

NORTHERN ONTARIO OVERVIEW

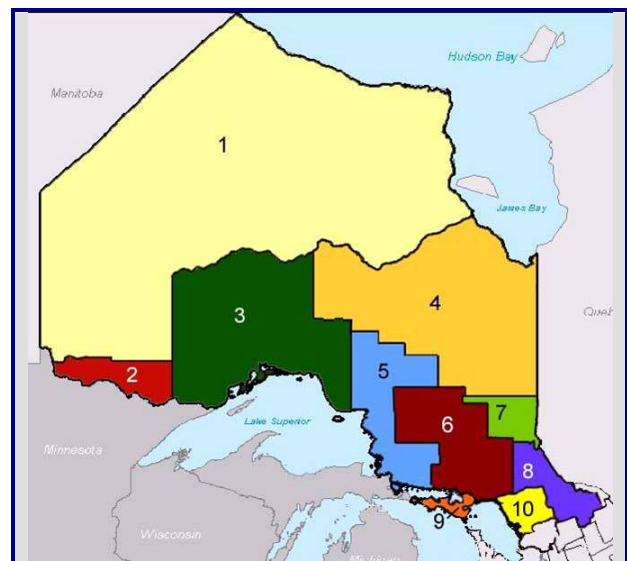


The vast regions of Northern Ontario are home to a diverse array of businesses operating at the leading edge of the 21st century's global economy. From sophisticated wood and paper products to mass-transit vehicles, from fibre-optic-based call centres to remote-control mining equipment, Northern Ontario's products and services are known around the world.

Geography

Northern Ontario covers over 800,000 square kilometres, representing nearly 90 percent of the Province of Ontario's land area. It extends across two time zones, from the southern boundary of the District of Parry Sound, north to Hudson Bay and James Bay, and westerly from Quebec to the Manitoba border. The area encompasses vast natural resources, lands and waters, provincial parks, fisheries, and natural wilderness areas that are among the most pristine and beautiful in the world.

Northern Ontario is comprised of 10 territorial districts, 145 municipalities, 106 First Nations, and over 150 unincorporated communities, including 46 Local Services Boards.



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|----------------|-----------------|
| 1. Kenora | 7. Timiskaming |
| 2. Rainy River | 8. Nipissing |
| 3. Thunder Bay | 9. Manitoulin |
| 4. Cochrane | 10. Parry Sound |
| 5. Algoma | |
| 6. Sudbury | |

Population

Although Northern Ontario comprises approximately 90 percent of the area of Ontario, the population of approximately 800,000 represents only 6 percent of the provincial population.

This large land area and relatively small population results in a population density of approximately 1.0 person per square kilometre, compared to 109 persons per square kilometre in Southern Ontario.

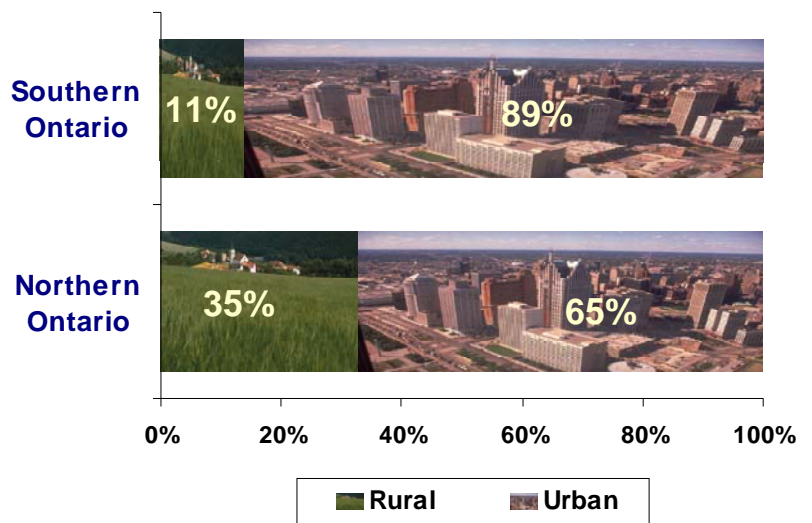
Region	Population 2006	% of Total N. Ont. Population	Land Area (square km)	Population density (persons per square km)
Canada	31,612,897	-	9,017,698.92	3.5
Ontario	12,160,282	-	907,573.82	13.4
Algoma District	117,461	15.0%	48,734.66	2.4
Cochrane District	82,503	10.5%	141,247.30	0.6
Kenora District	64,419	8.2%	407,192.66	0.2
Manitoulin District	13,090	1.6%	4,759.74	2.8
Nipissing District	84,688	10.7%	17,065.07	5.0
Parry Sound District	40,918	5.2%	9,222.04	4.4
Rainy River District	21,564	2.7%	15,472.94	1.4
Sudbury District	179,301	23.0%	41,715.50	4.3
Thunder Bay District	149,063	19.0%	103,706.27	1.4
Timiskaming District	33,283	4.2%	13,279.88	2.5
Northern Ontario Total	786,290	100.0%	802,396.06	1.0

Source: Statistics Canada, 2006 Census

Northern Ontario's rural population comprises more than one third of the total northern population. In Southern Ontario, 11 percent of the population lives in rural areas. Within rural areas, population densities and living conditions can vary greatly, from small towns and villages, to rural fringes, to agricultural land, to undeveloped lands, to remote and wilderness areas. (Source: 2006 Census)

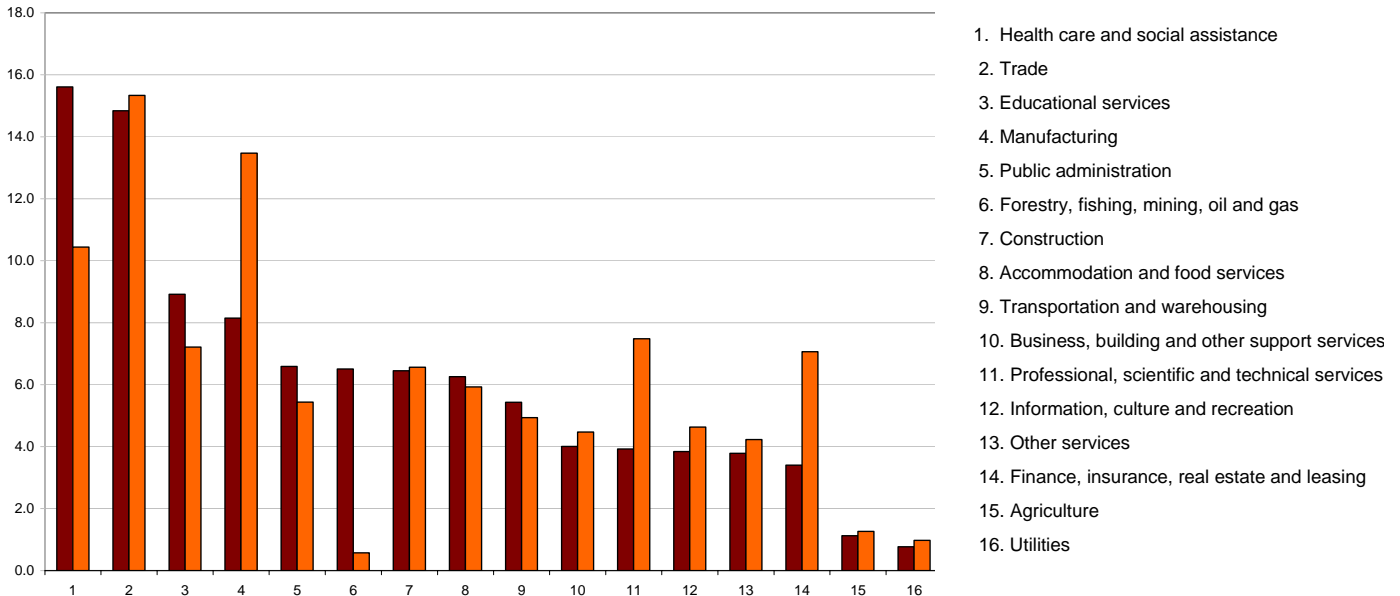
The remaining two-thirds of the North's population lives in urban areas, with over 90% of the urban population living in the five major cities of Thunder Bay, Sault Ste. Marie, Timmins, Sudbury, and North Bay. The population of these five urban centres also comprises over half of the total northern population. (Source: 2006 Census)

Rural / Urban Population Distribution



Close to 140,000 of the province's Francophone population reside in the North, representing 26 percent of the province's Francophone population and 18 percent of the northern population. The North is also home to 106 of the 134 First Nations in Ontario, representing almost half of Ontario's Aboriginal population, at 40 percent, or approximately 97,930. This group represents close to 13 percent of the total population in Northern Ontario. (Source: 2006 Census)

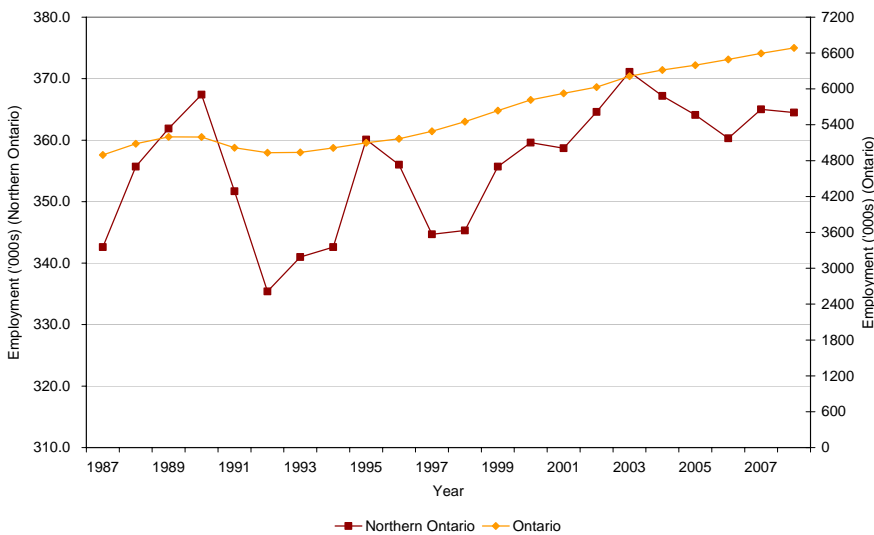
Employment



Source: Statistics Canada, Labour Force Survey

Northern Ontario's employment distribution by industry varies from that of Ontario as a whole. Many northern communities remain reliant on primary industry sectors such as mining and forestry. These sectors accounted for close to 6.5% of the North's total employment in 2008, compared to only 0.6% for the Province. Northern Ontario is also more reliant on public sector employment, including public administration, education and health care. The educational services, public administration, and health care and social assistance sectors accounted for 31% of the North's total employment in 2008, compared to 23% for the province.

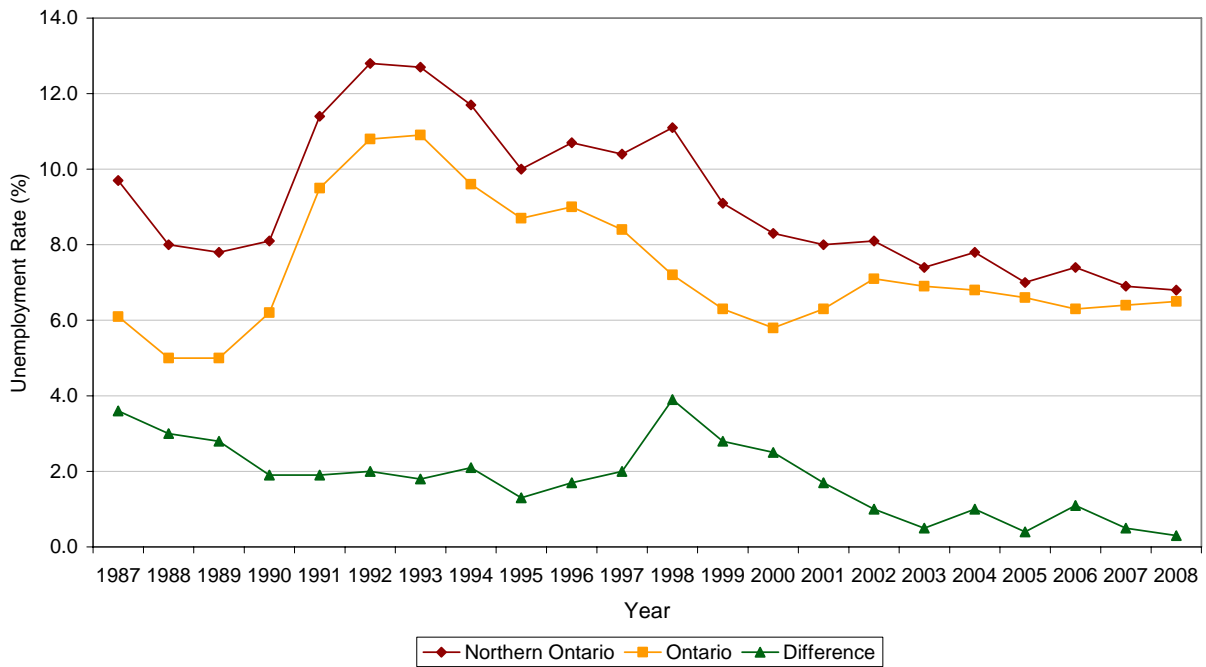
Employment Trend, Northern Ontario & Ontario 1987 - 2008



Source: Statistics Canada, Labour Force Survey

Over the long-term, employment in Northern Ontario has ranged from a low of 335,400 in 1992 to a high of over 371,000 in 2003. Since reaching a high in 2003, employment in Northern Ontario has declined by 6,600, to 364,500 in 2008. Employment in Ontario has increased each year since 1993, increasing by 7.6% since 2003.

Unemployment Rate Trend, Northern Ontario & Ontario 1987 - 2008



Since a high of 12.8% in 1992, Northern Ontario's unemployment rate has dropped by 5.8 percentage points compared to a 4.3 percentage point drop in Ontario's unemployment rate over the same time period. On average, Northern Ontario's unemployment rate has been 2 percentage points higher than Ontario's over the past 21 years. Over time, the gap between the unemployment rate for Northern Ontario and for the province has decreased from a high of 4.0 percentage points in 1998, to only 0.3 percentage points in 2008, the lowest differential in the past 21 years.

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