about five per cent. “The NOHFC’s contribution was tremendously important to us. Our new manufacturing facility will allow us to grow and compete on a global scale, which is where we intend to take the business.”

**FACT:** The Northern Business Opportunity Program contributes up to \$200,000 for a start-up and up to \$1 million for the expansion of an existing business in the form of both conditional contributions and loans.



When you're running a company, it's very hard to find the time to plan how you're going to grow internationally. The Northern Ontario Exports Program forced us to focus on the business and analyze what makes us special. Then it took us, step by step, through the process of developing an export plan. It was an invaluable experience."

— *Walter Siggelkow, President, Hard-Line Solutions*

## Export Ready

iRing Inc. president Mark Sherry is clear about his company's goal. "We intend to be the dominant player in the field." The field is mining and iRing's product is Aegis, a revolutionary software that allows underground mine planners to design optimal drill and blast patterns – with potential savings in the millions of dollars. But having a leading-edge solution and getting it to market are two different things, which is why Sherry took advantage of the Northern Ontario Exports Program, funded in part by the Northern

Ontario Heritage Fund Corporation. It's designed to kick open the door, and capture world-wide opportunities for companies with innovative products or services, and it has helped iRing do just that. "It was very valuable," says Sherry. "It helped us to develop a strong international marketing program." As a result, Aegis is now used in mines on six continents by some of the world's biggest mining companies, including BHP Billiton, Vale, AngloGold and Goldcorp. And in 2015 sales were up 275 per cent over 2014.



**FACT:** The Export Marketing Assistance Program provides up to \$10,000 to help with costs related to export marketing and sales development.





**Ontario**

Northern Ontario Heritage  
Fund Corporation

**Northern Ontario Heritage Fund Corporation**

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**Email:** [AskNOHFC@ontario.ca](mailto:AskNOHFC@ontario.ca)