Until this year, Athabasca Basin Development had invested only in companies that provide services to the mining, resources and exploration industry.

But while people in these industries do indeed consume Pepsi products, acquiring ownership in Arctic Beverages, a Winnipeg-based Pepsi product bottler and distributor, seems to be a bit of a change for the company.

“Our company was born out of opportunities that were available from the activities in the local mining and exploration industry,” says Geoff Gay, CEO of Athabasca Basin Development. “So as we grew and evolved, it naturally happened that new investment opportunities were also servicing the resource industry. It’s an area we know about and are comfortable in, and an industry that we will continue to consider investments in moving forward, because it’s very good business to be in. But we are also open to opportunities in other industries, and our ownership in Arctic Beverages is only the first of others to come.”

It is a willingness to invest and remain open to new opportunities that has fuelled ABD’s success. The company considers investments in any industry, from startups to established businesses, wholly or partially owned, and always invests with an eye for the long term. “When you look at our current portfolio, at first glance, Arctic Beverages doesn’t appear to fit in with the other investments,” says Gay. “But in actuality it fits very well within our investment strategy. The common factor of all our investments is that they are good, solid businesses with committed leadership, and have a high potential for growth. In addition, we also took a look at our overall portfolio and realized that diversifying would be a good strategy to ensure continued success of the company. Arctic was a good fit for all our criteria and we are very excited to have ownership in this excellent company.”

(continued on next page)
In May, Athabasca Basin was one of three First Nations groups who entered into an agreement to purchase Arctic Beverages, partnering with Prince Albert Development Corp and Manitoba-based Paskwayak Business Development.

The three successful Aboriginal-owned companies formed a strong governance team with years of management and leadership experience. Marv Tiller, a former CEO of Northwest Company, has initiated and completed a large portfolio of acquisitions and investments throughout his career, and brings his expertise as the new Board Chair of Arctic Beverages. Tiller, who oversaw the previous purchase of Arctic Beverages in the early 90s, is very familiar with the company.

Sean Post, who previously led Arctic Beverages for eight years, returned as Arctic's CEO in May. It was during Post's time that the company expanded its territory to include over 20% of Canada, diversified its product line, and received multiple awards from Pepsi. “I am excited to have returned to Arctic Beverages and working with the excellent team that is in place,” says Post. “Over the years, Arctic Beverages has enjoyed excellent relationships with its customers, as we not only provide them with quality in-demand products, but we also have a unique understanding of the logistics involved in supplying our products to northern locations. The new ownership really understands the market we serve, and is well equipped to work with us to grow this company.”

“We have enjoyed a successful relationship with Arctic Beverages for many years,” says Richard Glover, President, PepsiCo Beverages Canada.

“Arctic Beverages has always held a proud position as Canada’s only First Nations owned Pepsi franchise and we’re very pleased that they’ll continue to build on this rich legacy.”

“We were impressed by the results achieved by these three First Nations investment companies, and we believe that the new ownership and governance of Arctic Beverages will enable the organization to continue serving as a great PepsiCo partner for many years to come.”

“Our groups form a very solid partnership who share a strong commitment to Arctic Beverages’ long term success,” says Gay. “As owners of numerous successful companies, all of our organizations’ shareholders have a true understanding of the challenging logistics in Northern Canada. I am confident that the experienced management team and governance structure, along with the collective financial capacity of all three owners, forms a very strong foundation and we look forward to pursuing opportunities to grow this company to its full potential.”

Arctic Beverages is the only First Nations owned Pepsi franchise in Canada. Since its formation, the company has expanded to become a distributor of Frito Lay, Canada Bread, Jack Links, Nestle Ice Cream, Parmalat, and Pepsi. Arctic Beverages has customers throughout Northern Manitoba, portions of Northern Saskatchewan, Northwestern Ontario and Nunavut, and has an in-depth knowledge of the northern Canadian market and the local distribution infrastructure. Arctic Beverages has been named Pepsi’s Canadian Bottler of the Year three times since 1998 and was the North American Bottler of the Year in 2007.

Message from the CEO and Board Chair

As an investment company, the cornerstone of our strategy is to grow the company’s value for long-term results. By remaining steadfast in our commitment, Athabasca Basin Development remains well-positioned to support our investments to succeed, maintain distributions to shareholders, and continue to grow through the current slowdown in the resource industry.

In the past, we have always invested in companies that serviced the mining and exploration industry. This year, we made an investment into Arctic Beverages, a Pepsi franchise company servicing Northern Manitoba and Northern Saskatchewan. While this is an investment into an industry that is different than we have traditionally done, it fits very well within our overall investment strategy. Investments into new industries will diversify our portfolio, decrease risk and reduce reliance on a particular industry. Due to the current market conditions, we expect a decrease in consolidated revenues over the next year. This market slowdown is a normal part of the mining and resource industry and something to be expected – diversification of our portfolio is a solid strategy to address our reliance on a cyclical industry. When looking for investment opportunities, we will continue to look for companies in various industries, with a high potential for growth, committed and experienced leadership, a strong competitive position, and financial results.

As a key part of our strategy, the vast majority of our profits are reinvested, either into supporting our current investments for their growth, or into new investments.

We are proud that we have stayed true over the years to our company’s mandate of reinvesting profits for long term wealth, and we recognize that for our shareholder communities, continuing this strategy is not always easy. But as a result of the unwavering commitment from our shareholders, board, and management, we have now grown to the point where we have begun to make an impact on the Athabasca communities. This year, we made our largest-ever corporate donation of $249,000 to help bring a $5M investment of cell towers in the north. We continue to provide consistent shareholder distributions that can be relied on and leveraged. We have only just begun to realize the potential of the impact we can have. And while we have begun to feel the effects of the slowdown in the resource industry, we remain in a strong position to continue acquiring, growing, and investing in successful businesses. As we move into the future, it remains important to keep reinvesting profits, so we can continue building wealth and making an impact on the Athabasca communities.
We’d Like to Thank Terri Daniels for Decades of Dedication to the Athabasca Region

After nearly 40 years of working for the Athabasca communities and working for Athabasca Basin Development since its inception, Terri Daniels retired from full-time work as of March 31.

Terri’s involvement with the Athabasca communities started in 1974 when she was elected to the Local Advisory Council and later began working for the Northern Settlement of Wollaston Lake. Over the years, Terri has been on countless committees and sat on numerous boards, including the Athabasca Working Group, the Northern Municipal Trust Account, and the Athabasca Land Use Planning Committee. She is well known for her dedication, perseverance and commitment to the Athabasca region, and she has been recognized with the Queen’s Jubilee Medal and the Saskatchewan Centennial medal for her regional and community work through the years.

Fortunately, Terri isn’t ready to leave us completely just yet. We are pleased that Terri has accepted and will serve on the Athabasca Basin Development Board of Directors as of April 1, 2014.

We’d like to wish Terri all the best in her retirement from full time employment, and we look forward to her wisdom, expertise, and dedication as a member of our Board.

Double Diamond Receives COR Certification

When Athabasca Basin Development first acquired ownership in Double Diamond Industrial Structures in September, 2012, one of the newly appointed CEO’s goals was to get the company COR Certified. This is easier said than done – COR certification is an intense process that involves safety audits, a comprehensive safety program that adheres to high standards, and thorough testing conducted by the Saskatchewan Construction Safety Association (SCSA) to ensure compliance to standards.

Double Diamond passed – with 100%.

“I’m so pleased to announce that as of June 19, 2014, Double Diamond is officially COR Certified,” says Barrie Bergsma, CEO of Double Diamond Industrial Structures.

“Getting COR certified took a lot of time and effort, but it was well worth it. COR means a lot – to us, to our clients, to everyone. It means we’re recognized for our efforts in achieving a high safety standard; not only in our policies and procedures but in our everyday work environment. More importantly, it’s a reflection of our company’s culture, where excellence in safety is central to everything we do, every minute of the day.”

COR Certification took many months to complete. The process started with a safety consultant doing a thorough audit of everything from the condition of tools and equipment, to practices and procedures, to interviews with employees. “When you first start on this journey, you really don’t know how much time and effort it will take to get COR certified,” says Bergsma. “The audit was extremely valuable in showing us where we were already strong regarding safety practices, and where we needed to make improvements.”

With the results of the audit, Double Diamond hired an HSE Coordinator to address the recommendations. This included a thorough review of all procedures, developing a comprehensive safety manual, developing forms putting tools and vehicles on a regularly scheduled maintenance program, employee training, equipment upgrades and much, much more.

“When everything is done, two people from the SCSA performed an independent third-party audit and examined everything, and conducted interviews with staff to ensure everyone is knowledgeable about safety practices. It’s an excellent process and I found it extremely valuable.”

“I’d like to take this time to congratulate Barrie and his staff for this outstanding achievement in safety excellence,” says Geoff Gay, CEO of Athabasca Basin Development. “A high dedication to safety is a common element for Athabasca Basin Development’s holdings; it’s something we look for in a potential investment. Many of our holdings have achieved recognition for excellence in safety. Double Diamond is the newest of Athabasca Basin Development’s holdings to receive COR Certification, joining Flyer Electric, Points Athabasca, Athabasca Basin Security, and Athabasca Labour Services in this achievement. In addition, Team Drilling has been recognized multiple times by their clients with safety awards, and they are also registered with the Canadian Diamond Drilling Association’s DEC Program. West Wind Aviation has won awards for safety, including the NSBA Award for Safe Employer. These are just some of the safety certifications and awards, and I’m proud to have so many of our investments receive recognition and certification for their efforts and dedication to safety.”

Double Diamond has a history of celebrating achievements with decorated cakes shared with employees. When Bergsma got the news about achieving COR Certification, the celebration cake was decorated with a COR logo alongside the Double Diamond logo. “I’d like to acknowledge the efforts from my staff during this process,” says Bergsma. “Everyone really embraced what we were doing and worked very hard to get this. I’m very proud of all my staff, and would like to thank them for their efforts in this outstanding achievement.”

The national standard for certification in the construction industry is the Certificate of Recognition (COR) program through the Construction Safety Association. The objective of COR certification is to provide companies with the knowledge and tools to develop an effective safety and health management system to reduce incidents and their associated human and financial costs. COR certification is now frequently required as a pre-qualification and/or condition of contract by public and private buyers of construction across Canada.
Want to Receive Updates Electronically? Subscribe to Our Online Mailing List

Due to the recent Canadian Anti-Spam Legislation (CASL), we are required to obtain your consent before we can send you any electronic news and updates. This means that many people who were on our e-mail list were removed as of July 1. This legislation doesn’t affect good old-fashioned mail, but it does directly impact electronic communications like email.

If you would like to receive our newsletter and other updates electronically, please sign up on our website. Just click on the top right corner where it says “Subscribe to our mailing list,” fill out your name and email address. You will receive a confirmation email – click on the link in the email, and you’re done! You can also send an email to newsletter@athabascabasin.ca requesting to be added to our list, and we’ll take care of everything for you.

If you have any questions about this, please feel free to contact us at newsletter@athabascabasin.ca or call our Saskatoon office at 306.384.0377, and we will be happy to assist you.

About Athabasca Basin Development

Athabasca Basin Development is an investment company committed to building and investing in successful businesses. Investments include partial or complete ownership in construction, underground mining, industrial security, electrical, diamond drilling, logistics, road maintenance and aviation. The company is owned by the seven communities in Northern Saskatchewan’s Athabasca region.

Watch for our next newsletter Spring 2015.

If you would like to be included in our newsletter distribution, or you would like to be removed from our mailing list, please send your name and contact information to newsletter@athabascabasin.ca.

athabascabasin.ca
Giving Back

We are proud to support our communities, and the cornerstone of our donations strategy is to focus on initiatives that benefit the Athabasca communities. Here are just one of the groups and causes we’ve supported:

Athabasca Dene Child & Family Services Therapeutic Youth Care Home

As part of our donations strategy, we look for opportunities that will benefit the entire Athabasca region. One such initiative is the Athabasca Denesuline Child and Family Services (ADCFS) Therapeutic Youth Care Facility. The ADCFS Youth Facility is located in Black Lake, and was opened in January 2014. The home provides educational, spiritual, recreation services, therapeutic and family counseling, as well as cultural programming to children, youth, and their families who require service and support. These services are open to all residents in the Athabasca communities, and allow at-risk youth to receive services right in their home area, rather than traveling to an unfamiliar city. Athabasca Basin Development and Points Athabasca teamed together to donate a total of $25,000 towards exercise and recreation equipment for the facility which will be used to run all-season programming.

Points Athabasca Offering New Culvert Boring Service as Part of Expansion Plans

Whenever there’s a way to do road construction without disrupting traffic, it’s a big bonus for everyone. With that in mind, Points Athabasca opened a new Culvert Boring division in spring of this year. The company now has the capacity to offer its clients culvert replacement services using a trenchless method, eliminating the need for open excavations. “This culvert boring approach allows a culvert to be replaced without tearing up the road or disrupting traffic,” says Ben Berkach, Manager of Earthworks and Infrastructure with Points Athabasca. “This provides huge advantages in terms of safety, cost, and overall disruption.”

This is a new business line for Points Athabasca, an Aboriginal-owned construction company that has been offering industrial, underground, and earthworks & infrastructure construction and maintenance services since 1999. “As part of our overall plans for both geographic and product offering expansion, this is a great direction for Points Athabasca to go,” says Brad Darbyshire, CEO of Points Athabasca. “Not only do roads always need maintenance and repairs, but as part of our mandate of ‘building capacity,’ it is also another skill where we can train and provide employment opportunities for aboriginal people.”

Ron Miller, a Lac La Ronge Indian Band member, is one example. Miller has received driller training in West Salem, Ohio, USA to give him the qualifications needed to operate the drill. Miller will also play a role in training others to operate the drill as the division expands.

“Building Capacity is a part of who we are as a company, and we are always looking for ways to build on our track record of success in providing training and employment for aboriginal people,” says Darbyshire. “This new service offering is just one of several plans we have in place for expansion in the coming months that will not only increase our company’s ability to service our clients, but also help us to fulfill our mandate.”