

**Indigenous Leadership: Governance and Development Project**

## **Case Study**

# **Athabasca Basin Development**

Jocelyne Wasacase-Merasty

Vern Bachiu

Murray Fulton

Johnson Shoyama Graduate School of Public Policy

University of Saskatchewan

March 2024

## **Indigenous Leadership: Governance and Development Project**

One of the key actions in Saskatchewan's Growth Plan 2020-2030 is to grow Indigenous participation in the economy. The success of this action depends on Indigenous nations in Saskatchewan building and maintaining their economic development activities. The Indigenous Leadership: Governance and Development project provides made-in-Saskatchewan tools for Indigenous communities to build the governance foundation that will support long-term economic development. An important part of the project involves capturing the experience of Saskatchewan Indigenous communities through case studies and toolkits based on this experience.

The case study in this document was developed by a team of researchers and their affiliates at the Johnson Shoyama Graduate School of Public Policy at the University of Saskatchewan. The project is funded by the Government of Saskatchewan's Ministry of Trade and Export Development.

The case studies are designed to be used first and foremost by Indigenous communities across Saskatchewan. The premise of the work is that economic development stories need to be shared among those involved in economic development, both in the community where the economic development activities take place and in other communities looking to undertake economic development. It is important to focus on what has and has not worked. One of the long-term goals is to develop a set of resources that is Indigenous-led and available to Indigenous communities across the province and the country. The cases may also be used as governance training components and/or strategic planning exercises, as well as in teaching.

The case studies combine material from websites and other publicly available sources with material gathered through interviews with leaders and representatives involved in economic development activities. The interviews last between two and four hours and involve a small group of economic development leaders in the community. The questions asked focus solely on the corporate entities and activities that have been developed, and those interviewed are asked questions in their role as a corporate leader.

When approaching community leaders and representatives, we begin with an informal discussion. If the leaders and representatives indicate an interest in participating, we proceed with sending them a formal letter of introduction, which they can use to obtain official permission to proceed. We know communities receive many requests for information, and they do not always see the results of the work that is undertaken. Our goal is to ensure that the case study is shared with the community in a way that is beneficial. To this end, a draft of the case study is shared with the community, and the case study is not finalized until the community gives its agreement. Once a set of case studies have been developed, leaders from the communities involved will be given the opportunity to discuss the findings.

We would like to thank the leaders and representatives for their time and effort. Their knowledge and insights are critical to understanding economic development in Indigenous communities.

Murray Fulton, Principal Investigator  
Marilyn Black, Researcher

Johnson Shoyama Graduate School of Public Policy (JSGS)  
University of Saskatchewan, Saskatoon SK

### **About the Authors**

Jocelyne Wasacase-Merasty is a PhD Student, JSGS  
Vern Bachiu is President and CEO of Triall Consulting.  
Murray Fulton is Professor Emeritus, JSGS.

## **Athabasca Basin Development (ABD)**

*Wealth creation and reinvestment for a sustainable and prosperous future.*

### **Overview and Key**

Athabasca Basin Development (ABD) is an Indigenous-owned investment company. It was created in 2002 to access and benefit from the mining industry that was developing in the Athabasca Basin of northern Saskatchewan, one of world's leading mining regions. Seven communities in the Athabasca Basin own ABD and have investments in construction, mining, industrial security, electrical, diamond drilling, logistics, cannabis, retail, road maintenance, aviation and more.

Through its investments and partnerships, ABD is creating job opportunities and generating revenue, which can be reinvested in community development projects and programs such as community education, healthcare, and housing. This approach can lead to greater self-sufficiency, autonomy, and improved quality of life for the Dene people in the Athabasca Basin region.

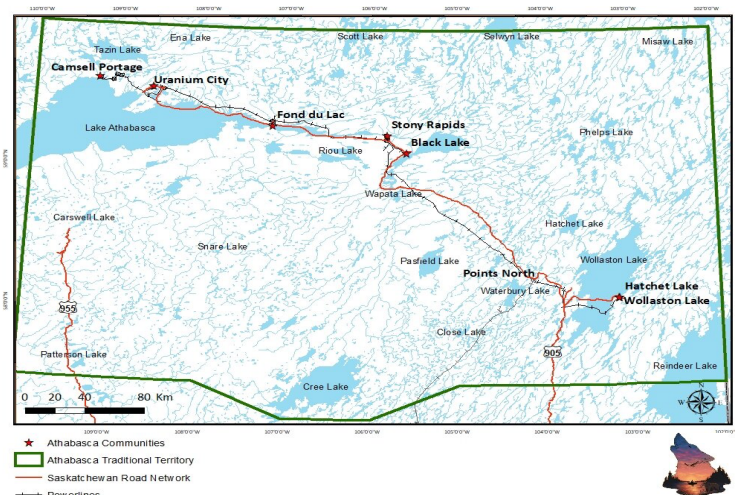
### **Background and History**

The Athabasca Basin covers a significant portion of northwest Saskatchewan and a small part of northwest Alberta. Athabasca Basin Development (ABD) and Ya' thi Néné are sibling organizations of seven Athabasca Basin communities – three First Nations and four municipalities. The parent communities are Hatchet Lake Denesuliné First Nation, Black Lake Denesuliné First Nation, Fond du Lac Denesuliné First Nation and the municipalities of Stony Rapids, Uranium City, Wollaston Lake, and Camsell Portage. ABD was created in 2002 and is the owners' for-profit arm.

Geographically, the Athabasca basin is part of the Canadian Shield. The basin spans approximately 159,000 square kilometres. It is fed by ten smaller watersheds or sub-watersheds, including McLeod, Pembina, La Biche, Lesser Slave, and Clearwater.

The Athabasca basin contains numerous minerals, with uranium and rare earth element deposits found in abundance (see Figure 1). Through its crown corporation Eldorado, the Canadian government began extensive uranium exploration in the area in the early 1940s.

Before mining interests, the Dene people lived in the region for generations. The Denesuliné, or Dene, thrived in Canada's remote northern boreal forest. Fond du Lac and Black Lake Denesuliné Nations are signatories to Treaty 8 adhesion, signed in 1899, while the Hatchet Lake Denesuliné Nations signed Treaty 10 in 1906. The Dene people lived a subsistence lifestyle, relying on fishing, hunting, and trapping to support their families. They lived in small groups, often without formal leadership structures, but as family units or "hunting units" organized around a hunt or raiding party. They followed the caribou migration and relied on hunting, fishing, and trapping for their subsistence.



**Figure 1. Map of the Athabasca Basin in Saskatchewan**

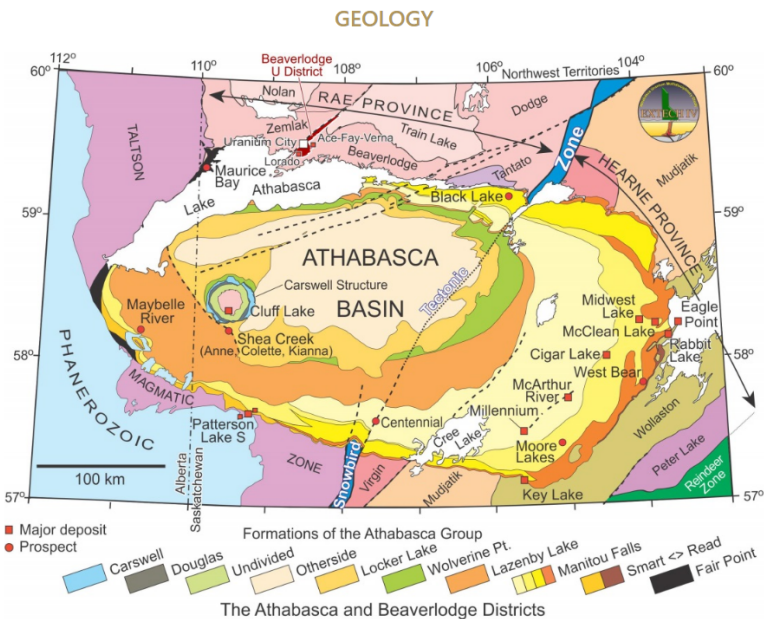
Access to the Athabasca region is primarily fly-in since only one gravel road connects the region to the rest of the province. The nearest hospital is three hours away by plane. Water travel is an essential method of transportation during the summer months, keeping the close-knit community connected throughout the region.

The population of the Saskatchewan side of the Athabasca Basin is estimated to be 7,335. The Dene Nations of Fond du Lac, Black Lake, and Hatchet Lake have populations of 2,300, 2,283, and 1,952, respectively. In contrast, the Athabasca Basin communities of Camsell Portage, Uranium City, and Stony Rapids have a combined population of under 400. Since many of the population figures provided by the Denesuline Nations record both on and off-reserve populations, the number of people residing in the area is closer to 5,000.

### *Leveraging Mining Investments for Community Benefits*

The Athabasca Basin is a prime location for uranium exploration and development due to its geological and infrastructure advantages. The region has been stable for millions of years, providing ideal conditions for forming and preserving uranium deposits. The basin also has a thick layer of sandstone that acts as a natural filter, allowing for the accumulation of high-grade uranium deposits (see Figure 2).

In the early days of uranium mining in Saskatchewan, companies like Eldorado and Cogema played a significant role in developing the industry. The region quickly became a hub for uranium mining due to the high demand for the mineral and the presence of some of the world's largest and richest deposits. Companies interested in long-term supply security, such as nuclear utilities, invested heavily in the industry's growth. The region is home to the world's premier, low-cost uranium deposits, with average grades at the McArthur River and Cigar Lake deposits 10 to 100 times higher than deposits mined elsewhere. As a result, the Athabasca Basin in Northern Saskatchewan has become a major hub for uranium mining, supplying a significant portion of the world's uranium.



**Figure 2. Uranium Deposits in the Athabasca Basin**

Major uranium mining firms, such as Cameco, Orano, and Denison Mines, have made significant investments in northern Saskatchewan, not only in terms of exploration and mining operations but also in supporting the communities and people who live there. These companies have implemented initiatives to create employment and business opportunities for Indigenous peoples and provided support for education, health, and social programs. They have also established partnerships with local Indigenous communities to ensure their traditional land use and cultural values are respected and that they benefit from the economic development that uranium mining brings to the region. Overall, these investments have contributed to the growth of the uranium mining industry in northern Saskatchewan and have helped to build stronger, more resilient communities.

With the rise of the uranium mining industry in the region, Indigenous communities have sought to maximize the benefits of these developments by partnering with mining companies. Athabasca Basin Development has been instrumental in facilitating these partnerships and investments in the region. Indigenous communities have used these investments to build infrastructure, fund education and training programs, and support local businesses. By leveraging the economic benefits of the mining industry, Indigenous communities are creating sustainable, long-term prosperity that benefits both themselves and the wider region.

### **Athabasca Basin Development – The Company**

Athabasca Basin Development is an Indigenous-owned investment firm headquartered in Prince Albert, Canada. It was established in 2002. Over the past 20 years, ABD has acquired, created or taken partial ownership of 14 companies, generating over \$100 million in partners' capital and employing nearly 1,200 people across the provinces. The company's portfolio includes partial or complete ownership of various business sectors, including construction, underground mining, industrial security, mine catering services, electrical, diamond drilling, logistics, cannabis, retail, road maintenance, aviation, and Pepsi and Frito Lay franchises. Table 1 provides a list of ABD's investments.

**Table 1. ABD Investments**

<b>Investment (% ownership)</b>	<b>Activity</b>
Rise Air (75%)	Provides corporate air charter services, including air charter, corporate aircraft management, and medvac/air ambulance services. Offers maintenance and avionics services, as well as world-class aero center facilities in Regina and Saskatoon, ground services, fueling, and scheduled flights. Established in 1983.
5Buds Cannabis (37.5%)	Saskatchewan Liquor and Gaming Authority (SLGA) certified legal cannabis stores. There are currently seven locations across Saskatchewan.
Arctic Beverage (48.33%)	Only First Nations-owned Pepsi franchise in Canada. The company is also a distributor of Frito Lay, Canada Bread, Jack Links, Nestle Ice Cream, Parmalat, and Pepsi. It specializes in serving the northern distribution market.
Athabasca Basin Security (100%)	Provides comprehensive industrial and mine site security solutions. The company caters to some of the top Canadian mining firms and ensures their security requirements are met through a wide range of services.
Long Lake Insurance (34.125%)	Full-service insurance brokerage that provides personal, business, and farm insurance services in the Imperial, Holdfast, Craik, Chamberlain, Bethune, Strasbourg, Bruno, Wakaw, and Viscount areas. Established in 1960.
Flyer Electric (68%)	Offers a wide range of electrical solutions to meet the needs of various industries and businesses in the region. Established over 30 years ago.
Lonona Contracting (100%)	Provides operational management services for remote areas (e.g., the maintenance of over 250 km of seasonal roads and a 150 km ice road in the Athabasca area).
Mudjatic Thyssen Mining Venture	Specializes in underground mining services, shaft sinking, and construction. The company is a joint venture with several First Nations bands and Métis communities as partners. Tron Power, a company owned by the English River First Nation, manages MTM. The Mudjatic Thyssen Joint Venture operates at Cigar Lake and Eagle Point mines in northern Saskatchewan. Athabasca Basin Development holds a significant interest in the joint ventures, owning 35% of the Mudjatic Thyssen Joint Venture at Cigar Lake and a 29.5% interest in the Joint Venture at Eagle Point.
Optek Solutions (31.667%)	Provides a comprehensive range of IT services and solutions for businesses, including hardware sourcing, support services, and expert advice.
Points Athabasca (75%)	A civil, earthworks, and industrial contracting company. Collaborates with clients to design, build, operate, and maintain projects throughout Western Canada. Established in 1999.
Points North Group of Companies (48.3%)	Operates as a base camp for businesses with mineral interests in the region and as an expediting service for outfitters and communities in northern Saskatchewan.
A7 Investments (96%)	Operates East Hill Esso & Car Wash, a full-service gas station in Prince Albert that includes a convenience store and 6-bay carwash, motorcycle bay and dog wash
Team Drilling (50%)	Provides drilling services to mining and exploration companies.
Tru-North RV, Auto and Marine (50%)	RV, auto, and marine dealer. Owns Alumarine Boats and Tru North Homes (manufactured homes).

Source: ABD Corporate Website. <https://athabascabasin.ca>.

### *Athabasca Basin Development Ownership & Governance*

Athabasca Basin Development is owned by the seven communities in the Athabasca Basin. The ownership structure of the Athabasca Basin Development Limited Partnership is as follows:

- Hatchet Lake Development LP – 23%
- Black Lake Venture LP – 23%
- Fond du Lac Development LP – 23%
- Northern Hamlet of Stony Rapids – 12%
- Northern Settlement of Wollaston Lake – 6%
- Northern Settlement of Uranium City – 6%
- Northern Settlement of Camsell Portage – 6%
- Athabasca Basin Development Corporation – 1%

Athabasca Basin Development ownership was thoughtfully divided among the three First Nations, one northern hamlet, and three northern settlements in the basin. The First Nations are much larger population wise than the municipalities; in addition, the First Nations are rights bearing while the municipalities are not. However, the founders wanted to ensure that the rights bearers were recognized and that no community was excluded. Consequently, a unique ownership model and board structure were developed, prioritizing fairness and inclusion. Municipalities received board seats but implemented a rotation system to ensure broader representation. Communities without a board seat can send observers to meetings, allowing participation without voting rights.

This approach supports a governance structure where the board, comprising seven appointed representatives from the Dene Nations and communities within the Athabasca Basin, balances representation and decision-making power. Five of these representatives have voting rights, with the others serving in an observational capacity, ensuring all voices are heard. This innovative structure, which includes the smaller communities of Camsell, Wollaston, and Uranium City as rotating board members, underscores Athabasca Basin Development's commitment to inclusivity and shared governance, marking a significant factor in its success.

Within the governance and ownership framework of Athabasca Basin Development, the organizational management structure is headed by a Chief Executive Officer, supported by four senior staff members: a Business Analyst, a Financial Controller, a Director of Marketing and Communications, and an Office Manager.

### *ABD's Business Model – Focused on Investment and Growth Strategy*

The Athabasca Basin Development's business model is dedicated to wealth creation, primarily by retaining earnings for future investments instead of opting for immediate distributions. It upholds modest dividend and distribution policies that reflect the socio-economic necessities of the communities and aligns with Indigenous principles of thinking of the “next generation” or long-term planning. The model strategically circumvents the need for shareholder cash calls for new ventures by ensuring capital is readily available, showcasing a profound dedication to its foundational strategy. Additionally, it contributes to community prosperity by offering selective distributions, creating employment opportunities, and engaging in corporate social responsibility (CSR) initiatives.

With its emphasis on investment and expansion, it engages in diverse strategies, including initiating

startups, acquiring businesses, managing wholly and partially owned entities, and engaging in long-term investments. The company can launch new ventures and generate opportunities in critical areas of interest while exploring acquisitions of existing businesses that resonate with its core values and strategic goals. Additionally, the company focuses on long-term investments that ensure sustainable growth and benefits for the communities it serves.

Athabasca Basin Development has a specific approach to evaluating potential opportunities. Considerations include financial performance, growth potential, sustainability, the management team's or succession plan's strength, and a commitment to long-term versus short-term goals. ABD also considers the responsibility of the investment entity to continue, improve, or develop Indigenous engagement and whether they can bring value to the investment. "It's important to us to invest in companies that align with our vision, which we heard from leadership when the company started," says ABD Chief Executive Officer Geoff Gay. "The communities told us they wanted to be unified, they wanted to build something for future generations, they wanted employment, and they wanted to participate and maximize the opportunities." Two decades later, these considerations remain pivotal in ABD's decision-making process when evaluating start-ups, acquisitions, or investments.

Athabasca Basin Development places a strong emphasis on financial capacity. As ABD Chief Executive Officer Geoff Gay says, "If you don't ensure your business is financially solid, everything else, like employment and donations, will eventually suffer. Profits from well-run businesses are the foundation for reinvestment and support in other areas." Thus, ABD ensures they have the necessary resources to invest in new ventures and partnerships while maintaining a solid financial footing before investing.

ABD places a strong emphasis on communication as a cornerstone of its business strategy, recognizing the crucial role it plays in ensuring that stakeholders grasp the company's long-term objectives and the benefits it stands to gain. By maintaining and nurturing on-the-ground relationships and engaging with stakeholders and communities early and often, ABD aims for greater transparency and accountability. "As we extend our operations and interact across different regions, we are dedicated to conveying clear and consistent messages," says ABD Chief Executive Officer Geoff Gay. "Our commitment to maintaining a strong connection and ensuring transparency is important, especially as we navigate the complexities of private business dealings."

Anne Robillard, Chair of the ABD Board and a member of the Hatchet Lake community, has contributed significantly to ABD's communication from its inception. While ABD's management team is responsible to communicate to all the stakeholders, over the years, Anne, like other ABD board members, has helped facilitate clear communication between the company and its stakeholders, helping keep her community well-informed about ABD's business model and operations. Robillard emphasizes the significance of "taking simple measures to ensure community members understand ABD's business decisions." She champions simplifying complex information and actively engages in monthly band meetings to update them on the company's progress and partnerships. Despite being time-consuming, strong efforts in communications from the communities, board and management have been pivotal in addressing concerns, encouraging feedback, and enhancing the company's operations and engagement with the community.

#### *ABD's Proven Track Record*

The company's proven track record of successfully establishing new partnerships and ventures speaks to



its ability to identify and execute opportunities effectively. For example, ABD and its subsidiaries have been recognized with several awards. In 2013, three ABD-owned companies, Team Drilling, Points Athabasca, and West Wind Aviation, were included in the Top 100 Companies in Saskatchewan list, ranking 76th, 79th, and 90th. In 2014, Saskatchewan Business magazine named ABD as Business of the Year. In 2017, the Saskatchewan Chamber of Commerce recognized ABD's CEO as Business Leader of the Year. Most recently, ABD won the PA Samuel McLeod Business Award for Indigenous Business in 2022 and was a finalist at the 2023 ABEX Awards in the category of Community Involvement. These awards highlight ABD's commitment to excellence in business management and its contributions to the economic growth and development of the region.

Among ABD's most notable or high-performing business ventures is the Team Drilling Partnership, which showcases ABD's innovative approach by offering equity to employees for management roles. This move reverses traditional private sector partnership models. This was made possible by ABD's access to investment capital, enabling the company to launch and expand ventures such as Team Drilling successfully. Another significant milestone is Arctic Beverages, a Pepsi franchise acquisition, which not only highlights ABD's strong governance and management capabilities but also marks a considerable achievement by meeting Pepsi's rigorous due diligence criteria and being recognized by a major corporation for ABD's operational standards and governance. Additionally, ABD's commitment to local economic development support plays a critical role in its portfolio, where the company collaborates with each First Nations shareholder's development corporation, providing education, training, and advisory services. This initiative supports local business projects for community development and manages regional deals, demonstrating a sustainable and effective model for economic development.

In 2022, Arctic Beverages was named a finalist for the 2020 Donald M. Kendall Bottler of the Year Award, the highest honour given to PepsiCo's bottling partners across North America. ABD Chief Executive Officer Geoff Gay notes, "Securing approval from Pepsi for Arctic was significant because it demonstrated their confidence in us. Since we acquired the company alongside PADC and Paskwayak in 2014, Arctic Beverages has grown significantly in revenue and operational excellence." As President of PBNA Canada Division, Michael Ruff told Arctic Beverages, "Being selected as a Donald M. Kendall Bottler of the Year finalist distinguishes your team as the best of the best."<sup>1</sup>

Finally, the company places a high value on consistent, stable, and accessible leadership, which helps ensure that its business strategy remains focused and effective over the long term. All these factors together help form the foundation of Athabasca Basin Development's approach to successful business management. ABD CEO Geoff Gay observes that "Trust is foundational. In the early days, I lived in the community, which was a great way to build trust with our shareholder communities. Over the last 20 years, our board and staff have done great work in building trust and a strong reputation, and as ABD evolves, maintaining that trust remains a primary goal."

## **Conclusion**

Athabasca Basin Development (ABD) has been a pillar of Indigenous empowerment and economic self-sufficiency in Canada for two decades. With its foundations in the Athabasca region and ownership by seven Indigenous communities, ABD exemplifies how a business model focused on investment and growth emphasizing collaboration, community support, and a deep commitment to core values can lead to substantial socio-economic progress. The company's diversified portfolio, covering sectors from aviation to franchise acquisitions, highlights its well-thought-out approach to achieving sustainable growth. Moreover, ABD's distinctive ownership and governance structure ensures that community

priorities remain central to all decisions.

In its essence, Athabasca Basin Development is more than an investment firm; it represents the potential of community-driven economic growth. As ABD continues its journey, it inspires Indigenous communities everywhere, underscoring the transformative power of committed economic participation. CEO Geoff Gay's words capture this sentiment aptly, highlighting the significant role of Indigenous businesses and communities in driving economic change: "I'm witnessing a powerful surge of Indigenous communities, development corporations, and individuals engaging in the economy. This represents a monumental shift in wealth, and Indigenous businesses and communities must be central to this transformation."