Zincton

Expression of Interest

May 2020

Executive Summary

Prepared for:

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1 INTRODUCTION

On behalf of David Harley, Brent Harley and Associates Inc. (BHA) is pleased to present this Executive Summary for the Zincton Expression of Interest (EOI). As proposed, Zincton would be a new all-season resort located along London Ridge and Whitewater Ridge, near New Denver, B.C. The EOI represents the first of three stages in the all-season resort development application process as detailed in the All Season Resort Policy and All Season Resort Guidelines, and which culminates in the approval of a Master Plan and a Master Development Agreement with Province of British Columbia. Throughout this process the concept will continue to be revised and refined with input from First Nations, stakeholders, and the Mountain Resorts Branch of the Ministry of Forests, Lands, Natural Resource Operations and Rural Development.

1.1 Project Overview

The development of Zincton represents the evolution of all-season resorts in BC and Canada. As envisioned:

Zincton will be a world-class, all-season, backcountry-oriented mountain destination that delivers an unparalleled recreation experience complemented by a pedestrian-only, environmentally sustainable Mountain Village.

If realized, this project will establish an all-season, backcountry-oriented mountain destination catering to dedicated local, regional, and international guests seeking an immersive mountain experience with world-class accommodation and amenities. The proposed development will blend the lift-serviced recreation experience offered at traditional mountain resorts with an extensive and accessible backcountry offering increasingly being sought by the skier marketplace.

Zincton will offer a range of winter backcountry experiences, including "laps" on chairlifts based out of the Mountain Village and non-mechanical, human-powered backcountry skiing. This range of winter experiences will be matched in summer by a hiking and mountain bike trail network offering challenging hikes, epic rides, and a backcountry mountain experience. The trails will range from short, accessible trails to full day mountain adventures for the more ambitious. Additionally, a vast existing network of old rail trails connects Zincton to Retallack, Sandon, New Denver, Slocan Lake, and beyond, creating experiences suitable to all experience and skill levels.

Base area amenities will include a comprehensive Mountain Village that will meet the full range of guest needs and a remote, luxury Backcountry Lodge in Goat Canyon below Whitewater Ridge. The Mountain Village and a portion of the recreation facilities (e.g. ski trails, mountain bike trails) will be developed on private land adjacent to the proposed Controlled Recreation Area. Combined with lift-serviced skiing at either end, guests will create their own personal mix of accommodation between the Mountain Village and the remote Backcountry Lodge, and liftserviced and backcountry recreation experiences, both guided and unguided.

The proposed location for Zincton is situated on Crown lands just north of and parallel to Highway 31A, extending between the historic mining towns of Three Forks and Retallack. The site sits approximately 8 km east of New Denver and 38 km west of Kalso, and straddles Electoral Area H and Electoral Area D of the Regional District of Central Kootenay. The study area covers an area of approximately 5,500 ha, with land that rises almost 1,900 m from the Kaslo River (800 m) to the summit of Whitewater Mountain (2,768 m).

Based on preliminary analysis, at buildout Zincton would have a backcountry oriented Comfortable Carrying Capacity (CCC) of approximately 1,550 skiers per day and a Balanced Resort Capacity (BRC) of approximately 1,750 guests. The calculation of CCC adapted the approach detailed in the All Season Resort Guidelines to better represent the realities and expectations of backcountry skiers and the vision of authentic backcountry skiing experience. Of note, these calculations include the recreation and resort amenities proposed for the private lands just above Three Forks (i.e. the Mountain Village and associated amenities). The BRC includes complementary activities, such as snowshoeing and cross-country skiing, and passive guests (6% of winter season CCC).

Zincton is anticipated to have a limited spatial or environmental footprint owing to a focus on authentic backcountry recreation which relies on unaltered, natural landscapes. Ski outs/egress routes will be developed to facilitate guest circulation back to a limited number of backcountryoriented chairlifts as accessed via an extensive 'nature-oriented' trail and glading network. Trail development and maintenance (e.g. summer grooming and snow groomed trails found at typical ski resorts) will be minimized. The staging areas, Mountain Village, and Backcountry Lodge will all be developed following industry best practices for sustainability, recognizing that the unaltered natural setting will be a key draw for guests.

The vision for this project comes from Mr. David Harley, founder and president of Valhalla Pure Outfitters. Mr. Harley has worked and played in the Goat Range mountains and local communities over the past four decades and has come to recognize and understand the significant recreation potential of the area. BHA, working closely with Mr. Harley, has prepared the EOI to provide a preliminary description of the proposed all-season resort. Aligned with the direction laid out in the All Season Resort Guidelines (ASRG), the intent of the EOI is to describe the existing resort context, provide preliminary site inventory and analyses, as well as initial mountain and base area concepts and a preliminary market commentary.

1.2 Project Rationale

The popularity of backcountry skiing and ski touring has increased exponentially in recent years. Improvements to backcountry ski technology, falling equipment prices, and readily available backcountry information and training in concert with increasing lift ticket prices and the desire to get away from crowded traditional resorts have seen backcountry skiing transformed from the pursuit of hardcore mountaineers and extreme athletes to the pastime of weekend warriors. Zincton capitalizes on the rapidly growing backcountry skiing and ski touring markets and the growing discontent with the traditional resort experience while offering the supports, comforts, and amenities of an all-season resort.

Accurate participation numbers for backcountry skiing are very difficult to measure due to a lack of effective tracking tools and the vast geographic area used by skiers. However, use of popular backcountry skiing websites and sales numbers from industry retailers indicate a strong and growing guest marketplace. BackcountrySkiingCanada.com reports traffic on its route webpages (i.e. webpage dedicated to a specific backcountry ski route) is approximately doubling annually. In the equipment industry, ski, boot and binding suppliers report 20-40% annual growth in units sold1. Backcountry equipment surpassed 12% of all ski equipment sales in 2015, and continues to expand rapidly as large, dominant equipment brands enter the market, innovate, and offer equipment at more affordable prices¹. Given this, it is reasonable to anticipate that backcountry gear will soon equal more than 20% of total ski equipment sales. with growth at 50% year over year. It is this growth in the backcountry market in concert with a shift in guest preferences away from a traditional resort ski experience that Zincton will strive to capitalize on.

1.3 Project Goals and Objectives

Guided by the vision of a world-class, all-season, backcountry-oriented mountain destination, the mission statement for Zincton is:

Zincton will offer accessible four-season backcountry recreation experiences unique to the mountain resort market, as staged from the comforts and amenities of an intimate, pedestrian-oriented Mountain Village developed on adjacent privately held lands.

To achieve this, the following objectives were established as guiding principles in the creation of the preliminary Zincton concepts:

- To develop a unique, lift-accessed backcountry recreation experience not found elsewhere, creating an alternative to the typical mountain resort experience:
- To create a high-quality mountain destination experience that caters to the residents of the region and destination guests from other parts of the Province, Canada, and the globe.
- To develop a diverse suite of recreational opportunities that complements and enhances the public and commercial backcountry recreation opportunities of the surrounding area.
- To develop an all-season resort that will complement the goals and objectives of the local communities, First Nations, and the Regional District of the Central Kootenay.

¹ Snowsport Industries Association (2019). Available at: https://snowsports.org/

- To preserve, enhance, and showcase the natural beauty of the Goat Range and Selkirk Mountain Range
- To establish a destination that government, industry, and the public will recognize as a leading example of environmentally sensitive, socially and culturally responsible development.
- To provide year-round tourist attractions that may include skiing, cross-country skiing, snowshoeing, sightseeing, mountain biking, hiking, backcountry touring, cultural/ecological interpretive programs, and more.
- To be a resilient all-season resort that can offer a range of world-class outdoor experiences regardless of seasonal weather conditions.
- To stage from the associated, adjacent, privately held and integrated resort-oriented real estate in a mountain village context as a means of balancing and complementing Zincton's facilities and attributes.
- To contribute to BC's growing reputation as a world-class, year-round tourism destination.
- To cater to the increasing number of visitors to the region, in turn supporting local economic growth and diversification.
- To expand the economic and local employment opportunities for residents.
- To develop a mountain destination that is economically viable, serving as an important generator for the local and regional economies, and contributing important revenue to the government tax base.

2 RESORT CONTEXT

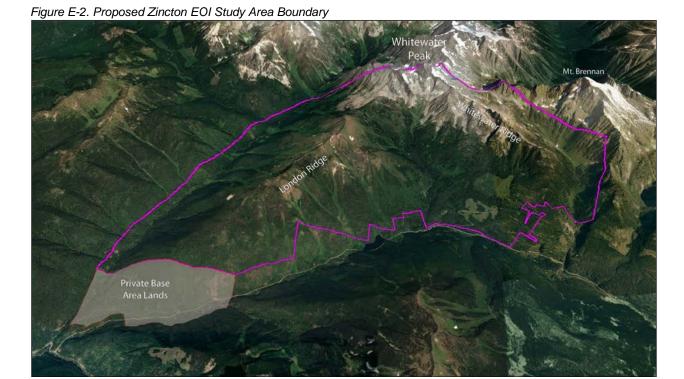
2.1 Location and Study Area

The proposed location for Zincton is within the Goat Range of British Columbia's Selkirk Mountain Range, approximately 10 mins east of New Denver, BC along Highway 31A, in the Regional District of the Central Kootenay.

Figure E-1. Location and Regional Context for Zincton



The proposed area extends along London Ridge anchored at one end by Whitewater Mountain (2,768 m), with the Kaslo River forming the southern boundary, Kane Creek acting as the northern boundary, and Whitewater Creek serving as the eastern boundary (Fig. E-2). The site sits above the old mining towns of Three Forks, Zincton, and Retallack.



3 RESORT CONCEPT

3.1 Mountain Concept

The Mountain Concept illustrates skiing and mountain biking terrain that will fulfill the vision of a world-class, all-season, backcountry-oriented mountain recreation destination that delivers an unparalleled recreation experience (Fig. E-3). Guests will be able to access approximately 4,500 ha of backcountry terrain through a small network of lifts and self-propelled travel (i.e. ski touring, mountain biking). The lifts will help guests access the height of land along London Ridge and Whitewater Ridge, with a ski touring route/trail running the length of London Ridge, connecting the proposed Mountain Village to a Backcountry Lodge and beyond. Considerable natural ski terrain exists off the sides of both ridges, ranging from intermediate to expert skier skill classes. For winter activities, no traditional ski runs will be developed (i.e. cleared, graded), but gladed terrain will be established where appropriate and ski outs will be constructed at the bottom of all slopes to lead skiers back to the base or staging areas. Zincton may name the bowls, glades, couloirs and prominent features of the ski terrain for guest orientation and wayfinding, but it will not employ the relatively intense terrain development found with traditional mountain resorts.

In the summer, the ridge lines and some of the more mellow intermediate terrain beneath Whitewater Ridge will also be used to develop a low-density hiking and mountain bike trail network. Summer activities at Zincton will use the chairlifts as well as dedicated climbing trails to access the trails higher on the ridges. Where sensible, mountain biking trails will be spatially separated from pedestrian trails to mitigate potential user conflict. Summer operations will be based out of both the proposed Mountain Village and Backcountry Lodge. Trails that allow mountain biking will be singletrack, with berms and bridges as needed to create an enjoyable experience and minimize environmental disturbance. The trails will not include skill testing, manmade features like wooden 'skinnies', drops, or dirt jumps, instead opting for a more natural, backcountry mountain biking experience that caters to guests looking for epic rides.

3.2 Base Area Concept

The Mountain Village lies wholly within private lands located above the Town of Three Forks. However, the planning and design of the base area has been guided by the principles and information contained in the All Season Resort Guidelines and has adopted those base area characteristics that have made BC's ski resorts a world leader. Further, the size of development (e.g. accommodation, parking, guest services) will be scaled to reflect the Balanced Resort Capacity of the recreation amenities.

The Mountain Village is envisioned as an intimate, pedestrian-scaled, and pedestrian-oriented base area, where all accommodation and skier services are ski to/ski from. Cabins will form all private and public accommodation, and no large hotels or condominium developments will be entertained. A village stroll will serve as the heart of the village, populated with restaurants, general and specialized retail, a general store, and a range of supporting services. Vehicle access is limited to the periphery of the village, only serving to allow guests to access the Mountain Village from Highway 31A. The priority in design has been placed on walkability with the effect of eliminating the need for vehicle use within the village.

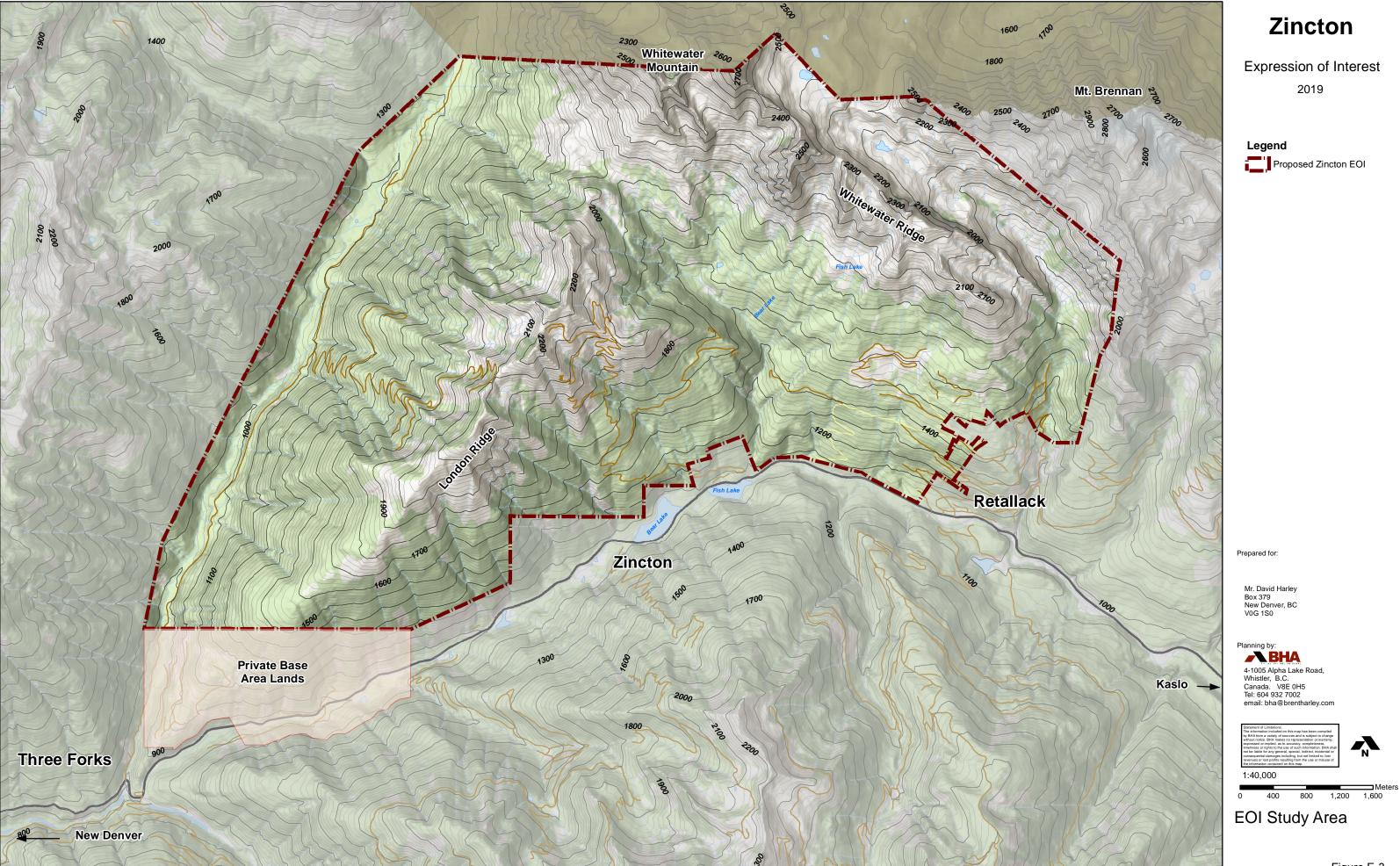


Figure E-3

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A day-use parking area is planned for land adjacent to Kane Creek, approximately 1.15 km north of Highway 31A. As proposed, day-use guests would stage from this parking area and access the Mountain Village by way of a gondola. This would carry day-use guests to a location near the village stroll and the skier services they would use to plan their day. At the end of the day skiers will either ski out or download on the gondola. This detail will be finalized as planning progresses.

The Mountain Village will be complemented by a boutique, ski to/ski from 4-Star Backcountry Lodge located under Whitewater Ridge. Complete with a world-class chef and staff, the Lodge will be a self-contained destination, capable of hosting approximately 12 to 24 guests at a time.

Finally, as proposed, Zincton will provide accommodation for all staff onsite in a small neighbourhood development just beyond the parking and staging area adjacent to Kane Creek, in the valley bottom. The accommodation will be provided as cabins consistent with the development style of the Mountain Village and easily walkable to and from the base area gondola.



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