

BUSINESS PLAN
FOR
PATHFINDER INC.

November 23, 2004

Contact:

Anne Aliss President
1302 - 34th Street W.
Saskatoon, Saskatchewan
Cell: (306) 599-1234
Fax: (306) 599-5678
E-mail: Pathfinder@telusplanet.net



TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
THE SURVEYING INDUSTRY	2
Introduction	2
Construction & Real Estate Developments	2
The Road Building Market.....	2
The Pipeline Market.....	3
The Natural Resource Market.....	4
PATHFINDER INC.; SURVEYING EXPERTISE.....	5
Overview.....	5
Operational Plan	6
Competitive Analysis.....	6
THE COMPANY	8
Corporate Overview	8
Management.....	8
Future Plans.....	9
MARKETING PLAN	10
Target Markets.....	10
Promotional Strategy.....	11
Trade Show Strategy	12
Pricing Strategy.....	13
FINANCIAL REQUIREMENTS	14
APPENDICES:	
Financial Projections.....	A
Equipment Information.....	B
Personal Profile – Anne Aliss.....	C
Industry Background	D



EXECUTIVE SUMMARY

Presently, enormous activity within a number of industrial sectors is underway throughout Western Canada. Surveying is essential to all such activity. Construction of gas pipelines, mines, buildings or roads would be utter chaos if the on-site crews didn't know precisely where they were, where they were going, and what utilities lay hidden just below the surface.

Pathfinder Inc. is a newly created Saskatchewan corporation that will specialize in providing the highest quality of surveying services to oil and gas, mining, construction, road building, and other industrial sectors. The company's management, led by President Anne Aliss brings twenty years experience providing a broad range of surveying services, and is committed to building Pathfinder Inc. into a profitable and reputable firm. By focusing initially on the oil and gas and construction sectors, the firm will achieve success by promoting its key advantages.

The company will adhere to an operational plan to optimize the utilization of manpower and equipment resources, and to set in place policies and procedures to ensure profitability, safety and efficiency. The company's principal method of marketing will be through direct selling by senior management, augmented by word-of-mouth advertising by satisfied clientele.

To launch this venture, a total of \$50,000 is being assembled. Of this total, it is proposed that \$40,000 will be in the form of debt secured from a financial institution.



THE SURVEYING INDUSTRY

INTRODUCTION

Surveying is essential to numerous industrial sectors. Construction of gas pipelines, mines, buildings or roads, to name a few such projects, would be utter chaos if the on-site crews didn't know precisely where they were, where they were going, or what utilities lay hidden in the ground just before them.

Precision is the key to good survey services. For example, at a remote pipeline site, an error of a few feet may not seem significant, however, that error will ultimately translate into millions of dollars in excess material and manpower over the length of the line. Moreover, such an error will likely impact on the placement and functioning of other facilities.

In many cases, accurate surveying of a property or development is a necessary regulatory or legal requirement. Property lines and right of ways, especially within municipalities or in any way affecting nearby landowners, need to conform to or stay within pre-determined coordinates.

CONSTRUCTION & REAL ESTATE DEVELOPMENTS

The growth in economic activity across Western Canada (see economic forecasts in Appendix D) is attracting a wave of migration of new residents to the region. For instance, the City of Saskatoon is expecting a five percent annual rate of population growth over the upcoming decade. In another well-publicized example, the City of Calgary is currently growing at the rate of 30,000 people per year. What these and other situations mean in practical terms is that there are entirely new residential and commercial



developments springing up throughout the region's major cities, and all of these developments require survey services.

THE ROAD BUILDING MARKET

Numerous new highways and secondary roads are being established throughout Western Canada, but especially in and around high-growth urban centres (Calgary, Edmonton, Saskatoon, Regina, etc.). Projects require extensive surveying before, during and after actual construction. Surveying is required to locate right of ways, property lines, and buried utility locations.

As is the case with other construction sectors, a shortage of capable manpower is threatening to delay construction schedules. Also, this shortage has begun to drive up the price being paid to all levels of construction manpower and subcontractors.

THE PIPELINE MARKET

Presently, enormous activity within the pipeline sector is underway throughout Western Canada. A scan of any recent copy of Nickle's Post Report lists well over 50 pipeline projects currently being built or in the proposal stage. These range from relatively small undertakings (for instance, 3 inch pipe running for 20 kilometers), all the way up to major projects, involving 48 inch pipeline running for hundreds of kilometers.

Virtually every major oil and gas company is involved in pipeline activity. TransCanada Transmission, Amoco Canada, Federated Pipe Lines, Gulf Canada, Husky Oil, and Imperial Oil are all heavily committed to such activity. In most cases, these major



players are building more than one major pipeline at the same time, often in partnership with various other companies.

Surveying services are of paramount importance to every one of these projects. Before any construction can start, the route has to be surveyed and reported on to gain regulatory approval. Once construction commences, surveying is required to keep the project on course and for the gathering of important “as-built” data. Even after pipelines are built, surveying activity does not stop. Often pipelines need to be located to allow maintenance work and/or inspections on specific sections. For instance, surveyors can locate, with accuracy of a few inches, the exact location of each weld along a given pipeline if quality as-built information is available.

THE NATURAL RESOURCE MARKET

This sector, similar to the pipeline activity now underway, is exploding throughout Western Canada. In the oil and gas drilling sector, thanks to major increases to both oil and gas commodity prices over the past several months, a record number of new wells will be completed in the region over the next 24 months (a late October report by the New York Mercantile Exchange indicated the rig count across Canada at 301, up by 22 from just the previous week). This is complemented by a myriad of new processing plants, and the expansion of several oil sands mega projects. All of these projects, large and small, require surveying services.



PATHFINDER INC. SURVEYING EXPERTISE

OVERVIEW

Pathfinder Inc. is a newly created Saskatchewan corporation that will specialize in providing the highest quality of Cadastral surveying services to the construction, road building, oil and gas, mining, and other industrial sectors. The company's president, Ms. Anne Aliss is highly trained and very experienced in providing timely, expert services. Although capable of operating in all weather conditions, and in all geographical and topographical locations throughout North America, due to the enormous local demand for surveying, the company will initially focus on the Saskatchewan and Alberta provincial markets.

Ms. Aliss is committed to building Pathfinder Inc. into a profitable and reputable firm. Depending on future project requirements, the firm will secure subcontractors to provide specific services. However, since the company's initial projects will likely be relatively "small" or "simple", it is anticipated that Ms. Aliss will "fly solo" for most of Pathfinder's first year.

The company commenced operations recently (October, 2004), and has the capability and expertise to undertake any survey project. The company's initial focus will be to introduce its services to prospective clients mostly throughout Western Canadian oil and gas and construction sectors. Fortunately, since the current demand for surveyors is taking on vast proportions, the firm will be able to choose its projects carefully; likely resulting in acquiring preferred contracts.

As the firm's reputation grows, expanding marketing activities will be conducted to



add larger projects, and to attract new clients in other cities/provinces and in other industrial sectors. At present, the company's credentials do not allow it to "sign off" on legal land plans, that is, to provide accredited land surveys as is typically required for real estate transfers. This shortfall will be dealt with through the future recruitment of an individual with the necessary certification. In the short-term, should the project require it, management will subcontract this need externally.

OPERATIONAL PLAN

The company will adhere to an operational plan that optimizes the utilization of manpower and equipment resources, and sets in place policies and procedures to ensure profitability, safety and efficiency. As the company grows, this plan will grow as well.

In the preparation time to any project, management will secure a team in advance by contract, and will select from a pool of surveying subcontractors to satisfy the requirements of a given project. From experience, management knows it is important to provide quality service on-time, consequently, the firm will not pursue projects where the necessary people and equipment are not in place. All persons to be potentially used by Pathfinder will have to submit their personal resumes or company profiles for review, and will be kept on file (this is a standard practice within the industry, as Ms. Aliss' profile is already available to a myriad of other companies).

All project activity will be scheduled, and all personnel will submit a daily report. These reports will verify progress made, will certify that project milestones have been reached, and will assist management's project budgeting, bookkeeping and billing activities.



COMPETITIVE ANALYSIS

There are hundreds of surveying companies operating in Western Canada, focusing on such specialty fields as land, global positioning, offshore, seismic and construction sectors. Pathfinder's initial focus will be limited to only the oil and gas and construction sectors. This focus will achieve success by promoting the firm's key advantages; highly reputable, locally based, broad survey expertise, and its high quality service package.

Pathfinder will have the skill advantage over competitors due to its president's broad survey expertise, industry reputation and considerable contacts. Operational costs will also be at a competitive economic advantage. Initially, the company will operate as a home based enterprise and will employ one person in the first year. Other fixed monthly cost commitments, such as equipment financing, will be kept to a minimum.

Pathfinder's proximity to and contacts within some of the largest groups of survey clientele in North America, including the head corporate offices of international oil and gas, pipeline transmission, and construction companies, will allow the firm to establish direct relationships with key industry decision makers.

It is important to point out that the current demand for surveying services throughout Western Canada is surging well ahead of available supply; there is an abundance of work for survey companies in the foreseeable future.



THE COMPANY

CORPORATE OVERVIEW

Pathfinder Inc. is a newly established surveying company, having been incorporated in Saskatchewan on October 3rd, 2004. The company's sole Director, Officer and shareholder is Anne Aliss and the company's corporate address is 1302 - 34th Street W., Saskatoon.

MANAGEMENT

The day-to-day management of the firm will be the responsibility of Anne Aliss whose educational background includes Survey Technology from the Southern Alberta Institute of Technology in Calgary in 1985. Ms. Aliss possesses an impressive 20-year employment background in the survey industry. First as a Rodman for the government and private sector, then as Construction Survey Party Chief for Cana Construction and Legal Survey Party Chief for S.M. Lorecky and Associates, and in the past 12 years a position as a Field Survey Party Chief with TransCanada Transmission. Of particular significance, Anne Aliss has managed a numerous and broad range of surveying projects in her career, and in the process, has acquired the business insight, professional reputation and technical expertise necessary to succeed in this venture. A full professional profile for Anne Aliss is provided in Appendix C.

Ms. Aliss has a number of experienced and qualified surveying associates willing to provide services when needed, and will do so on a contract or per-job basis. As the company



grows, these individuals would be invited to join the firm on a secure, long-term basis, and would form the nucleus of the company's future management team.

FUTURE PLANS

Pathfinder's activities will be based initially entirely in Saskatchewan and Alberta with future clientele necessitating an expansion of operational capability into other parts of Canada and eventually beyond.

Once the company's initial operations are running smoothly and Pathfinder is sustaining positive cash flows, management will seek to relocate the firm's office out of the home of Ms. Aliss and into a formal business setting. At that point, the company can also add management and technical personnel, likely on a subcontracted basis.

Another consideration for management is the forming of joint venture alliances with one or more, small surveying firms in locations outside of Saskatoon, such as in Edmonton. This would greatly enhance the company's exposure to additional clientele, which in turn would increase the company's reputation and image. The advantage of this approach is that it would constitute a win-win scenario for all the participating surveying companies, and could be achieved without the necessity of large cash injections for new equipment or personnel.



MARKETING PLAN

TARGET MARKETS

The company will immediately begin pursuing contracts for its services in the following sectors:

- oil/gas drilling
- pipeline
- construction
- road construction

Major clients in the above sectors will be secured as the result of hard, persistent effort over the company's initial growth period. The goal will be to establish regular, repeat business. Due to contacts within the industry, the following Saskatchewan and Alberta-based companies have been identified by management as being high priority prospects, and all will be contacted within the next 3 months.

Cadastral Surveying and Related Engineering Services – Western Canadian Region

- D.J. Wait Consulting Group Ltd.
- Stantec Geomatics Ltd.
- Cana Construction
- Global Surveys Corp.
- Kellam Berg Engineering & Surveys Ltd.
- Pang W. Surveys Inc.



Out of Region Surveying and Related Engineering Services

- McElhanney Land Surveys Ltd.
- Universal Surveys Inc.
- U.S.I. Project Services Ltd.
- Challenger Surveys & Services Ltd.
- Maltais Surveyors
- Martin Geomatics
- The Cadastral Group Inc.
- Usher Canada Ltd.
- Crape Geomatics
- Focus Surveys
- Allwest Surveys
- Can-Am Surveys Ltd.

PROMOTIONAL STRATEGY

Pathfinder's principal method of establishing clientele will be through a direct selling approach by Ms. Aliss. Through numerous meetings, telephone and e-mail correspondence over a period of several months, a conscientious rapport with a number of important decision-makers associated with key prospective clientele will be developed. Through repeated contact, the company will build up its already-considerable list of contacts in several vital industry sectors. These contacts within industry at-large will also provide the company with a direct "window" on upcoming projects. Pathfinder is committed to building its reputation, and is aware that this will require the long-term process of building relationships with companies and clientele.

The initial promotional materials will be a professionally designed logo, business card, brochure and vehicle sign designed to increase corporate visibility. A mailing list



and database will be developed with the goal of creating an annual promotional package. This will be aimed at securing existing clientele and expanding Pathfinder's client base. As for other print advertising, the company will place ads in the region's Yellow and White Page telephone directories (initially in Saskatoon, Calgary, and Edmonton). Additional ads will be included in the survey and oil and gas industry trade magazines such as ALS News, Alberta Oil & Gas Monthly, and ASSMT Newsletter.

The creation of the Pathfinder Internet website is central to the second phase of the marketing strategy. Designed to increase its profile and expand its services on-line, the website would offer clients survey services as well as providing a point of interest for history and information on the survey industry as a whole.

TRADE SHOW STRATEGY

Management has identified a number of trade shows in each target market that offers significant potential for securing projects. The purpose of attending these events will be to meet top business executives and to introduce the services of Pathfinder. Commencing in the company's second year, management will target industry shows to exhibit in, either alone or with another related company, for example: a pipeline engineering firm. Specific trade shows currently being considered by management include the ACSM Annual Convention & Exhibition, and the ALSA Annual General Meeting & Exhibition.



PRICING STRATEGY

The surveying business is to a degree price sensitive; adding too much to the margins on service pricing can lead to lost accounts. On the other hand, chopping margins too narrow can lead to operating losses, especially considering the risk of project delays due to adverse weather or unforeseen equipment breakdown. Consequently, Pathfinder will stay within normal industry pricing practices, typically involving charges of \$60 to \$90 per hour in-town, and roughly double that for out-of-town work. A more detailed fee schedule is provided in Appendix A.



FINANCIAL REQUIREMENTS

Management has identified a list of specialized equipment required to successfully launch this venture (see appendix A). The cost of this equipment is approximately \$30,700. Aside from the equipment, management has identified the need for an additional \$15,000 (approximate) to serve as working capital. Beyond the infusion of her own \$10,000 as cash equity, this venture will require a bank loan of roughly \$40,000. This figure is used in the accompanying financial projections.

The proponent's solid credit history and collateral capabilities indicate that her approaches to financial institutions will most likely result in success. Once the funds are raised and the necessary equipment purchased, Pathfinder will be successful. Five-year projections of the company's revenues and expenses are appended, as are corresponding projections of the firm's cash flows and balance sheets.



APPENDIX A

FINANCIAL PROJECTIONS



APPENDIX B

EQUIPMENT INFORMATION



APPENDIX C

PERSONAL PROFILE – ANNE ALISS



APPENDIX D

INDUSTRY BACKGROUND

