



**TOURISM FACILITIES 5-YEAR BUSINESS PLAN
SHANIA TWAIN CENTRE & TIMMINS GOLD MINE TOUR**

Phase I – Interim Report

**Prepared for:
City of Timmins**

Prepared by:

PKF
Consulting

May 2011



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May 2, 2011

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**RE: TOURISM FACILITIES 5-YEAR BUSINESS PLAN – PHASE I INTERIM REPORT
Shania Twain Centre and Timmins Gold Mine Tour**

Dear Ms. Hautanen:

In accordance with the terms of our engagement, we have completed the Phase I Operational and Market Review of Shania Twain Centre and Gold Mine Tour, including a preliminary Assessment of Alternative Business Strategies.

The entire study, including all findings and conclusions, pertains to the Timmins market area and is based on our knowledge and information with respect to current and projected economic data, expected growth in the supply of and demand for attractions, which could be deemed to be competitive, and the status of the competitive market as at the completion of our field work on March 31, 2011.

Based on the Phase 1 recommended option to enhance both attractions, endorsed by the Advisory Committee, Working Steering Committee and pending endorsement from City Council, Phase 2 of the study process will provide a 5-Year Business Plan for the recommended direction of the Shania Twain Centre and Gold Mine Tour.

Yours truly,

A handwritten signature in blue ink that reads "PKF Consulting Inc." in a cursive, script font.

PKF CONSULTING INC.

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1.0 INTRODUCTION

1.1 Study Background

The Shania Twain Centre and Gold Mine Tour attractions are currently owned, operated and partially subsidized through the City of Timmins. Formerly managed through the Clerk's Department, this role was transferred in 2009 to the formerly named Culture, Leisure and Tourism Division. This Division was recently restructured and is now referred to as Tourism, Events and Communication, and reports directly to the City's CAO. Tourism, Events and Communication currently manages the two attractions, with strategic assistance provided by the appointed Shania Twain/Gold Mine Tour (STC/GMT) Advisory Committee.

With additional funding from the Northern Ontario Heritage Fund Corporation (NOHFC) and FedNor, the City of Timmins has recently been considering the future of the Shania Twain Centre and Gold Mine Tour attractions. The City identified a need to complete a full business planning exercise for the Shania Twain Centre/Gold Mine Tour attractions, evaluating future directions and site uses, and potentially market these facilities in association with other Ontario's Northeast (ONE) Attractions Initiative partners, Ontario's North and RTO 13A.

1.2 Study Scope

PKF Consulting was retained in January 2011 to complete a detailed 5-Year Business Plan for the Shania Twain Centre and Timmins Gold Mine Tour attractions, including an evaluation of possible future directions and uses for the sites. The study process involves a 2-phase study work plan. The Phase I - Operational Assessment and Market Analysis has involved the following steps:

- Site tours and discussion of operations with management of the two attractions;
- Review of background research and studies;
- Review of the historic demand levels, segmentation characteristics, seasonality and general assessment of the Shania Twain Centre and Gold Mine Tour existing markets and operations;
- Competitive/Comparable Attraction Analysis, including: heritage mining attractions, entertainment personality attractions, and other Northern Ontario attractions;
- Interviews with various stakeholders in Timmins' tourism sector;
- Identification of a long-list of alternative business uses for the Shania Twain Centre and Gold Mine Tour attractions;
- Top line implications of **3 alternative options** for the future direction of the Shania Twain Centre and Gold Mine Tour:
 - Downscaling the Attraction
 - Enhancement of the Attraction

- Expansion of the Attraction
- Estimation of potential utilization and pricing strategies for each alternative business use; and
- Preparation of Phase I Interim Report.

Based on the Phase 1 recommended option, endorsed by the Advisory Committee, Working Steering Committee and pending endorsement from City Council, Phase 2 of the study process will provide a 5-Year Business Plan for the recommended direction of the Shania Twain Centre and Gold Mine Tour.

1.3 Review of Background Documents

As part of the initial evaluation of the Shania Twain Centre and Gold Mine Tour attractions, PKF reviewed a number of background research and studies, including:

- *A Preliminary Report on the Timmins Gold Mine Project* (Oct, 1984)
- *Timmins Gold Mine Tour and Museum Inc. Business Plan for Expanded Facility* (Feb, 1999)
- *The Timmins Gold Mine Tour & the Shania Twain Interpretive Centre* (Nov, 1999)
- *Impact of Upgrading the Shania Twain Interpretive Centre* (Feb, 2000)
- *Shania Twain Centre/Timmins Gold Mine Tour: Business Plan 2002-2006* (Jan, 2002)
- *Shania Twain Centre/Timmins Gold Mine Tour: Financial Impact and Operations Report* (Jun, 2003)
- *Final Draft Opportunity Study Timmins Gold Mine Tour* (Mar, 2009)
- *Final Draft Opportunity Study Shania Twain Centre* (Mar, 2009)

Key findings from these studies are highlighted below:

In 1984, the City of Timmins approved funding to conduct a feasibility study for a Gold Mine tourism attraction, which was expected to diversify the local economy and create more jobs. Development costs for the project were estimated at \$15 Million. The resulting study projected total annual visitation of 48,500 attendees. The Timmins Gold Mine Tour opened in 1984 at the McIntyre Mine, which was later moved to the Hollinger Mine site in 1990.

In 1999, further funding was requested from the Northern Ontario Heritage Fund Corporation (NOHFC) in order to expand the Gold Mine Tour and redevelop the Timmins Museum, inclusive of the Shania Twain Hall of Fame, and to create improvements to the Hollinger Golf Course, at a combined cost of \$7.2 Million. According to this study, by 2005, the combined attendance for the enhanced Gold Mine Tour and Interpretative Centre was expected to reach 55,000, and spending on promotions and advertising were projected at \$240,000. A study conducted later that same year refined the costs of the attractions, and identified a new focus for the Museum component emphasizing Shania Twain's contributions to the music industry. The cost of the new "Shania Twain Centre" was estimated to be approximately \$1.8 million. The cost of the total redevelopment and expansion of the Gold Mine Tour, Shania Twain Centre, Hollinger Golf Course,

and infrastructure improvements were expected to total approximately \$10 Million, and attendance to the upgraded Gold Mine Tour and Shania Twain Centre were refined to 50,000 by 2005.

In 2000, the City evaluated the financial viability of increasing the size of the Shania Twain Centre by 3,500 square feet primarily to enhance the display area and improve quality of exhibits, at a total cost of \$1 Million. It had been determined that the Centre would need to serve as the entrance to the Gold Mine Tour, and that architect renderings did not include sufficient exhibition space. The Shania Twain Centre officially opened June 30, 2001 with 11,500 square feet, including 4,000 square feet of exhibit area, as well as administrative office space, gift shop and an exhibition area for traveling exhibits. Following its opening, a new Shania Twain Centre/Timmins Gold Mine Tour Business Plan was developed in 2002, which included a need for City funding of \$165,000 annually to cover increased utilities and other expenses. A new Marketing Plan sought to target tour and educational groups, as well as Fan Club members, and to increase attendance by 25% by 2002, and by another 10% by 2003. The City approved funding of \$117,000 annually of the next 5 years. In 2003, with an operating deficit of \$360,000, management of the Shania Twain Centre and Gold Mine Tour looked to the City to approve an appeal to the Province for additional funding of the Timmins attractions, over and above the \$117,000 in City funding.

Most recently, a third party consulting firm was retained to conduct opportunity studies for the two attractions. These reports identified two alternative uses for the Shania Twain Centre, including:

- Exhibition Centre for Music, Culture and Entertainment (est. cost: \$465,000), and
- School for the Performing Arts (est. cost: \$885,000)

It is our understanding that these studies were halted due to the Ontario's Northeast (ONE) Attractions Initiative Partnership's redirection in the study focus from marketing to product development. Since then, the STC/GMT Board have refined their recommended directions for the attractions with City Council, and authorized the RFP document for the subject Business Plan.

1.4 Conclusions & Implications

Based on initial research, we have identified several challenges that have impacted the Shania Twain Centre and Gold Mine Tour, and may have implications for the success of these attractions. For instance, there are high expectations regarding tourist volumes and expenditures generated from the two attractions, considering the total tourism volumes to Timmins at this time, and no full comparable analysis has been completed to date to provide a benchmark.

Based on secondary research and PKF's experience in the tourism sector, we are aware that a number of tourist attractions in Northern Ontario were built with significant government capital-related investment, but are now finding it difficult to maintain operational sustainability. Apart from some of the largest facilities, such

as Science North and the Agawa Canyon Tour Train, tourism attractions are not primary demand generators in most Northern Ontario communities. Furthermore, they are highly dependent on summer tourism, while expenses occur year-round. With the recent economic recession, increased competition, and a rising Canadian dollar, tourism levels to Ontario, including Northern Ontario have declined over the past few years, and so too have attendance levels at attractions. Research shows that people will visit a community if there are enough activities to keep them occupied for four times longer than it took them to get there – and many of these communities are quite remote. More and more attractions are looking to government funding, memberships and corporate sponsors, since insufficient admission revenue is forcing many attractions to rethink their operating strategies, and they are unable to reach projected visitation levels from initial feasibility studies used to obtain government funding. Similarly, the Shania Twain Centre and Gold Mine Tour attractions will benefit from a critical assessment of historic operating and visitation levels, and the preparation of a realistic business plan for long-term viability, recognizing that these facilities will not be self-sustaining.

2.0 ATTRACTION PROFILE & SITE OVERVIEW

2.1 Introduction

The following section provides an overview of the customer experience and services offered at the Shania Twain Centre and Gold Mine Tour attractions, along with an analysis of the overall site within the City of Timmins and future plans for surrounding lands.

2.2 Site Overview

The Shania Twain Centre and the Underground Gold Mine Tour are located at 1 Shania Twain Drive in the City of Timmins. Both attractions are situated on a 65 acre site, located adjacent to the former 250 acre Hollinger Mine site, approximately 1.5 km southeast of downtown Timmins. The site was donated in 1990 by GoldCorp, owner of Porcupine Gold Mines, to the City of Timmins to operate an Underground Gold Mine Tour, and later in 2000 GoldCorp donated an adjacent parcel of property on which to build the Shania Twain Centre.

The Hollinger Gold Mine was discovered in 1909, and was once the richest gold producer in the Western Hemisphere. The site operated as an underground mine from 1910 to 1968, at a depth of approximately 5,000 feet, followed by open pit mining for iron ore deposits from 1976 to 1989. Since its closure and rehabilitation status, a perimeter fence has been established around the former mine site and warning signs have been posted to restrict public access, as it remains a hazardous site with numerous sink holes, shafts, raises, stopes and open pits from the former mining operation.

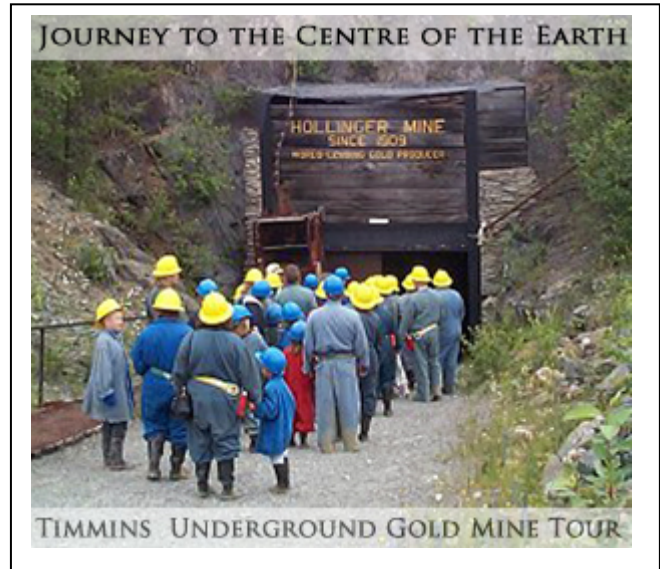
To access the attraction site, visitors turn off Algonquin Boulevard (Provincial Route 101) onto Spruce Street South, take the 1st left onto 2nd Avenue, turn left onto Brunette Boulevard, and take the 1st right onto Shania Twain Drive, which winds through the former Hollinger Golf Course to both attractions. Although there are a number of signs leading to the attractions from the highway entrances into Timmins, the attraction signage is not consistent in terms of theme, style and content, causing confusion to the visitor.

2.3 Gold Mine Tour

The Timmins Underground Gold Mine Tour is an educational and interactive family attraction, dedicated to the gold mining history of Timmins and the surrounding region. The tour originally opened in 1984 at the McIntyre Mine, but was relocated to its current site at the former Hollinger Mine in 1990. The tour's move to its current site was primarily because of the cost and complexity of running a tourism attraction on an active mining property, and also because of the barriers to expansion at the McIntyre site. The current site, which is located

directly behind the Shania Twain Centre, includes 12 authentic historically significant buildings situated on 65 acres, which form part of the surface tour; together with a 150 metre mine shaft which leads visitors into the underground mine. The Timmins Underground Gold Mine Tour and Museum was incorporated on January 21, 1994. At a capital cost of \$2 Million, an Alimak elevator lift was added in 2002, which can also transport visitors to and from the underground mine and tour, together with additional underground displays and a theatre production. In 2010, a 1940's locomotive that operated at Pamour Mine for years was relocated and restored as a fully operational locomotive at the Underground Gold Mine Tour.

The surface tour is led by Junior Guides (students), while the underground tour is led by Senior Guides (retired miners). Visitors experience a “typical day” in the life of a miner, including the “Dry” where visitors suit up with protective overalls, a hard hat, and a miner’s lamp and battery pack, before walking or taking the elevator into the depths of the mine to begin their “shift”. During the tour, the retired miner explains the various aspects of the mining operation, equipment and safety features, while visitors are led through the tunnels. Underground tour features include: the operation of two different rock drills and a slusher; a mine rescue station; an



underground rail ride; demonstrations of mining skills including scaling, loading a blast and a mock blast display; a large gold nugget, and an underground theatre where productions highlighting various aspects of mining are shown, while visitor’s wait for the vertical lift. Upon surfacing, visitors are given an opportunity to walk through time on the Prospector’s Trail, via a surface tour to the various buildings, including: the last remaining Hollinger House, that was built to accommodate the miners and their families upon their arrival to Timmins; a typical Prospector’s Cabin; a Sluice for Gold Panning; and the Jupiter Headframe Lookout tower; before ending their “shift” and receiving their “pay cheque for a day’s wages.

The attraction is open on a seasonal basis from mid May to October 31st, and offers 2 tours per day (10:30 am and 1:30 pm) in the Spring and Fall months from Wednesday to Sunday (5 days per week); and 4 tours daily in July and August (9:30 am, 11:30 am, 1:30 pm and 3:00 pm) at 7 days per week; for a total of 365 available tours per season. Admission charges are \$20.00 per adult, \$18.00 per senior and student, with children under 6 years of age, free. The Miner’s Pick Gift Shop is located in the Shania Twain Centre, and features merchandise for the Shania Twain Centre and the Gold Mine Tour, as well as the City of Timmins.

The Gold Mine Tour Gallery Room was the temporary location of the Timmins Museum National Exhibition Centre from 2007 to 2010, when it relocated from its former South Porcupine address, during which time it was undergoing plans for its new location within the On-Line Services (OLS) building on Spruce Street South in downtown Timmins. From 2005 to 2008, and since the Timmins Museum's collection was removed in 2010, the Gold Mine Tour Gallery Room has been utilized for meeting and event rentals.

2.4 Shania Twain Centre

The Shania Twain Centre is an Interpretive Centre dedicated to the life and career of music recording artist, Shania Twain, who grew up in Timmins, Ontario. Shania Twain is a country music songwriter and performer who has won five Grammy awards, 12 Juno awards, and sold over 80 million albums worldwide. Shania Twain's last new album was released in 2002, after which she completed a Greatest Hits album in 2004.

At a capital cost of approximately \$7 Million, the Shania Twain Centre was built in 2000, with partnership



Shania Twain Centre Opening Day: June 30, 2001

funding provided by the City of Timmins, Northern Ontario Heritage Fund (NOHFC) and FedNor. The Centre opened on June 30, 2001 with approximately 11,500 square feet, including a 4,000 sq. ft. exhibit area for the permanent collection; a 1,200 sq. ft. travelling exhibit space; a 1,000 sq. ft. retail area; a 1,500 sq. ft. foyer area, and approximately 3,800 sq. ft. for back-of-house storage, office space and public washrooms.

The self-guided tour has been arranged around the story of Shania's life, starting with various people and events which have inspired the singer; her song-writing abilities; numerous stage costumes which she has worn at concerts and in video productions; scores of awards that she has received; a backstage tour area and recording studio; and ending with a small theatre area for approximately 40 to 60 persons, that has been re-created from the former Maple Leaf Tavern, where Shania performed for local crowds in downtown Timmins. Interactive displays include personal anecdotes from acquaintances of Shania Twain; a recording studio where visitors can sing along to her songs, and a 12 minute multi-media presentation that showcases

highlights of her career. The gift shop largely features Shania Twain clothing, music, books and memorabilia, as well as local handicrafts and souvenirs of Timmins. A former tour bus used by Shania and her band members is also permanently parked on the site, directly adjacent to the Centre.

While Shania Twain was unable to be at the Centre's opening ceremony in June 2001 due to the upcoming birth of her son, she officially visited the Centre in 2004. Since then Shania has made several unofficial visits to the Centre, while visiting Timmins, including 2 visits in 2010. In January 2010, Shania participated in the 2010 Olympic Torch relay through Timmins, and in Fall 2010, Shania, her family and a film crew visited the Centre, to tape part of a 6 week documentary series, "*Why Not? With Shania Twain*," by the Oprah Winfrey Network, which is scheduled to premiere on OWN in Canada on May 8, 2011. Shania's autobiography, "*From this Moment On*", will also be released in May 2011. Shania Twain also appeared at the March 27th Juno awards in Toronto, Ontario, where she was inducted into the Canadian Country Music Hall of Fame.

The Shania Twain Centre is open year round, 7 days per week from 10:00 a.m. to 5:00 p.m. daily. Admission prices to the attraction are \$9.00 for adults and \$7.00 for students and seniors. If visitors wish to take in both attractions (Shania Twain Centre and Gold Mine Tour), the combined price is \$23.00 for adults, and \$20.00 for students and seniors, with \$4.00 of the rate allocated to the Shania Twain Centre. During the May to October period, the Centre largely operates as an attraction for visitors to Timmins however, in recent years the Centre has evolved into a multi-functional facility offering facility rentals for meetings, dinners, presentations and events in the foyer and theatre areas.

2.5 Future Site Implications

Since 1999, GoldCorp Porcupine Gold Mines has been working on a rehabilitation program for the former Hollinger Mine site adjacent to the Shania Twain Centre and Gold Mine Tour, to ensure its long term stability and safety, by way of the following 3 stage process:

1. Leaving the property in the same state, ensuring that all mine openings have been capped outside the perimeter fence;
2. Carving out any safe ground around the property to make it accessible for future use, including the donation of lands containing the Shania Twain Centre and Underground Gold Mine Tour;
3. Removing any mine hazards by returning the past-producing Hollinger Mine to production via the development of an open pit operation.

GoldCorp Porcupine Gold Mines has completed detailed studies on the economic feasibility of returning the Hollinger Mine to production, and will begin its \$70 Million investment in the open pit operation by 2012. A 20 metre high berm will be constructed around the site, which will serve to:

- Reduce noise and dust emanating from the mine site to the community;
- Replace the existing perimeter fence line and act as a safety barrier; and
- Provide a tourist opportunity which will allow people to walk along portions of the berm on a new trail system to watch an active open mining operation.

The berm will serve to utilize the waste rock created as part of the mining process, and will be sloped and re-vegetated. The end goal of the project is to improve downstream water quality to the City of Timmins and allow for the redevelopment of the property for recreational purposes, while removing all safety hazards to the public. At the completion of the project, the deepest part of the mine will be filled in as a lake, and will be utilized for recreation purposes.

The project schedule calls for a 4 phase project, with Phase 1 beginning in early 2012, in the area directly adjacent to the Shania Twain Centre and Gold Mine Tour. Phase 1 will be 2 to 3 years in duration, with the remaining phases completed within another 5 to 7 years.



2.6 Conclusions & Implications of Site Development

The addition of an open pit mining operation adjacent to the Shania Twain Centre and Underground Mine Tour will present several challenges and opportunities for both attractions. In the short term, the 65 acre site will be condensed in size, with the existing Jupiter Headframe removed and relocated elsewhere on the site, in order to construct the surrounding berm. The location of the current headframe could serve as a lookout point for tourists wishing to view an active open pit operation.

In the initial years of operation, the open pit will likely operate during a day shift only, with 30 to 40 staff on site. Trucks will utilize the top of the berm as a roadway, however, due to the width of the berm, it should not interfere with tourists using the trails in a designated fenced off area. As part of the mining process, an explosive blast will be conducted on a daily basis, typically at the same time each day. As such, the timing of the underground mine tours will need to be co-ordinated in order to ensure that visitors are all on the surface and not in the immediate vicinity when the blast occurs. Safety procedures and precautions will also need to be taken to ensure that the blasting vibrations do not affect any of the buildings or underground structures at both attractions.

Therefore, while the Hollinger Project presents a unique challenge in mine development, since it is located immediately adjacent to the Shania Twain Centre and Underground Gold Mine Tour, it also presents an opportunity to expand the existing offerings at the attractions to include an active open pit mining operation and recreational trail system.

3.0 HISTORIC PERFORMANCE REVIEW

3.1 Introduction

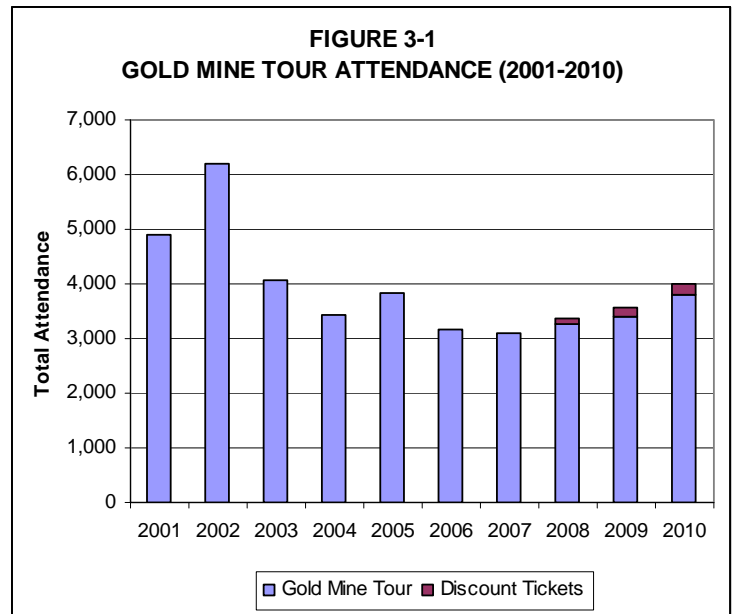
The following section provides an overview of historic demand levels and operating performance at the two attractions from 2001 through 2010. Attendance levels include discount ticket promotions for both attractions that were distributed to tourists and residents in the City, and redeemed between 2008 and 2010. Without full details on the discount ticket usage, PKF has made the assumption that 50% were used for the Gold Mine Tour and 50% for the Shania Twain Centre.

3.2 Historic Visitor Volumes

3.2.1 Gold Mine Tour

Figure 3-1 identifies attendance levels at the Gold Mine Tour specifically over the 2001 to 2010 period. These figures include leisure visitors who have purchased tickets to the tour individually, as well as through bus tours or educational groups, and discount tickets redeemed between 2008 and 2010.

As shown, attendance for the Gold Mine Tour (GMT) attraction peaked in 2002 with 6,200 visits, and has since fluctuated over the years, ranging between 3,100 and 4,000 visits. Since the introduction of promotional discounts in 2008, visitation has increased, reaching a total of 3,989 attendees in 2010.



Source: Shania Twain Centre/Gold Mine Tour Management, PKF Consulting

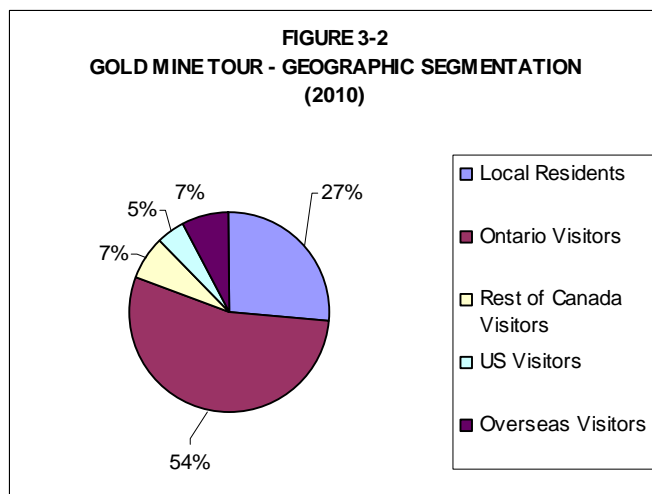
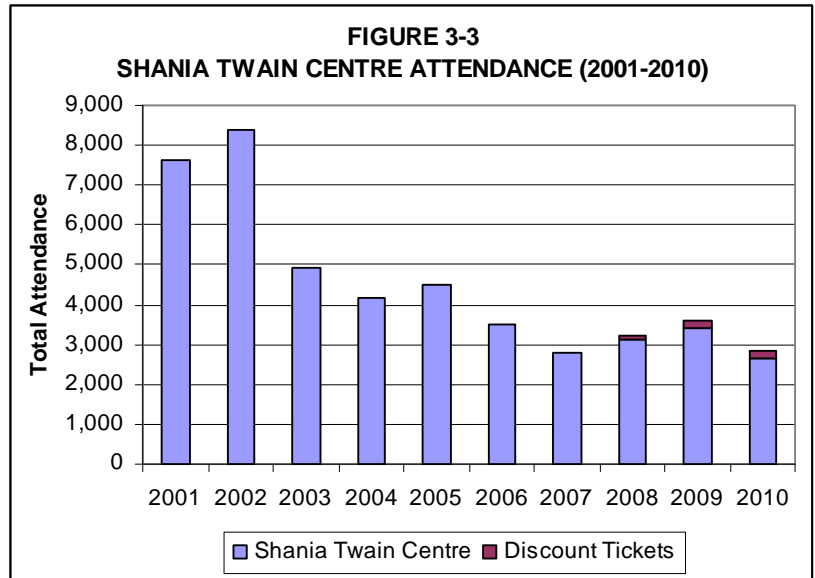


Figure 3-2 graphically depicts the geographic segmentation of attendance to the GMT attraction during the 2010 operating season. As described in Section 2, the Tour operates annually from May to October, periodically opening for tours throughout the year upon request. Out of a total of 4,000 visits, 27% were residents of Timmins and the surrounding area, 54% were tourists from other parts of Ontario, 7% from other parts of Canada, 7% from overseas, and the remaining 5% derived from the U.S.

Source: Shania Twain Centre/Gold Mine Tour Management, PKF Consulting

3.2.2 Shania Twain Centre

Attendance at the Shania Twain Centre (STC) reached its peak in 2002 with 8,400 visits, but declined by 41% to 4,900 visits in 2003, and has since ranged between 2,600 and 4,500 attendees annually. Management has confirmed that attendance and retail sales at the Shania Twain Centre tend to fluctuate with the singer’s career and overall visitation levels to Timmins. In 2010, attendance to the Centre reached 2,835 visits, which is 42% less than 2003 levels, during Shania’s “Up!” Tour.



Source: Shania Twain Centre/Gold Mine Tour Management, PKF Consulting

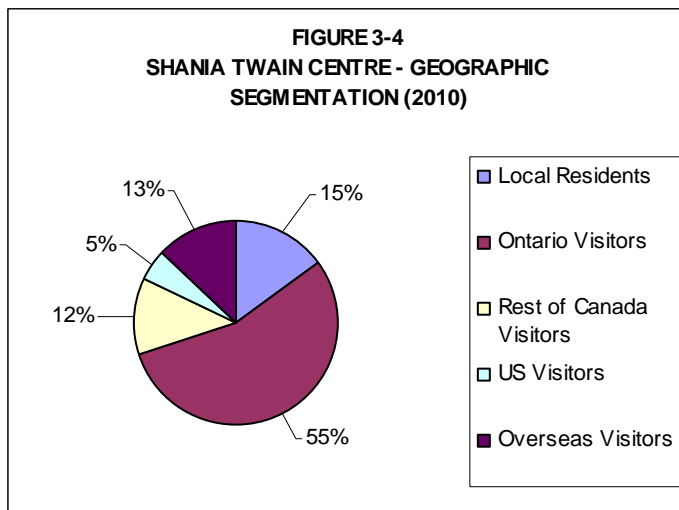


Figure 3-4 further identifies the geographic breakdown in segmentation for visitors to the Shania Twain Centre in 2010. Unlike the Gold Mine Tour, local visitation is not as prominent at the Shania Twain Centre, with only 15% being local residents (425 visitors) in 2010. Tourists from other parts of Ontario made up about 55% of remaining visits, with 12% from other parts of Canada, 13% from overseas, and 5% from the U.S.

Source: Shania Twain Centre/Gold Mine Tour Management, PKF Consulting

3.2.3 Combined Attractions & Meeting/Rental Demand

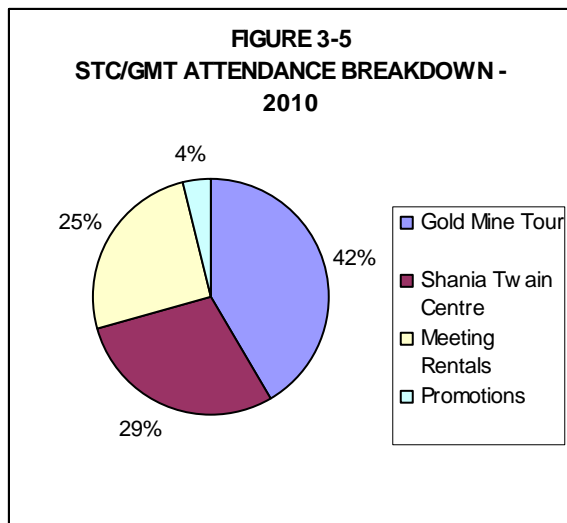
Table 3-1 shows the breakdown of total visitation to both the Shania Twain Centre and Gold Mine Tour by purpose of trip – to visit one of the attractions or to attend a meeting or other event at the Centre – between 2001 through to 2010. As demonstrated, the peak year for attendance at the two attractions was 2002 with 14,567 visitors, which has since declined to 9,151 visits (37%).

**TABLE 3-1
HISTORIC ATTENDANCE TO SHANIA TWAIN CENTRE & GOLD MINE TOUR, 2001 - 2010**

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Gold Mine Tour	4,891	6,203	4,052	3,446	3,825	3,151	3,116	3,256	3,395	3,807
Shania Twain Centre	7,609	8,364	4,905	4,171	4,522	3,490	2,786	3,131	3,431	2,653
Meeting Rentals	0	0	0	0	1,514	3,216	3,705	3,004	3,031	2,327
Discount Tickets	0	0	0	0	0	0	0	226	372	364
Total Visitors	12,500	14,567	8,957	7,617	9,861	9,857	9,607	9,617	10,229	9,151
% Change		16.5%	-38.5%	-15.0%	29.5%	0.0%	-2.5%	0.1%	6.4%	-10.5%

Source: Shania Twain Centre/Gold Mine Tour Management, PKF Consulting

During the peak attendance year for the two attractions in 2002, 57% or 8,364 people visited the Shania Twain Centre, while the remaining 6,203 visitors (43%) came for the Gold Mine Tour. Visitation to both attractions declined by 38% in 2003 and another 15% in 2004, until management began rentals of the foyer area in the Shania Twain Centre and within one of the surface buildings on the Gold Mine Tour site. Meeting rentals drew over 1,500 visitors (primarily local residents) to the site in 2005, and have continued to draw between 2,000 and 3,000 attendees over the past 3 years. In 2010, Figure 3-5 shows that visitation to the Gold Mine Tour still generated 42% of overall visitation to the attractions (3,800 visits), while attendance to the Shania Twain Centre dropped from 57% in 2002 to 29% of visitation in 2010 (2,600 visits). Meeting rentals at both facilities incurred 25% of visits in 2010 (2,300 visitors), and the remaining 4% was comprised of discount tickets to the two attractions.



Source: Shania Twain Centre/Gold Mine Tour Management, PKF Consulting

Table 3-2 shows market segmentation of visitation to the two attractions by type of visitor during the 2009 and 2010 operating seasons. For the purposes of our analysis, we have grouped visitors into 4 categories:

- Transient Leisure
- Bus / Educational Groups
- Meetings & Events
- Discount tickets

**TABLE 3-2
SHANIA TWAIN CENTRE & GOLD MINE TOUR
MARKET SEGMENTATION, 2009 - 2010**

	2009		2010	
Transient Leisure	5,779	56%	5,225	57%
Bus/Educational Groups	1,047	10%	1,235	13%
Meetings	3,031	30%	2,327	25%
Discount Tickets	372	4%	364	4%
Total Visitors	10,229	100%	9,151	100%

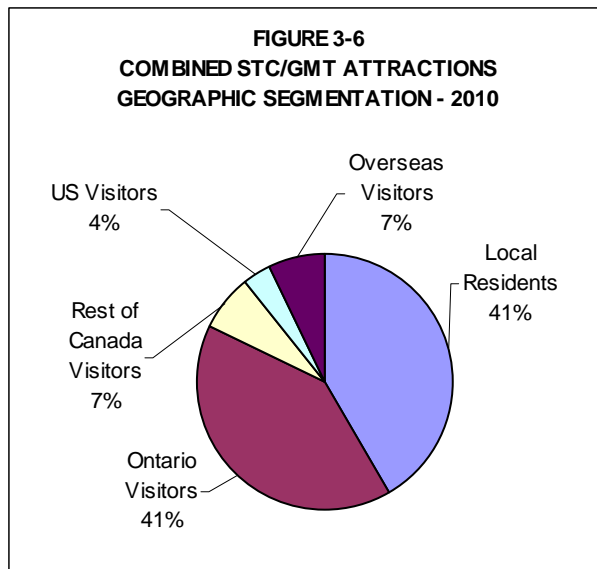
Source: Shania Twain Centre/Gold Mine Tour Management, PKF Consulting

As shown, Transient Leisure visitors have remained the highest source of visitation to the 2 attractions, ranging from 56% to 57% of total visitation in 2009 and 2010 (5,200 to 5,800 visits). Meetings and special event rentals have drawn between 2,300 and 3,000 visits (25%-30% of overall visitation), bus / educational groups have drawn between 1,000 and 1,200 visits, (10%-13% of total), and the remaining 4% of attendees were drawn by discount ticket redemptions over the past two years. As a percentage of total visitation, meetings and special event rentals declined by 5% in 2010, in part due to the fact that the Gold Mine Tour facility was being used as a storage and small exhibit area for the Timmins Museum.

In terms of geographic origin, Table 3-3 shows that in 2009 and 2010, the majority of visitors to both attractions were local residents and visitors from other parts of Ontario, at 83% and 85% respectively. PKF has made the assumption that all meetings and special event rentals at the two attractions were incurred by local/regional residents of Timmins and its surroundings. As such, approximately 58% of the visitors to the attraction are tourists, while 41% are local/regional residents.

TABLE 3-3				
SHANIA TWAIN CENTRE & GOLD MINE TOUR				
GEOGRAPHIC SEGMENTATION, 2009 - 2010				
	2009		2010	
Local Residents*	4,214	41%	3,818	41%
Ontario Visitors	4,311	42%	3,707	41%
Rest of Canada Visitors	768	8%	624	7%
US Visitors	449	4%	335	4%
Overseas Visitors	488	5%	667	7%
Total Visitors	10,229	100%	9,151	100%

Source: Shania Twain Centre/Gold Mine Tour Management, PKF Consulting
 *NOTE: Includes Meetings & Special Event Rentals



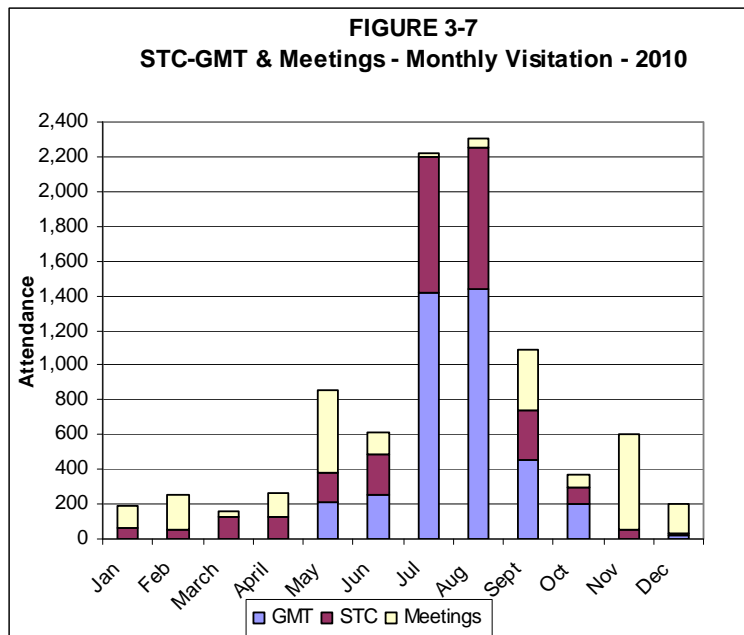
Source: Shania Twain Centre/Gold Mine Tour Management, PKF Consulting

The estimated residential population of Timmins and the surrounding area was 46,500 in 2010. This local market brought an estimated 3,800 visits, or 41% of the total tourist visitation and meetings held at the attractions by year-end 2010. At a broad level, the two Timmins attractions draw visitation from the tourist and resident markets of the greater Timmins area. As shown in this pie chart, local residents represent 41% of visitation to the attractions in 2010, as compared to 59% from tourist visitor markets.

The Domestic tourist market for the Shania Twain Centre and Gold Mine Tour consists of visitors to the

Timmins area travelling from over 40km within Ontario and other parts of Canada, and made up about 4,300 visits in 2010, or 48% of total visitation, down from 50% (5,100 visits) in 2009. Despite the significant decreases in U.S. visits to the Timmins area in general, the Shania Twain Centre & Gold Mine Tour attractions continued to receive 4% or 335 visitors from US markets in 2010, and 7% (667) visitors from overseas, who tend to be drawn more for the Shania Twain exhibits than the Gold Mine Tour.

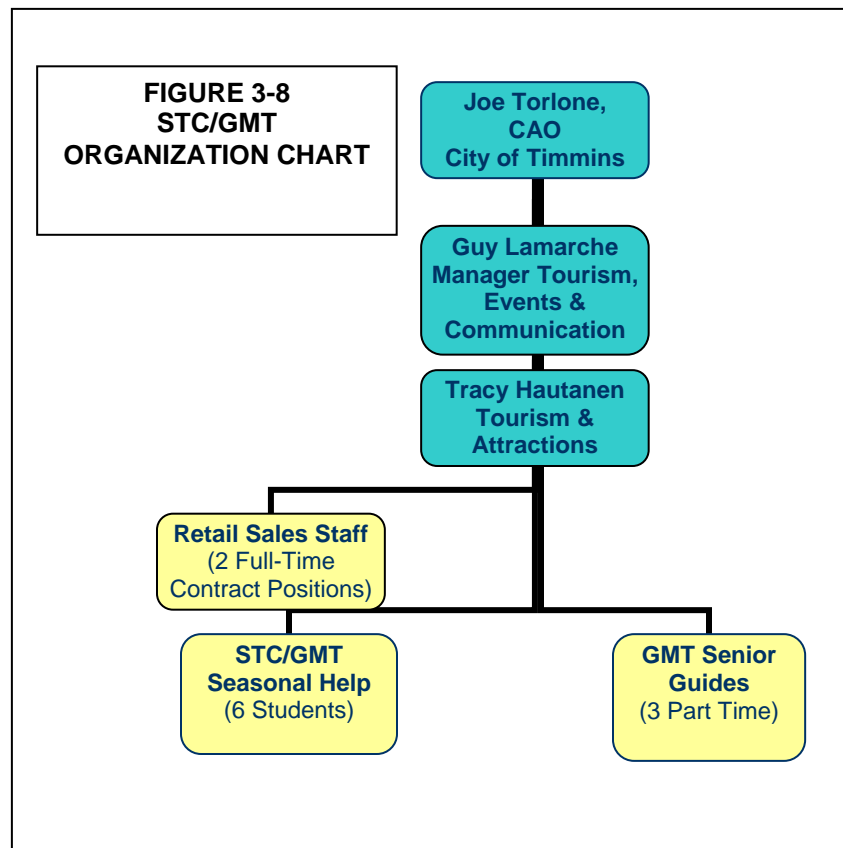
Figure 3-7 shows the breakdown in monthly visitation and meetings held at the two attractions in 2010. As demonstrated, 82% of visits occurred between May and October (7,500 visits), and almost half of total annual visitation occurred during July and August (4,500 visits).



Source: Shania Twain Centre/Gold Mine Tour Management, PKF Consulting

3.3 Staffing

As discussed previously, the Shania Twain Centre and Gold Mine Tour attractions are managed through the City of Timmins' Culture, Recreation & Visitor Services Department, which reports to Joe Torlone, CAO of the City of Timmins. Guy Lamarche, Manager of Tourism, Events & Communication, devotes a percentage of his time towards management of the two attractions, while Tracy Hautanen's position as Tourism and Attraction Supervisor is fully allocated to the attractions. Two full-time contract staff positions comprise the Retail Sales staff for the Shania Twain Centre & Gold Mine Tour, and also hold marketing and sales responsibilities for the attractions and tourism in Timmins. In addition, 6 students provide tours for the Gold Mine Tour during the summer months (May to September) as well as general maintenance for the site, together with 3 part-time Senior Guides (retired miners), who are hired annually during the May to October operating period.



Source: Shania Twain Centre/Gold Mine Tour Management. PKF Consulting

3.4 Historic Operating Performance

The Shania Twain Centre and Gold Mine Tour attractions are jointly managed through the City's Culture, Recreation and Visitor Services Division, and many of the overhead expenses are shared by the two attractions. Since 2005, the overall business model has focused on maximizing the number of visitors to the buildings and site, whether through attraction attendance or on-site meetings and special events, then maximizing the additional retail and other ancillary revenues it can generate from those visitors.

The following section provides a detailed analysis of the Shania Twain Centre & Gold Mine Tour attractions' combined operating results from 2005 through 2010.

3.4.1 Overall Operations

Table 3-4 provides a summary of operating performance at the two attractions from 2005 through to 2010. Direct Expenses and Overhead Expenses are isolated and expressed as a function of total revenue, as is Net Operating Income. This table not only summarizes the decline in bottom line over the four-year period, it also provides a per capita analysis of operations based on visitations levels. Exhibit 3-1 provides the full details of the attractions' operating results over the same period.

TABLE 3-4						
STC/GMT - HISTORIC OPERATIONS SUMMARY - 2005-2010						
	2005	2006	2007	2008	2009	2010
Visitation	9,861	9,857	9,607	9,617	10,229	9,151
REVENUES						
GMT Admission	\$57,739	\$65,810	\$49,513	\$45,009	\$43,916	\$50,347
STC Admission	\$47,760	\$40,781	\$31,501	\$21,082	\$22,215	\$19,435
Other Operated Departments*	\$210,827	\$171,689	\$141,975	\$111,960	\$120,647	\$113,537
Total Revenues (1)	\$316,327	\$278,280	\$222,989	\$178,051	\$186,778	\$183,319
EXPENSES						
Gold Mine Tour	\$27,000	\$5,000	\$2,500	\$31,139	\$35,502	\$26,170
Shania Twain Centre	\$24,895	\$25,800	\$23,800	\$20,678	\$26,248	\$16,491
Other Operated Departments	\$109,050	\$106,000	\$91,000	\$64,053	\$61,878	\$46,229
Direct Expenses (1)	\$160,945	\$136,800	\$117,300	\$115,870	\$123,628	\$88,890
Departmental Earnings (1)	\$155,382	\$141,480	\$105,689	\$62,181	\$63,150	\$94,429
Overhead	\$315,882	\$338,480	\$308,689	\$261,851	\$384,070	\$402,996
Net Operating Income/Loss	(\$160,500)	(\$197,000)	(\$203,000)	(\$199,670)	(\$320,920)	(\$308,567)
Operating Investments	\$160,500	\$197,000	\$203,000	\$199,670	\$320,920	\$308,567
Adjusted Net Income	\$0	\$0	\$0	\$0	\$0	\$0
PER VISITOR OPERATIONS SUMMARY (2)						
	2005	2006	2007	2008	2009	2010
Visitation	9,861	9,857	9,607	9,617	10,229	9,151
Revenues per Visitor	\$32.08	\$28.23	\$23.21	\$18.51	\$18.26	\$20.03
Direct Expenses per Visitor	\$16.32	\$13.88	\$12.21	\$12.05	\$12.09	\$9.71
Dept Earnings per Visitor	\$15.76	\$14.35	\$11.00	\$6.47	\$6.17	\$10.32
Overhead per Visitor	\$32.03	\$34.34	\$32.13	\$27.23	\$37.55	\$44.04
Net Operating Income	(\$16.28)	(\$19.99)	(\$21.13)	(\$20.76)	(\$31.37)	(\$33.72)
Operating Investments	\$16.28	\$19.99	\$21.13	\$20.76	\$31.37	\$33.72

* Other Operated Departments include Shania Fan Convention, Retail, Rentals & Special Events

Source: City of Timmins, STC/GMT Management, PKF Consulting

**EXHIBIT 3-1
STATEMENT OF OPERATIONS
GOLD MINE TOUR & SHANIA TWAIN CENTRE**

	2005		2006		2007		2008		2009		2010	
Total Attendance	9,861		9,857		9,607		9,617		10,229		9,151	
Per Capita	\$32.08		\$28.23		\$23.21		\$18.51		\$18.26		\$20.03	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Revenues												
GMT Admission	\$ 57,739	18.3%	\$ 65,810	23.6%	\$ 49,513	22.2%	\$ 45,009	25.3%	\$ 43,916	23.5%	\$ 50,347	27.5%
STC Admission	\$ 47,760	15.1%	\$ 40,781	14.7%	\$ 31,501	14.1%	\$ 21,082	11.8%	\$ 22,215	11.9%	\$ 19,435	10.6%
Shania Fan Convention	\$ 38,686	12.2%	\$ 28,975	10.4%	\$ 17,080	7.7%	\$ 6,670	3.7%	\$ 4,487	2.4%	\$ 3,875	2.1%
Retail / Food & Beverage	\$ 160,973	50.9%	\$ 123,033	44.2%	\$ 102,768	46.1%	\$ 86,892	48.8%	\$ 100,207	53.7%	\$ 95,416	52.0%
Rentals & Special Events	\$ 11,169	3.5%	\$ 19,680	7.1%	\$ 22,127	9.9%	\$ 18,399	10.3%	\$ 15,954	8.5%	\$ 14,246	7.8%
TOTAL REVENUES	\$ 316,327	100.0%	\$ 278,280	100.0%	\$ 222,989	100.0%	\$ 178,051	100.0%	\$ 186,778	100.0%	\$ 183,319	100.0%
Direct Expenses												
Gold Mine Tour	\$ 27,000	46.8%	\$ 5,000	7.6%	\$ 2,500	5.0%	\$ 31,139	69.2%	\$ 35,502	80.8%	\$ 26,170	52.0%
Shania Twain Centre	\$ 24,895	28.8%	\$ 25,800	37.0%	\$ 23,800	49.0%	\$ 20,678	74.5%	\$ 26,248	98.3%	\$ 16,491	70.7%
Retail / Food & Beverage	\$ 103,000	64.0%	\$ 103,000	83.7%	\$ 88,000	85.6%	\$ 61,773	71.1%	\$ 57,646	57.5%	\$ 42,000	44.0%
Rentals & Special Events	\$ 6,050	54.2%	\$ 3,000	15.2%	\$ 3,000	13.6%	\$ 2,280	12.4%	\$ 4,232	26.5%	\$ 4,229	29.7%
Total Direct Expenses	\$ 160,945	50.9%	\$ 136,800	49.2%	\$ 117,300	52.6%	\$ 115,870	65.1%	\$ 123,628	66.2%	\$ 88,890	48.5%
Gross Profit	\$ 155,382	49.1%	\$ 141,480	50.8%	\$ 105,689	47.4%	\$ 62,181	34.9%	\$ 63,150	33.8%	\$ 94,429	51.5%
Undistributed Expenses												
Admin & General	\$ 187,100	59.1%	\$ 176,500	63.4%	\$ 172,100	77.2%	\$ 166,060	93.3%	\$ 238,005	127.4%	\$ 265,573	144.9%
Sales & Marketing	\$ 38,550	12.2%	\$ 31,500	11.3%	\$ 29,500	13.2%	\$ 24,634	13.8%	\$ 26,187	14.0%	\$ 18,062	9.9%
Telephone/Information Services	\$ 1,000	0.3%	\$ 7,000	2.5%	\$ 8,000	3.6%	\$ 3,924	2.2%	\$ 3,672	2.0%	\$ 1,847	1.0%
Repairs & Maintenance	\$ 4,400	1.4%	\$ 4,400	1.6%	\$ 5,000	2.2%	\$ 6,910	3.9%	\$ 7,345	3.9%	\$ 8,584	4.7%
Utilities	\$ 72,000	22.8%	\$ 79,500	28.6%	\$ 84,500	37.9%	\$ 69,114	38.8%	\$ 74,281	39.8%	\$ 77,955	42.5%
Insurance	\$ 7,000	2.2%	\$ 7,600	2.7%	\$ 9,000	4.0%	\$ 8,709	4.9%	\$ 9,645	5.2%	\$ 8,521	4.6%
Other Miscellaneous Expenses	\$ 5,832	1.8%	\$ 31,980	11.5%	\$ 589	0.3%	\$ (17,500)	-9.8%	\$ 24,935	13.4%	\$ 22,454	12.2%
Total Undistributed Expenses	\$ 315,882	99.9%	\$ 338,480	121.6%	\$ 308,689	138.4%	\$ 261,851	147.1%	\$ 384,070	205.6%	\$ 402,996	219.8%
NET OPERATING INCOME	\$ (160,500)	-50.7%	\$ (197,000)	-70.8%	\$ (203,000)	-91.0%	\$ (199,670)	-112.1%	\$ (320,920)	-171.8%	\$ (308,567)	-168.3%
Operating Investments												
Municipal	\$ 155,000	49.0%	\$ 190,000	68.3%	\$ 195,000	87.4%	\$ 195,000	109.5%	\$ 311,000	166.5%	\$ 303,600	165.6%
Canada Day	\$ 3,000	0.9%	\$ 3,000	1.1%	\$ 3,000	1.3%	\$ 2,500	1.4%	\$ 6,000	3.2%	\$ -	0.0%
SEED Challenge	\$ -	0.0%	\$ 3,000	1.1%	\$ 3,000	1.3%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
NORTOP	\$ 2,500	0.8%	\$ 1,000	0.4%	\$ 2,000	0.9%	\$ 2,170	1.2%	\$ 3,920	2.1%	\$ 4,967	2.7%
Subtotal - Operating Investments	\$ 160,500	50.7%	\$ 197,000	70.8%	\$ 203,000	91.0%	\$ 199,670	112.1%	\$ 320,920	171.8%	\$ 308,567	168.3%
Municipal Grant - Capital	\$ 30,000	0.0%										
Capital Expenditure	\$ (30,000)	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
ADJUSTED NET INCOME	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%

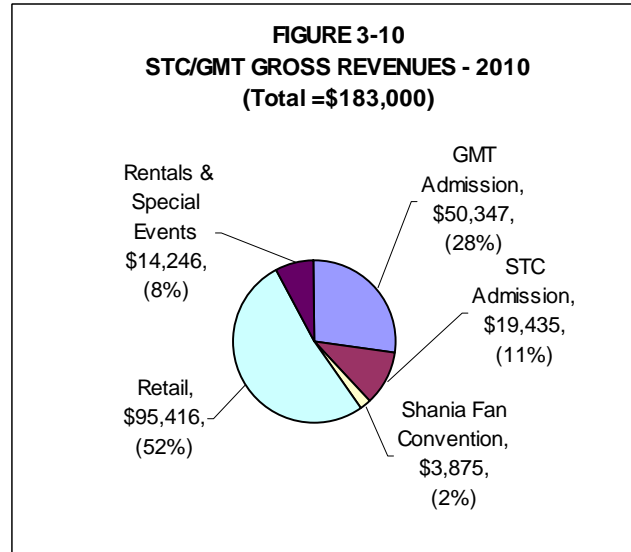
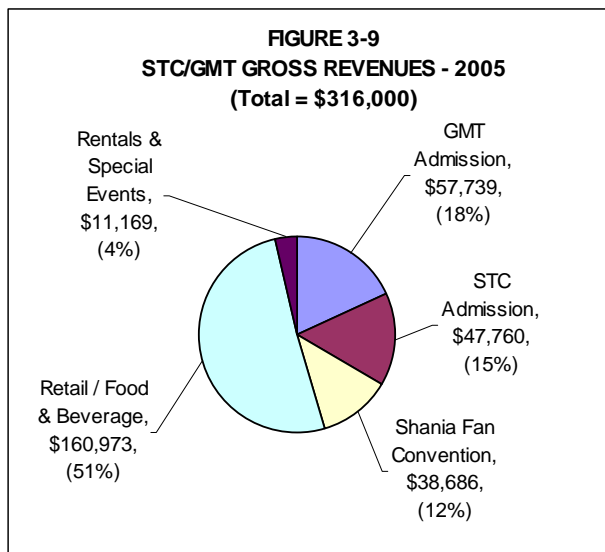
NOTES:

¹ PKF has expressed Direct Expenses, Departmental Earnings, Overhead and Net Income as a percentage of total Revenues over the historic period, as demonstrated in the top portion of the chart

² In the Per Visitor Operations Summary, PKF has expressed historic operating results as a function of total visitation to the two attraction, and expressed the annual change in each line item on a per visitor basis

As identified in Table 3-4, total revenues at the STC/GMT attractions have decreased by 43% from \$316,330 in 2005 to \$183,320 in 2010 (before operating investments). The most significant declines in revenues have been in admissions to the Shania Twain Centre, which have declined by 59% over the 5 years from \$47,760 to \$19,400, and revenues for the Shania Fan Convention which have declined by 90% (\$34,800). In comparison, admissions to the Gold Mine Tour have declined by 13% from 2005 to 2010 from \$57,740 to \$50,350. On a per visitor basis, revenues to both attractions have decreased by over \$12.00 (38%) in 2010 over 2005. Exhibit 3-1 further shows that over the 6-year historic period, rental and special event revenues have increased from 3.5% to 7.8% of total revenues, indicating a slight shift in focus for the two attractions.

Figures 3-9 and 3-10 graphically depict the general breakdown in total revenues in 2005 and 2010, by business segment. As shown in this chart, admission revenues from the Shania Twain Centre fell from 15% to 11% as a percentage of total revenues to both attractions, while Gold Mine Tour admissions increased from 18% to 28%. Admissions to the two attractions (not including the Fan Convention), have increased from 34% in 2005 to 39% in 2010 as a percentage of total revenues, although decreasing by over \$35,700. The Miners Pick Gift Shop (in conjunction with food & beverage during 2005), continues to generate the highest levels of revenues at the two attractions at 52% (\$95,400) in 2010. Rentals and Special Events comprise the remaining 8% of total revenues in 2010 (\$14,250), over 3.5% in 2005.



Direct Expenses (including: Attraction Admissions, Rentals & Special Events, Retail and F&B) at the STC/GMT attractions have fluctuated between 49% and 66% of gross revenues (\$89,000 to \$161,000) over

the 6 year period. The most significant decline has been with Retail and Food & Beverage expenses, which declined from \$103,000 in 2005 to \$42,000 in 2010, largely due to the cancellation of food service operations and cost of goods. In 2010, direct expenses comprised 48.5% of total revenues, and gross profit increased from 34% in 2009 to 52% in 2010, indicating that direct expenses are following the same trend as revenues.

As paid admissions and Fan Convention attendance levels have declined in the past 6 years, overhead expenses have escalated, increasing by 28% since 2005 from \$316,000 to \$403,000 in 2010, and ranging between 100% and 220% of total revenues. On a per visitor basis, overhead expenses have increased from \$32 in 2005 to \$44 in 2010, while revenues have decreased from \$32 to \$20. It should be noted that overhead expenses include: Administration & General, Sales & Marketing, Telephone/Information Services, Repairs & Maintenance, Utilities, Insurance and Other Miscellaneous Expenses. According to STC/GMT Management, the primary increase in overhead expenses, from \$262,000 to \$384,000 in 2009 over 2008, is due to the full allocation of staff salaries to the attraction operation, as opposed to being split with other City departments (ie. Tourism Timmins), and also the City applied cost recoveries for such services as snow removal and maintenance. Utilities have also increased by 8.3% since 2005. Further details of overhead expense growth in 2010 have been provided in Exhibit 3-1.

As summarized in Table 3-5 and detailed in Exhibit 3-1, the combined attractions have operated at a net loss ranging from **\$160,500 in 2005 to \$321,000 in 2009** (before operating subsidies/investments), with a 90% increase in operating losses over past 5 years. It should be noted that 2009 and 2010 reflect the full allocations of payroll from Tourism Timmins.

Historic operating grants and subsidies/investments have ranged from \$160,500 in 2005 to \$308,600 in 2010 – a 92% increase. Municipal subsidies have historically made up between 94% and 98% of total grants and subsidies, and have increased from 51% of total revenues in 2005 to 168% of revenues in 2010. In 2010, the Municipal operating investment for the two attractions was equivalent to \$7 per Timmins resident.

	2005		2006		2007		2008		2009		2010	
Total Revenues	\$ 316,327	100.0%	\$ 278,280	100.0%	\$ 222,989	100.0%	\$ 178,051	100.0%	\$ 186,778	100.0%	\$ 183,319	100.0%
Grants & Investments												
Municipal	\$ 155,000	49.0%	\$ 190,000	68.3%	\$ 195,000	87.4%	\$ 195,000	109.5%	\$ 311,000	166.5%	\$ 303,600	165.6%
Canada Day	\$ 3,000	0.9%	\$ 3,000	1.1%	\$ 3,000	1.3%	\$ 2,500	1.4%	\$ 6,000	3.2%	\$ -	0.0%
SEED Challenge	\$ -	0.0%	\$ 3,000	1.1%	\$ 3,000	1.3%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
NORTOP	\$ 2,500	0.8%	\$ 1,000	0.4%	\$ 2,000	0.9%	\$ 2,170	1.2%	\$ 3,920	2.1%	\$ 4,967	2.7%
TOTAL GRANTS & INVESTMENTS	\$ 160,500	50.7%	\$ 197,000	70.8%	\$ 203,000	91.0%	\$ 199,670	112.1%	\$ 320,920	171.8%	\$ 308,567	168.3%

Source: City of Timmins, STC/GMT Management, PKF Consulting

3.5 Conclusions

The peak year for attendance at the two attractions was 2002, with a total 14,567 visitors. Attendance to the Gold Mine Tour attraction specifically reached 6,200 visits, and there were 8,400 visits to the Shania Twain Centre in 2002. Since then, visitation has declined considerably, reaching an overall total of 9,151 visits by year-end 2010, which is 37% below 2002 levels. Since 2005, the overall business model for these attractions has loosely focused on maximizing the number of visitors to the buildings and site, through the addition of on-site meetings and special events as of 2005.

Total revenues at the two attractions have decreased by 42% from \$316,300 in 2005 to \$183,300 in 2010 (before operating subsidies). The most significant declines in revenues have been in admissions to the Shania Twain Centre, which have declined by 59% over the 5 years from \$47,700 to \$19,400, and revenues for the Shania Fan Convention have declined by 90% (\$34,800). On a per visitor basis, revenues decreased by over \$12.00 (38%) in 2010 over 2005 levels.

Based on historic operating results, the combined attractions have operated at a net loss ranging from \$160,500 in 2005 to \$321,000 in 2009 (before grant subsidies), with a 92% increase in operating losses over past 5 years. However, because of changes in accounting methods over the past 5 years, the 92% increase in operating losses is not necessarily reflective of the municipal support over this period. For comparison purposes, we have applied the full staffing allocations and cost recoveries for the attractions identified in 2009 and 2010, for the 2005 to 2008 period, indicating that the **operating subsidies for the attractions have ranged from approximately \$280,000 to \$320,000 for the past 5 years**. In 2010, the Municipal operating investment for the two attractions was equivalent to \$7 per Timmins resident.

Approximately \$10 Million was invested in both attractions in 2000, however, over the past 10 years there have been no further capital improvements. **There is no long-term development program and capital reserve fund in order to ensure capacity is in place to add a major new feature/activity/program every 3 to 5 years, in order to keep the venues fresh, to support re-visitation and to be able to effectively compete.**

As paid admissions and Fan Convention attendance levels have declined in the past 6 years, overhead expenses and the need to support the attractions through operating subsidies has continued. **As such, there is a need to look at the long-term viability of the Shania Twain Centre and Golf Mine Tour understanding that they will not be self-sustainable attractions, and to create a business plan that acknowledges this fact.**

4.0 MARKET ANALYSIS

4.1 Introduction

The market potential of attraction facilities is influenced by National, Provincial and local economic conditions. Accordingly, the analysis has included a review of recent economic performance in Canada, the Province of Ontario, and the local market specifically. We have also included an analysis of the Timmins accommodation market, followed by a market position analysis for the Shania Twain Centre and Gold Mine Tour attractions within the Timmins' market.

4.2 National Economic Overview

In late 2008 and throughout 2009 the Canadian economy was affected by the global economic and financial downturn. Real GDP in Canada contracted 2.5% in 2009, while 2010 Real GDP growth was at 3.1%.

Canadian output will continue to benefit from the expanding production in the commodity-rich regions, while improving U.S. economic conditions will bolster Central Canada's large manufacturing sectors. Businesses are expected to remain big purchasers of machinery & equipment, with manufacturers and processors taking advantage of the last year of government incentives focused on upgrading the country's lagging productivity performance. Canada should also benefit from increased foreign investment inflows and strong immigration attracted to this nation's comparatively solid economic and financial performance, and more favourable longer-term fundamentals that include a high living standard supported by a diversified economy and a competitive tax structure.

In the United States, real GDP growth is estimated to average 2.9% in 2010 and 2011. GDP growth forecasts for the US have been trimmed by Scotiabank Group to reflect weaker than expected consumer outlays in the opening months of the year. Canadian GDP growth is still expected to reach 3.1% for 2011 and 2.6% for 2012. Recent events in Japan are likely to cause some disruption in domestic production, but Scotiabank sources indicate that only limited economic repercussions will be felt in Canada.

TABLE 4-1 CANADIAN REAL GDP PROJECTION					
Percentage Change	2000-2008	2009	2010	2011 (f)	2012 (f)
Real GDP	2.6%	-2.5%	3.1%	3.1%	2.6%
Employment	1.9%	-1.6%	1.4%	1.4%	1.1%

Source: Scotiabank Group; Global Forecast Update, April 1 2011

4.3 National Travel Forecast

In 2008, Canada's international travel markets, particularly the United States travel market, had not been performing well due to a strong Canadian dollar, new passport rules, high energy costs, and the slowdown of the U.S. economy. However, the domestic travel market was growing and was expected to continue expanding as a result of positive prospects for the Canadian economy. Total visitation to Canada increased by approximately 1.0% in 2008 despite a decline of 7.9% in visitation from the United States, after a 4.3% decline in 2007.

Data from the Conference Board of Canada indicates that despite the economic meltdown, Canada realized an overall improvement in overnight travel growth of 1.7% in 2009, driven by gains within the domestic leisure market. However, it's important to note that this includes all sources of travel, including the VFR market (Visiting Friends and Relatives) and despite the increase in travel volumes, overall expenditures by overnight visitors in 2009 were down 6.3%. In terms of impacts on the accommodation sector, nationally, Canada lost 5.5 million occupied room nights in 2009 relative to 2008. The domestic market is expected to continue to grow at a moderate pace in 2010, and onward with growth of 2.7% to 3.0% expected year over year.

The overseas markets experienced a significant decrease in overnight travel volumes of 12.7% in 2009, or a loss of 712,000 overnight visitors. The overseas travel markets were expected to see strong growth in 2010 of 5.7%, and to post healthy growth above 4% per annum through to 2014. However, even with those growth levels, this market will represent about 5% of the total overnight visitors to Canada, or just over 6.5 million overnight visitors by 2014.

Canada saw about 900,000 fewer US overnight visitors in 2009, equating to a 6.7% decline from 2008 levels. The US market was expected to post growth for the first time in almost 10 years in 2010 although at 0.9%, or 116,000 overnight visitors, this increase is not dramatic. Over the next few years US overnight visits are expected to improve year over year, and by 2014 are projected to account for 10.8% of total overnight visits to Canada or about 13.8 million overnight visits.

Looking forward, revised forecasts published in the Fall of 2010 indicate that while travel recovery is anticipated for Canada, it will be at modest levels of about 2.6% to 3.0% over the next few years. Total overnight visitor volumes were projected to improve 2.8% in 2010, led by a recovery in domestic overnight business and leisure travel. The following table summarizes the Conference Board of Canada's projections for overall overnight travel growth to the country for the 2009 to 2014 period.

	2009 proj	2010 est	2011 forecast	2012 forecast	2013 forecast	2014 forecast
Domestic Origin (Total)	3.9	2.8	2.7	3.1	2.8	2.7
<i>Domestic Pleasure</i>	4.3	3.1	2.7	3.0	2.8	2.7
<i>Domestic Business</i>	-5.5	2.7	2.9	3.2	2.9	2.8
United States Origin	-6.7	0.9	1.7	2.3	2.3	2.0
Overseas Origin	-12.7	5.7	4.3	5.0	4.2	4.1
Total Visitation	1.7	2.8	2.6	3.1	2.8	2.7

Source: Conference Board of Canada Travel Markets Outlook, Autumn 2010; Statistics Canada

4.4 Provincial Economic Overview

The virtual collapse of the global economy in 2008 and 2009 hit Ontario hard, but the province is starting to see improvements with employment and production gains over 2010. Aggressive public stimulus appears to have succeeded in helping to re-build the Ontario economy. The export sector poses the greatest risk for Ontario, given the sensitivity of the province's key industries to the health of the US markets. The Canadian dollar is expected to continue to hover around parity with the US, which could dampen the recovery in Ontario's export sector. Even so, real international exports were expected to grow at a double digit pace in 2010¹.

Changes to Ontario's fiscal landscape with the introduction of the Harmonized Sales Tax should provide momentum to disposable incomes and consumption. New sales and property tax credits, as well as a 1 percentage point cut to the personal income tax rate on the first income bracket (effective January 1, 2010) will return in excess of \$2 billion to taxpayers in 2010/2011².

Based on current forecasts completed by the Scotia Bank Group, real GDP at basic prices in Ontario fell 3.1 per cent in 2009. Recovery is under way and real GDP grew by 3.0% in 2010, and is projected to grow by a further 2.8% in 2011.

Percentage Change	Annual Percentage Change				
	2000-2008	2009	2010	2011 (f)	2012 (f)
Real GDP	2.4%	-3.1%	3.0%	2.8%	2.3%
Unemployment	6.5%	9.0%	8.7%	8.3%	8.2%

Source: Scotiabank Group; Global Forecast Update, April 1, 2011

¹ Provincial Outlook, Spring 2010, Conference Board of Canada

² Ibid

4.5 Provincial Travel Forecast

According to the most recent travel market outlook by the Conference Board of Canada, total overnight visitation to the province increased by 1.0% in 2009. Similar to the National figures, the increase was the result of growth in the domestic leisure market. Again, similar to Canada overall, despite the increase in travel volumes total overnight tourism expenditures were down 9.7% in Ontario. Losses in US and overseas visitation were fairly dramatic last year with overnight visitor volumes dropping 7.3% and 13.8% respectively.

Similar to the National projections, travel recovery for the province of Ontario was relatively modest in 2010, with growth of 2.3% estimated for the domestic market, but continued declines for the overseas and US markets. All segments should see healthy recovery in 2011 and beyond with overall growth in visitor volumes in the 2.9% to 3.5% range in 2011 and onward.

The domestic business and pleasure markets are projected to see growth this year and each year through to 2014. By 2014, the domestic market will generate close to 42.2 million overnight visits, accounting for 82.2% of overnight travel to Ontario. The US segment is also projected to improve this year and onward, albeit at a more moderate pace. By 2014 about 12.6% of overnight visitors to Ontario will be from the US, equating to about 6.3 million visitors. The overseas segment is often touted as a major opportunity market for the tourism and accommodation sectors, particularly countries like China with huge volumes of potential visitors. However, even with steady growth, the overseas market is projected to generate about 2.4 million overnight visits to the Province - less than 5% of the total.

	2009p	2010e	2011f	2012f	2013f	2014f
Domestic Origin	3.7	3.1	2.7	3.4	3.1	3.0
<i>Business</i>	-4.3	3.2	3.2	3.4	3.1	3.0
<i>Pleasure</i>	3.6	3.4	2.9	3.3	3.0	2.9
United States Origin	-7.3	0.1	1.8	2.4	2.4	2.0
Overseas Origin	-13.8	5.9	4.9	5.5	4.4	4.2
Total Visitation	1.3	2.8	2.7	3.3	3.1	2.9

Source: Conference Board of Canada Travel Markets Outlook, Autumn 2010

Overall, overnight visitation to Ontario is positive relative to last year, and growth is projected by the Conference Board across all segments out to 2014.

4.6 City of Timmins

The City of Timmins, which is located within Cochrane District, is the regional centre for Northeastern Ontario. It is located approximately 290 km north of Sudbury, which would be the next closest city. It is 370 km northwest of North Bay, 440 km northeast of Sault. Ste. Marie and 680 km from Toronto. Exhibit 4-1 shows the City of Timmins' location in relation to other major centres in Ontario.

In 2009, the Ontario Government announced implementation of the Regional Tourism Organization (RTO) model, along with \$40 Million of funding to set up the new regions and support tourism marketing activities within them, and an additional \$25 million in transitional funding over a two year period – for a total of \$65 Million in the first two years, commencing Spring 2010. A total of 13 RTO's now encompass the new tourism marketing structure for Ontario. The City of Timmins is officially part of **Region 13A**, which also includes: the City of North Bay, City of Sudbury, City of Timiskaming-Shores, Ontario's Near North, Ontario's Wilderness Region, and Ontario's Rainbow Country. Furthermore, the City of Timmins is strategically located in Northeastern Ontario and benefits from a regional trade area of 110,000 to 150,000 persons within a 3 hour drive.

4.6.1 Demographics & Labour Force

FP Markets Canadian Demographics 2011 estimates the current population of the City of Timmins at 42,200, and it serves as the retail, medical, and urban centre of Cochrane District. It should be noted, that Manifold Data Projections estimate the City of Timmins population at 46,550 persons in 2010. The Timmins population is relatively younger than other Northern Ontario cities, with approximately 51% of the population being under age 44. As shown in Table 4-5, Timmins residents comprise an estimated 9% of the entire population in Region 13A.

Table 4-6 summarizes total employment in Timmins by industry sector for 2011. As shown, Retail Trade, Healthcare and Social Assistance, and Mining and Resource Based are the leading sectors that provide the most jobs in the surrounding area. Accommodation and Foodservice employs 7% of the City's workforce, which is equivalent to Educational Services and Construction.

	Population	% of Total
Nippissing	87,400	17.8%
Parry Sound	42,400	8.6%
Manitoulin	13,500	2.7%
Timiskaming	34,300	7.0%
City of North Bay	65,400	13.3%
Sudbury District	22,000	4.5%
City of Greater Sudbury	166,500	33.8%
Kapuskasing	8,300	1.7%
Cochrane (excluding Timmins)	5,300	1.1%
City of Timmins*	42,200	8.6%
Iroquois Falls	4,700	1.0%
TOTAL	492,000	100.0%

Source: *FP Markets Canadian Demographics, July 2011*

* Based on Manifold Data Projections, the City of Timmins has a population of 46,564 in 2010. For the purposes of this table, PKF has provided the same source data for all centres in Region 13 A.

EXHIBIT 4-1 - CITY OF TIMMINS - LOCATION WITHIN ONTARIO



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TABLE 4-6 Employment by Industry Sector – City of Timmins		
Industry Sector	2011	
Retail Trade	3,592	14%
Health Care and Social Assistance	2,943	12%
Mining, Oil and Gas Extraction	2,700	11%
Educational Services	1,847	7%
Construction	1,769	7%
Accommodation and Food Services	1,688	7%
Manufacturing	1,384	6%
Public Administration	1,366	5%
Administrative and Support, Waste Management and Remediation Services	1,332	5%
Transportation and Warehousing	1,323	5%
All Other	5,248	21%
Total	22,330	100%

Source: Timmins Economic Development Corporation, 2011

4.6.2 Transportation

The City of Timmins is serviced by all modes of transportation. Highways 101, 144, 11 and 655 pass through Timmins boundaries. Via these highways, Timmins is easily accessible to the southern and eastern urban regions of Canada, as well as the northern U.S. States of Michigan and Wisconsin and borders on the Province of Quebec.

Timmins is served by the Ontario Northland Transportation Commission (ONTC) rail and bus service. This service provides major industrial freight as well as passenger service via shuttle bus to Matheson.

The City of Timmins operates a 24-hour regional airport, with several daily flights to Toronto and other major centres, as well as goods transportation. The Victor M. Power Airport has scheduled service to numerous southern and northern Ontario locations via Air Canada Jazz, Bearskin Airlines, Thunder Airlines and Air Creebec. The City of Timmins is currently recruiting other major airlines, such as Porter Airlines, to increase arrivals of both business and leisure class of travelers. According to Economic Development, they expect 2 new flights to begin servicing Timmins within the next 2 years.

Timmins Transit also provides regularly scheduled local bus service and Handy-Transit for those with disabilities. As of 2010, Timmins Transit has a new terminal, located in the same area as the Ontario Northland Terminal.

4.6.3 Economic Profile

The City of Timmins' economy is characterized by relatively volatile business cycles of boom and bust. The City's economic state is controlled by its major industry, mining. When gold and base metal prices are high, the City's economy performs notably very well. However, when those prices drop, the local market historically dips with it. Currently, the economy is in a moderate boom cycle due to relatively high base metal and gold prices.

Timmins' is a resource-based economic with mining and forestry at the forefront, but secondary industries include: tourism, recreation, health care, education, commercial and industrial commerce, culture and telecommunications. The community has been undergoing a moderate boom in metals mining (both precious and base), with several new underground mining operations opening up and a total of around 90 mining companies operating in the Region, compared to 50 companies in 2001.

Timmins is evolving into a regional governmental, transportation, industrial, commercial and recreational centre for much of Northeastern and the James Bay coastline. The retail sector is an emerging secondary sector of the economy. In recent years, a number of 'big box' and chain retailers have entered and expanded in the local market. The Timmins Economic Development Corporation has also commenced an initiative to further attract retail developments to the City. Most of the retail development has been centered in the West end of the City in recent years, although there has been some retail development activity occurring at Hwy 655 and Algonquin Blvd East. Table 4-6 identifies a listing of Timmins' top employers as of 2010.

TABLE 4-6 TOP EMPLOYERS – CITY OF TIMMINS	
Private Sector	# of Employees
Dumas Contracting	1,100
Porcupine Joint Venture	632
Xstrata Copper – Kidd Creek Metallurgical and Mining Division	625
J.S. Redpath Limited	350
Wal-Mart	320
Leo Allaire and Sons Construction Ltd.	250
Public Sector	
Conseil scolaire catholique du district (CSCD) des grandes rivières	1,300
District School Board Ontario North East	1,058
City of Timmins	903
Timmins and District Hospital	634
Northeastern Catholic District School Board	415

Source: Economic Development

The following table outlines the number of building permits issued by the City of Timmins and the associated values over the 2006 to 2010 period.

TABLE 4-7 BUILDING PERMITS ISSUED AND VALUES – CITY OF TIMMINS										
	2006		2007		2008		2009		2010	
Sector	Permits Issued	Value (\$ '000s)	Permits Issued	Value (\$ '000s)	Permits Issued	Value (\$ '000s)	Permits Issued	Value (\$ '000s)	Permits Issued	Value (\$ '000s)
Commercial	116	32,255	144	20,851	127	23,978	106	18,166	108	12,729
Residential	345	11,594	375	15,545	380	14,649	349	14,711	270	17,187
Institutional	20	17,871	30	9,587	21	12,915	17	9,822	17	18,276
Other	18	879	6	555	4	71	4	129	19	707
Total	499	62,600	555	46,539	532	51,613	476	46,539	414	49,000

Source: Economic Development / Timmins Planning Department

The value of building permits issued in 2009 was lower than 2008, but has increased in 2010, indicating that there is significant development activity with the City. Discussions with Economic Development have indicated the following recent or proposed major construction projects within Timmins:

- **Wal-mart** recently completed a 38,000 sq.ft. expansion in the Fall of 2009;
- **Ontario Power Generation** is currently renovating four hydro dams, three of which are in Timmins area at a total cost of \$300 million. Approximately \$80 million is expected to be spent in Timmins;
- **Autumnwood Mature Lifestyle Communities** purchased the old St. Mary's Hospital in 2009 and is converting it into a \$16 million multi-residential development to include 155 units;
- The City of Timmins, through the Accelerating Approval Processes for Building Canada Fund Major Projects initiative, has received \$19.3 million in funding in order to improve the **Wastewater Treatment Plant**;
- **Northern College of Applied Arts and Technology**, through the Knowledge Infrastructure Program initiative, has \$6.1 million in funding in order to construct the Centre of Excellence for Trades and Technology;
- A proposed \$9 million expansion of the dialysis unit at the **Timmins & District Hospital**. The dialysis unit will expand from 3,000 sq.ft. and 9 dialysis stations to 9,000 sq.ft. and 12-15 dialysis stations;
- A \$25 Million **Extended Care Facility**, which will provide 64 additional beds is currently under construction in the west end of Timmins;
- \$1.6 Million to build a Forensics Unit for OPP service delivery in South Porcupine;
- **The Porcupine Ski Running** has received \$366,625 to expand the **Timmins Nordic Centre** from the Recreational Infrastructure Canada initiative. The total value of this project is \$1,575,250;
- Through the Enhancing Accessibility to Federal Buildings initiative, the **Government of Canada Buildings** have received \$41,379 in order to improve the accessibility of the buildings;
- **Four hotel developments** are currently being considered for the City, 3 of which are national brands; and

- The **Barber's Bay Bridge**, through the Communities Component of the Building Canada Fund initiative, has received \$1.9 Million in funds in order to replace the bridge, with a total project value of \$5.6 Million.

4.6.4 Primary Resource Sectors

Timmins' economy relies heavily on the mining and forestry industries. Below is a brief description of the importance of these industries for Timmins.

Mining

The City of Timmins is located in one of the oldest geological formations in the world, the Precambrian Shield, and it is also one of the richest in the world. Since the discovery of gold in the Porcupine Camp in 1909, approximately 68 million ounces of gold have been extracted from the region.

Mining continues to be a key economic activity in Timmins. As of 2nd quarter 2010, the mining industry in Timmins is experiencing both highs and lows. While some of the mine sites themselves are located away from the City, they generate spin-offs to Timmins in terms of secondary and tertiary employment. The following list summarizes the recent activity within the mining community for the City of Timmins:

- In May 2010, **Xstrata Copper Canada** closed its copper and zinc metallurgical plants at the Kidd Metallurgical Site. This closure has resulted in 670 direct lay offs. The Kidd mine and concentrator will remain in operation;
- **Lake Shore Gold** continues to expand land holdings in the Bell Creek Mine / mill area. They have acquired 28 square kilometers of prospective land from Goldcorp;
- In January 2010, **Goldcorp** announced a new underground shaft at the Hoyle Pond operations. This will result in an additional \$100-\$200 million investment over the next four years;
- **Goldcorp's** Dome operation is expected to open several new underground gold mining operations. A large-scale surface mining reclamation project is currently underway and another is in the planning stage;
- In September 2009, **Detour Gold Corporation** received a positive pre-feasibility study for the Detour Lake gold project north of Cochrane;
- The **DeBeers Victor Project**, which opened in 2008, is expected to produce 600,000 karats annually over its 12-year life expectancy; and
- **Liberty Mines**, which is focused on the exploration, development and production of nickel, copper, cobalt and platinum group metals, and operates the Redstone nickel concentrator near Timmins.

Discussions with Economic Development Officers indicate that mining activity is projected to continue growing via both direct and indirect events. Timmins Economic Development Corporation is taking strides to promote Timmins and attract new mining exploration firms to the area. This includes a \$10 million prospecting project

spearheaded by the community, with the aim to attract private companies that wouldn't typically have fronted the initial prospecting costs. This has, and will continue to mitigate against the losses endured throughout the forestry sector.

Forestry

The Forestry sector is historically a large contributor to the Timmins economy; however it has been adversely affected by economic slowdowns in recent years in housing, traditional newsprint media, as well as government regulation. Several firms in Timmins manufacture value-added wood products like Oriented Strandboard and softwood lumber products. The region has a coniferous forest zone and is an important source of forest products. Black spruce, white spruce, jack pine, poplar, white birch, white pine, balsam and yellow birch are the most common trees within the community. The three major manufacturers in the forestry sector in Timmins are Eacom (formerly Domtar), Grant Forest, and Tembec. Grant Forest and Tembec plants are both currently shut down, leaving Eacom as the only major manufacturer in the Timmins area.

Economic development has indicated that the sector has been largely impacted by the high Canadian dollar and the housing crisis in the U.S. The City has not been adversely affected by these negative developments in forestry due to the strength in the mining sector.

4.6.5 Tourism and Visitor Volumes

The Ministry of Tourism & Culture is filtering funding of marketing and product development for broader regional initiatives through RTO 13A. Timmins should be able to benefit from this funding in future, but in the meantime, **Tourism Timmins** will continue to function as the Destination Marketing Organization for the City and take on a proactive role in product development and packaging.

Tourism in Timmins is directly related to the abundant natural habitats and historic landmarks located in and around the City. Much of the tourist activity in Timmins is concentrated around outdoor and arts/culture/heritage activities. In addition to the Shania Twain Centre and the Gold Mine Tour, Timmins offers other attractions as described below:

- **Kamiskotia Snow Resort (KAM)** is a fully equipped winter destination offering snow boarding, skiing, tubing, clinics and lessons. Located 12 km west of Timmins, the Base Lodge includes a cafeteria, lounge, locker rooms and a rental retail shop. KAM is developing into a premier winter and summer destination. Currently, it is open from December-March for the winter season;
- **The Timmins Museum: National Exhibition Centre** provides heritage and cultural services to the residents of Timmins. It exists to preserve, present and promote the history, arts and culture of Timmins, of Northeastern Ontario and of Canada. Services and programming at the Museum include: exhibition programs, education programs, public programs and research programs. The original site of the museum in South Porcupine was closed in December 2006 and plans are

underway to build a brand new arts and heritage facility for Timmins. Until 2009, the museum collections were located in one of the surface buildings on the Gold Mine Tour site;

- **Cedar Meadows Wildlife Park**, a 175-acre park, is situated along side the Mattagami River. It is located only 3 kilometres from downtown Timmins. Visitors are taken on a wagon ride into the forest where one can observe moose, elk, deer and bison all in their natural habitat. Tours are available from June to September, and private tours can be booked year-round. The Cedar Meadows Wildlife Park is situated adjacent to the park;
- **Porcupine Ski Runners and Snowshoe Club**;
- **An Industrial Tour**, in partnership with the Chamber of Commerce, Gold Corp and Rio Tinto; and
- A new emerging product – **guided all-inclusive kayaking trips**.

Table 4-8 provides an overview of the various annual festivals and events that take place in Timmins, and draw visitors from the surrounding areas.

TABLE 4-8 TIMMINS & SURROUNDING AREA FESTIVALS & EVENTS	
Event/Festival	Month(s)
Timmins Rotary Ribfest	August
Great Canadian Kayak Challenge	August
Summerfest	July
South Porcupine Winter Carnival	February
Summer Street Festival	July
Saint-Jean-Baptiste Day	June
Canadian Police Curling Championship	April

Source: City of Timmins, Economic Development 2010

Visitor Volumes – Region 13A

As previously mentioned, the City of Timmins is officially part of the Ontario tourism Region 13A. Through Statistics Canada's *Travel Survey of the Residents of Canada (TRSC)* and *International Travel Survey (ITS)*, the Ontario Ministry of Tourism & Culture provides a visitor profile for Region 13A, with volumes and expenditure data spanning from 2006 through to 2009. Table 4-9 summarizes the tourism visitation to Region 13A by length of stay over the 4-year period.

TABLE 4-9 TOTAL TOURISM VISITATION TO REGION 13A - 2006-2009								
Length of Stay	2006		2007		2008		2009	
Overnight	2,085,000	56.0%	1,992,000	57.4%	1,681,000	53.2%	1,832,000	53.2%
Same-Day	1,638,000	44.0%	1,479,000	42.6%	1,477,000	46.8%	1,613,000	46.8%
TOTAL	3,723,000	100.0%	3,471,000	100.0%	3,158,000	100.0%	3,445,000	100.0%
% Change	--		-6.8%		-9.0%		9.1%	

Source: Ministry of Tourism & Culture, Regional Tourism Profiles – TRSC & ITS 2006-2009

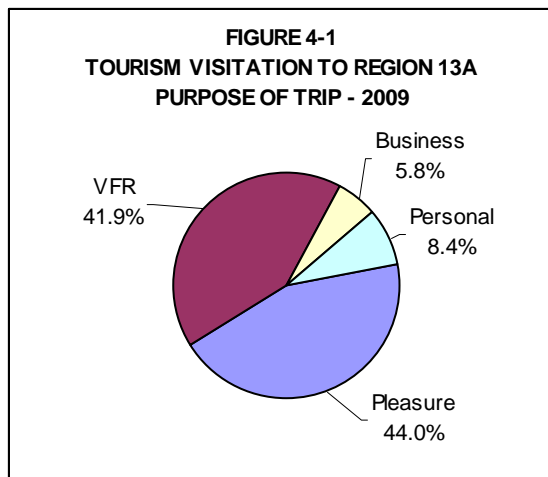
Region 13A had an estimated 3.7 million visitors in 2006, which decreased by 6.8% in 2007, and by a further 9.0% to 3.2 million in 2008. The majority of this decline has occurred in overnight visits, which has dropped by a total of 19.4% since 2006. Same-day visitation declined by 161,800 visits (9.9%) over the same period. In 2009, however, overnight visitation increased from 1.7 to 1.8 million visits, and 1.5 to 1.6 million same-day visits, for an annual increase of 9.1% (287,000 visits) over 2008. Over the past 4 years, the visitation mix to Region 13A has changed from 56% to 53% overnight visits and from 44% to 47% same-day visits in 2009.

The higher levels of overnight compared to same-day visitation is at least partly explained by the Region's relative distance from other major Ontario centres, such as Ottawa and Toronto. As shown in Table 4-10, the majority of visitation to Region 13A derives from other parts of Ontario, which has increased from 91.5% to 92.4% of overall visitors over the last two years (297,000 visits). Visitors from other parts of Region 13A made up 61.5% (2.1 million visits) of overall visitation in 2009, while Southern Ontario visitors comprised 26.9% (925,000 visits), and other Northern Ontario made up 4.0%. Visits from other parts of Canada increased from 107,000 to 120,000 in 2009, while the US market declined by 17,500 visits, and overseas visits fell by 5,000.

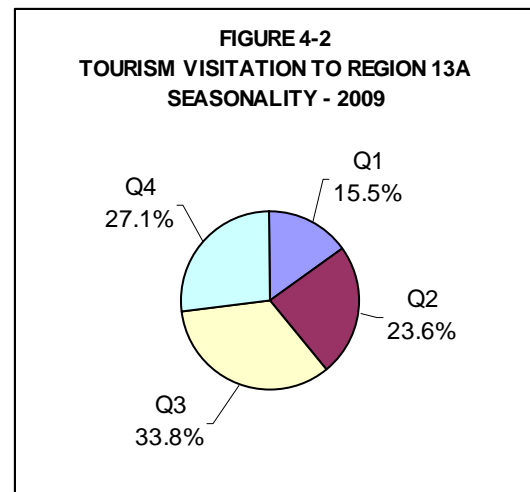
TABLE 4-10 TOTAL TOURISM VISITATION TO REGION 13A - 2006-2009				
Origin	2008		2009	
Region 13A	1,890,000	59.9%	2,119,000	61.5%
Other Northern Ontario	122,000	3.9%	138,000	4.0%
Southern Ontario	875,000	27.7%	925,000	26.9%
Other Canada	107,000	3.4%	120,000	3.5%
US	137,000	4.3%	119,000	3.5%
International	27,000	0.9%	23,000	0.7%
TOTAL	3,157,000	100.0%	3,444,000	100.0%

Source: Ministry of Tourism & Culture, Regional Tourism Profiles – TRSC & ITS 2006-2009

In terms of purpose of trip, Figure 4-1 shows that Pleasure visits make up 44% of visitation to Region 13A, at 1.5 million trips in 2009. People coming to visit friends and relative (VFR trips) accounted for another 42% (1.4 million trips), while visitors coming for other personal reasons comprised 8% of visitation (289,000 trips), and business related issues drew 6% (198,600 trips).



Source: Ministry of Tourism & Culture, Regional Tourism Profiles – TRSC & ITS 2006-2009



Source: Ministry of Tourism & Culture, Regional Tourism Profiles – TRSC & ITS 2006-2009

Figure 4-2 further identifies the seasonality in visitation to Region 13A during 2009. As shown, 34% of visits (1.2 million) occurred during the summer months (July to September), followed by winter (October to

December) at 27% (934,200), indicating a strong interest in outdoor tourism product in Region 13A during both seasons.

In terms of the types of activities that people participated in while visiting Region 13A, Table 4-11 shows that outdoor and sports activities were the most popular at 58% of identified activities in 2008 and 54% in 2009 (approximately 1.1 million visits in both years). In 2009, an estimated 162,000 visitors went to museums, such as the Shania Twain Centre, and 145,000 visited historic sites, like the Gold Mine Tour.

Activities participated in (Person Visits)	2008		2009	
Festivals/Fairs	43,976	2.4%	59,423	3.0%
Cultural Performances	93,808	5.1%	125,540	6.4%
Museums/Art Galleries	127,842	7.0%	161,743	8.2%
Zoos/Aquariums/Botanical Gardens	21,720	1.2%	26,212	1.3%
Sports Events	117,214	6.4%	96,762	4.9%
Casinos	38,172	2.1%	30,678	1.6%
Theme Parks	24,429	1.3%	40,280	2.0%
National/Provincial Nature Parks	187,291	10.3%	229,637	11.7%
Historic Sites	111,964	6.1%	144,985	7.4%
Any Outdoor/Sports Activity	1,060,797	58.1%	1,055,092	53.5%
TOTAL IDENTIFIED PERSON VISITS	1,827,213	100.0%	1,970,354	100.0%

Source: PKF Consulting

Visitor Volume Estimates – City of Timmins

Due to the coding plan used in the Statistics Canada TRSC and ITS surveys, limited information can be extracted for the City of Timmins. As such, PKF has estimated visitors volumes based on knowledge of accommodation supply and overnight demand levels, and the mix of overnight and same-day demand for Region 13A as a whole in 2008 and 2009, as demonstrated in Table 4-12. As shown, at an estimated 301,000 visits in 2009, visitation to the City of Timmins comprised an estimated 9% of overall visitation to Region 13A.

REGION 13A	2008		2009	
Overnight	1,681,000	53%	1,832,000	53%
Same-Day	1,477,000	47%	1,613,000	47%
TOTAL	3,158,000	100%	3,444,000	100%
CITY OF TIMMINS				
Overnight	157,000	53%	160,000	53%
Same-Day	139,000	47%	142,000	47%
TOTAL	296,000	100%	301,000	100%

Source: PKF Consulting estimates; Ministry of Tourism & Culture

The next section of this report focuses on PKF's analysis of current and historic accommodation product performance in the City of Timmins, which provides a useful indication of how tourism is currently impacting the local economy, and has assisted in PKF's estimates of visitor volumes.

4.7 Timmins Accommodation Market

4.7.1 Current and Projected Accommodation Supply

Overall, the Timmins accommodation market consists of a broad range of accommodation types, including full service hotels, limited service motels, budget and bed and breakfast operations, providing in excess of 718 available guest rooms per day. The majority of this inventory is located along the Algonquin Blvd corridor. For the purpose of this analysis, we have focused on properties with in excess of 29 rooms that cater to business and leisure travellers visiting the Timmins market, and are open on a year round basis. In total, 7 properties have been identified as the primary Timmins' accommodations market, representing a total of 661 guestrooms as year-end 2010. Table 4-13 highlights the room count for these properties.

Over the past five years, there have been no new hotels built within the Timmins market, however an additional 20 units were added in 2007, with the expansion of the Cedar Meadows Resort.

Property Name	Number of Rooms
Timmins Inn & Suites	105
Comfort Inn	91
Super 8	75
Travelodge	90
Days Inn & Conference Centre	147
Bon Air Motel	104
Cedar Meadows	49
TOTAL (2010)	661

Source: PKF Consulting

There are currently several proposed hotel developments for the market of Timmins. A **102-unit Holiday Inn Express** has received zoning approval for 30-70 Algonquin Street W, on the parcel of land currently occupied by the Mac's convenience store. This project is expected to open in 2013, subject to developers moving forward with infrastructure work that was originally requested under City funding. In addition, there is a proposed **100-room Hampton Inn adjacent to the 101 Mall**. Other proposed hotel developments include a branded hotel behind the Fish Bowl Restaurant and a hotel development on Riverside Drive, behind the Carpetman business in the west end of Timmins.

4.7.2 Historic Accommodation Demand

Table 4-14 summarizes the historical market occupancy and average daily rate information achieved by the City of Timmins's overall accommodation market over the past five years.

	2006	2007	2008	2009	2010
Total Rooms	640	643	661	661	661
Annual Occupancy	66.3%	65.2%	64.3%	66.3%	66.8%
Average Daily Rate	\$77.55	\$79.82	\$83.94	\$85.20	\$86.70
RevPar	\$51.41	\$52.08	\$54.01	\$56.52	\$57.90
Available Room Nights	233,600	234,695	241,265	241,265	241,265
Occupied Room Nights	154,848	153,115	155,222	160,063	161,115
	2006	2007	2008	2009	2010
Available Rooms	na	0.5%	2.8%	0.0%	0.0%
Occupied Room Nights	na	-1.1%	1.4%	3.1%	0.7%
Average Daily Rate	na	2.9%	5.2%	1.5%	1.8%

Source: PKF Consulting

As summarized in Table 4-14 and detailed in Exhibit 4-2, occupancy levels within the competitive market have been relatively stable over the historic period. Following a surge of demand resulting from crisis management of increased forest fires and flooding in the Timmins area, occupancy rose from 54.5% to 64.1% within one year (2004-2005). In 2006, the market had a slight decrease in occupied room nights, leading to a year-end occupancy of 66.3%. Occupied room nights decreased a further 1.1% in 2007, while available rooms increased by 0.5% with the opening of the Cedar Meadows expansion. This resulted in an occupancy of 65.2%. Occupancy fell to 64.3% with the full impact of the Cedar Meadows expansion, while demand grew by 1.4%. In 2009, demand grew by 3.1%, increasing occupancy to 66.3%. The 2010 year-end results show an increase in occupied room nights of 0.7% over 2009, resulting in a 2010 occupancy of 66.8%.

The average daily rates (ADR) for the Timmins' accommodation market have seen moderate to strong growth over the last few years, ranging from 1.5% to 5.2% per annum. From 2006 to 2010, the market ADR increased by approximately 11.7% in total, from \$77.55 to \$86.70.

4.7.3 Market Mix by Segment

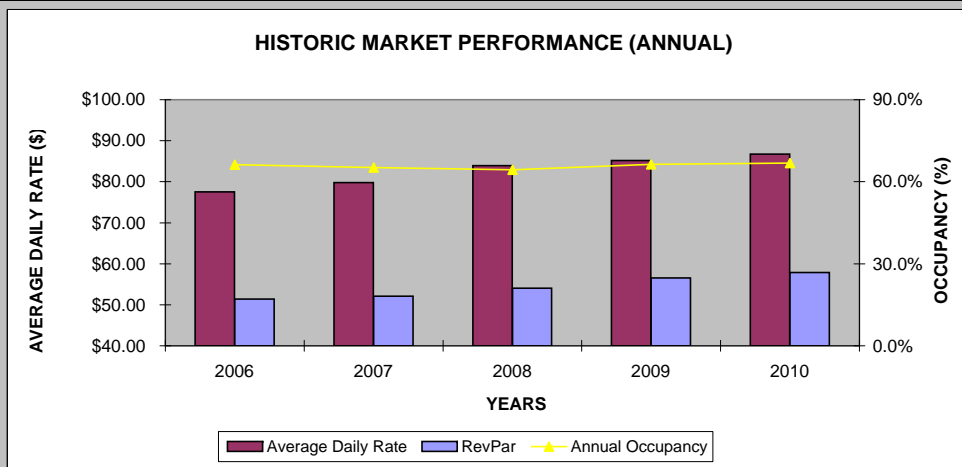
Demand for hotel accommodation within the Timmins competitive market consists of four broad demand segments: the corporate/commercial segment; the leisure segment; the meeting/conference segment; and government/other demand. On the basis of PKF market research, estimated market segmentation for the competitive market in 2010 is presented in Table 4-15.

**EXHIBIT 4-2
TIMMINS, ONTARIO
HISTORIC MARKET PERFORMANCE**

Total Competitive Market	2006	2007	2008	2009	2010
Rooms	640	643	661	661	661
Annual Occupancy	66.3%	65.2%	64.3%	66.3%	66.8%
Average Daily Rate	\$77.55	\$79.82	\$83.94	\$85.20	\$86.70
RevPar	\$51.41	\$52.08	\$54.01	\$56.52	\$57.90
Available Room Nights	233,600	234,695	241,265	241,265	241,265
Occupied Room Nights	154,848	153,115	155,222	160,063	161,115
Rooms Revenue	\$12,008,486	\$12,222,026	\$13,029,636	\$13,636,648	\$13,968,893

Market Growth	2006	2007	2008	2009	2010
Available Rooms	na	0.5%	2.8%	0.0%	0.0%
Occupied Room Nights	na	-1.1%	1.4%	3.1%	0.7%
Average Daily Rate	na	2.9%	5.2%	1.5%	1.8%

Total Competitive Market	Compounded Annual Growth 2004 - 2008	Total Growth 2004 - 2008	Market Segmentation 2010	%	
Available Rooms	0.8%	3.3%	Corporate	100,511	62.4%
Occupied Room Nights	1.0%	4.0%	Mtg/Conv	14,377	8.9%
Average Daily Rate	2.8%	11.8%	Leisure	29,657	18.4%
RevPar	3.0%	12.6%	Gov't/Other	16,571	10.3%
			Total Market	161,115	100.0%



COMPETITIVE MARKET

Travelodge Timmins
 Timmins Inn & Suites
 Comfort Inn Timmins
 Super 8 Timmins
 Days Inn & Conference Centre
 Bon Air Motel
 Cedar Meadows

Segment	Occupied Room Nights	Percentage of Demand
Corporate/Commercial	100,511	62.4%
Meeting/Conference	14,377	8.9%
Tourist/Leisure	29,657	18.4%
Government/Other	16,571	10.3%
TOTAL	161,115	100.0%
<i>Source: PKF Consulting</i>		

The **Corporate/Commercial** market consists of rooms' demand, which is generated by, and specifically related to, business and corporate activity. Within this market, both individual and volume (or preferred) corporate accounts are included. As indicated, the corporate/commercial segment was the largest generator of rooms demand in the competitive market in 2010, accounting for 62.4% of total room night demand, or 100,510 occupied room nights.

The **Tourist/Leisure** segment was the second largest generator of rooms demand in the competitive market in 2010, accounting for approximately 18.4% of total accommodation demand or 29,660 occupied room nights. The leisure demand is the most significant demand source for the competitive properties during weekends. Room demand in this segment is generated by independent tourists, group tours, and a variety of sports teams/events throughout the year.

The **Meeting/Conference** market accounts for rooms' demand generated for the purpose of attending meetings and/or conferences internally within area hotels, which offer public assembly facilities. Conference delegates who may be attending a meeting or conference elsewhere in the vicinity may also generate demand. The meeting/conference sector represented 8.9% of total rooms demand generated in the market in 2010, generating about 14,375 occupied room nights.

The **Government/Other** discount segment consists of demand generated by government officials, travel agents, crew contracts (e.g., mining, forestry, etc.), hotel employees, and to a lesser extent, smaller specialty markets. In 2010, this demand segment accounted for 10.3% of total rooms demand generated or about 16,570 occupied room nights in the competitive market. Demand in this segment is typically represented by sources, which are highly rate sensitive and is normally provided with significantly discounted room rates.

The historical market occupancy and ADR results including market segmentation for 2010 are presented in Exhibit 4-2.

4.8 Subject Shania Twain Centre and Gold Mine Tour Attraction Market Position

The previous analysis gives a good indication of the patterns in both current and historic visitation levels, and sources of tourism demand in the Timmins area. Based on these findings, PKF has prepared an analysis of the Shania Twain Centre and Gold Mine Tour attractions positioning within the Timmins visitor market.

Table 4-16 provides an analysis of visitation levels of the two attractions against the greater Timmins' population and visitor markets, as well as the individual and combined attractions' penetration levels into each of the Timmins' visitor markets in 2009.

TIMMINS		2009					
		Total	%				
Timmins Resident Population (est)		42,200	12%				
Tourist Markets							
Ontario		277,239	92%				
Other Canada		10,413	3%				
US		10,374	3%				
Internat'l		1,975	1%				
Subtotal Tourist Markets		300,000	88%				
TOTAL TIMMINS MARKETS		342,200	100.0%				
		COMBINED ATTRactions (Incl. Meetings/Rentals)		GOLD MINE TOUR ONLY	SHANIA TWAIN CENTRE ONLY		
MARKET PENETRATION							
Timmins Residents		10.0%		1.7%	1.1%		
Tourist Markets							
Ontario		1.6%		0.8%	0.8%		
Other Canada		7.4%		3.2%	4.2%		
US		4.3%		1.5%	2.8%		
International		24.7%		11.7%	13.0%		
TOTAL TOURIST MARKET PENETRATION		2.0%		1.0%	1.0%		
TOTAL MARKET PENETRATION		3.0%		1.0%	1.1%		
GMT & STC ATTENDANCE - 2009		2009	%	2009	%	2009	%
Local/Regional Residents		4,214	41%	712	20%	470	13%
Ontario Visitors		4,311	42%	2,145	60%	2,166	60%
Rest of Canada Visitors		768	8%	334	9%	434	12%
US Visitors		449	4%	160	4%	289	8%
Overseas Visitors		488	5%	230	6%	257	7%
Total Visitors		10,229	100%	3,581	100%	3,617	100%

Source: Attraction management, Statistics Canada, Ontario Ministry of Tourism & Culture Regional Profile for Region 13A 2009, FP Markets Canadian Demographics, PKF Consulting estimates

NOTE: Gold Mine Tour and Shania Twain Centre attendance levels in 2009 include discount promotional tickets, which have been split 50/50 between the two attractions

In 2009, the Timmins' Residential Population market contributed 41% of the total visitation (4,214 visits) to the Shania Twain Centre and Gold Mine Tour (inclusive of local school groups and local meetings in the area), 20% of admissions to the Gold Mine Tour attraction, and 13% of the Shania Twain Centre museum visitation. This indicates a greater tendency for local residents to invite visiting friends and family to the Gold Mine Tour,

or to attend the facilities for meetings and other events. The combined STC/GMT attractions' total penetration into Timmins' population (including school groups) in 2009 was 10.0%, as compared to 1.7% for the Gold Mine Tour attraction, and 1.1% for the Shania Twain Centre on its own.

Total Tourist volumes to the Timmins area were estimated using Statistics Canada CTS/TRSC visitation data for Region 13A and *PKF Trends in the Hotel Industry* data for overnight visitation to Timmins in 2009. The Domestic tourist market, which consists of visitors from other parts of Ontario and Canada, comprised about 95% of overall visitation to the City of Timmins in 2009 (288,000 visits). These domestic markets made up 42% of attendance at the two attractions combined, 60% of Gold Mine Tour admissions, and 60% of Shania Twain Centre admissions. At these levels, the combined attractions penetrated Timmins' Ontario visitor market at a rate of 1.6% and other Canadian visitor market at 7.4%.

U.S. visitation to Timmins is expected to grow over the next 5 years, however, in 2009 levels were still considerably low as compared to other tourist markets. In 2009, the U.S. market comprised 3% of Timmins visitation, and 4% of the combined attractions' visitation. In terms of the individual attractions, US market penetration has been estimated at 1.5% for the Gold Mine Tour and 2.8% for the Shania Twain Centre in 2009.

The combined attractions' highest penetration into the Timmins' visitor market is the Overseas International market, at 24.7%. At 5% of visitation to the attractions, as compared to 1% of Timmins' overall visitation, the International market is expected to remain a valuable source of demand for the two attractions, particularly the Shania Twain Centre, given the proliferation of international fan clubs.

4.9 Conclusions

General conditions appear to be encouraging for the Canadian and Ontario economies. The Canadian and Provincial economies showed positive growth in 2010, which is expected to continue in 2011. From a local market perspective, the City of Timmins, which is predominantly driven by the strength of the mining community, is expected to sustain economic growth in the near to mid future.

Visitation to the City of Timmins comprised an estimated 9% of overall visitation to overall tourism in Region 13A at 300,000 person visits. Overall visitation to Region 13A increased by 9% from 3.2 million in 2008 to 3.4 million in 2009. Consequently, the decreased attendance to the Shania Twain Centre in particular cannot be directly related to changes in regional tourism levels. At an estimated 10,300 visitors, the combined Shania Twain Centre and Gold Mine Tour attractions penetrated total visitor markets at 3.0%, inclusive of meetings and rentals, and at 2.1% without these added sources of demand, as summarized in Table 4-17.

**TABLE 4-17
SUBJECT TIMMINS ATTRACTIONS - VISITOR MARKET PENETRATION 2009**

	Resident Market	Tourist Markets	Total
Population / Visitation to Timmins	42,200	300,000	342,200
Attraction Visitation & Market Penetration			
Shania Twain Centre - Attendance	470	3,147	3,617
Shania Twain Centre - Market Penetration	1.1%	1.0%	1.1%
Gold Mine Tour - Attendance	712	2,869	3,581
Gold Mine Tour - Market Penetration	1.7%	1.0%	1.0%
STC/GMT Visitor Market (with Meetings / Rentals)	4,214	6,015	10,229
STC/GMT Visitor Market Penetration (with Meetings / Rentals)	10.0%	2.0%	3.0%
STC/GMT Visitor Market (NO Meetings / Rentals)	1,183	6,015	7,198
STC/GMT Visitor Market Penetration (NO Meetings / Rentals)	2.8%	2.0%	2.1%

Source: Subject Historic Attendance Records, FP Markets, Statistics Canada TSRC and ITS, and PKF Consulting Inc.

5.0 COMPARABLE COMPETITIVE ATTRACTION ANALYSIS

5.1 Introduction

In order to better understand the current product that the Shania Twain Centre and Gold Mine Tour have to offer, and to benchmark the level of visitation and utilization that these attractions achieve, we have conducted an analysis of comparable attractions in three categories: celebrity/musical attractions, mining attractions and other Northern Ontario attractions. This section provides an overview of this analysis, along with the potential implications for the subject two attractions in Timmins.

5.2 Musical/Celebrity Comparable Attractions

For the purpose of this analysis, we have identified five attractions that are considered directly comparable to the Shania Twain Centre given their focus on one or more celebrity figures. They are: the Anne Murray Centre, the Bobby Orr Hockey Hall of Fame, the Dionne Quints Museum, Canadian Country Music Hall of Fame (Cantos Music Centre) and the Youngtown Rock and Roll Museum.

5.2.1 Anne Murray Centre (Springhill, Nova Scotia)

The Anne Murray Centre is located in Springhill, Nova Scotia. The Centre is a non-profit association and is a registered Canadian charity. Originally from Springhill, Anne Murray wanted to proudly display her roots and achievements, while creating jobs and influencing the economic development of the small town. Run by a board of directors, all of the revenue generated from the operation of the Centre is used to provide employment for local people and for the ongoing maintenance of the Centre. Anne Murray herself currently owns the merchandise in the Centre, including her outfits and her awards.

Opened in 1989, the Anne Murray Centre is a seasonal attraction, operating from May to October each year, with the busiest time in July and August. The average attendance during the last three years is 6,900 visits, down from almost 20,000 visitors attained in its first years of operation. Admission price for the Anne Murray Centre is \$6.00 for adults and \$5.00 for youth and seniors. A major challenge that the Centre currently faces is that Anne Murray's fan base is growing older, and she is no longer recording or writing new music. Hence, there are less chances of attracting new fans, and consequently new visitors to the Centre.



There is one year-round full-time employee, one seasonal full-time employee, and 2-3 students that are employed through government programs. The tour is self-guided and takes between 30 minutes to 1.5 hours to complete.

In terms of market segmentation, the Anne Murray Centre attracts a significant number of bus tours. An estimated 75 bus tours arrived at the Centre during the 2010 season, and in 2011, 30 tours have already been booked. The bus tour segment accounts for approximately 60% of annual attendance, while 'walk-ins' represent the remaining 40%. In terms of geographic segmentation, 10% of visitors come from the local area, 80% are from Canada, and the remainder originate from the U.S. or abroad.

The Centre's operating budget sits at \$130,000 per year. Some of the revenue comes from government grants, including a \$13,000 Provincial Operating Grant and the Atlantic Canada Opportunities Agency (ACOA) grant. The Centre's marketing budget is \$5,000 per year, however management believes that more could be spent on marketing. The payroll budget is currently \$55,000.

5.2.2 Bobby Orr Hockey Hall of Fame (Parry Sound, Ontario)

The Bobby Orr Hockey Hall of Fame is an interactive hockey museum dedicated to Bobby Orr, who was born in Parry Sound. Opened in 2003, the museum holds many exhibits that include Orr's NHL rings, a number of his trophies and awards, some of the jerseys he played in, a pictorial history of his career and a number of interactive games and activities related to hockey. The Bobby Orr Hall of Fame also hosts exhibits about other exceptional athletes with ties to Parry Sound.

Located on Georgian Bay, Parry Sound has a year-round population of 18,000 and a seasonal population of 60,000 plus. The Bobby Orr Hockey Hall of Fame shares a common glass-walled lobby in the Charles W. Stockey Centre (CSW) for the Performing Arts, which also houses the 480-seat Charles W. Stockey Festival Performance Hall, and sits on a 3.5-acre waterfront site overlooking the Georgian Bay. The entire \$12.5 Million town-owned facility (actual construction cost \$9.8 Million), involved a \$1.7 Million personal donation from Charles W. Stockey, in addition to contributions from all three levels of government. In 2007, the Centre hosted 296 events and 47,000 visitors.

The Town of Parry Sound owns and operates the Charles W. Stockey Centre, with operational assistance for programming provided by Canadian Heritage, and the Ontario Trillium Foundation.

Bobby Orr Hockey Hall of Fame



Source:
<http://www.bobbyorrrhalloffame.com>

Opening Year: **2003**
Operating Season: **Year-Round**
Avg. Annual Attendance: **5,000**
Adult Admission: **CAD\$9**

The Bobby Orr Hockey Hall of Fame is open year-round, with different winter and summer hours. Annual attendance to the Hall of Fame alone is estimated at 5,000 visitors annually, with a positive outlook on an increase in the upcoming years. The summer is the busiest season, particularly with the transient boaters, while the winter season sees an increase due to hockey tournaments. The majority of visitors are from the province of Ontario, with 75% independent visitors, 15% tour groups, and 10% school groups. The Bobby Orr Hall of Fame has one full-time employee, and a few other 'joint' employees shared with the CWS Centre.

The facility offers meeting and banquet space; with rentals coordinated through the Charles W. Stockey Centre. There are two multi-purpose rooms, the Festival Room and the Prelude Room, in the Stockey Centre which can be used for small concerts, panel discussions, meetings and other activities. Each room seats up to 80 people.

5.2.3 Dionne Quints Museum (North Bay, Ontario)

The Dionne Quints Museum is located in North Bay and features original artifacts, pictures and memorabilia depicting the story of five identical girls born to Oliva and Elzire Dionne. The odds of giving birth to identical

Dionne Quints Museum



Source: <http://www.city.north-bay.on.ca/quints/digitize/dionne.htm>

Opening Year: **1986**

Operating Season:

Interpretive Gallery. Giftshop: **Year-Round**

Heritage Home: **May-October**

Avg. Annual Attendance: **4,000**

Adult Admission: **CAD\$4**

quintuplets are 1 in 57 million, with even less chance of them surviving. During the peak of the Great Depression, the Quints attracted 3 million visitors to North Bay and area, and helped develop the economy by creating jobs.

Opened in 1986, the Dionne Quints Museum was established after the community succeeded in raising \$200,000 in order to keep the artifacts in North Bay. With a resident population of approximately 63,000, the museum had enough support for the City to begin operations. The attraction was subsequently sold to the North Bay Chamber of Commerce for \$1.

The museum is comprised of two parts: the interpretive gallery and gift shop, which is opened year-round (free admission), and the Heritage Home which is open from May-October (\$4 admission fees required for adults). The museum operates with one full-time employee, employed by the Chamber of Commerce. The busiest months for the attraction are July,

August and September. It takes 30-45 minutes to tour the entire museum (including the Heritage Home).

Average annual attendance to the Museum is 4,000, down from peak visitation of 10,000 visits in the first years of operation. Bus tours make up a large portion of the visitation at 20 bus tours per year. An estimated

70% of visitors come from Ontario, while 10% come from Quebec (tours are offered in both French and English). The remaining visitors come from the United States or abroad.

Revenues for the Dionne Quints Museum stem largely from gift shop sales, admissions sales and memberships. Marketing efforts are geared towards advertising in publications, especially in motor coach magazines and through the Ontario Motor Coach Association (OMCA).

5.2.4 Youngtown Rock and Roll Museum (Omeme, Ontario)

Opened in 2008, Youngtown Rock and Roll Museum is located in the Kawartha Lakes community of Omeme, Ontario in a two-story, wooden-framed, aluminum-sided outpost. The attraction features seven rooms of exhibits, focusing primarily on Neil Young, as well as other Canadian artists, a Beatles Collection, plus personally owned and worn items from John Lennon, Jimi Hendrix, Elton John, Cher, Bob Dylan, Rick Danko (The Band) Roy Orbison, KISS, Stevie Nicks (Fleetwood Mac), Johnny Cash, Jerry Lee Lewis, Elvis Presley, Jerry Garcia, Brian Wilson, Ed King and more.

The owner/operator of the Youngtown Museum has been collecting all of the exhibited memorabilia for years, and runs the facility as a non-profit organization, with the assistance of other volunteers. There are no long term plans for the expansion of Youngtown and presently no plans to seek grants or funding.

The attraction's operating season varies, and is generally open on weekends only from the end of April to October (approximately 50 – 55 days). Visitation levels have remained at approximately 700 per season over its four years of operation. The adult admission rate is \$7.00, and children under 7 years old are admitted for free if accompanied by an adult.

5.2.5 Cantos – Canadian Country Music Hall of Fame (Calgary, Alberta)

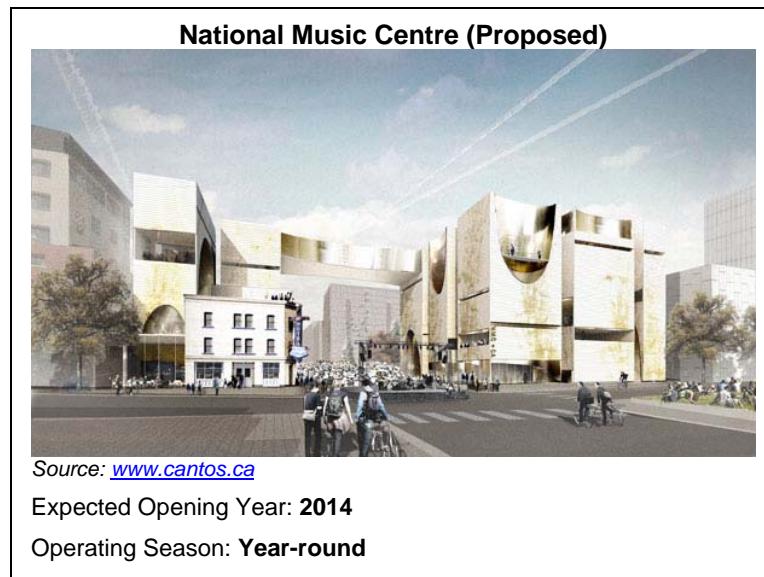
The Canadian Country Music Hall of Fame (CCMHOF) has changed ownership and location many times over the past decade. Cantos took over stewardship of the collection in 2009 from Deb Buck, widow of Canadian Country artist Gary Buck who assembled the collection of memorabilia over the last number of decades.

There are currently two parts to the CCMHOF, including the Collection (under the custodianship of Cantos Music Foundation) and the commemorative plaques honouring past and future inductees to the Hall of Fame



(under the custodianship of the Merritt Walk of Stars in Merritt, BC). The memorabilia is exhibited for the 10 days of the Calgary Stampede, which draws an estimated 1.2 million visitors annually.

As a separate entity, Cantos Music Foundation, located in Calgary, Alberta, was created in 1997, with an original focus on keyboard instruments. Cantos has nearly 2,000 musical artifacts in its collection including one of the largest collections of keyboard instruments in the world, vintage recording equipment and the latest technology in recording and sound synthesis. The main view of Cantos is that museums need to be lively and entertaining; static exhibitions are not as effective as interactive ones. School programs are a key demand segment for Cantos. Cantos approached the Calgary Board of Education and asked how they could be integrated into the curriculum and they now have about 120 students/day at the Center, learning about volume, pitch and different sounds. Cantos currently have 13 staff members, of which 3 full-time staff are dedicated to public programming. For Cantos, total on and offsite attendance can range between 50,000 to 60,000 per year.



Discussions are currently underway between the National Music Centre and the Canadian Academy of Recording Arts Sciences (CARAS) to locate the Canadian Music Hall of Fame at the National Music Centre in Calgary. The Canadian Music Hall of Fame in Calgary is to be the first of many co-locations for the Hall across Canada, with one planned for every region in Canada.

The 110,000 sq. ft. Centre is slated for opening in Calgary in early 2014 on the

site of the King Eddy Hotel in Calgary's East Village. The goal is to create a physical location to exhibit and preserve Canada's musical heritage. Cantos is in the process of planning on building the National Music Centre to house the new collection. The National Music Centre, a \$130 Million project, (with commitments of \$25 Million each from the three levels of government already in play) will offer a live music component and more importantly, an education aspect. There are plans to have an artist in residence program, where musicians all over Canada will have the opportunity to stay for a few weeks, and use the old/new instruments and create new music.

5.2.6 Summary of Musical/Celebrity Attractions

The comparable musical/celebrity attractions in our sample draw between 700 and 7,000 visitors on average annually, and charge between CAD\$4.00 and CAD\$9.00 for adult admission. This excludes the Canadian Country Music Hall of Fame, which is much larger in scale and scope than the subject Shania Twain Centre and comparable celebrity attractions. Table 5-1 summarizes the market penetration for each attraction based on the average annual attendance and the total market available. Note that visitation projections were not available for the proposed Canadian Country Music Hall of Fame, and this attraction has not been included within the market penetration analysis.

Attraction	Attendance	Estimated Size of Visitor and Resident Markets	Market Penetration
Anne Murray Centre	6,900	292,000	2.4%
Shania Twain Centre	3,200	342,200	0.9%
Bobby Orr Hockey Hall of Fame	5,000	871,000	0.6%
Dionne Quints Museum	4,000	1,190,000	0.3%
Youngtown Rock and Roll Museum	700	2,585,000	0.03%

Source: PKF Consulting

As demonstrated, attraction market penetration into resident and tourist markets ranges from 0.03% to 2.4%. At a rate of 0.9%, the Shania Twain Centre ranked 2nd in term of market penetration within this sample of comparable celebrity attractions.

5.3 Comparable Mining Attractions

PKF has identified five attractions as being comparable to the Gold Mine Tour. These include: Amethyst Mine Panorama, the Britannia Mine, the Northern Ontario Mining Museum & Cobalt Mining Tour, the Newmont Waihi Matha Mine in New Zealand and the Cité de l'or in Quebec.

5.3.1 Amethyst Mine Panorama (Thunder Bay, Ontario)

The Amethyst Mine, located in Thunder Bay was established in 1960 as a result of a road being built to the forest fire lookout tower visible from the mine site. It is the largest amethyst deposit in North America. Large amounts of amethyst are mined each year to replenish the digging area, provide landscape and garden stone, and to supply the Amethyst Gift Centre. The attraction consists of a museum, gift shop, and a 'pick your own'

Amethyst Mine Panorama



Source: www.travelpod.com/photos/0/Canada/Sault%20Ste.%20Marie.html

Opening Year: **1960**

Operating Season: **May-October**

Avg. Annual Attendance: **15,000**

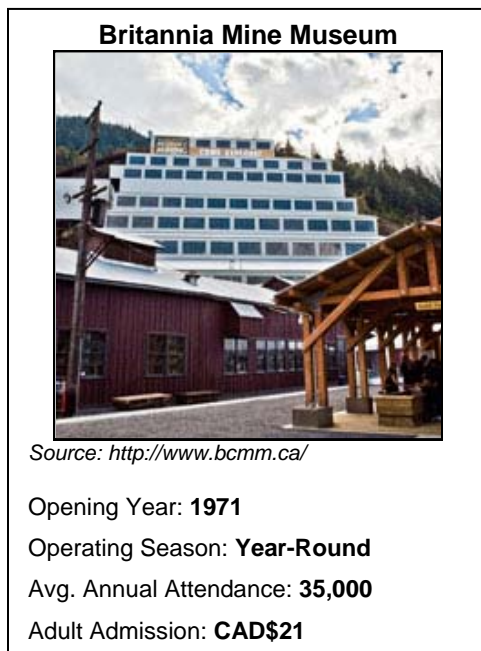
Adult Admission: **CAD\$7**

open pit.

The mine produces 40% useable amethyst by volume. A large digging area open to the public contains 20% useable amethyst, and is the main source of “pick your own” amethysts, which is the major highlight of the attraction. In addition, the mine owns a manufacturing facility in Thunder Bay which produces the gem stones for resale in the gift store.

The mine attracts an annual attendance of approximately 15,000 visitors. The attraction is owned by a family and is privately funded. In the onset, 100,000 visitors signed up to see the attraction, but the number has continuously declined, especially over the last decade, with the decline in US visitation to Ontario. The admission rate is \$7.00 for 5 years and over, while children less than 5 years are free of charge. The Dig-Your-Own Amethyst part of the attraction costs \$3 per pound of amethyst, which the visitor is entitled to keep.

5.3.2 Britannia Mine Museum (Britannia, British Columbia)



The Britannia Mine Museum was established in 1971 to preserve the material and social history of mining in British Columbia, and to educate the public about mining. The museum contains permanent and temporary exhibits, films, displays and hands-on activities, including gold panning. Three daily tours are offered, which involve taking a mine train to go underground.

Average attendance levels have increased over the years to approximately 35,000 visitors. The Britannia Beach Historical Society is the governing body of the Museum. As a registered charity, the society is self-sufficient in its ability to earn revenues in order to maintain its operation. These include gift shop sales, admissions, donations and the sale of memberships. Recently, the Museum underwent a \$14.7 Million makeover, based on capital funds raised through both government grants, and

matching industry and individual donations. In doing so, the operators plan to create two small meeting rooms in the building. In 2006, a portion of the land was sold in an attempt to balance the operating deficit. Previously, the marketing budget was set at \$50,000/year, but has been raised to \$200,000 for the upcoming year to ensure a strong correlation between visitor trends and the recent renovations. Payroll expenses are estimated at \$800,000 per year. Historically, the operation has had a \$200,000 operating deficit.

Independent tourists make up 90% of visitation, with school groups comprising the balance. Bus tours have never been a significant component for the museum, but there is a plan to capitalize on this market in the

longer term. In terms of geographic segmentation, 50% of visitors are from the Greater Vancouver Area, with the balance stemming from the rest of Canada and the United States.

5.3.3 Northern Ontario Mining Museum & Cobalt Mining Tour (Cobalt, Ontario)

Cobalt Mining Tour & Museum



Source:
<http://www.cobaltmininglegacy.ca/visitingCobalt.php>

Opening Year: **1970-80**

Operating Season: **May-October (mine tour);
Year-Round (museum)**

Avg. Annual Attendance: **4,000**

Adult Admission: **CAD\$3**

This attraction is part of a greater network of attractions within Cobalt which opened in the mid 1970s. The Town of Cobalt owns the mining collection at the museum, and a board of volunteers operates it as a not-for-profit attraction. The Town has a population of approximately 1,200, which has significantly decreased since the boom of the mining industry.

The museum has seven exhibit rooms which display mining artifacts and historical elements of the Town of Cobalt. In the summer, between May and October, an underground tour of the Cobalt mine is provided. Six tours are operated per day, and the busiest months are July and August. Currently, average attendance levels are at 4,000, down from a high of 7,500 in the earlier years. Generally, the majority of visitation comes from bus and tour groups, as the Polar Bear Express

makes a stop at the Museum, and most of the tourists are from Ontario.

5.3.4 Newmont Waihi Gold's Favona Underground Mine & Martha Open Pit (Waihi, New Zealand)

In 1890, the Martha Company and other mining claims were purchased by the Waihi Gold Mining Company of London, who invested significant capital into the mine in New Zealand.

The Martha Mine, in the Town of Waihi, became one of the most important gold and silver mines in the world. Waihi is located within the Coromandel Region of New Zealand on the North Island, and is considered one of the most popular holiday destinations in the country.

By 1952, when the Martha Mine closed, around 5.6 million ounces (174,200kg) of gold and 38.4 million ounces (1.2

Newmont Waihi Mine



Source: <http://www.marthamine.co.nz/>

Opening Year: **1988**

Operating Season: **Year-Round**

Avg. Annual Attendance: **5,500 (Educational
Tours)**

2,800 (Waihi Tour Group)

Adult Admission: **Free (Educational Tours)**

CAD\$20 (Waihi Tour Group)

Million kg) of silver had been produced from 11.9 Million tones of ore. The Martha open pit mine opened to the public in 1988, but walking tours of the potential project were available prior to that. Once completed, the mine ran guided tours of the site (open pit, processing plant and tailings area) in their own minibus or on visiting coaches for several years until January 2009. Approximately 10,000 visitors participated in these tours annually. There was no charge for educational groups and the mine asked for a donation from recreational tourists. The length of the tour was 1.5 hours.

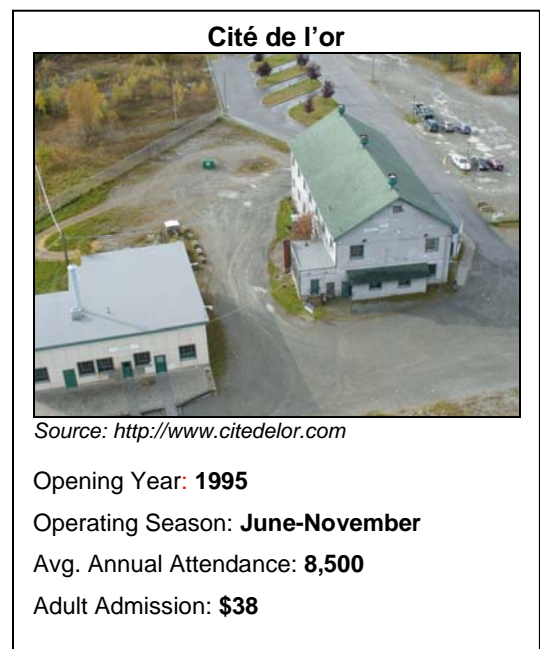
Since January 2009, Newmont handed the recreational tours to Vision Waihi Trust, which charges an entrance fee for the attraction. Newmont still operates the tours for school groups and also offers classroom sessions in their Education Centre. Attendance for the education side has averaged around 5,500 people, and these tours are still at no charge. The operations are entirely funded by Newmont Waihi Gold, indicating that despite its success, the attraction is not self-sustaining.

Vision Waihi Trust is in its third year operating the Waihi Gold Mine Tours, which currently averages an estimated 2,800 visitors. Two tours per day are offered at 10:00am and 12:30pm and these are two hours in duration for the minibus tour (12 seater) and 1.5 hours for the Coach tours. Daily tour prices (in CAD) are \$20 for adults, \$18 for seniors, \$10 for children (16 and under), \$18 for students and a family group pack is priced at \$52 (2 adults and 2 children).

5.3.5 La Cité de l'or (Val d'Or, Québec)

La Cité de l'Or, located in Val-d'Or, in the Abitibi-Témiscamingue region of Quebec, boasts to be the only site in Canada that brings the visitor into the heart of one of the country's most productive gold mines (up to 91 metres or 300 feet below ground), as well as allows visitors to tour a historic mining village that remains occupied to this day. The attraction provides interpretive tours of the Bourlamaque mining village and a historic log house.

The Government of Canada has recently invested \$1.1 Million over three years into the attraction, which will be used among other things for the set-up of the Cité de l'Or reception building to make it accessible year round, the addition of a permanent exhibition, and improvements to outdoor areas. As well, the underground tour route will undergo improvements to enable tourists to get a feel for the work done by the miners of the past through simulations. The project will also involve international marketing activities to promote Cité de l'Or abroad. This funding is provided through the Community Diversification Program of the Economic Development Agency



of Canada for the Regions of Quebec, whose aim is to help the regions to maintain and develop their economic activity base. The attraction benefits from government assistance programs that target the preservation of Canadian heritage.

Attendance over the past few years has averaged 8,000 visitors annually. The attraction is open 7 days a week from June until September, and 5 days a week in September and November. In the winter months, the costs are too high to continue operations on a regular basis, therefore bookings are arranged on a reservation basis only. Three different tours can be taken at the attraction. For a complete visit, which includes the underground mine and historic village tour (4 hours), the adult price is \$38.00. For the express underground tour, the adult price is \$25.25, and for the express surface tour, the cost is \$18.25. The majority of visitors (80%) come from the Quebec region, while the remaining originates from the rest of Canada, the United States and Europe. During its peak season, the attraction has 22 employees.

5.3.6 Summary of Comparable Mining Attractions

The comparable mining attractions drew between 4,000 and 35,000 visitors, with admission rates between CAD\$3 and CAD\$38. With its location on the Sea to Sky Highway in British Columbia, the Britannia Mine attracts the highest visitation levels at 35,000. Table 5-2 summarizes the market penetration for each comparable mining attraction, based on the average annual attendance and the total markets available.

Attraction	Attendance	Estimated Size of Visitor and Resident Markets	Market Penetration
Brittania Mine Museum	35,000	2,060,800	1.7%
Cite de l'or	8,500	531,872	1.6%
Gold Mine Tour	3,400	342,200	1.0%
Northern Ontario Mining Museum & Cobalt Mining Tour	4,000	364,223	1.1%
Amethyst Mine Panorama	4,000	710,000	0.6%
Waihi Mine	8,300	4,061,000	0.2%

Source: PKF Consulting Inc. Research

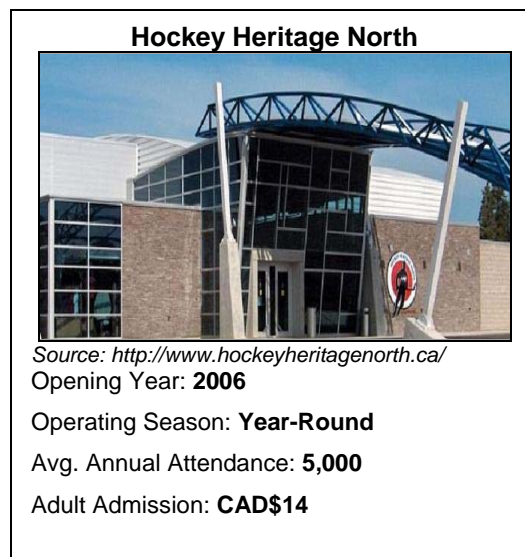
As demonstrated, the sample attraction market penetration into resident and tourist markets ranges from 0.2% to 1.7%. At a rate of 1.0%, the Gold Mine Tour ranked 3rd in terms of market penetration within this sample of comparable mining attractions.

5.4 Northern Ontario Comparable Attractions

In addition to the celebrity and mining themed-attractions, PKF has also evaluated a sample of comparable attractions within Northern Ontario. These include: Hockey Heritage North, Canadian Bushplane Heritage Centre, Polar Bear Habitat and Heritage, the Agawa Canyon Train Tour and Science North/Dynamic Earth.

5.4.1 Hockey Heritage North (Kirkland Lake, Ontario)

Hockey Heritage North was originally built in 1996 as the Kirkland Lake Celebrity Hall of Fame, with a focus on showcasing Kirkland Lake's hometown heroes in sport, movies and business. In November 2001, after the completion of a feasibility study, the Centre was re-branded as Hockey Heritage North to focus on hockey achievements and to broaden its geographical focus. It became an interactive museum designed to tell the story of hockey in the region of Kirkland Lake that produced some of the best players in the sport. There have been over 42 NHL players that have come out of the Kirkland Lake area. The facility was therefore created to commemorate the achievements of those involved in the sport at any level of competition.



Kirkland Lake is located in Northeastern Ontario and has population of 8,200 (2011 estimates). In 2004, the number of tourists to the overall region was estimated at 388,000. It is the Town of Kirkland Lake that currently owns the Hockey Heritage North, as well as the land that it is on. It was through the support of the Town of Kirkland Lake, FedNor, HRSDC and Northern Ontario Heritage Fund Corporation (NOHFC) that \$10.5 Million was raised to develop the new attraction.

Hockey Heritage North currently offers 18,000 square feet of conference and exhibition space. The main attraction is the Exhibition Centre, which showcases the contributions made by Northeastern Ontario to hockey and the NHL. Admission prices for adults is \$14, students \$12, seniors \$10, and children \$8. The exhibition centre also houses the "Fun Zone" with interactive displays and games, an attraction that the Centre plans on expanding and developing in the upcoming years. This area can be rented for \$100 per day. Hockey Heritage North also has a theatre room, which can be used for banquets and meetings. Various catering opportunities are also available. Rental prices of the facilities range from \$50 per day for a small boardroom to \$200 a day for the large boardroom or theatre.

The facility attracts an estimated 5,000 visitors, of which approximately 1,300 are tourist admissions, 2,000 are from special events and 1,000 are comprised of local meeting rentals. Hockey Heritage North currently

has one full-time employee (manager), one full-time guest services representative (GSR), one part-time GSR, one janitor, part-time municipal curator and one part-time hockey consultant. The majority of visitors (85%) are from Local/Regional sources (including Northern Ontario), 14% are from the balance of Ontario and Canada and the rest (1%) are from the United States or abroad.

The current marketing budget for Hockey Heritage North is estimated at \$10,000, including billboards along Highway 11. In 2010, marketing efforts were geared towards attracting local/regional tourists, as opposed to all of Northern Ontario. Annual operating deficits for the attraction are in the range of \$200,000, not including capital debt payments on the building.

5.4.2 Canadian Bushplane Heritage Centre (Sault Ste. Marie, Ontario)



The Canadian Bushplane Heritage Centre (CBHC) is a heritage museum dedicated to preserving the history of bush flying and forest protection. The CBHC was formed in 1987 by a small group of volunteers wishing to preserve Ontario's rich bushplane and firefighting heritage. The Ontario Ministry of Natural Resources agreed to allow the group to use a portion of the Fire and Aviation Division (formerly the Ontario Provincial Air Service) hangar at the edge of the St Mary's River in Sault Ste. Marie for displays and storage. The Centre occupies 25,000 square feet of the hangar, featuring a collection which consists of bush flying aircraft, military replicas, aircraft models and equipment used for detecting and fighting forest fires.

In 2007, an estimated 14,500 visited the Centre, with 60% of visitors from the domestic market and 40% from the United States. Attendance levels currently average 14,000 visits annually. Peak attendance levels were reached in 2001 at 20,000 visitors. Admission price for adults is \$10.50, \$9.50 for seniors, \$5.00 for students and \$2.00 for children.

The Centre also hosts special events and can be rented for private events. The staff of the CBHC is comprised of 4 full-time employees, three part-time employees and 12 volunteers. Currently, operational expenditures total \$502,000 annually, with the primary sources of revenue from government funding (29%), admissions (21%), and retail sales (17%).

5.4.3 Polar Bear Habitat and Heritage Village (Cochrane, Ontario)

The Polar Bear Habitat and Heritage Village (PBH&HV) is a non-profit educational research conservation facility located in the Town of Cochrane, which opened in June 2004. The Cochrane Polar Bear Habitat is the only captive bear facility in the world dedicated solely to polar bears. The Centre offers exceptional animal care standards, educational programs and research partnerships.

Polar Bear Habitat and Heritage Village



Source: www.polarbearhabitat.ca/

Opening Year: **2004**

Operating Season: **Year-Round**

Avg. Annual Attendance: **15,000**

Adult Admission: **CAD\$20**

Situated on five acres of northern Ontario terrain, visitors have the opportunity to take in northern landscapes while walking along the three large outdoor bear enclosures. While the attraction was projected to host 30,000 visitors annually, current attendance levels average 16,500, including special events, such as Pioneer Days and the Festival of Lights. Open year-round, the Centre staffs 10 full-time permanent employees, 13 full-time seasonal employees, 2 part-time permanent position and 10 volunteers (offering the equivalent to 4.3 full time positions). The admission price for adults is \$20, for seniors and students it is \$18 and \$12 for children.

The cost to establish the attraction was \$4.5 Million with financial support

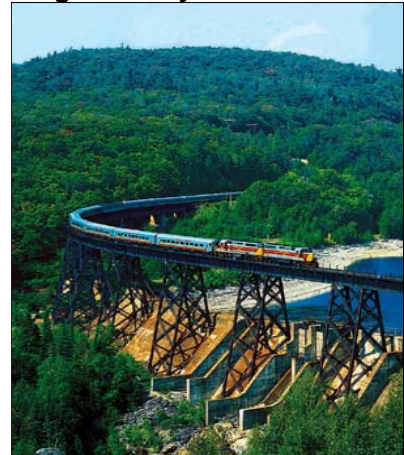
coming from the federal, provincial and local government at \$2.2 Million, \$1.2 Million and \$275,000, respectively. Private investors also invested \$519,000. The primary sources of revenue come from admissions (35%) and gift shop sales (15%), with 45% in municipal contributions. The marketing budget of \$15,000 is focused on attracting visitors from the GTA, Northern Quebec and Northern Ontario, specifically families, seniors and school groups.

As of March 23, 2011, the last polar bear had to be euthanized, and hence the Polar Bear Habitat will not be providing public visitation for the foreseeable future.

5.4.4 Agawa Canyon Tour Trains (Sault Ste. Marie, Ontario)

The Agawa Canyon Tour Train is Northern Ontario's largest destination attraction, drawing 90% of their riders from a 5-12 hour

Agawa Canyon Tour Trains



Source <http://www.agawacanyontourtrain.com/>

Opening Year: **1952**

Operating Season: **Year-Round**

Avg. Annual Attendance: **26,500**

Adult Admission: **CAD\$79 (Summer);
CAD \$99 (Fall)**

drive outside of Sault Ste. Marie, where it is located. This one-day wilderness excursion transports passengers 114 miles north of Sault Ste. Marie, Ontario. A GPS triggered commentary, available in five languages (English, French, German, Japanese & Mandarin), tells about upcoming points of interest and shares some of the rich history of the region with stories of the Ojibway, fur traders, explorers and entrepreneurs that opened up this vast wilderness in Northern Ontario. As well, locomotive mounted digital cameras will provide an engineers 'eye view' on the flat screen monitors installed throughout the coaches. The train descends into the canyon, as it travels down 500 feet over 10 miles to the floor of the Agawa Canyon.

The admission price for the train tour for an adult in the summer is \$79, while seniors pay \$70, youth pay \$35 and children (2-5 years old) pay \$30. Prices in the Fall increase between \$10 and \$20 depending on the age group.

In 2010, the attraction received a \$10 Million coach equipment upgrade, followed by a \$1 Million audio/video GPS system enhancement in 2011. In 2009, the train recorded 26,500 passengers for the season, which is down from the trains' hey-days in the 1970s, when over 100,000 tourists would partake in the tour. In 2009, the marketing budget was set at \$400,000 and it was aimed at the Southern Ontario market and online opportunities. With \$11.2 Million invested in the attraction, it is projected that visitation levels will improve over the next 5 years.

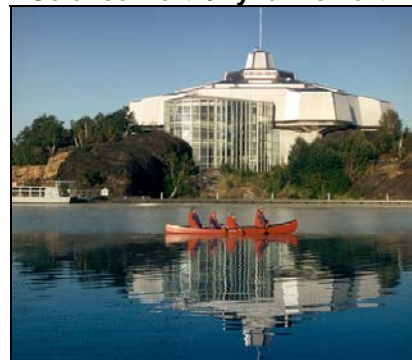
5.4.5 Science North/Dynamic Earth (Sudbury, Ontario)

Established in 1984, Science North maintains the second- and seventh-largest science centres in Canada. Science North, features an IMAX® theatre, digital Planetarium, butterfly gallery and Special Exhibits Hall, and Dynamic Earth - Home of the Big Nickel, features an earth sciences centre.

Opened in 1993, The Dynamic Earth portion of this attraction, also located in Sudbury, is most comparable to the Gold Mine Tour. Dynamic Earth – Home of the Big Nickel, offers visitors a mining experience combining both above ground and underground, featuring authentic mining equipment and technologies. This attraction is purely an interactive museum, as there is no real mine involved.

Attendance for all Science North/Dynamic Earth attractions has reached an estimated 287,000 visitors per year. Individually, Science North attracts 136,000 from single ticket sales and Dynamic Earth has 45,000 for the same ticket segment. Many combination packages can be chosen from.

Science North/Dynamic Earth



Source : rainbowcountry.com

Opening Year: **1984**

Operating Season: **Year-Round**

Avg. Annual Attendance: **287,000**

Adult Admission: **CAD\$20 (General)**

However, the price for a general admission (Admission to Science North's Science Centre including any Special Exhibition, Wings Over the North, and the F. Jean MacLeod Butterfly Gallery or Admission to Dynamic Earth including an underground tour and two exhibit galleries full of activities) for an adult is \$20.00, a youth/senior is \$18.00 and a child is \$16.00.

Science North has needed to change its operating model significantly since opening in 1984. During the 1990s, the Provincial Government challenged Science North to increase its revenue sources and rely less heavily on subsidies. As such, the focus shifted to exhibit design – and the IMAX Theatre, Dynamic Earth and Virtual Voyages interactive components were created. Today, Exhibit and Theatre Production Sales account for \$3.1 Million and Admissions \$2.0 Million, out of the total \$9.7 Million in total revenues. These attractions are also supported by a Provincial operating subsidy of \$3.4 Million.

On March 5, 2011, Science North launched its largest renovation since it opened in 1984. The third floor of the facility, which previously housed the Northern Ecosystem display, has become an area that takes on the appearance of a Northern Ontario forest with distinct sections: separate forest and wetlands areas and a lakes and rivers lab. The \$10-million renovation project was funded through a variety of sources including the federal Infrastructure Stimulus Fund, provincial infrastructure money stemming from the 2009 Ontario Budget, the TD Friends of the Environment Foundation, Northern Ontario Heritage Fund Corp., Science North fundraising (\$600,000) and Science North capital reserves. Science North is incurring about one-fifth of the cost of the work.

During the time of the renovation, Science North was closed between January and March 2011. Dynamic Earth, meanwhile, opened in early January (usually closed for the winter months) to continue attracting visitors to the facilities.

Similarly, Science North is extending its presence in Northern Ontario with the opening of a new facility in Thunder Bay at the Boys and Girls Club building. Science North's outreach program targets school and communities by delivering bilingual educational programs in school, at festivals and fairs, special events, malls and libraries. With the new location, more areas within Northern Ontario will be targeted. This new base and the programs it offers were realized through the increased funding from the Ministry of Tourism and Culture to the Centre's annual provincial operating grant.

5.5 Summary of Comparable Northern Ontario Attractions

The comparable facilities included in this analysis provide good examples of what other Northern Ontario attractions have done to enhance local, regional, national and international visitation. All attractions are located in a prominent city in Northern Ontario and play a vital role in tourism for the area. With the exception of the Agawa Canyon Tour, each attraction offers a "museum" type style for the visitor with exhibits and concrete items. For the Northern Ontario attractions, the comparable facilities draw between 5,000 to

136,300 visitors on average per year, and charge between CAD\$14 and CAD\$77 for adult admission in peak months. Table 5-3 summarizes the market penetration for each attraction based on the average annual attendance and the total markets available.

TABLE 5-3 MARKET PENETRATION - COMPARABLE NORTHERN ONTARIO ATTRACTIONS			
Attraction	Attendance	Estimated Available Tourist and Resident Markets	Market Penetration
Science North	136,300	1,023,500	13.3%
Dynamic Earth	45,600	1,023,500	4.5%
Shania Twain Centre & Gold Mine Tour (including Meetings/Rentals)	9,600	342,200	2.8%
Agawa Canyon Tour	26,500	1,067,000	2.5%
Polar Bear Habitat and Heritage Village	13,000	368,300	3.5%
Hockey Heritage North	5,000	308,248	1.6%
Canadian Bushplane Heritage Centre	14,000	1,067,000	1.3%
Gold Mine Tour	3,400	342,200	1.0%
Shania Twain Centre	3,200	342,200	0.9%

Source: PKF Consulting

5.6 Comparable Market Position Summary

As demonstrated in previous tables, annual attendance levels for the comparable attractions to the Shania Twain Centre and Gold Mine Tour ranged from **700 to 136,000 visitors**. It should be noted, that some attractions are year-round, while some others operated between May and October, and some are a combination of the two, yet all attractions are highly dependent on their tourist markets for attendance. Table 5-4 provides a market position analysis for all comparable attractions.

**TABLE 5-4
COMPARABLE ATTRACTION SUMMARY - MARKET POSITIONING**

Attraction	Attendance	Available Market	Market Penetration
Science North	136,342	1,023,500	13.3%
Dynamic Earth	45,596	1,023,500	4.5%
Polar Bear Habitat and Heritage Village	13,000	368,300	3.5%
Shania Twain Centre & Gold Mine Tour (including Meetings/Rentals)	9,600	342,200	2.8%
Agawa Canyon Trail	26,500	1,067,000	2.5%
Anne Murray Centre	6,900	292,000	2.4%
Brittania Mine Museum	35,000	2,060,800	1.7%
Hockey Heritage North	5,000	308,248	1.6%
Cite de l'or	8,500	531,872	1.6%
Canadian Bushplane Heritage Centre	14,000	1,067,000	1.3%
Northern Ontario Mining Museum & Cobalt Mining Tour	4,000	364,223	1.1%
Gold Mine Tour	3,400	342,200	1.0%
Shania Twain Centre	3,200	342,200	0.9%
Bobby Orr Hockey Hall of Fame	5,000	871,000	0.6%
Amethyst Mine Panorama	4,000	710,000	0.6%
Dionne Quints Museum	4,000	1,190,000	0.3%
Waihi Mine	8,300	4,061,000	0.2%
Youngtown Museum	700	2,585,000	0.03%

Source: PKF Consulting

As demonstrated, the sample attraction market penetration into resident and tourist markets ranges from 0.03% to 13.3%. At a rate of 2.8%, the combined Shania Twain Centre & Golf Mine Tour attractions ranked 4th in terms of market penetration. As a point of comparison, Science North, which achieves an average market penetration rate of 13.3%, also receives \$3.4 Million in government subsidies (25% of overall budget), but there is a critical mass of attractions in the area to keep tourists coming.

As discussed in Section 1.0 of this report, tourist attractions, particularly in Northern Ontario, require some level of operating investments from government sources. On average, operating subsidies at comparable Northern Ontario attractions comprise 50% to 70% of attraction budgets as compared to 62% at the Gold Mine Tour and Shania Twain Centre.

6.0 STAKEHOLDER INPUT AND ALTERNATIVE DIRECTIONS FOR THE ATTRACTIONS

6.1 Introduction

Over 2 days in mid March 2011, PKF met with local stakeholders to seek their input on the long term business direction for the Shania Twain Centre and Gold Mine Tour. Stakeholders included members of the study Steering Committee; the Board of Directors for the 2 attractions; members of City Council and City staff; Goldcorp Project Management representatives for the new open pit mining operation scheduled to open adjacent to the subject attractions; Timmins Chamber of Commerce; retired educational professionals; and local accommodation providers. Appendix A provides a full listing of the stakeholders interviewed.

6.2 Three Alternative Strategic Directions

Based on our Phase I research findings, review of current operations and input received from the local stakeholder groups, the following 3 alternative strategic directions have been identified for the future operation of the Shania Twain Centre and Gold Mine Tour:

- 1. Downscaling the attractions;**
- 2. Enhancement of the attractions; and**
- 3. Expansion of the attractions**

Within each of the alternative strategic directions, there were a number of opportunities identified for both the Shania Twain Centre and Gold Mine Tour, as detailed in the following section.

6.3 Downscaling the Attractions

6.3.1 Alternative 1A: Seasonal Operation

This alternative would envision the seasonal operation of both the Shania Twain Centre and Gold Mine Tour on a May to October basis. An internal analysis was undertaken by management in 2007 which also looked at the potential result of a seasonal operation of the attractions.³

6.3.2 Alternative 1B: Operation a Seasonal Gold Mine Tour Attraction Only

This alternative would see the Gold Mine Tour attraction operating on a seasonal basis. Administrative, ticketing and retail space for the Gold Mine Tour would be provided in the Shania Twain Centre, with a co-tenant and/or alternative use sought for the balance of the Shania Twain Centre building.

³ *Shania Twain Centre/Gold Mine Tour City Council Presentation, December 3, 2007.*

6.4 Alternative 2: Enhancing Both Attractions

This strategic direction calls for the enhancement of both of the attractions, through a number of possibilities.

6.4.1 Shania Twain Centre

Programming enhancement opportunities for the Shania Twain Centre include:

- Maximizing the current lobby space by introducing a travelling Exhibit Hall to feature different performing artists;
- Showcasing other artists in conjunction with Shania Twain, specifically artists from Northern Ontario;
- Increasing programming in the front lobby exhibition space to highlight local music, art exhibitions, cultural and interactive exhibits;
- Increasing the use of the foyer for dinners, associated events for tournaments and conventions, and cocktail events;
- Offering other interactive activities for children in the lobby;
- Becoming a Centre for Music, Entertainment & Popular Culture by promoting writing workshops and offering a Music School program;
- Working with partners to promote community events and programming;
- Expanding the gift store and café;
- Offering an outdoor performance venue (in the parking lot area);
- Partnering with the local school boards to establish a Healthy Snacks Program for schools, with the snacks made at the Shania Twain Centre and distributed to local schools;
- Developing a partnership that would include and bring together the Shania Twain Fan Club and Charity;
- Partnering with local music and drama groups to utilize the space for practices and performances;
- Considering long term tenants for the former Gold Mine Tour museum buildings, such as a practice venue for Timmins Symphony, Choirs, and Drama groups.

6.4.2 Gold Mine Tour

Enhancements to the Gold Mine Tour envision new opportunities associated the adjacent active open pit mining operation as well other programming enhancements to the existing tour including the following opportunities:

- Enhancing the Gold Mine Tour experience by providing a “people mover”;
- Providing food and beverage on site (potentially leased operation) for guests, with catering services provided for on and off site meetings, GoldCorp employees, etc.;

- Relocating the Hollinger Information Centre to the former Museum building, with the attraction staff co-ordinating the Industrial Tours offered by GoldCorp and Rio Tinto (currently co-ordinated by Chamber of Commerce staff);
- Enhancing the Gold Mine Tour theme to include environmental reclamation methods;
- Developing a prospector trail with story boards and along the berm near the lookout;
- Creating biking and hiking trails along the berm;
- Making the facility and the tour more authentic, by creating a living history museum;
- Developing strong partnerships with local mining companies to enhance the tour experience;
- Developing programming for the winter season, including winter tours, an ice rink, and sleigh rides; and
- Hosting other regional and provincial mining events (Annual Regional Mine Rescues – currently being held at the Whitney Arena);

6.5 Alternative 3: Expansion of the Attractions

Alternative 3 would envision expanding on the Enhanced Program outlined in Alternative 2 to include an additional attraction element, which could include one of the following:

- A Centre for Performing Arts to the Shania Twain Centre, which would include 550 to 600 seats, an educational facility offering Performing Arts courses on lighting, performance, sound studio, etc.;
- A Destination Restaurant (potentially in former Museum building);
- A Trailer / RV Park at former golf course;
- An Aboriginal Museum / Gift Shop / Artifacts in Shania Twain Centre lobby area or former Museum location;
- A complimentary attraction to the site, such as an aquarium with fish indigenous to Northern Ontario nestled in a boreal forest display;
- A zip lining experience and a ski hill, following the closure of the open pit in 7 to 10 years.

6.6 Alternative Site Uses

Beyond these 3 strategic directions, there are broader issues with respect to the site, which form **Alternative Uses** of the buildings and site, including:

- Closing the Shania Twain Centre and converting it to alternative uses such as: First Nation Casino Slots operation, office/commercial, educational or potentially Training Centre / Entrepreneurship site for First Nations;
- Relocating Shania Twain Centre to a downtown location; and
- Relocating the Gold Mine Tour to another location

Should none of the 3 alternatives (Downscaling, Enhancement or Expansion) result in a supportable long term Business Case for the Shania Twain Centre and Gold Mine Tour, then Alternative Uses of the buildings and site might be considered. However, it is beyond the scope of the subject study to assess alternative uses for the site.

6.7 Conclusion

With the objective of decreasing the operating subsidies required to operate the Shania Twain Centre and Gold Mine Tour, we have undertaken a preliminary analysis of the alternative business uses, and provided an estimate of the level of demand that the subject attractions could reasonably be expected to capture under each of the 4 scenarios, together with their estimated capital and operating costs.

7.0 EVALUATION OF ALTERNATIVE STRATEGIC DIRECTIONS

7.1 Introduction

In Section 3.0 of the subject report, we have provided an analysis of the attendance levels achieved by the Shania Twain Centre and Gold Mine Tour since the attraction's opening in 2001, as well as the consolidated financial operating performance of both facilities over the past six years from 2005-2010. Based on our findings to date and stakeholder input, this final section of the Phase I Report identifies 5 scenarios for the ongoing operation of the Shania Twain Centre and Gold Mine Tour.

1. A **Base Case Scenario** whereby the status quo is maintained;
2. **Two Downscaled Case Scenarios** whereby both attractions would be operated on a seasonal basis; and a second, whereby only the Gold Mine Tour would continue operation on a seasonal basis, while the Shania Twain Centre would be closed;
3. An **Enhanced Case Scenario** whereby both attractions would implement improvements to programming, marketing, and changes to the overall operation;
4. An **Expanded Case Scenario** whereby capital dollars would be invested in an additional attraction element on the site to complement the Shania Twain Centre and Gold Mine Tour; and

On a preliminary basis, we have examined the attendance projections and financial implications of each scenario by the year 2015, as well as a **notional Breakeven Scenario**, depicting the level of attendance and revenues required in order for the attraction to be self-supporting.

7.2 Base Case Scenario

Under a Base Case Scenario for the ongoing operation of the Shania Twain Centre and Gold Mine Tour, we have made the following assumptions:

- No changes have been made to the Shania Twain Centre or Gold Mine Tour 2010 admission rate structures;
- The Shania Fan Convention 2010 average delegate fee of \$176, has been increased at inflation throughout the projection period;
- Direct labour costs for the Shania Twain Centre reflect one full-time retail staff, as identified in the 2011 operating budget;
- Direct labour costs for the Gold Mine Tour reflect 3 Senior Guides and 6 Junior Guides, each with a 35 hour work week during July and August, with 3 Senior Guides only during the months of May, June, September and October;
- Expenses for the Shania Fan Convention have been based on the 2010 actual costs of \$163 per delegate and increased at inflation thereafter;

- Retail Sales, which averaged \$10.43 per visitor in 2010, have been increased at inflation;
- Applying similar operating cost ratios that have been incurred over the past 3 years; and
- Applying an inflationary factor of 2.5% per annum.

7.2.1 Base Case Scenario Attendance Projections

Peak attendance levels for both attractions were reached in 2002, at 14,500 visitors. Since its opening in 2001, attendance levels at the Shania Twain Centre have declined by over 65% from a peak of 8,400 visitors in 2002 to 2,650 in 2010. Although not to the same level, the Gold Mine Tour has also witnessed a 38% reduction in its attendance levels, from a peak of 6,200 visitors in 2002 to 3,800 in 2010. Since 2005, when the Centre expanded its operation to attract local meeting and event rentals, total attendance levels at the attraction grew by 1,500 visitors in 2005, to a high of 3,700 in 2007, and approximately 2,300 in 2010. At a total visitation of 9,151 visitors in 2010, the attraction achieved an overall market penetration of 2.7%

For the purposes of this analysis, the available resident market has been projected to increase to an estimated 45,650 residents by 2015 (at an annual compound growth rate of 1.1%). Similarly, utilizing the Ontario Ministry of Tourism and Culture's *Fall 2010 Ontario Tourism Outlook Forecast* for the domestic, US and overseas markets, the visitor market to Timmins has been projected to increase from 300,000 in 2009 to an estimated 312,000 by 2015.

	2009	2010	2015 F
Timmins Resident Population	42,200	43,148	45,646
Tourist Markets	300,000	298,790	311,932
TOTAL AVAILABLE MARKETS	342,200	341,938	357,578
STC, GMT & Mtgs Penetration Rates	3.0%	2.7%	2.7%
Total Projected Attendance	10,229	9,151	9,541

Source: PKF Consulting Inc.

As a status quo operation, the Shania Twain Centre and Gold Mine Tour are forecast to penetrate its overall available markets at current market penetration rates of 2.7%, resulting in a **projected attendance of 9,540 visitors by 2015** (refer to Table 7-1).

7.2.2 Base Case Scenario Financial Implications

In 2010, the Gold Mine Tour & Shania Twain Centre reported total revenues of just over to \$183,000, of which admissions revenues were approximately \$70,000 (38%), based on attendance levels of 9,150. Total

operating expenses were in the order of \$492,000, of which labour costs constituted \$257,000 or 52% of total costs. With a net operating deficit of \$309,000 in 2010, the City of Timmins provided an operating investment of \$303,600, and a further \$5,000 was received through other government sources.

Table 7-2 provides comparative operating statements, including the 2010 actual operating results for the attraction, and a preliminary analysis of the Base Case Scenario financial implications. **For comparative purposes, the 2010 operating costs have also been re-allocated to reflect direct operating expenses for each of the attraction operations, as well as retail, and rentals and special events (including labour costs and cost of goods). Undistributed operating costs include the salary for the supervisor position, office costs, telephone, marketing, utilities, repairs and maintenance and insurance.**

TABLE 7-2						
5 YEAR PROJECTED STATEMENT OF OPERATIONS - STATUS QUO						
GOLD MINE TOUR & SHANIA TWAIN CENTRE						
	2010 Actual		2010 Re-allocated		2015 F	
Total Attendance	9,151		9,151		9,541	
Per Capita	\$20.03		\$20.03		\$20.75	
	\$	%			\$	%
Revenue						
GMT Admission	\$ 50,347	27.5%	\$ 50,347	27.5%	\$ 51,898	26.2%
STC Admission	\$ 19,435	10.6%	\$ 19,435	10.6%	\$ 21,393	10.8%
Shania Fan Convention	\$ 3,875	2.1%	\$ 3,875	2.1%	\$ 4,384	2.2%
Retail	\$ 95,416	52.0%	\$ 95,416	52.0%	\$ 109,796	55.5%
Rentals & Special Events	\$ 14,246	7.8%	\$ 14,246	7.8%	\$ 10,486	5.3%
TOTAL REVENUES	\$ 183,319	100.0%	\$ 183,319	100.0%	\$ 197,957	100.0%
Direct Expenses						
Gold Mine Tour	\$ 26,170	52.0%	\$ 116,063	230.5%	\$ 130,950	252.3%
Shania Twain Centre	\$ 16,491	70.7%	\$ 44,864	192.5%	\$ 23,337	90.5%
Retail	\$ 42,000	44.0%	\$ 95,179	99.8%	\$ 91,910	83.7%
Rentals & Special Events	\$ 4,229	29.7%	\$ 4,229	29.7%	\$ 4,967	47.4%
Total Direct Expenses	\$ 88,890	48.5%	\$ 260,335	142.0%	\$ 251,165	126.9%
Gross Profit	\$ 94,429	51.5%	\$ (77,016)	-42.0%	\$ (53,208)	-26.9%
Total Undistributed Expenses	\$ 402,996	219.8%	\$ 231,551	126.3%	\$ 264,936	133.8%
TOTAL EXPENSES	\$ 491,886	268.3%	\$ 491,886	268.3%	\$ 516,101	260.7%
NET OPERATING INCOME	\$ (308,567)	-168.3%	\$ (308,567)	-168.3%	\$ (318,144)	-160.7%
Investments/Grants						
Municipal Investment	\$ 303,600	165.6%	\$ 303,600	165.6%	\$ 313,144	158.2%
NORTOP	\$ 4,967	2.7%	\$ 4,967	2.7%	\$ 5,000	2.5%
Subtotal -- Investments / Grants	\$ 308,567	168.3%	\$ 308,567	168.3%	\$ 318,144	160.7%

Source: Shania Twain Centre and Gold Mine Tour Operations, City of Timmins, 2010 and PKF Consulting Inc. Forecast, 2015

Under the Base Case Scenario, with projected attendance levels of 9,540 visitors, the attractions would be expected to generate approximately \$73,000 in revenues, assuming 2010 admission rates remained intact. By applying similar per capita expenditures achieved in 2010 for retail, the Fan Convention and rentals and

special events, the attractions are projected to generate total revenues in the order of \$198,000 as a status quo operation. By reducing the retail labour costs incurred in 2010 to an allocation of 1 position, and by maintaining similar operating ratios as 2010, total operating expenditures are projected to be in the order of \$516,000 under this scenario. As such, the attraction is projected to incur an operating deficit in the order to \$318,000 by 2015, increasing the current **municipal contribution by an estimated 3% to approximately \$313,000 by 2015.**

7.3 Downscaled Case Scenarios

7.3.1 Operate Both Attractions on a Seasonal Basis Only

Should both attractions operate on a **seasonal basis** only from May to October, **attendance levels are projected to be reduced to an estimated 7,750 by 2015.** While the Gold Mine Tour operation would continue to attract an estimated 4,100 visitors, attendance at the Shania Twain Centre would be

	2009	2010	2015 F
Timmins Resident Population	42,200	43,148	45,646
Tourist Markets	300,000	298,790	311,932
TOTAL AVAILABLE MARKETS	342,200	341,938	357,578
STC, GMT & Mtgs Penetration Rates	3.0%	2.7%	2.2%
Total Projected Attendance	10,229	9,151	7,745

Source: PKF Consulting Inc.

reduced by an estimated 10% to 2,500 visitors, and meeting rentals would decline by approximately 50% to 1,100 visitors. Given that the majority of the paid admission revenue to both attractions occurs during the May to October period, total revenues have been projected at \$169,000 by 2015, which is approximately \$30,000 less than the status quo scenario. However, labour cost savings would only be in the order of approximately \$7,500, which reflects 2 seasonal retail positions. It has been assumed that Attraction Supervisor position would remain a full year position, and that the building operational costs associated with office administration, telephone, utilities, repairs and maintenance, and insurance would not be reduced as a seasonal operation. As a **seasonal only attraction**, the Shania Twain Centre and Gold Mine Tour are projected to incur an **annual operating deficit of approximately \$328,000, which is marginally above the Status Quo Base Case Scenario** (Table 7-4). In this scenario, the operation would give up approximately \$30,000 in revenues as a seasonal attraction; however the management salaries and the overhead costs to maintain the building would remain intact, **requiring an annual municipal investment of approximately \$323,000.** As such, the potential savings does not warrant closing the attraction during the winter months.

TABLE 7-4						
5 YEAR PROJECTED STATEMENT OF OPERATIONS - DOWNSCALED						
SEASONAL ATTRACTION ONLY						
GOLD MINE TOUR & SHANIA TWAIN CENTRE						
	2010 Actual		2010 Re-Allocated		2015 F	
Total Attendance	9,151		9,151		7,745	
Per Capita	\$20.03		\$20.03		\$21.82	
	\$	%	\$	%	\$	%
Revenue						
GMT Admission	\$ 50,347	27.5%	\$ 50,347	27.5%	\$ 51,898	30.7%
STC Admission	\$ 19,435	10.6%	\$ 19,435	10.6%	\$ 17,279	10.2%
Shania Fan Convention	\$ 3,875	2.1%	\$ 3,875	2.1%	\$ 4,384	2.6%
Retail	\$ 95,416	52.0%	\$ 95,416	52.0%	\$ 89,126	52.7%
Rentals & Special Events	\$ 14,246	7.8%	\$ 14,246	7.8%	\$ 6,347	3.8%
TOTAL REVENUES	\$ 183,319	100.0%	\$ 183,319	100.0%	\$ 169,033	100.0%
Direct Expenses						
Gold Mine Tour	\$ 26,170	52.0%	\$ 116,063	230.5%	\$ 130,950	252.3%
Shania Twain Centre	\$ 16,491	70.7%	\$ 44,864	192.5%	\$ 23,337	107.7%
Retail	\$ 42,000	44.0%	\$ 95,179	99.8%	\$ 74,007	83.0%
Rentals & Special Events	\$ 4,229	29.7%	\$ 4,229	29.7%	\$ 3,311	52.2%
Total Direct Expenses	\$ 88,890	48.5%	\$ 260,335	142.0%	\$ 231,606	137.0%
Gross Profit	\$ 94,429	51.5%	\$ (77,016)	-42.0%	\$ (62,573)	-37.0%
Total Undistributed Expenses	\$ 402,996	219.8%	\$ 231,551	126.3%	\$ 264,936	156.7%
TOTAL EXPENSES	\$ 491,886	268.3%	\$ 491,886	268.3%	\$ 496,542	293.8%
NET OPERATING INCOME	\$ (308,567)	-168.3%	\$ (308,567)	-168.3%	\$ (327,508)	-193.8%
Investments/Grants						
Municipal Subsidy	\$ 303,600	165.6%	\$ 303,600	165.6%	\$ 322,508	190.8%
NORTOP	\$ 4,967	2.7%	\$ 4,967	2.7%	\$ 5,000	3.0%
Subtotal -- Investments / Grants	\$ 308,567	168.3%	\$ 308,567	168.3%	\$ 327,508	193.8%

Source: Shania Twain Centre and Gold Mine Tour Operations, City of Timmins, 2010 and PKF Consulting Inc. Forecast, 2015

7.3.2 Operate the Gold Mine Tour Attraction Only

This downscaled scenario calls for the operation of an enhanced Gold Mine Tour attraction only, on a seasonal basis. Under this downscaled scenario, we have made the following assumptions:

- **Approximately \$100,000 in capital would be invested in enhancing the Gold Mine Tour** including: the addition of a lookout platform to view the open pit operation; the relocation of some of the buildings to accommodate the open pit operation and condense the tour; and the addition of new storyboards throughout the Prospector's Trail at an estimated capital cost of \$50,000; the addition of two people mover systems to transport visitors on both the underground and surface tours, at an estimated capital cost of \$25,000 per vehicle; and the relocation of the Hollinger Information Centre to the former Gold Mine Tour/Timmins Museum building;
- The Industrial Tours, which are currently co-ordinated by the Chamber of Commerce, would be re-located to the Gold Mine Tour site, with the tour commencing at the Open Pit operation, followed by tours of GoldCorp's Porcupine mine and Rio Tinto operation; and

- Approximately 6,000 square feet of the Shania Twain Centre would be leased out to a 3rd party tenant, while the admissions area, retail space and public washrooms would continue to be utilized as the main entrance to the Gold Mine Tour attraction.

By enhancing the Gold Mine Tour and re-locating the Hollinger Information Centre and Industrial Tours to the subject site, **attendance levels to the Gold Mine Tour are projected to increase to an estimated 5,000 by 2015** – approximately 1,000 more than current operations.

	2009	2010	2015
Timmins Resident Population 2010	42,200	43,148	45,646
Tourist Markets	300,000	298,790	311,932
TOTAL AVAILABLE MARKETS	342,200	341,938	357,578
GMT Penetration Rates	1.0%	1.2%	1.4%
Total Projected Attendance	3,581	3,989	4,893

Source: PKF Consulting Inc.

In this scenario, total revenues have been projected at \$86,000, as compared to the Status Quo operation of \$198,000. Retail revenues would be reduced by approximately \$85,000 without the Shania Twain merchandise sales to an estimated \$25,000.

Therefore, as an **Enhanced seasonal attraction**, the Gold Mine Tour is projected to incur an **annual operating deficit of approximately \$338,000**, which is **approximately \$20,000 higher than the Status Quo Base Case Scenario** (Table 7-6).

Should the City be successful in securing a 3rd party tenant to lease approximately one-half of the Shania Twain Centre building, the municipal investment could potentially be reduced by approximately \$120,000 (based on 6,000 sq.ft. at \$10 per sq. ft; plus \$10 per sq.ft. in utility costs). However, under this scenario, the **municipal investment would still be in the range of \$210,000 per year**.

**TABLE 7-6
5 YEAR PROJECTED STATEMENT OF OPERATIONS - ALTERNATIVE 1B
DOWNSCALED ATTRACTION - ENHANCED GOLD MINE TOUR ONLY**

	2010 Actual		2010 Re-Allocated		2015 F	
Total Attendance	9,151		9,151		4,893	
Per Capita	\$20.03		\$20.03		\$17.61	
	\$	%	\$	%	\$	%
Revenue						
GMT Admission	\$ 50,347	27.5%	\$ 50,347	27.5%	\$ 61,695	71.6%
STC Admission	\$ 19,435	10.6%	\$ 19,435	10.6%	\$ -	0.0%
Shania Fan Convention	\$ 3,875	2.1%	\$ 3,875	2.1%	\$ -	0.0%
Retail	\$ 95,416	52.0%	\$ 95,416	52.0%	\$ 24,467	28.4%
Rentals & Special Events	\$ 14,246	7.8%	\$ 14,246	7.8%	\$ -	0.0%
TOTAL REVENUES	\$ 183,319	100.0%	\$ 183,319	100.0%	\$ 86,162	100.0%
Direct Expenses						
Gold Mine Tour	\$ 26,170	52.0%	\$ 116,063	230.5%	\$ 130,950	212.3%
Shania Twain Centre	\$ 16,491	70.7%	\$ 44,864	192.5%	\$ -	0.0%
Retail	\$ 42,000	44.0%	\$ 95,179	99.8%	\$ 39,470	161.3%
Rentals & Special Events	\$ 4,229	29.7%	\$ 4,229	29.7%	\$ -	0.0%
Total Direct Expenses	\$ 88,890	48.5%	\$ 260,335	142.0%	\$ 170,420	197.8%
Gross Profit	\$ 94,429	51.5%	\$ (77,016)	-42.0%	\$ (84,259)	-97.8%
Total Undistributed Expenses	\$ 402,996	219.8%	\$ 231,551	126.3%	\$ 253,897	294.7%
TOTAL EXPENSES	\$ 491,886	268.3%	\$ 491,886	268.3%	\$ 424,318	492.5%
NET OPERATING INCOME	\$ (308,567)	-168.3%	\$ (308,567)	-168.3%	\$ (338,156)	-392.5%
Investments/Grants						
Municipal Investment	\$ 303,600	165.6%	\$ 303,600	165.6%	\$ 333,156	386.7%
NORTOP	\$ 4,967	2.7%	\$ 4,967	2.7%	\$ 5,000	5.8%
Subtotal -- Investments / Grants	\$ 308,567	168.3%	\$ 308,567	168.3%	\$ 338,156	392.5%
Lease Income (STC)	\$ -	0.0%	\$ -	0.0%	\$ 120,000	139.3%
ADJUSTED Municipal Investment	\$ -	0.0%	\$ -	0.0%	\$ 213,156	247.4%

Source: Shania Twain Centre and Gold Mine Tour Operations, City of Timmins, 2010 and PKF Consulting Inc. Forecast, 2015

7.4 Enhanced Scenario

7.4.1 Enhanced Case Scenario Attendance Projections

Under this scenario, enhancements to the Shania Twain Centre would expand upon its music theme; while the Gold Mine Tour enhancements would concentrate on improvements to the underground mine tour and the addition of the open pit mining operation to the surface tour (similar to the Downscaled Enhanced Gold Mine Tour Scenario in Section 7.3.2).

Shania Twain Centre – Enhancing the Music Theme

- Showcasing other musical artists, specifically artists from Northern Ontario;
- Increasing programming in the front lobby exhibition space to highlight local music, art and cultural exhibitions;
- Designing and implementing educational programs geared at elementary and/or secondary level grades, including writing workshops;
- Offering an outdoor performance venue in the parking lot area for up to 2 concerts per year;
- Considering a long term tenant for the former Gold Mine Tour museum building, such as a practice venue for choirs, musical performance and drama groups;
- **Preliminary capital and development costs** to implement the enhancements to the Shania Twain Centre have been estimated at **\$100,000**.

Gold Mine Tour – Enhancing the Mining Theme

- Similar to Alternative 1B, approximately **\$100,000 in capital enhancements to the Gold Mine Tour** include:
 - The addition of a lookout platform to view the open pit operation;
 - The relocation of some of the buildings to accommodate the open pit operation and condense the tour;
 - The redevelopment of the Prospector’s Trail with new storyboards;
 - The addition of two people mover systems to transport visitors on both the underground and surface level tours;
 - The relocation of the Hollinger Information Centre to the former Gold Mine Tour/Timmins Museum building;
 - The consolidation of the Industrial Tours to the subject site; and
 - The development of a *Careers in Mining Exhibit*, as a potential partnership with Service Canada and Ministry of Northern Development Mines and Forestry to promote careers in mining.

Under this enhanced scenario, we have made the following assumptions:

- School Group attendance to the Shania Twain Centre music programs have been estimated at 750 students per annum, as compared to the Centre’s current school group attendance of approximately 135 students;
- Staffing for the Shania Twain Centre would be increased by one part-time staff to manage the increased programming components, at an estimated cost of \$20,000 per year plus benefits;

- The Centre would feature 2 outdoor concerts per year, at an average attendance of 500 persons per event, with a gate ticket of \$25.00, and an operating profit of 20% of ticket sales;
- The Industrial Tours, which are currently co-ordinated by the Chamber of Commerce, would be re-located to the Gold Mine Tour site, with the tour commencing at the Open Pit operation, followed by tours of GoldCorp's Porcupine mine and Rio Tinto operation; and
- A portion of the former Gold Mine Tour museum building could be leased to a local music and/or arts based group potentially as a rental facility, at a nominal rate of \$5,000 per year.

Based on an enhanced operation, we have **projected visitation levels to be in the range of 12,700 per year**, as summarized in Table 7-7. This represents a 33% increase over status quo visitation levels. Visitation projections for the

	2009	2010	2015
Timmins Resident Population	42,200	43,148	45,646
Tourist Markets	300,000	298,790	311,932
TOTAL AVAILABLE MARKETS	342,200	341,938	357,578
STC, GMT & Mtgs Penetration Rates	3.0%	2.7%	3.5%
Total Projected Attendance	10,229	9,151	12,679

Source: PKF Consulting Inc.

Enhanced Scenario call for an estimated 40% increase in local and regional visitors, because of the increased emphasis on educational programming and the outdoor concerts (1,550 visitors above the Status Quo operation).

7.4.2 Enhanced Case Scenario Financial Implications

Table 7-8 provides a comparison of the 2010 actual operating results for both attractions, and a preliminary analysis of the Enhanced Case Scenario financial implications by 2015.

Under the Enhanced Case Scenario, with projected attendance levels of 12,700 visitors, the attractions would be expected to generate approximately \$106,000 in admissions revenues, assuming 2010 admission rates, are increased by inflation. Outdoor concert revenues have been projected at \$27,600, based on 2 concerts per year, and meeting room rental income would remain at an estimated \$10,500 per annum. By applying similar per capita expenditures achieved in 2010 for retail and meeting rentals, the Shania Twain Centre and Gold Mine Tour are projected to generate total revenues in the order of \$268,000 as an Enhanced operation.

Additional operating costs would be incurred by hiring a part-time position to co-ordinate the increased programming at the Centre as well as increased marketing of the attraction, and the production and marketing costs for the outdoor concerts have been estimated at 80% of ticket sales. As such, under the Enhanced

Scenario, total operating expenditures are projected to be in the order of \$584,000, **necessitating the need for approximately \$311,000 in a municipal investment (roughly the same as the Status Quo operation)**. Should there be interest by a local music and/or arts based group in potentially renting a portion of the former Gold Mine Tour building as a rehearsal area, the City's operating investment would only be reduced by approximately \$5,000 to \$306,000, since it is unlikely that these not profit groups could afford to pay market lease rates for the premises.

TABLE 7-8						
5 YEAR PROJECTED STATEMENT OF OPERATIONS - ALTERNATIVE 2						
ENHANCED ATTRACTIONS - ENHANCED GOLD MINE TOUR AND SHANIA TWAIN CENTRE						
	2010 Actual		2010 Re-allocated		2015 F	
Total Attendance	9,151		9,151		12,679	
Per Capita	\$20.03		\$20.03		\$21.14	
	\$	%	\$	%	\$	%
Revenue						
GMT Admission	\$ 50,347	27.5%	\$ 50,347	27.5%	\$ 69,802	26.0%
STC Admission	\$ 19,435	10.6%	\$ 19,435	10.6%	\$ 36,386	13.6%
Shania Fan Convention	\$ 3,875	2.1%	\$ 3,875	2.1%	\$ 4,384	1.6%
Retail	\$ 95,416	52.0%	\$ 95,416	52.0%	\$ 119,393	44.5%
Rentals & Special Events	\$ 14,246	7.8%	\$ 14,246	7.8%	\$ 10,486	3.9%
Outdoor Concerts	\$ -	0.0%	\$ -	0.0%	\$ 27,595	10.3%
TOTAL REVENUES	\$ 183,319	100.0%	\$ 183,319	100.0%	\$ 268,047	100.0%
Direct Expenses						
Gold Mine Tour	\$ 26,170	52.0%	\$ 116,063	230.5%	\$ 130,950	187.6%
Shania Twain Centre	\$ 16,491	70.7%	\$ 44,864	192.5%	\$ 49,650	121.8%
Retail	\$ 42,000	44.0%	\$ 95,179	99.8%	\$ 127,650	106.9%
Rentals & Special Events	\$ 4,229	29.7%	\$ 4,229	29.7%	\$ 4,967	47.4%
Outdoor Concerts	\$ -	0.0%	\$ -	0.0%	\$ 22,076	80.0%
Total Direct Expenses	\$ 88,890	48.5%	\$ 260,335	142.0%	\$ 313,218	116.9%
Gross Profit	\$ 94,429	51.5%	\$ (77,016)	-42.0%	\$ (45,171)	-16.9%
Total Undistributed Expenses	\$ 402,996	219.8%	\$ 231,551	126.3%	\$ 270,455	100.9%
TOTAL EXPENSES	\$ 491,886	268.3%	\$ 491,886	268.3%	\$ 583,672	217.8%
NET OPERATING INCOME	\$ (308,567)	-168.3%	\$ (308,567)	-168.3%	\$ (315,626)	-117.8%
Investments/Grants						
Municipal Investment	\$ 303,600	165.6%	\$ 303,600	165.6%	\$ 310,626	115.9%
NORTOP	\$ 4,967	2.7%	\$ 4,967	2.7%	\$ 5,000	1.9%
Subtotal -- Investments / Grants	\$ 308,567	168.3%	\$ 308,567	168.3%	\$ 315,626	117.8%
Lease Income (GMT Building)	\$ -	0.0%	\$ -	0.0%	\$ 5,000	1.9%
ADJUSTED Municipal Investment	\$ -	0.0%	\$ -	0.0%	\$ 305,626	114.0%

Source: Shania Twain Centre and Gold Mine Tour Operations, City of Timmins, 2010 and PKF Consulting Inc. Forecast, 2015

7.5 Expanded Scenario

7.5.1 Expanded Case Scenario Attendance Projections

There were a number of suggestions regarding expansions to the Shania Twain Centre, ranging from the addition of an aboriginal museum, to an RV Park, a destination restaurant, a Northern Ontario attraction element and a Performing Arts Centre. Based on a review of these options and stakeholder input, for the purposes of this study, we have provided a preliminary analysis of the addition of a Northern Ontario – themed attraction to the existing Shania Twain Centre.

Under this scenario, the Shania Twain Centre would expand from its singular focus as a celebrity attraction to include an additional gallery featuring the biodiversity of Northeastern Ontario. Approximately 2,000 square feet of the attraction would be retrofitted to accommodate an aquarium featuring fish indigenous to Northern Ontario nestled in a boreal forest display, with storyboards. The current music and mining related programming at the attraction would also be expanded to include conservation and eco-system related themes including workshops and videos. At the same time, the Gold Mine Tour enhancements would concentrate on improvements to the underground mine tour and the addition of the open pit mining operation to the surface tour (similar to the Downscaled Enhanced Gold Mine Tour scenario in Section 7.3.2).

Capital costs for the Expanded Scenario have been estimated at \$1.1 Million, including \$1 Million for the new biodiversity gallery (based on \$500 per square foot for the 2,000 sq.ft. gallery) and \$100,000 for enhancements to the Gold Mine Tour.

Under this enhanced scenario, we have made the following assumptions:

- Admission rates for the Shania Twain Centre and Biodiversity Gallery have been increased to an average rate of \$11.80 in Year 1, and increased at inflation thereafter;
- School Group attendance to the Shania Twain Centre music programs have been estimated at 750 students per annum, as compared to the Centre's current school group attendance of approximately 135 students;
- Staffing for the Shania Twain Centre would be increased by one part-time staff to manage the increased programming components, at an estimated cost of \$20,000 per year;
- The Industrial Tours, which are currently co-ordinated by the Chamber of Commerce, would be re-located to the Gold Mine Tour site, with the tour commencing at the Open Pit operation, followed by tours of GoldCorp's Porcupine mine and Rio Tinto operation; and
- A portion of the former Gold Mine Tour museum building would be leased to a local music and/or arts based group potentially as a rental facility, at a nominal rate of \$5,000 per year.

Based on an Expanded operation, we have **projected visitation levels to be in the range of 13,100 per year**, as summarized in Table 7-9. This represents a 37% increase over status quo visitation levels, with the majority of increased visitation stemming from the tourist market (60% increase), as opposed to the local/regional resident market under the Enhanced Scenario.

	2009	2010	2015
Timmins Resident Population	42,200	43,148	45,646
Tourist Markets	300,000	298,790	311,932
TOTAL AVAILABLE MARKETS	342,200	341,938	357,578
STC & GMT Penetration Rates	3.0%	2.7%	3.7%
Total Projected Attendance	10,229	9,151	13,091

Source: PKF Consulting Inc.

7.5.2 Expanded Case Scenario Financial Implications

Table 7-10 provides a comparison of the 2010 actual operating results for both attractions, and a preliminary analysis of the Expanded Case Scenario financial implications by 2015.

Under the Expanded Case Scenario, with projected attendance levels of 13,100 visitors, the attractions would be expected to generate approximately \$177,500 in admissions revenues, which is approximately \$100,000 more than the Status Quo operation. By applying similar per capita expenditures achieved in 2010 for retail expenditures, the Expanded Shania Twain Centre and Gold Mine Tour are projected to generate total revenues in the order of \$323,000.

Additional operating costs would be incurred by hiring a part-time position to co-ordinate the increased programming at the Centre, as well as increased marketing expenses and repairs, maintenance and operating supplies associated with the aquarium exhibit. As such, under the Expanded Scenario, total operating expenditures are projected to be in the order of \$600,000, leaving an operating shortfall of approximately \$278,000, and **requiring a municipal investment of \$273,000** (\$40,000 less than the Status Quo operation). Securing an arts-related tenant for a portion of the former Gold Mine Tour building would only slightly reduce the municipality's investment requirement.

TABLE 7-10						
5 YEAR PROJECTED STATEMENT OF OPERATIONS - ALTERNATIVE 3						
EXPANDED ATTRACTIONS - GOLD MINE TOUR AND SHANIA TWAIN CENTRE						
	2010 Actual		2010 Re-Allocated		2015 F	
Total Attendance	9,151		9,151		13,091	
Per Capita	\$20.03		\$20.03		\$24.69	
	\$	%	\$	%	\$	%
Revenue						
GMT Admission	\$ 50,347	27.5%	\$ 50,347	27.5%	\$ 77,748	24.1%
STC Admission	\$ 19,435	10.6%	\$ 19,435	10.6%	\$ 99,762	30.9%
Shania Fan Convention	\$ 3,875	2.1%	\$ 3,875	2.1%	\$ 4,384	1.4%
Retail	\$ 95,416	52.0%	\$ 95,416	52.0%	\$ 141,339	43.7%
Rentals & Special Events	\$ 14,246	7.8%	\$ 14,246	7.8%	\$ -	0.0%
TOTAL REVENUES	\$ 183,319	100.0%	\$ 183,319	100.0%	\$ 323,233	100.0%
Direct Expenses						
Gold Mine Tour	\$ 26,170	52.0%	\$ 116,063	230.5%	\$ 130,950	168.4%
Shania Twain Centre	\$ 16,491	70.7%	\$ 44,864	192.5%	\$ 55,169	53.0%
Retail	\$ 42,000	44.0%	\$ 95,179	99.8%	\$ 138,623	98.1%
Rentals & Special Events	\$ 4,229	29.7%	\$ 4,229	29.7%	\$ -	0.0%
Outdoor Concerts	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Total Direct Expenses	\$ 88,890	48.5%	\$ 260,335	142.0%	\$ 324,743	100.5%
Gross Profit	\$ 94,429	51.5%	\$ (77,016)	-42.0%	\$ (1,510)	-0.5%
Total Undistributed Expenses	\$ 402,996	219.8%	\$ 231,551	126.3%	\$ 276,526	85.5%
TOTAL EXPENSES	\$ 491,886	268.3%	\$ 491,886	268.3%	\$ 601,268	186.0%
NET OPERATING INCOME	\$ (308,567)	-168.3%	\$ (308,567)	-168.3%	\$ (278,035)	-86.0%
Investments/Grants						
Municipal Investment	\$ 303,600	165.6%	\$ 303,600	165.6%	\$ 273,035	84.5%
NORTOP	\$ 4,967	2.7%	\$ 4,967	2.7%	\$ 5,000	1.5%
Subtotal -- Investments / Grants	\$ 308,567	168.3%	\$ 308,567	168.3%	\$ 278,035	86.0%
Lease Income (GMT Building)	\$ -	0.0%	\$ -	0.0%	\$ 5,000	1.5%
ADJUSTED Municipal Investment	\$ -	0.0%	\$ -	0.0%	\$ 268,035	82.9%

Source: Shania Twain Centre and Gold Mine Tour Operations, City of Timmins, 2010 and PKF Consulting Inc. Forecast, 2015

7.6 Notional Breakeven Operation

In order for Shania Twain Centre and Gold Mine Tour to achieve a Breakeven Operation, it would need to attract approximately 33,500 visitors per year (Refer to Table 7-11). This represents a market penetration rate of approximately 10%, which is not realistic given the size of its available resident and tourist markets (342,000). As a point of comparison, Science North in Sudbury, with attendance levels of 136,300 achieves a market penetration rate of 13%, while Dynamic Earth with attendance levels of 45,600 achieves a market penetration rate of 4.5%. Science North and Dynamic Earth's available markets are 3 times larger at over 1 million residents and tourists, and the attractions are supported by an operating budget of \$13 Million, of which \$3.4 to \$5.3 Million is provided through provincial and federal grants and fundraising efforts. Furthermore, in order for Science North to maintain and improve its market penetration rates, the attraction has just invested a further \$7 Million in capital improvements in a new gallery and exhibits

**TABLE 7-11
5 YEAR PROJECTED STATEMENT OF OPERATIONS - BREAKEVEN OPERATION
EXPANDED ATTRACTIONS - GOLD MINE TOUR AND SHANIA TWAIN CENTRE**

	2010 Actual		2010 Re-Allocated		2015 F	
Total Attendance	9,151		9,151		33,500	
Per Capita	\$20.03		\$20.03		\$23.71	
	\$	%	\$	%	\$	%
Revenue						
GMT Admission	\$ 50,347	27.5%	\$ 50,347	27.5%	\$ 228,250	28.7%
STC Admission	\$ 19,435	10.6%	\$ 19,435	10.6%	\$ 183,992	23.2%
Shania Fan Convention	\$ 3,875	2.1%	\$ 3,875	2.1%	\$ 9,964	1.3%
Retail	\$ 95,416	52.0%	\$ 95,416	52.0%	\$ 361,673	45.5%
Rentals & Special Events	\$ 14,246	7.8%	\$ 14,246	7.8%	\$ 10,486	1.3%
TOTAL REVENUES	\$ 183,319	100.0%	\$ 183,319	100.0%	\$ 794,365	100.0%
Direct Expenses						
Gold Mine Tour	\$ 26,170	52.0%	\$ 116,063	230.5%	\$ 157,311	68.9%
Shania Twain Centre	\$ 16,491	70.7%	\$ 44,864	192.5%	\$ 81,219	41.9%
Retail	\$ 42,000	44.0%	\$ 95,179	99.8%	\$ 248,790	68.8%
Rentals & Special Events	\$ 4,229	29.7%	\$ 4,229	29.7%	\$ 4,967	47.4%
Outdoor Concerts	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Total Direct Expenses	\$ 88,890	48.5%	\$ 260,335	142.0%	\$ 492,288	62.0%
Gross Profit	\$ 94,429	51.5%	\$ (77,016)	-42.0%	\$ 302,077	38.0%
Total Undistributed Expenses	\$ 402,996	219.8%	\$ 231,551	126.3%	\$ 276,526	34.8%
TOTAL EXPENSES	\$ 491,886	268.3%	\$ 491,886	268.3%	\$ 768,813	96.8%
NET OPERATING INCOME	\$ (308,567)	-168.3%	\$ (308,567)	-168.3%	\$ 25,551	3.2%
Less Capital Reserve					\$ 20,000	
NOI					\$ 5,551	
Investments/Grants						
Municipal Investment	\$ 303,600	165.6%	\$ 303,600	165.6%		0.0%
NORTOP	\$ 4,967	2.7%	\$ 4,967	2.7%	\$ 5,000	0.6%
Subtotal -- Investments / Grants	\$ 308,567	168.3%	\$ 308,567	168.3%	\$ 5,000	0.6%

Source: Shania Twain Centre and Gold Mine Tour Operations, City of Timmins, 2010 and PKF Consulting Inc. Forecast, 2015

7.7 Alternative Scenario Summary

Over the past 5 years, operating investments for the Shania Twain Centre and Gold Mine Tour have ranged from approximately \$280,000 to \$320,000 (2005 to 2010). Based on a preliminary analysis of alternative development strategies for the attractions, it is expected that municipal operating investments will continue to range from \$273,000 to \$333,000 over the next 5 years, as summarized in Table 7-12. There is no long-term development program and capital reserve fund in order to ensure capacity is in place to add a major new feature/activity/program every 3 to 5 years, in order to keep the venues fresh, to support re-visitation and to be able to effectively compete. For the purposes of this analysis, we have assumed a modest capital reserve of \$20,000 per year for the subject attractions.

Table 7-12 ALTERNATIVE SCENARIO SUMMARY SHANIA TWAIN CENTRE AND GOLD MINE TOUR OPERATION					
ALTERNATIVE SCENARIOS	STATUS QUO	ALTERNATIVE 1A DOWNSCALED	ALTERNATIVE 1B DOWNSCALED	ALTERNATIVE 2 ENHANCED	ALTERNATIVE 3 EXPANDED
		Seasonal Operation	Enhanced GMT Only	Music & Mining Themes	Music, Mining & Biodiversity Themes
Capital Investment Required	\$0	\$0	\$100,000	\$200,000	\$1,100,000
Attendance Projection (2015)	9,540	7,745	4,890	12,680	13,090
Market Segmentation (2015)					
	<i>Local/Regional</i>	39%	33%	24%	28%
	<i>Tourists</i>	61%	67%	76%	72%
Market Penetration Rate (2015)	2.7%	2.2%	1.4%	3.5%	3.7%
Total Revenue Projection (2015)	\$198,000	\$169,000	\$86,000	\$268,000	\$323,000
Total Direct Expenses	\$251,000	\$232,000	\$170,000	\$313,000	\$325,000
Total Undistributed Expenses	\$265,000	\$265,000	\$254,000	\$271,000	\$277,000
Total Expense Projection (2015)	\$516,000	\$497,000	\$424,000	\$584,000	\$602,000
Estimated Municipal Investment Required	\$313,000	\$323,000	\$333,000	\$311,000	\$273,000
Potential Lease Income	\$0	\$0	\$120,000	\$5,000	\$5,000
Capital Reserve	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Adjusted Municipal Capital and Operating Investment Required	\$333,000	\$343,000	\$233,000	\$326,000	\$288,000

Source: PKF Consulting Inc.

Based on our Phase 1 findings, we can offer the following conclusions and implications:

- Regardless of which scenario is pursued, safety procedures and precautions will need to be taken to ensure that the blasting vibrations of the adjacent open pit mining operation do not affect any of the buildings or underground structures at both attractions. For the purposes of this analysis, we have assumed that GoldCorp will put the necessary safety measures in place and undertake daily site inspections, and any scaling that may be required. Steps will also need to be taken to clarify whether or not the Gold Mine Tour will be insurable, once the open pit mining operation has begun;
- On a **Status Quo basis**, the attractions are expected to continue to incur annual operating deficits, requiring **\$333,000 in municipal support** after a \$20,000 capital reserve allowance;
- **Closing the attractions during the November to April period**, would marginally increase the operating deficit, because there would still be a requirement to carry the building operating costs and the annual salary for the Supervisor position. This scenario would result in the need for an estimated **\$343,000 in municipal subsidies** after a \$20,000 capital reserve allowance;

- **Operating only the Gold Mine Tour during the May to October** period would reduce revenues to approximately \$86,000, while the operating costs would still be in the range of \$425,000. If the municipality was successful in **securing a 3rd party tenant for the Shania Twain Centre**, the **municipal investment would be reduced to an estimated \$233,000**, including a capital reserve. However, the 3rd party tenant would need to co-exist adjacent to a functioning open pit mining operation. This scenario also calls for a capital investment of \$100,000 in enhancements to the Gold Mine Tour, which could be addressed through corporate sponsorship;
- **Enhancing both of the attractions** would require a capital investment of approximately \$200,000 which could be addressed through corporate and fundraising efforts. Increased attendance would largely be derived by local and regional residents through increased educational programming and outdoor concerts, rather than by same-day and overnight tourists. This scenario would result in the need for an estimated **\$326,000 in municipal subsidies** after a \$20,000 capital reserve allowance;
- **Expanding the attraction** to appeal to a wider audience would be expected to draw an estimated 13,100 visitors, of which the majority would be tourists. This scenario calls for a much higher capital contribution of \$1.1 Million, which could potentially be secured by both corporate sponsorships, fundraising and government grants. However, because of the absence of meeting room rental income and increased operating costs associated with the attraction, there would still be a requirement for an **estimated \$288,000 in municipal contributions** after a \$20,000 capital reserve allowance;

Other opportunities to reduce the operating investment requirements for the attractions and address the capital requirements which could be further explored include:

- Seeking support from the local mining companies to contribute to capital and operating enhancements for the Gold Mine Tour and operating costs (ie, people mover vehicles, funding summer staff positions, Careers in Mining exhibit, etc.);
- Exploring the potential opportunity to joint-venture with Science North to extent its presence in Northeastern Ontario through a biodiversity exhibit, similar to the initiative recently undertaken in Thunder Bay through the Boys and Girls Club; and
- Exploring interest by Shania Twain to increase her contribution to the attraction from providing the collection to include fundraising efforts to address capital and operating requirements.

7.8 Visitor Spending Impacts of Alternative Scenarios

Table 7-13 provides a preliminary estimate of the visitor spending impacts associated with each of the alternative operating scenarios.

Table 7-13 ALTERNATIVE SCENARIO SUMMARY - VISITOR SPENDING IMPACTS SHANIA TWAIN CENTRE AND GOLD MINE TOUR OPERATION					
ALTERNATIVE SCENARIOS	STATUS QUO	ALTERNATIVE 1A DOWNSCALED	ALTERNATIVE 1B DOWNSCALED	ALTERNATIVE 2 ENHANCED	ALTERNATIVE 3 EXPANDED
		Seasonal Operation	Enhanced GMT Only	Music & Mining Themes	Music, Mining & Biodiversity Themes
VISITATION (2015)	9,540	7,745	4,890	12,680	13,090
CAPITAL INVESTMENT & 5 YEAR ANNUAL RESERVE	\$100,000	\$100,000	\$200,000	\$300,000	\$1,200,000
5 YEAR OPERATING INVESTMENT	\$1,665,000	\$1,715,000	\$1,165,000	\$1,630,000	\$1,440,000
5 YEAR VISITOR SPENDING IMPACT	\$5,983,000	\$5,353,000	\$3,454,000	\$7,393,000	\$9,365,000
Avg Visitor Spend	\$125	\$138	\$141	\$117	\$143
Incremental VISITOR SPENDING c/f STATUS QUO		-\$630,000	-\$2,529,000	\$1,410,000	\$3,382,000
For every \$1 in operating investment = in Visitor Spending	\$3.59	\$3.12	\$2.96	\$4.54	\$6.50
For every \$1 in capital expenditures = in Visitor Spending		-\$6.30	-\$12.65	\$4.70	\$2.82

Source: PKF Consulting Inc.

Based on the most recent profile of visitors to the region⁴, out of town visitors to the Shania Twain Centre and Gold Mine Tour spend approximately \$125 in visitor expenditures while on their trip for transportation, accommodation, food and beverage, recreation and entertainment and retail items, equating to an estimated \$1.2 Million in annual visitor spending impacts to the area. Looking forward to 2015, the municipality is projected to invest approximately \$1.7 Million in maintaining the attractions on a status quo basis, which in turn will generate close to \$6 Million in visitor spending – or \$3.60 in visitor expenditures for every dollar in municipal investment to the attractions.

Should the attractions be downscaled, there will be an associated loss in visitor spending ranging from \$630,000 to \$2.5 Million over the next 5 years.

⁴ Regional Tourism Organization 13 A Visitor Profile, Statistics Canada TSRC and ITS, 2009

Enhancing the attractions will result in an incremental \$1.4 Million in visitor spending over the next 5 years due to increased visitation levels, or \$4.54 in visitor expenditures for every \$1 in municipal investment. This alternative also requires an estimated \$200,000 in capital investment plus an annual capital reserve of \$20,000. Therefore for every \$1 in capital expenditures, the Enhanced Attractions are expected to generate a return of \$4.70 in visitor expenditures.

Expanding the attractions is projected to generate higher visitor expenditures (\$6.50 in visitor expenditures for every \$1 in municipal operating investment), however the significant capital investment required expanding the attractions will produce a lower return (\$2.82 in visitor expenditures for every \$1 in capital costs) than the Enhanced Scenario.

In conclusion, while the Shania Twain Centre and Gold Mine Tour are assets to the community and generate economic benefits, the Municipality needs to be committed to providing from \$250,000 to \$350,000 in annual operating subsidies in order to continue their operation. On a go forward basis, we recommend modest enhancements to the attraction, rather than a major injection of capital at this time. The Enhancement of both attractions will serve to:

- create a number of new value-added partnership opportunities;
- engage community stakeholders;
- provide an opportunity to consolidate all industrial-related tours from one location;
- introduce the community to new, fresh displays and ongoing programming; and
- maintain a tourism focus for the community, thereby complimenting and supporting the tourism component of the City's Strategic Planning process.

Based on the Phase 1 recommended option (Alternative 2 Enhancement of both Attractions), endorsed by the Advisory Committee, Working Steering Committee and pending endorsement from City Council, Phase 2 of the study process will provide a 5-Year Business Plan for the recommended direction of the Shania Twain Centre and Gold Mine Tour.

APPENDIX A – KEY STAKEHOLDER LIST

Meeting with STC/GMT Business Plan Steering Committee

Tracy Hautanen
Guy LaMarche
Kim Lefebvre, FedNor
Graham Campbell, MNDMF
Louise Straatman, MNDMF (Graham's replacement on the Committee)
John Curley, Councillor
Keitha Robson, Chamber of Commerce
Anne McDonald, Board Member

Meeting with STC/GMT Board of Directors

Tracy Hautanen
Guy LaMarche
John Curley, Councillor
Anne McDonald, Board Member
Wendy Adams
Ivor Jones
Syl Belisle
Lloyd Richards
Rene Gaudreau
Steve Black

Orientation Meeting with New Councillors for City of Timmins

Tracy Hautanen
Guy LaMarche
John Curley, Councillor
Andrew Marks
Todd Lever
Noella Rinaldo
Steve Black
Mike Doody (absent)
Gary Scripnik (absent)
Pat Bamford
Tom Laughren, Mayor (absent)
Joe Torlone, CAO
Anita Komesarovic
Andrea Gaudreau

Meeting with Goldcorp

David Bucar, Sr. Project Mgr
Peter Andrew, Sr. Project Mgr
Darren Fasciano, Projects General Foreman
Tracy Hautanen
Guy LaMarche
John Curley, Councillor
Joe Torlone, CAO

Meeting with Stakeholders

Keitha Robson, Chamber of Commerce
Noella Rinaldo, Downtown BIA
Local Hotel Operators
School Board Members