



# ANNUAL REPORT 2019





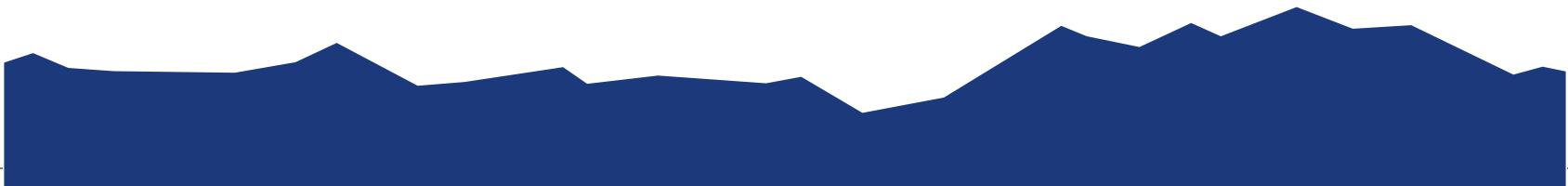
**Our mission is to provide a safe, productive and profitable set of businesses that create wealth for LNIB and improve the quality of life for all people.**



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# WELCOME

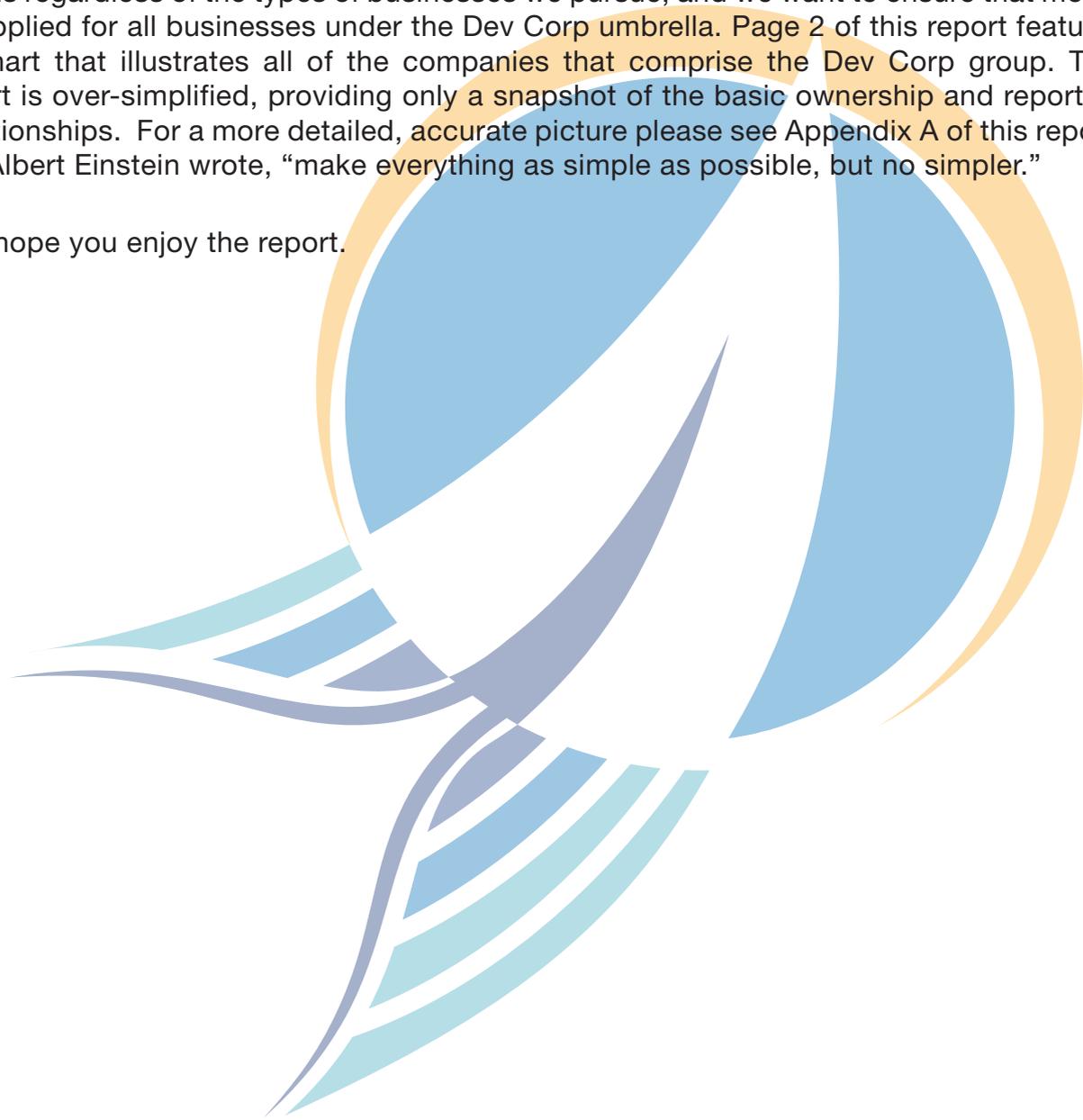
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Welcome to 2019 edition of the Annual Report for your LNIB Development Corporation. Within these pages you will find reports and articles covering the company's activities over the past year, and a look forward at the work in progress or on deck for us.

A note on the Development Corporation's structure. LNIB Development Corporation is owned 100% by Lower Nicola Indian Band. The Dev Corp itself has a number of subsidiary companies, some of which most readers will be familiar with, such as Shulus Forest and Shulus Farms, and some whose names you may not have heard before.

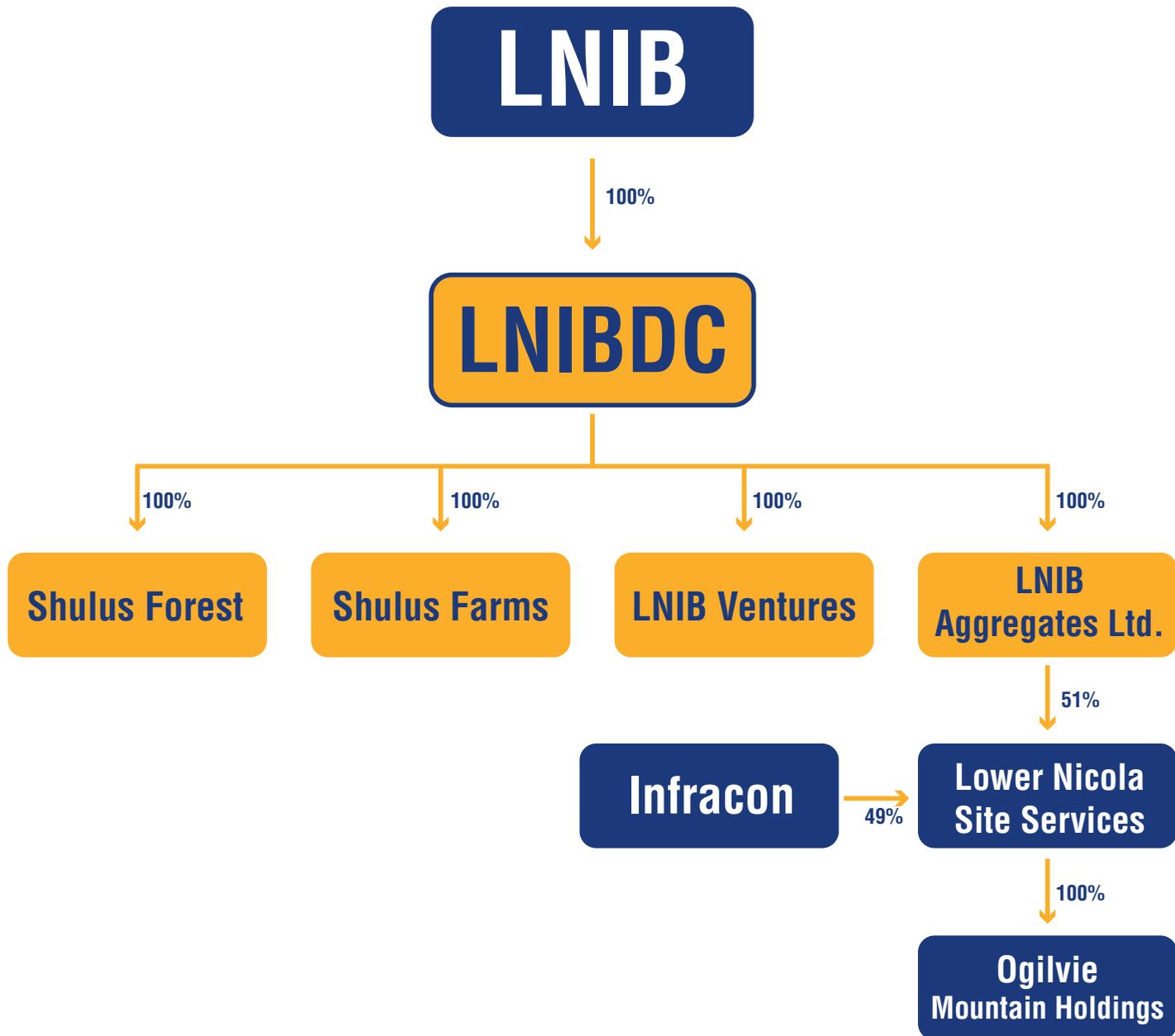
We are undergoing a corporate restructuring. We have a legal and tax model that works for us regardless of the types of businesses we pursue, and we want to ensure that model is applied for all businesses under the Dev Corp umbrella. Page 2 of this report features a chart that illustrates all of the companies that comprise the Dev Corp group. This chart is over-simplified, providing only a snapshot of the basic ownership and reporting relationships. For a more detailed, accurate picture please see Appendix A of this report. As Albert Einstein wrote, "make everything as simple as possible, but no simpler."

We hope you enjoy the report.



# DEVELOPMENT CORPORATION GROUP OF COMPANIES CHART

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# INTERNAL ORGANIZATION CHART

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# OUR BOARD OF DIRECTORS

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# MANAGEMENT TEAM

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**Kevin Ainsworth**  
General Manager



**Don Gossoo**  
Forestry Manager



**Shirley Rhodes**  
Administrative Manager



**Sukhi Chouhan**  
Chief Financial Officer



**Greg Hazel**  
Business Analyst

# REPORT FROM THE CHAIR

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**Aaron  
Sumexheltza**  
Chair

We are setting some audacious goals at the Development Corporation. Goals around profitability, business development and job creation. Goals that, once reached, will power up our community's economy to levels not seen before. Why such optimism? Work at HVC mine is going strong, a major pipeline project is poised to launch and industry players seeking partnerships are approaching us almost weekly. Our house is in order here, and good things happen when preparation meets opportunity. Over the years, with the exception of Shulus Forest, profitability has not come easy or often for the Dev Corp. But it is here now, and we have a good sense of what needs to be done to build on the strong financial results we posted this fiscal year. For a fuller discussion please see the Report from the General Manager.

As a board, in charge of governance and stewardship of the Corporation and its subsidiaries, it has been a busy year and these days we seem to be getting it right more than we're getting it wrong. A year ago the board engaged tax specialists KPMG to take an in-depth look at our legal and tax structure. Based on their recommendations, we are mid-way through a corporate restructuring that will simplify the corporate structure, eliminate or consolidate dormant entities and, most importantly, provide the Dev Corp's group of companies with a structure that minimizes taxes and shields us from legal liabilities. We also now have a template for establishing partnerships and taking advantage of opportunities on major projects such as the Trans Mountain Expansion Project and Highland Valley Copper mine.

Finally, the board approved a comprehensive strategic plan in May 2019, and we are now busy, as the saying goes: planning our work, and working our plan. The preparation and positioning work is nearing completion. Over the next 12 months and beyond we should see this work translate into a healthy and sustained cash flow for the Dev Corp, resulting in attractive dividends for the LNIB.

# REPORT FROM THE GENERAL MANAGER TO SHAREHOLDERS

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**Kevin Ainsworth**  
General Manager

At LNIBDC our mission is to make life better for LNIB people by building strong, sustainable businesses at our Development Corporation. Businesses that will provide employment and training opportunities, generate dividends for the Band, support local initiatives and make our community proud of us. Our commitment to this mission is unwavering.

The past 15 months at LNIBDC have been exciting and busy. As a relatively new leader of our Development Corporation, I wish to outline my goals for LNIBDC over the next 3-5 years.

Broadly speaking my mandate at LNIBDC is to achieve excellence in the following five areas:

1. Workplace Safety. We provide a safe workplace for our employees with no exceptions and no excuses.
2. Environmental excellence. We will protect our Land and Waters according to Nlaka'pamux values.
3. Sustainable employment for our LNIB people. We will work with LNIB contractors and entrepreneurs whenever possible, and always be on the lookout for opportunities to increase LNIB employment, year over year.
4. Sustainable financial growth for our LNIB shareholder. We will operate profitable businesses to ensure the success and growth of LNIBDC and to provide a financial return to our LNIB shareholder in the form of a dividend, or cash disbursement.
5. Quality of work. As a forestry and civil/construction service provider, we strive for excellence in the quality of work that we provide to our customers.

## **SAFETY**

Our three operating businesses (SFE, LNSS, and OMH) are constantly focused on proactive ways to prevent injuries and improve workplace safety. Our 2018 safety results show that we are industry leaders in safety with a low frequency of medical aids and other incidents.

## **ENVIRONMENT**

All of our group of operating companies meet or exceed required environmental regulations, and employees regularly receive training in environmental safety. Environmentally sensitive projects are well within the capabilities of our companies.

Projects sited on LNIB reserve land, such as the Infracon leased site and the proposed aggregate project adjacent to it, undergo an additional level of scrutiny, as they must comply with LNIB's land and environmental regulations.

## **LNIB EMPLOYMENT**

Our main LNIBDC businesses currently employ 21 LNIB people on a full-time basis. We are working with LNIB employment and training staff to capitalize on the many opportunities to increase LNIB employment within our Development Corporation.

## **FINANCIAL GROWTH**

At a glance, our LNIBDC group of operating companies (SFE, Shulus Farms, LNIB Ventures) achieved combined sales of \$3,646,141 and net earnings of \$1,026,930 in fiscal 2019. This is a 21% increase in sales and a 144% improvement in earnings over the prior year. The strong earnings at Shulus Forest Enterprises were assisted by buoyant log prices. Our joint venture companies with Infracon (LNSS and OMH) contributed an additional \$12,084,053 in revenue and \$1,148,711 in net earnings.



## QUALITY OF WORK

Our 13 person SFE crew provided \$1,605,958 in forestry services to our industry customers. Much of the work carried out by the SFE crews is business from repeat customers such as Trans Mountain and various BC ministries.

As an additional testament to the quality of work provided to customers, in May 2018 LNSS renegotiated and signed a second three-year rock-crushing contract with Teck/HVC at favourable prices and terms. This will ensure employment stability for our 9-person LNIB rock



crushing crew.

In June 2018, LNSS purchased Ogilvie Mountain Holdings (OMH), a pipeline maintenance and integrity company with a proven track record. OMH has been highly successful over the past 12 months, posting record sales and earnings. While there are currently no LNIB members employed on our OMH crews, the acquisition represents a great career opportunity for LNIB people, and I strongly encourage interested candidates to contact the HR staff at LNSS/OMH to make inquiries.

In May of 2019 LNIBDC completed a comprehensive strategic plan, with strong contributions from Dev Corp directors and staff, as well as from LNIB administration. The projected numbers are ambitious, matching our energy, aspirations and clear intentions to capitalize on the

opportunities within our grasp.

## **OUTLOOK**

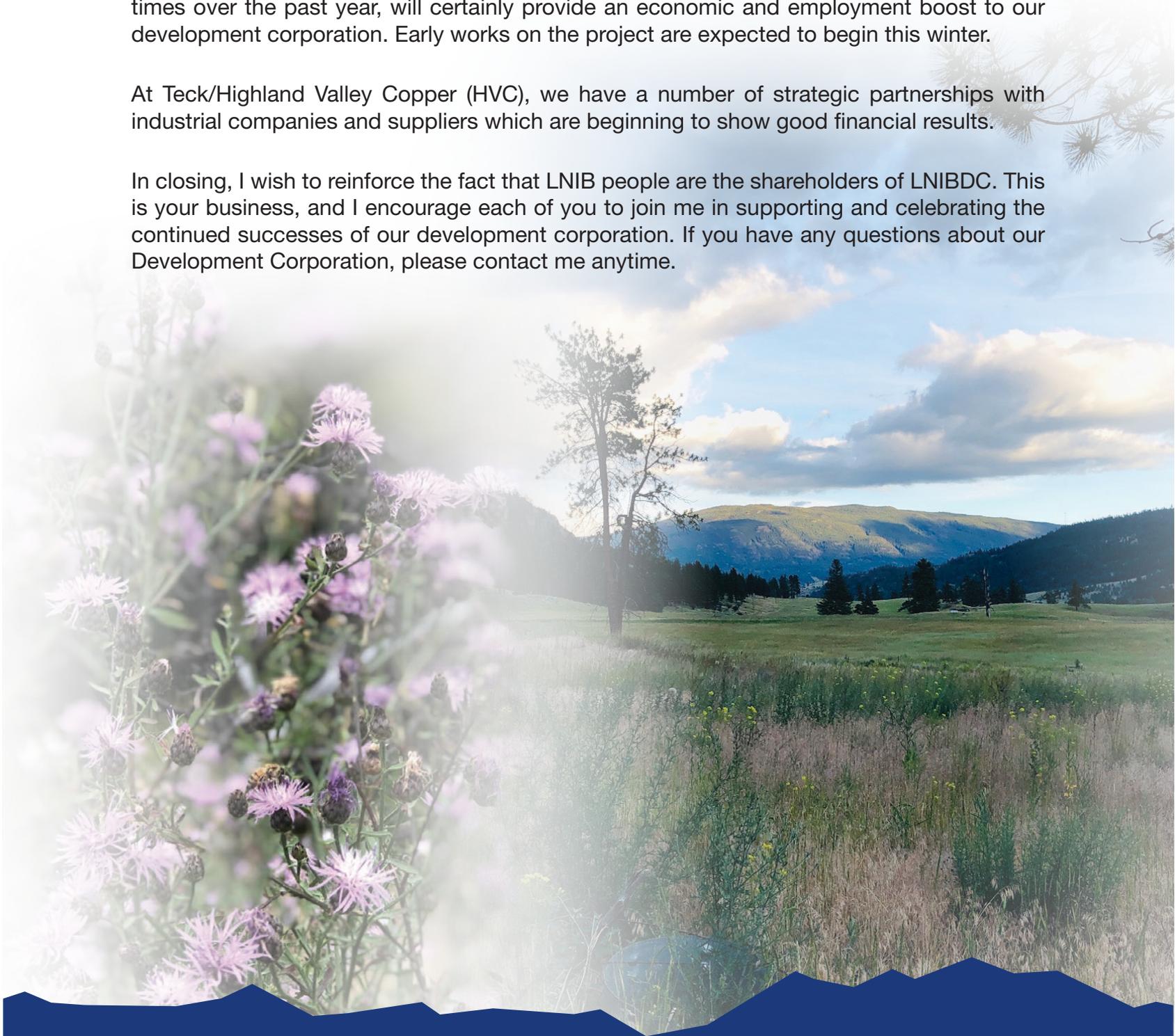
In terms of an outlook for the next 12 months, the current depressed forest products markets are expected to persist, and this will continue to have an adverse effect on SFE's financial results.

To mitigate this issue, our short-term strategy for SFE is to continue to diversify our business by focusing on other industries such as mining and oil & gas.

The Trans Mountain Expansion Project ("TMEP"), which has been delayed a number of times over the past year, will certainly provide an economic and employment boost to our development corporation. Early works on the project are expected to begin this winter.

At Teck/Highland Valley Copper (HVC), we have a number of strategic partnerships with industrial companies and suppliers which are beginning to show good financial results.

In closing, I wish to reinforce the fact that LNIB people are the shareholders of LNIBDC. This is your business, and I encourage each of you to join me in supporting and celebrating the continued successes of our development corporation. If you have any questions about our Development Corporation, please contact me anytime.



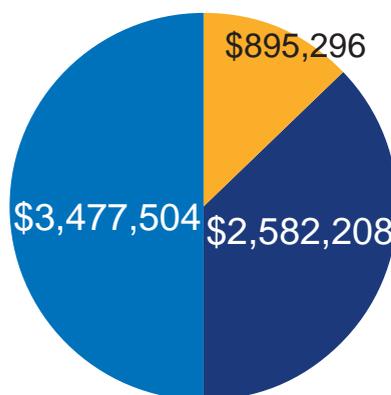
# FINANCIAL HIGHLIGHTS

## FOR THE YEAR ENDED MARCH 31, 2019

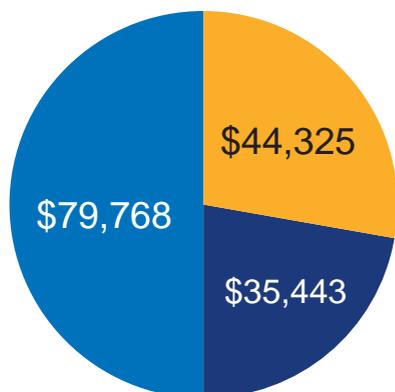
**LNIBDC**



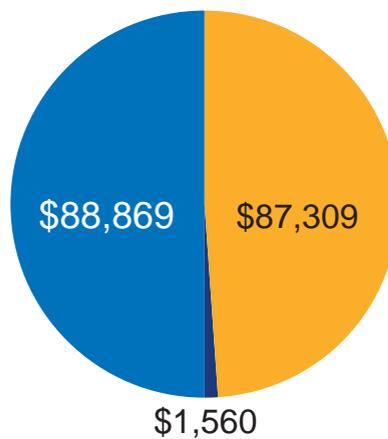
**SFE**



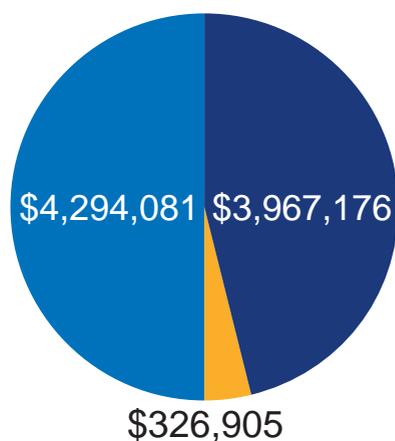
**SHULUS FARMS LTD**



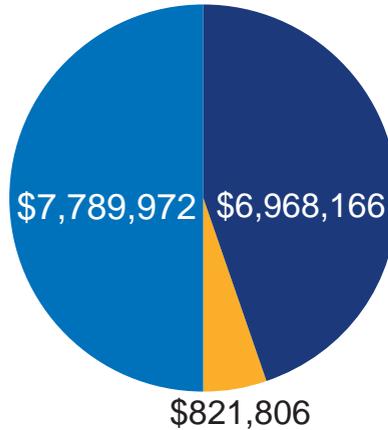
**LNIB Ventures**



**LNSS**



**OMH**



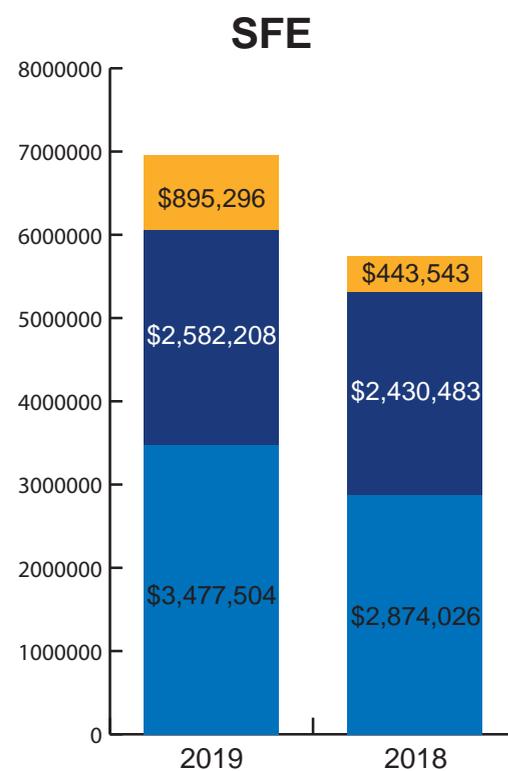
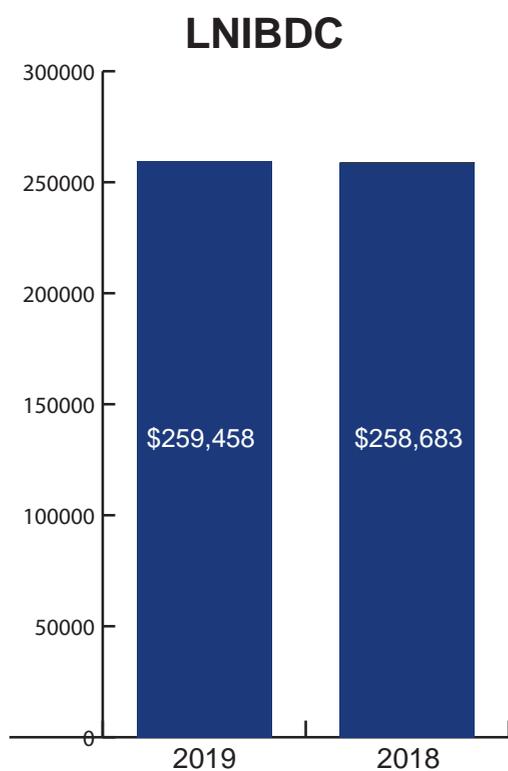
■ Revenue    
 ■ Expenses    
 ■ Income from Operations

# FINANCIAL HIGHLIGHTS

## FOR THE YEAR ENDED MARCH 31, 2019

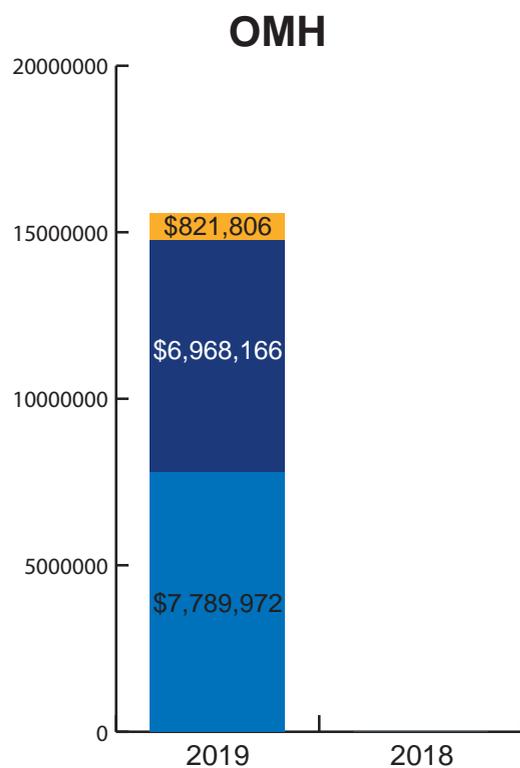
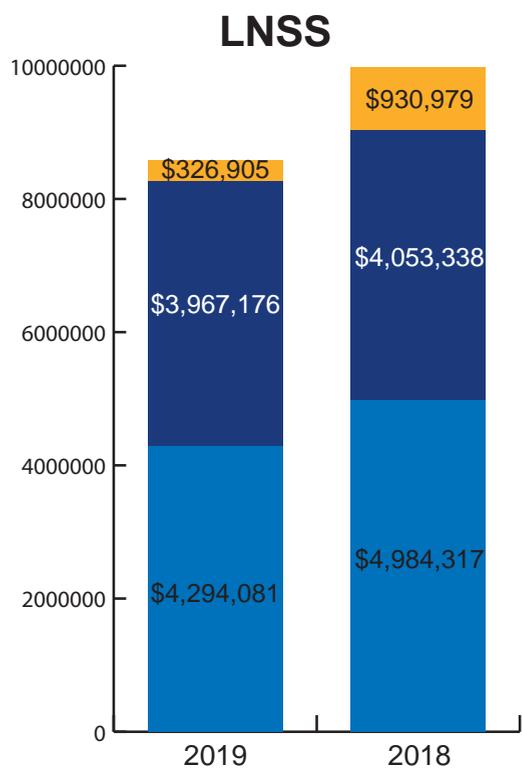
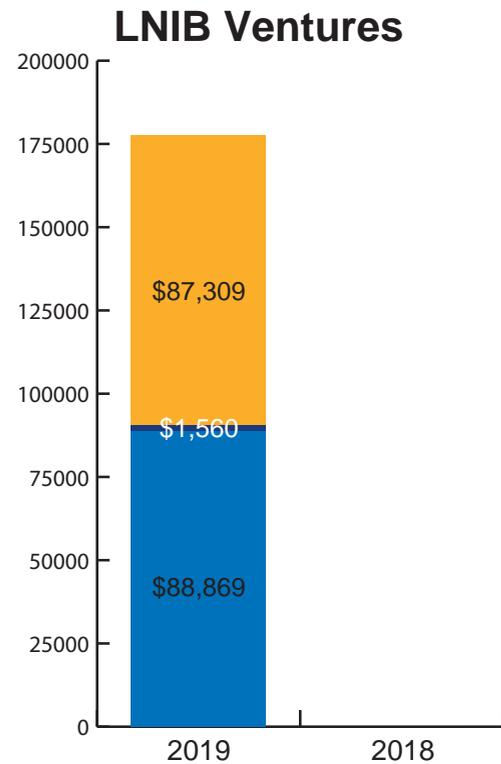
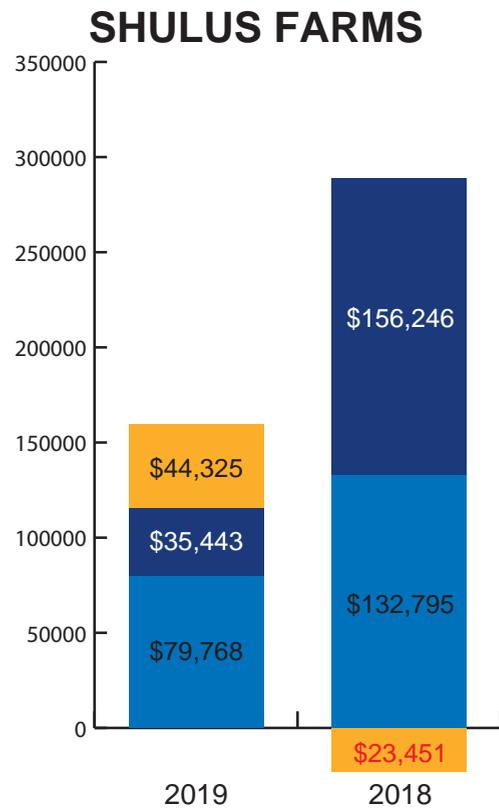
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	LNIBDC		SFE		SHULUS FARMS LTD		LNIB VENTURES LP		LNSS		OMH	
Revenue	-	-	3,477,504	2,874,026	79,768	132,795	88,869	-	4,294,081	4,984,317	7,789,972	-
Expenses	372,726	347,348	2,582,208	2,430,483	35,443	156,246	1,560	-	3,967,176	4,053,338	6,968,166	-
Income from Operations	(372,726)	(347,348)	895,296	443,543	44,325	(23,451)	87,309	-	326,905	930,979	821,806	-
Other Income	113,268	88,665									-	
Net Income	(259,458)	(258,683)	895,296	443,543	44,325	(23,451)	87,309	-	326,905	930,979	821,806	-

LNSS and OMH figures are trailing 12 months, as they have different fiscal year ends from the Dev Corp group.



# FINANCIAL HIGHLIGHTS

## FOR THE YEAR ENDED MARCH 31, 2019



# LNIBDC STRATEGIC PLAN

LNIB Development Corporation board and staff, and LNIB administration gathered in Merritt on May 7 & 8, 2019, emerging relatively unscathed with the Development Corporation's first ever Strategic Plan.

The Strategic Plan recognizes that ultimately the goal of the Development Corporation is to create benefits for its shareholder, the LNIB. The Strategic Plan articulates these fundamental benefits as: 1) annual revenue and profitability targets, 2) a dividend policy for establishing how profits are to be shared and 3) the creation of employment and contracting opportunities for LNIB members and member-owned businesses.

Underpinning the creation of shareholder benefits are a range of strategies which address 1) people, skills & motivation, 2) internal processes and 3) customers & markets. The following table summarizes the foundational, or "directional" strategies that comprise the Strategic Plan.

## DIRECTIONAL STRATEGY



### SHAREHOLDER BENEFITS

1. Achieve annual revenue growth and profit targets as set by management and the board.
2. Establish and implement a dividend policy.
3. Create employment and contracting opportunities for LNIB members and LNIB member-owned businesses.

### CUSTOMERS AND MARKETS

1. Confirm new projects and continue existing projects to meet growth and profit goals, annually.
2. Maintain relationships with our business partners that result in their perception of LNIBDC as a dynamic, capable business doing its part to advance the LNIB Mission and exemplifying Nlaka'pamux values.



### PEOPLE, SKILLS & MOTIVATION

1. Attract, develop and retain the people, skills and capacities to support our strategy.
2. Incorporate Nlaka'pamux values into all of LNIBDC's short and long-term decision-making.





## INTERNAL PROCESSES

1. Maintain a corporate structure that minimizes liability and tax implications to LNIB while remaining true to Nlaka'pamux values.
2. Develop and implement annual operating plans for each LNIBDC business to reach growth and profit targets.
3. Evolve our decision-making processes to identify, analyze and move promptly on good opportunities in our target economic sectors.
4. Create and maintain open, respectful and collaborative business and community relationships with LNIB to maximize benefits to the shareholder.
5. Continuously manage the execution of our strategy to achieve our objectives.
6. Develop and implement the metrics we need for proactive management of our businesses.

## QUICK START ACTION PLANS FOR PRIORITY STRATEGIC INITIATIVES

The following strategic initiatives were identified for priority implementation because they offer the fastest payback from early action or because they are important predecessors for other high priority initiatives. The aim is to complete all initiatives within the 2019 calendar year.

- Hold a working session to review and clarify division of responsibilities between LNIB and LNIBDC, in order to align our current and future operations with the LNIB Letter of Owner Expectations.
- Hold a half-day climate-setting and climate management session with LNIB Admin and LNIBDC staff to create the guidelines together for our shared ideal climate, drawing on the LNIB Letter of Owner Expectations.
- Recommend a dividend policy to the Board (e.g. percentage of accumulated surplus minus capital requirements, debt servicing, etc.).
- Develop a Business Development Plan to diversify into new sectors and regions beyond our current business to increase our revenue and employment base, and decrease our reliance on our historical resource base. New businesses must build on our current skill base and meet appropriate return and risk parameters.
- Develop a one-page bullet point document that sets out benchmarks we aim to meet in our relationships with each business partner. It will be specific enough that we can say unambiguously whether we've met the benchmarks we set.
- Formalize a personnel policy for approval by the board.

In order to position the Development Corporation for success, each of the six strategic initiatives above was expanded into a set of specific actions with associated timelines and allocated resources. LNIB and LNIBDC are stakeholders in each other's success, and a Communications Action Plan will keep stakeholders apprised of progress and allow LNIB and LNIBDC to support one another as they move forward in a way that is mutually supportive.

# LAND DEVELOPMENT AND LEASING

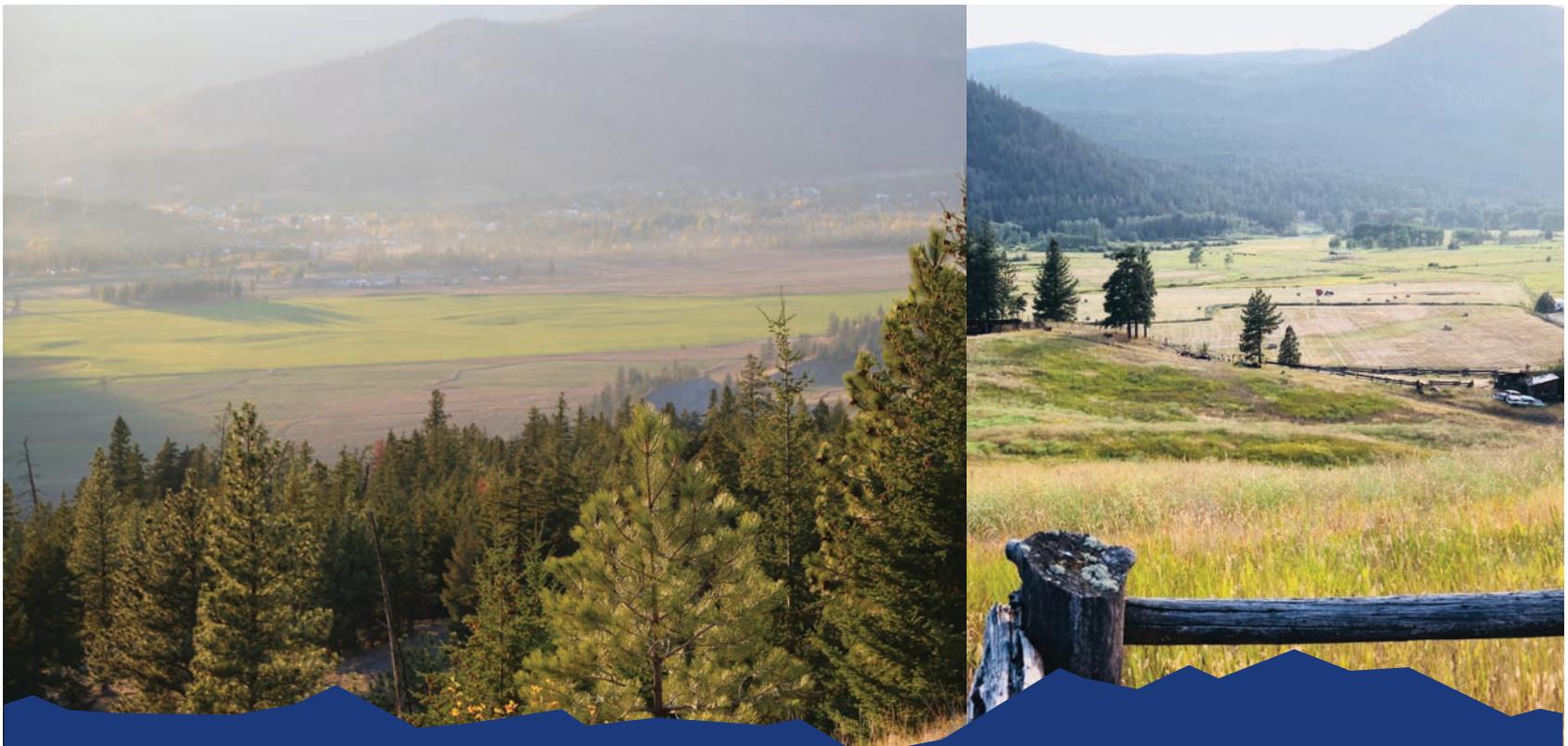
## NO STONES UNTURNED

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We never lose sight of the fact that this land belongs to LNIB. When land development opportunities present themselves our task is to develop a business model that will provide an attractive return on investment. But it also means treating the land as though it were our own, ensuring that the development proceeds with respect to the environment, Nlaka'pamux values and the general wishes of the community. LNIB's Lands Department and the Land Management Advisory Committee are the team that we work with to ensure that our business activities comply with the rules and enjoy community support.

The Dev Corp's first land/leasing project was the development of the 6.7 acre parcel along Highway 97C North known as the OK Corral property. Infracon, our partners with Lower Nicola Site Services, have made the site their permanent home, putting over a million dollars into site development and committing to lease the property for 25 years. Directly adjacent to this property is an 8.4 acre piece that has great potential as an aggregate pit. We are working with Lands Department to ensure we move forward with care and regard for LNIB's Land Code and other regulations.

As Trans-Mountain pipeline work begins to ramp up throughout the fall of 2019, a number of major contractors are seeking acreage they can use to set up laydown yards, shops and office space. LNIBDC is in negotiations with potential lessees on how best to meet the demand for space, services and structures.



# SHULUS FOREST ENTERPRISES INC.

## ANOTHER SUCCESSFUL LOGGING YEAR

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By all measures fiscal year 2019 (the 12 months ending March 31, 2019) was another successful year for SFE. Let us take a rundown of some of these measures.

### **SAFETY**

First and foremost SFE had a safe year, with our 13 operating staff arriving home safely each night from the workplace. Any workplace injuries or time lost to accidents were minor in nature. From a Worksafe BC standpoint SFE was ranked in the top 10 percent of the safest companies in its sector for the calendar year 2018. Workplace safety for our employees is always our top priority.

### **SUSTAINABILITY**

Along with safety, sustainability and respect for the lands and waters are key values for SFE. Throughout 2018, SFE and its contractors met or exceeded all provincial and federal laws for protection of the environment.

### **EARNINGS**

SFE remains the Development Corporation's financial engine. Strong market log prices contributed to good financial results for SFE in fiscal 2019. Sales and net earnings increased by 21% and 102% respectively over 2018. Profits are important, not only for the sustainability of the organization but to allow us to finance growth and abundance by reinvesting in our company and the LNIB community.

### **EMPLOYMENT**

We are very proud of the SFE Team, which consists of 13 capable, dedicated and professional people. LNIB members comprise 75% of our SFE crew, which performs a range of forestry and environmental services, including timber cruising, forest development, danger tree assessments, road construction, log hauling, civil/earthworks and weed management.

### **QUALITY OF WORK**

SFE is well respected by its customers and stakeholders for consistently delivering a safe, high-quality work product. Our high profile customer list includes Aspen Planers, Weyerhaeuser, West Fraser Timber, Trans Mountain Pipelines, Teck/HVC and Enbridge. Quality of work is a key SFE value, as it ensures that our business will continue to grow and thrive based on our strong reputation in the industry.

## OUTLOOK

In terms of the business outlook for the remainder of the 2019-2020 fiscal year, the current forest products markets will remain challenging. Forest industry sources and market experts agree that the current depressed housing markets in the United States will continue for at least another 12 months before we see some relief. Rising stumpage rates and a sharp increase in low-cost lumber production in the US has also exacerbated the market situation. This will continue to affect our SFE financial results, as we are a seller of timber and a service provider to the forest industry, which currently is suffering curtailments.

We are, however, proud of the fact that we have maintained our employment levels and are ensuring continued financial stability at SFE. We are always seeking new ways to diversify our business and insulate ourselves from the volatility of the forest products markets. We look forward to more strong results and achievements in the coming year.



# SHULUS FARMS

## PIVOTING TO PROFITABILITY

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Shulus Farms Ltd., wholly owned by the LNIB Development Corporation, is comprised of 2,250 acres of sunny, fertile fee simple land in the Nicola Valley. The land is comprised entirely of fee simple property. For decades farm operations focused on raising cattle, an activity that was rewarding but failed to generate profits. The herd was sold after the 2016 season.

In the spring of 2017 most of the farm property was leased to two tenants under a single lease, Lower Nicola Cattle Company Inc. (LNCC) and the Sahara/Rutherford family, for a period of 10 years. The lease includes a range tenure and five water licenses. Both tenants are using the land for hay cultivation. This is an extraordinary deal for Shulus Farms and the Development Corporation: LNCC installed a new \$500,000 pivot irrigation system and has committed to improving soil quality and fertility throughout the term of the lease. At the end of the lease term in 2026, control of the land will revert to Shulus Farms, including ownership of the pivot system.

The annual lease fee is paid in full prior to each season and is on a sliding scale, gradually increasing each year. The tenants are responsible for all expenses related to their operations, resulting in few expenses for Shulus Farms. The 2019 season is year three for this project.



# LNIB VENTURES

## NOTHING VENTURED, NOTHING GAINED

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The Trans Mountain Expansion Project is a divisive issue in this province and across the country, and the legal challenges are not over, although it appears almost certain that work will commence before the end of 2019. Mining is a cyclical industry and mines have finite lives. And the forest sector, in 2019, is in tough shape.

But the fact is, work is moving ahead on many fronts and opportunities abound. For the Development Corporation the question is not “should we try to take advantage,” but “how do we best configure each opportunity to optimize the benefits to the community while shouldering as little risk as possible.” A little bit of strategizing and consulting with lawyers and tax specialists has provided an elegant solution: revenue sharing through joint venture or strategic alliance agreements, all sheltered under a mostly tax exempt entity called LNIB Ventures Limited Partnership.

Some of these joint ventures will largely generate passive income, but most will also include contracting opportunities and employment & training.

To date the portfolio of signed or pending agreements exceeds twenty, and the list includes pipeline work (surveying, blasting, earthworks, camps, bridge work, equipment supply, environmental remediation), mining support (electrical contractors, industrial plumbing, scaffolding) and tire and steel recycling.

We gratefully acknowledge the creativity and hard work of Leesa Mike and her Economic Development department for their early development of a number of business opportunities.

The revenue streams under development through LNIB Ventures LP have the potential to power up the LNIB economy in a hurry. The time is coming when any LNIB member who wishes to work will have access to a job that pays well and provides transferable skill development. LNIB Ventures just might be the vehicle that moves that time from a dot on the horizon to our doorstep.

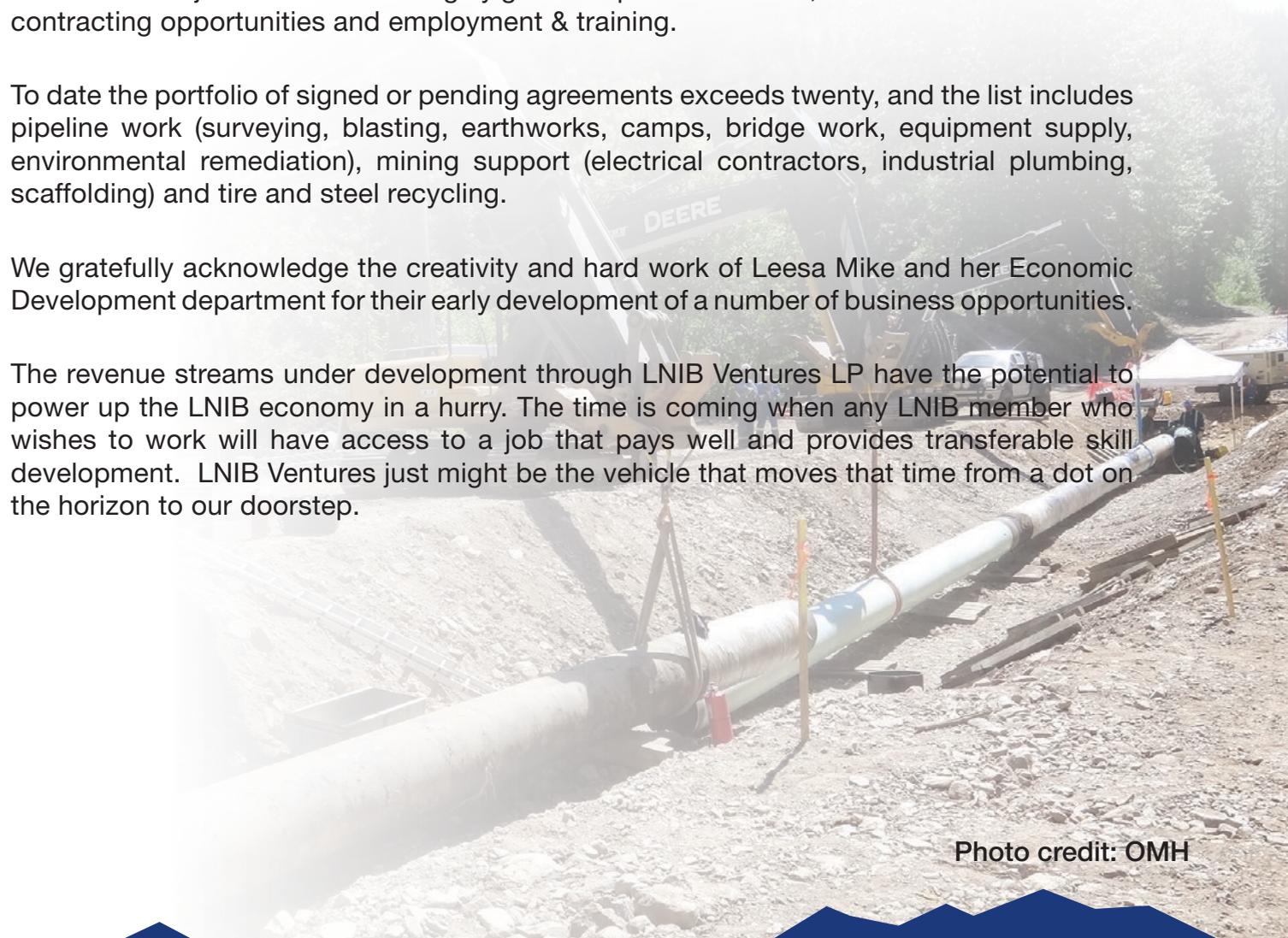


Photo credit: OMH

# LOWER NICOLA SITE SERVICES JUST CRUSHING IT

Our most important partnership to date. Lower Nicola Indian Band and civil earthworks company Infracon have enjoyed a strong working relationship for a number of years, often collaborating on projects that created synergies from LNIB's forestry expertise and Infracon's earthworks skills. In 2016 they formalized the relationship through the formation of Lower Nicola Site Services Limited Partnership (LNSS LP). While the actual legal structure is complex and designed to minimize legal and tax liabilities for both parties, the LP does exactly what successful business partnerships are designed to accomplish: combine the strengths of each organization to form a new entity that is stronger than the sum of their parts. For LNSS that means matching LNIB's access to resources and to public and private sector opportunities, with Infracon's industry expertise, track record and heavy equipment fleet.

LNSS undertakes construction projects in the mining, earthworks and forestry sectors, and the results have been an unqualified success. The Merritt Area Transmission Line (MAT) project, valued at \$4 million, is an award-winning example, taking home the honors for Outstanding Achievement in the Joint Venture of the Year category at the BC Aboriginal Business Awards in 2015. In 2019 LNSS again won Outstanding Business Achievement, this time in the category of Industry Business Partnership of the Year. LNSS checks all the important boxes: profitability, employment and safety.

The infographic is divided into three colored sections: a dark blue top-left section for Profitability, a medium blue top-right section for Employment, and an orange bottom section for Safety. Each section contains a white icon and text describing a key performance indicator.

**PROFITABILITY:**  
Profitable every year since inception in 2016 with total net profit of \$1.01 million.

**EMPLOYMENT:** 75% LNIB members

**SAFETY:**  
COR, ISN, Avetta certified. Registered with Worksafe BC and First Nations Safety Council of BC. Mantra is "Safety. No excuses." Zero lost time to accidents in 2018, and very low frequency of medical aids.

A key contract for LNSS continues to be the rock crushing project at the Teck Highland Valley Copper mine. The initial three-year contract signed in 2016 was renewed in 2018 for an additional three years. The crushing project is staffed 89% by Lower Nicola Indian Band members.

In the summer of 2018 LNSS took a major leap forward, acquiring 100% of highly regarded Ogilvie Mountain Holdings, pipeline maintenance and integrity specialists operating out of Hope, BC. This strategic acquisition has provided LNSS with an immediate injection of cash flow, expertise and pipeline industry credibility.

## SERVICES

LNSS has broad capabilities, providing a wide array of services:

 <p><b>SURVEY WORK</b></p>	 <p><b>SITE DEVELOPMENT</b> including: water management and sedimentation control, mass excavation of soil and/or rock, removal of existing underground obstructions, placement of base material for roads or plants, installation of foundations, piles and anchor bolts</p>	 <p><b>ENVIRONMENTAL AND CULTURAL MONITORING</b></p>	
 <p><b>GRAVEL CRUSHING</b></p>	 <p><b>VEGETATION MANAGEMENT</b></p>	 <p><b>SNOW REMOVAL</b></p>	 <p><b>TRANSPORTATION INFRASTRUCTURE</b></p>
 <p><b>GENERAL EXCAVATION</b> (grading, earthworks, mining, reclamation)</p>	 <p><b>CIVIL FOUNDATIONS</b> (piling, concrete)</p>	 <p><b>PIPING, PIPELINES AND PUMP STATIONS</b></p>	 <p><b>HYDROELECTRIC POWER</b></p>
 <p><b>POWER DISTRIBUTION</b></p>	 <p><b>TRANSMISSION LINE ROW CONSTRUCTION</b></p>	 <p><b>RAIL DEVELOPMENT</b></p>	 <p><b>ENERGY INFRASTRUCTURE</b></p>

# OGILVIE MOUNTAIN HOLDINGS LP

## A PIPELINE TO OPPORTUNITY AND PROSPERITY

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In mid-2018 a deal for LNSS to acquire all of the shares of pipeline specialists Ogilvie Mountain Holdings was finally completed, after extensive negotiations and a very deep dive of due diligence. What made OMH such a coveted acquisition for LNSS? The company has been around for 25 years and scored highly in a number of areas that spoke to our own values and suggested they would be a very good fit for the LNIB Development Corporation group of companies.

The key areas:

- They're local. OMH has operated out of Hope since 1993 and conducted work throughout the BC interior, employing people who live in the region.
- A corporate culture committed to quality, achieved through prudent hiring practices and ongoing training, supplemented by mentoring from senior staff.
- Safety above all. Employees are well trained, safety meetings happen daily and no incident is too small to report.
- Reputation. Reputations are built only over time, and OMH has spent a quarter century cementing a reputation for safety, performance and reliability.
- Profitability. OMH's history of strong financial results reflects their commitment to execution and performance management.

OMH has a long history of providing pipeline integrity services to the Trans-Mountain (Kinder Morgan) and Spectra/Enbridge pipelines since the first year of the company's operations in 1993. The current range of services includes:

- Pipeline integrity digs
- Ground excavations
- Soil remediation
- Industrial coating applications
- Abrasive blasting, and
- Clockspring application

Since formally joining LNSS in August 2018 OMH has worked on emergency flood mitigation for the Province in Lower Nicola and Merritt, participated in a variety of construction projects for the BC Ministry of Transportation and Infrastructure and worked with Teck Highland Valley Copper.

OMH is already making their presence felt. With less than a full fiscal year under its belt with LNSS, Ogilvie Mountain Holdings posted revenues of almost \$7.8 million and net earnings of slightly better than \$0.8 million.



Photo credit: OMH

# KINGSDALE ELECTRICITY TRANSMISSION PROJECT

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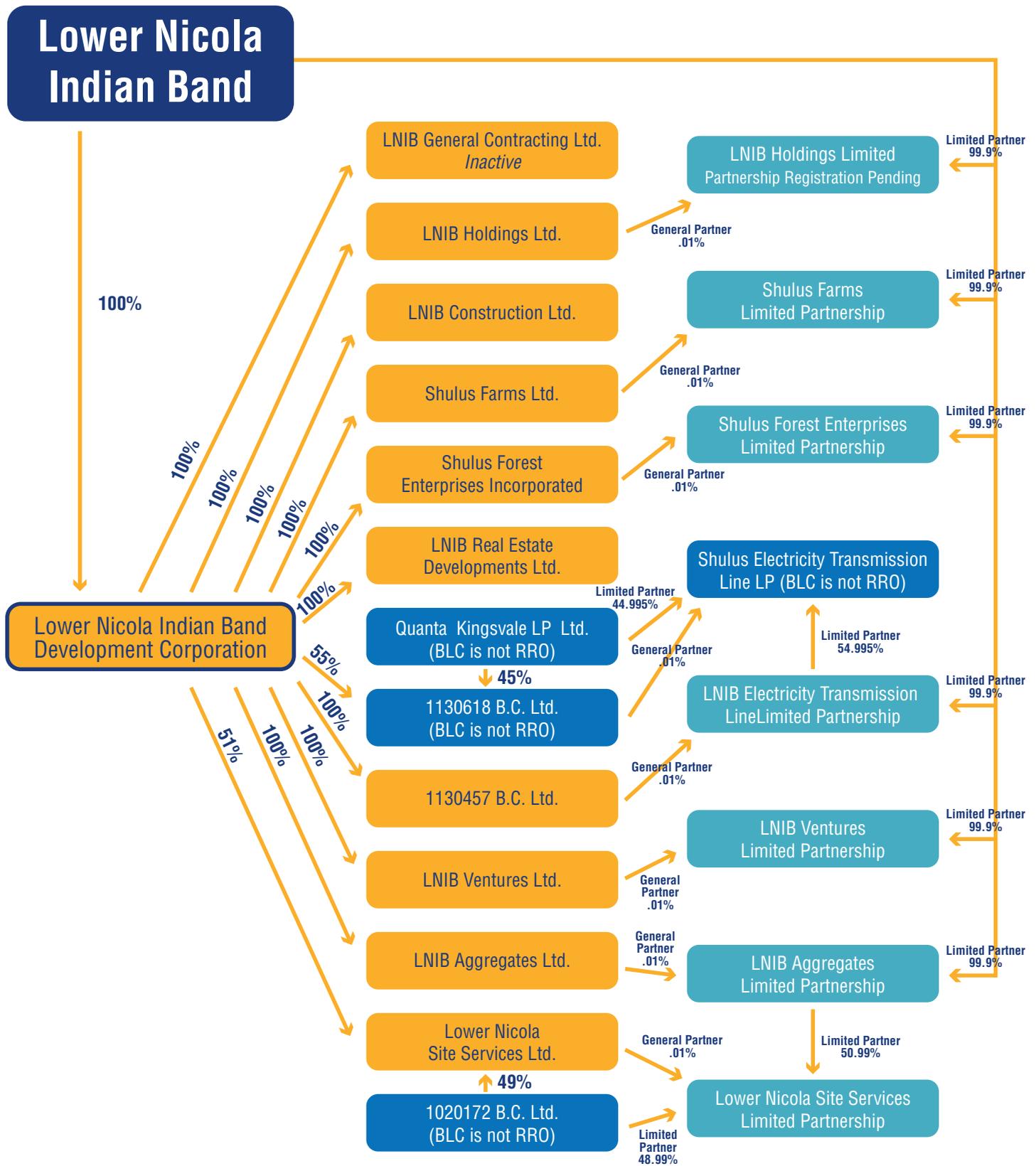
In what will be a precedent setting project for this country, the LNIBDC is close to completing a deal to become majority owner of an electric transmission line. The soon-to-be constructed 24.8 kilometre line will run through LNIB traditional territory and connect from BC Hydro’s transmission line to a new pump station on the Trans Mountain Expansion Project pipeline route.

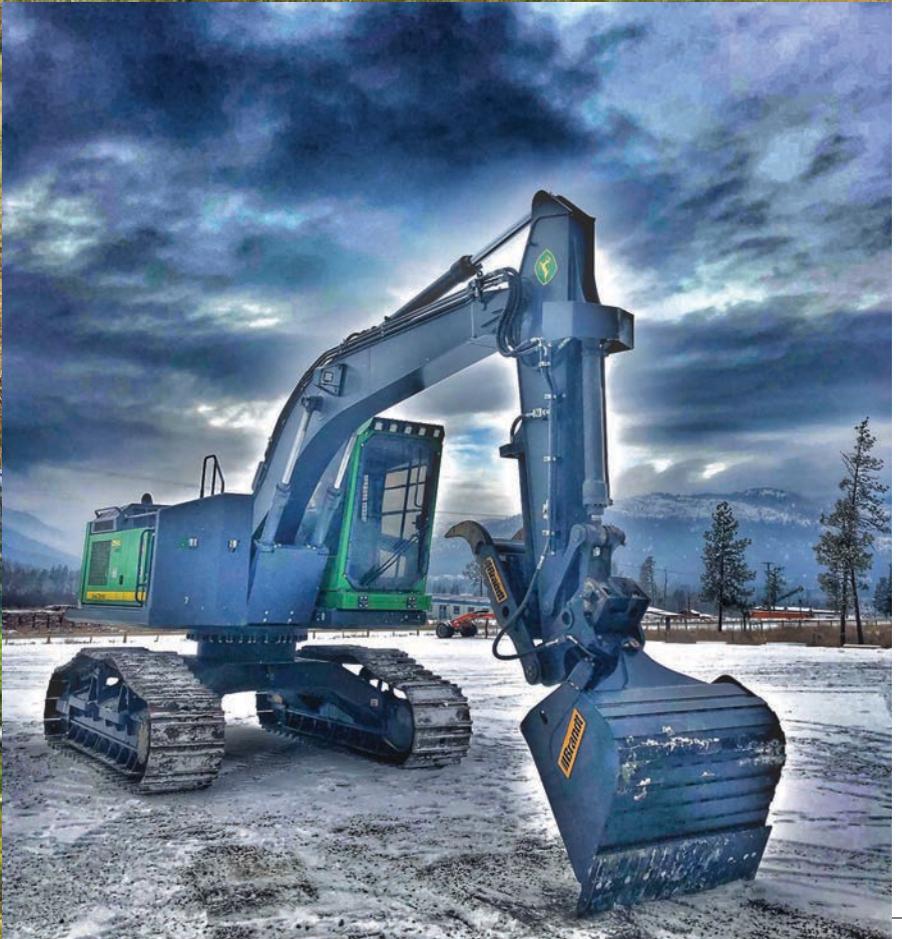
Detailed agreements will be finalized and executed in October, with construction set to start in late fall of 2019 and be complete by June 2020. The actual purchase of the completed transmission line will happen in spring 2021. LNIBDC holds a majority interest in the project, with a minority interest held by Valard, the largest electrical power contractor in North America. LNIBDC and its partner will operate and maintain the transmission line for a minimum of 20 years, with a high likelihood of another 20-year renewal in 2039.

The Kingsdale transmission line will provide significant employment and contracting opportunities during the construction phase as well as throughout the long-term ownership period. The line will also provide the Development Corporation with a revenue stream, purchasing power from BC Hydro and reselling to Trans Mountain.



# APPENDIX: COMPANY ORGANIZATIONAL CHART









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Photo Credits: Gail Joe and Jonathan Holmes