

Green Gold



Jade is the must-wear gem of the rising Chinese middle class. And a British Columbia company mines three quarters of the world's production—right here in Canada.

BY CLAUDE ADAMS


FROM BCBUSINESS MAGAZINE

On a recent visit to China's western frontier, Canadian entrepreneur Kirk Makepeace made an extraordinary discovery:

In the city of Hotan, Chinese merchants were selling jewellery made of bright green jade. To the average tourist, this would be a singularly unremarkable fact. Hotan, after all, has been an important centre of jade since ancient times. But Makepeace is no average tourist: He knows the stone as well as anyone on Earth. "All jade has a fingerprint," he says with delight, "and I could see it was ours they were selling. Imagine that—our product in the mecca of jade!"

What the merchants were doing—passing off B.C. jade, or nephrite, as native Chinese jade—may not have been ethical, but they were inadvertently paying tribute to the excellence of a little-known homegrown product and contributing, in their own way, to a promising Canadian niche industry.

Even though he knows only a few words of Mandarin, Makepeace has a distinct profile in China. His company mines more nephrite jade than any other (or any country, for that matter). When he was a commerce student at the University of British Columbia in the 1970s, Makepeace took a summer job as a diamond driller and found his calling. Today, he is CEO of Jade West, a company



with three mining sites in a 150-kilometre stretch of wilderness in north-

western British Columbia. The region boasts the richest known concentration of nephrite, and every year, Jade West extracts about 200 tonnes of it out of the mountains near Dease Lake and Smithers.

That may not seem like much, but it's nearly three quarters of the world production. Ninety percent of the B.C. nephrite goes directly to China in bulk form, arriving in containers in Hong Kong, mainland China or Taiwan, never to be identified by its place of origin again. Without a nationality, burnished by an oriental mystique that requires little or no marketing, most of the nephrite finds its way into the hands of more than 100,000 Chinese carvers and then to markets throughout Asia—including the market in Hotan.

Jade touches a deep vein in Chinese culture and belief, rooted in 5,000 years of history. "Jade," says University of British Columbia archeologist Zhichun Jing, "is associated with individual power. Not only physical power, but spiritual power. In the Chinese culture, sometimes we say jade is a bridge to immortality." It was the gemstone of royalty, with Chinese emperors supposedly speaking to the gods through holes in disks of jade.

Because of an accident of geology, British Columbia has an abundance of China's national stone. Carved out by glaciers and found naturally along riverbeds, it was used for centuries by Aborigines as a sturdy stone for axes, knives and other tools. Jade tools dating back 4,000 years have been found at Salish sites in the province's Cariboo region.

Major deposits were found in northern British Columbia in the early 1970s, but with China closed to Western exports, there were no natural markets. "Here we were," says Makepeace, "with an incomparable source of jade—a stone that had a traditional value at one time greater than gold—and what were we doing with it?"

Still, Makepeace was a believer in the possibilities of the stone, and so in 1981 he founded Jade West. Over the next 15 years, he bought and consolidated leases to control most of the province's major nephrite deposits:

the Mount Ogden mine near Smithers and the Kutcho Creek and Polar mines near Dease Lake. Jade West began turning profits in year one, but moved into high gear only when China opened up its markets to international trade in the 1990s.

"One can put a price on gold," goes a Chinese saying, "but jade is priceless." Still, within British Columbia's \$6.6-billion mining and exploration industry, the stone occupies such a tiny place that mining people scratch their heads and shrug when you mention it. That's no surprise. After all, it generates only about \$10 million in annual revenue. Plus, the province's nephrite industry needs some serious investment if it is to meet its potential. In earlier years the jade boulders were just lying around waiting to be collected, but today unlocking thousands of tonnes of nephrite from the mountainous wilderness requires heavy equipment, manpower and infrastructure.

"Hit a diamond with a hammer," says Makepeace, "and you end up with a lot of little diamonds. Hit nephrite jade with a hammer and the hammer will bounce back and hit you on the head." Thanks to nephrite's unique interlocking fibre structure, it is the world's toughest mineral, while diamond is the hardest. It is this toughness that makes nephrite expensive to mine: about \$8,000 to \$10,000 a tonne.

Dynamite would damage the precious stone, so the boulders must be painstakingly carved out of the mountains with diamond-studded saws. The boulders are then transported 100 kilometres over rough terrain in massive trucks to the nearest highway and then on to the village of Dease Lake. The mining season lasts only three months in summer; the rest of the year it's either too cold or too snowed in to easily extract and transport the stone. All-season mining would increase the cost exponentially.

"What is the future for B.C.'s nephrite? It will be a much bigger part of our industry," says Makepeace. "There's a great potential to expand into a niche industry. And it's something we can take pride in as being completely ours." ■