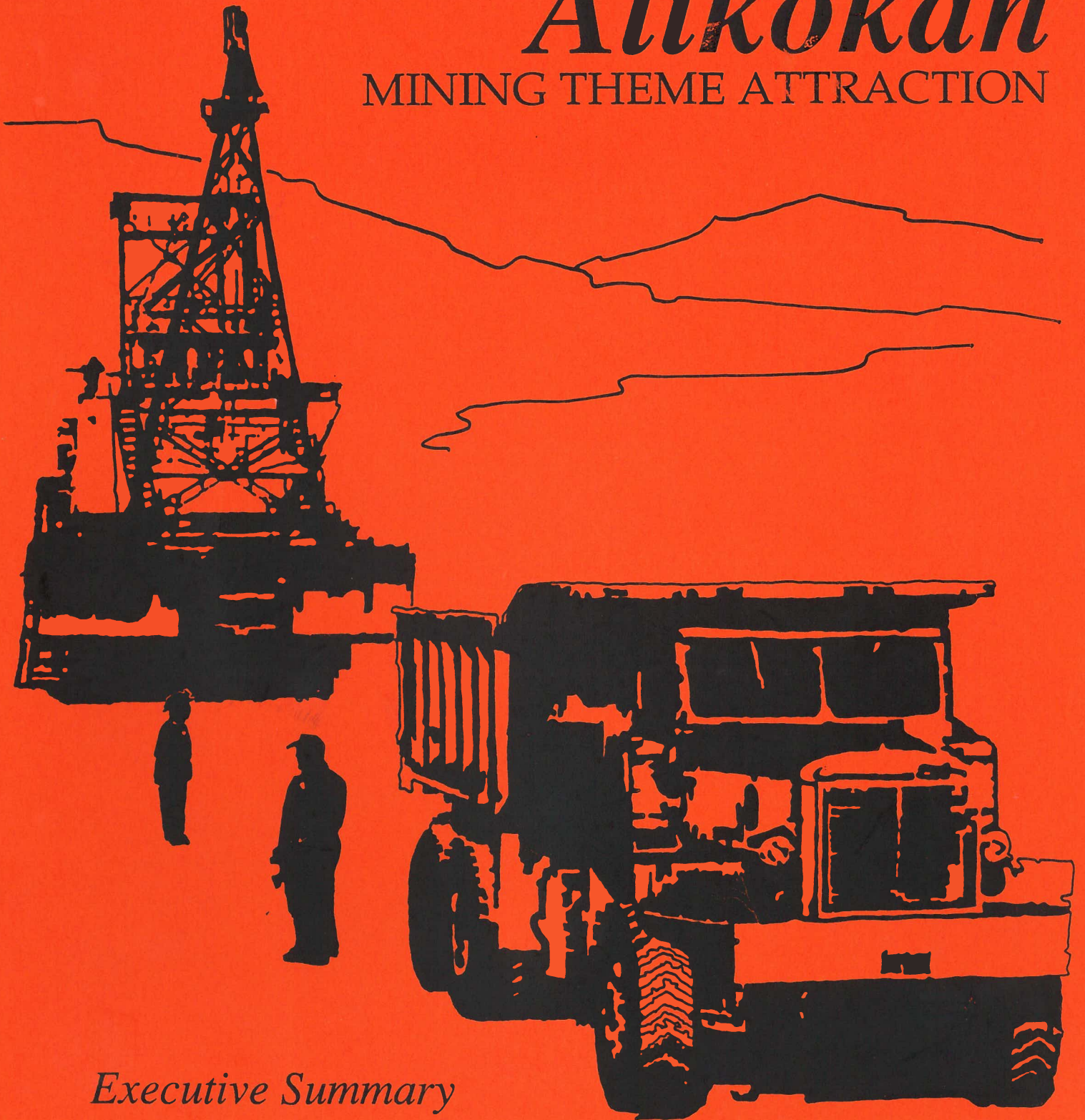


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Atikokan

MINING THEME ATTRACTION



Executive Summary

MINING THEME PARK STUDY

Prepared by:

Hilderman Witty Crosby Hanna and Associates
500-115 Bannatyne Avenue East
Winnipeg, Manitoba
R3B 0R3

In Association with:

Ian MacPherson, Management Consultant
2nd Floor, 157 Provencher Boulevard
Winnipeg, Manitoba
R2H 0G2

Crocus: Heritage Resource Planning
493 Dominion Street
Winnipeg, Manitoba
R3G 2N1

Keewatin Aski Limited
Consulting Engineers
Box 510
Sioux Lookout, Ontario
POV 2T0

No.10 Architectural Group
300 - 115 Bannatyne Avenue, East
Winnipeg, Manitoba
R3B 0R3

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Often the true catalyst for ideas and perserverence by local groups goes unnoticed. Not so here. The residents of Atikokan have continued to pursue their belief that the Atikokan mining story should not be left to die with the closure of the mines. Therefore, over the years many people have pushed, prodded and discussed the concept of "telling the story". The latest most active group was a special Steering Committee who directed this study and provided long hours of advice and excellent comment. We thank them all!

These members are:

Healthier Schmutzer, Chair
Ray Bernatchez
Owen Boland
Dennis Brown
Ruby Chumway
Ted Couch
Garry Girard
Mary Makarenko
John McInnis
Adrian VanRooyen

Lynn Arnold, Ministry Tourism & Recreation
David Feldbruegge, Ministry Northern Development & Mines

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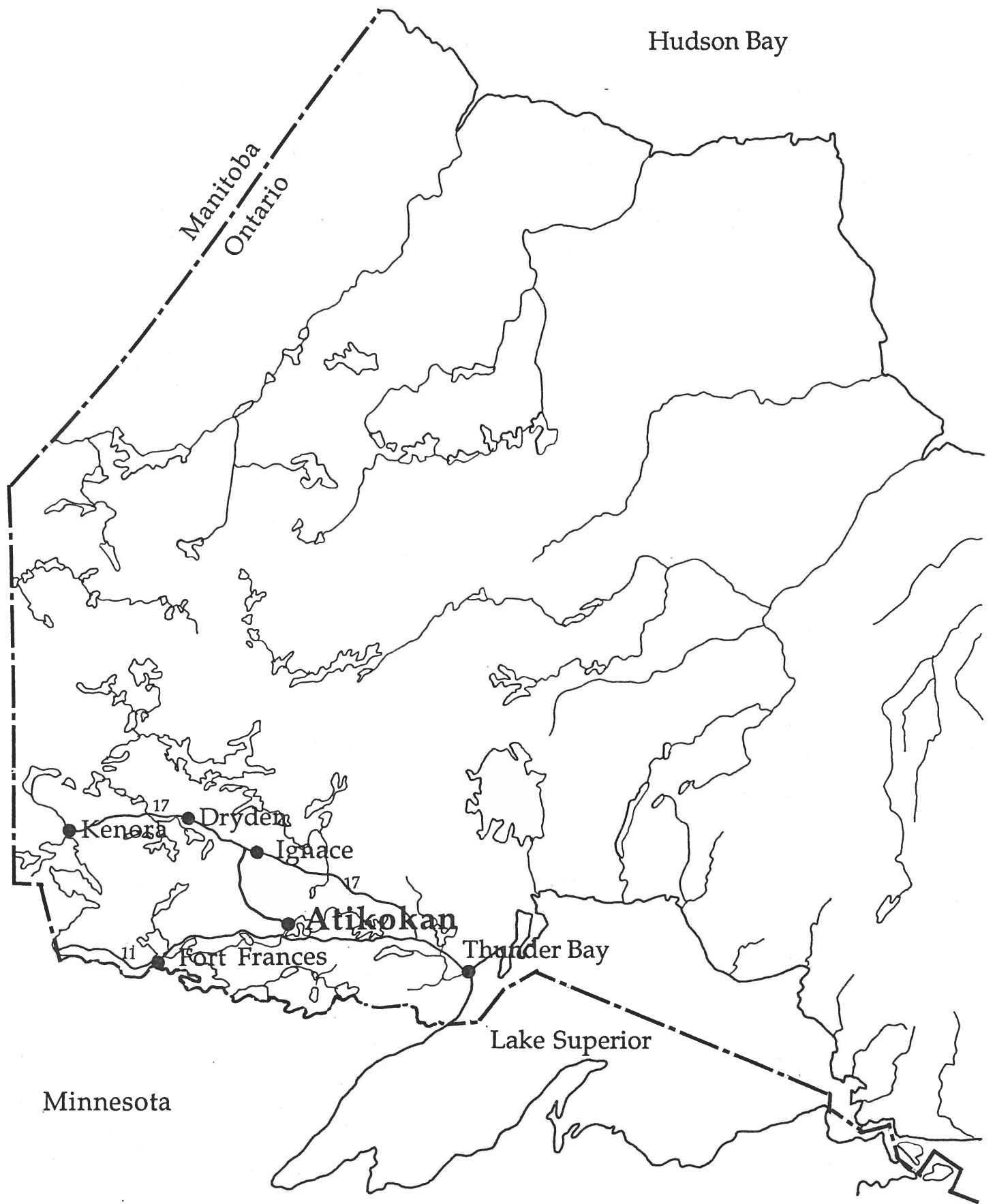
EXECUTIVE SUMMARY

The Township of Atikokan has continued to examine the opportunities surrounding its exciting and dramatic history as a major international iron mining community. Since the late 1970's when the final ore production was terminated because of changes to market and economic conditions, the township has needed to diversify into other service and business activities. In recognition of this need to continue that diversification, the Atikokan Community Futures Committee appointed a Steering Committee, made up of a cross-section of residents of the community and representation from the Ministry of Tourism and Recreation and Ministry of Northern Development and Mines. This committee undertook two studies of the potential for a mining theme park. This executive summary examines briefly the second of these studies, Atikokan Mining Theme Park Feasibility Study.

1. BACKGROUND CONSIDERATIONS

The abandoned open mine pits at both the Steep Rock Iron Mines Ltd. and Caland Ore Company Ltd. sites are dramatic remnants of a well documented story that involves massive engineering feats, personal commitment to excellence and conviction of purpose, international flavour and resourcefulness and significant regional impact.

Historic evidence of these combined storylines suggests that Atikokan is well positioned to convey an interesting and worthy interpretation of open pit mining technology as well as the unique aspects of those storylines. Much of the emphasis of this interpretation can be related to personalities and the town. As a result, the

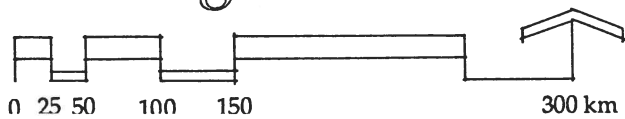


Atikokan

Mining Theme Park Study

Map 1

Regional Context



material available for "the telling of this story" is of excellent quality and is well documented.

While a previous study demonstrated clearly the opportunity to develop a mining theme for tourism generation, this study has examined that concept in more detail and has identified that the abandoned mine site is not well suited as the focal point for all of the mining theme development effort. For instance, the open pits are rapidly filling with water, many slopes along the pit faces are unstable and few artifacts remain on-site. The costs to stabilize water levels and slopes are prohibitive.

Mining theme parks have been developed in a number of communities following mine closure. Several exist in Canada, with a few in northeastern Ontario. Across the border in Minnesota, several mining theme parks with a focus upon the Mesabi Iron Range have also been developed. In Canada, interpretation of iron ore mining has not been well developed and within the region of northwestern Ontario no other mining theme park has been developed, although Red Lake may be proposing a gold theme concept. In Minnesota, the iron ore theme parks have either expanded into multi-use parks or are physically well-removed from Atikokan. Visitation to most mining theme parks ranges between 10,000 to 60,000 visitors per year.

The review of other mining theme parks, twenty-two in all, provided guidance for marketing and staffing requirements, as well.

Atikokan is situated within a landscape of unparalleled attractiveness and outdoor recreation capability. It is dominated by high quality sport fishing lodges and the famous Quetico Provincial Park. This additional diversity offers excellent potential to strengthen existing and future visitor markets.

2. MARKET ASSESSMENT

The analysis of other mining theme attractions indicates that most depend strongly on visitor/tourist markets which originate in the province/state and immediate (250 km radius) region in which they are located. A total population of 400,000 is within 250 km and 950,000 is within 400 km of Atikokan.

In 1985, northwestern Ontario experienced 3,814,000 nights spent in the region or 9 percent of the Ontario total. Sunset Country Tourist Region accounted for 620,000 of those overnight visitors. Of that total 48 percent were from Manitoba and 14 percent from Minnesota. Limited visitation records at the Atikokan tourist information booth suggest a greater diversity of visitors from Ontario, Minnesota, Manitoba and Wisconsin.

A total of 805,000 travellers visited Sunset Country during 1985, or about three percent of the total number of travellers to Ontario. The vast majority of travellers (76 percent) visited the region for recreation or pleasure purposes. Forty-one percent of visitors identified sightseeing and touring as the most popular activities for visitors. The average expenditure per person trip for same-day visitors was \$15.13 and for overnight visitors was \$112.20 (1985).

The region experiences a strong seasonality of tourism visitation with July to September dominating overnight travellers (47 percent) and same-day travellers (31 percent). For both the Fort Frances and Rainy River border crossing entry points, 70 percent of annual entries take place in the period May 1 through September. During the past four years, total vehicle and total passenger entry at Fort Frances has fallen by approximately 15 percent. At Rainy River passenger entries have increased by 22 percent. Combined, this represents a drop of 11 percent in total passenger entries to 440,000.

Nearby Atikokan, Quetico Provincial Park receives annual visitation of 120,000 visits. Of that total, at least 30,000 park visitors use the main Canadian access point 15 km east of Atikokan.

Highway 11 which runs east/west had a 1987 summer daily average volume of 940 vehicles of which 13 percent was commercial. Highway 622 which connects Highway 11 and 17 is projected to receive 400 vehicles average daily summer volume. As the Trans Canada Highway continues to experience greater volumes of commercial truck traffic, Highway 11 may very likely become an important corridor for the recreating public.

In addition, given the large number of lodge beds in the region, Atikokan will continue to play an important service roll to that + 7000 population over the entire summer.

A review of activity patterns to Sunset Country and Ontario as a whole clearly reveals that a significant void exists in Sunset Country for historical site and museum/gallery visitation. This significant latent demand suggests an opportunity to cater to such a market.

A market projection was developed based upon the existing use patterns of the region and the experiences of other mining theme attractions. As a result preliminary total attendance was projected to be:

Year 1	20,400 persons
Year 2	28,700 persons
Year 3	33,000 persons

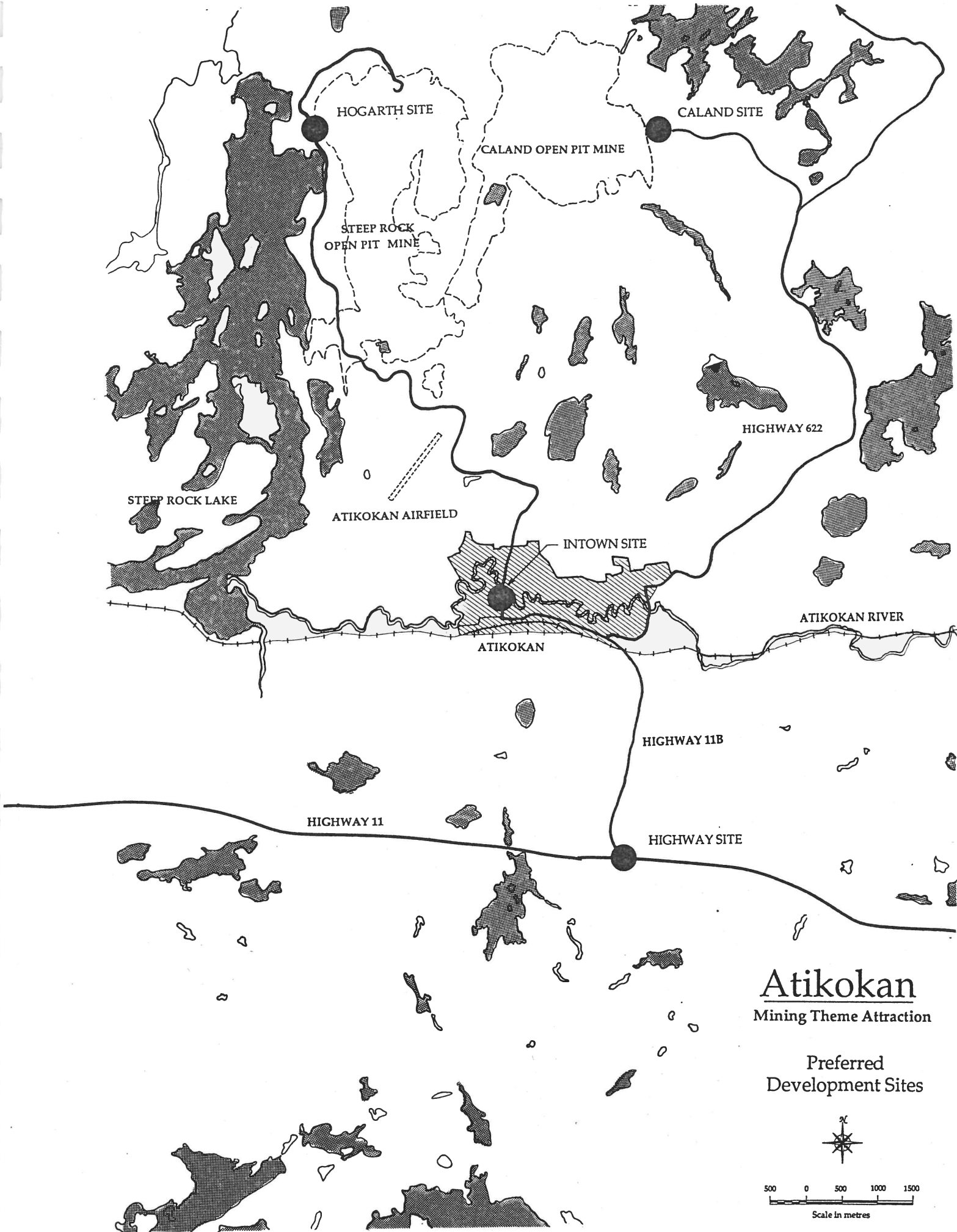
It is estimated that 77 percent of visitors will attend during the peak summer period.

3. CONCEPT ALTERNATIVES

The richness of the iron ore mining history sprinkled with a host of interesting personalities, crises and international events, calls for a medium which will convey the sense of history and intrigue that predominated the mining years at Atikokan. Two alternative concepts were examined. One reviewed a previous proposal to focus a major capital development programme at the mine site. That concept envisioned capital costs of up to \$8.8 million and annual operating losses of \$300,000. The alternative concept examined a multi-nodal development initiative. Following a preliminary evaluation, the multi-nodal concept was adopted as the most desirable. Three nodes were identified as being suitable. These were: a Highway Site; an In-Town Site and the Mine Site.

4. PROPOSED DEVELOPMENT FOCUS

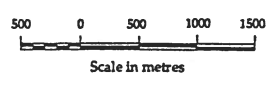
The proposed theme will promote the commemoration and presentation of Steep Rock Iron Ore Mine and Caland Iron Ore Mine in an exciting, interesting and captivating manner so that visitors to the area will stop in Atikokan to seek an enjoyable attraction which is market-driven and linked to other mining theme parks. The proposed focus of that theme will be upon the personalities, events, methods and impacts of Steep Rock and Caland and the relationship of those sites to mining in Canada and the region.



Atikokan

Mining Theme Attraction

Preferred
Development Sites



5. PROPOSED DEVELOPMENT

Following an evaluation of each of the three nodes and their potential alternative sites and their associated alternative development programmes, three specific development concepts were identified. These were:

(a) Highway Orientation Centre (Moderate Development)

- direct highway access
- use and refurbishment of existing tourist information centre
- large parking lot
- site displays including an attraction that will stimulate visitor interest
- indoor interpretive displays
- picnic area, children's play ground

(b) In-Town Site (Major Development)

- new building on the site of the former municipal office adjacent to Main Street
- multi-use function for year round use
- major research centre and archives
- variety of displays and indoor/outdoor interpretive features
- significant investment in multi-media and theatre

(c) Mine Site (Minor Development)

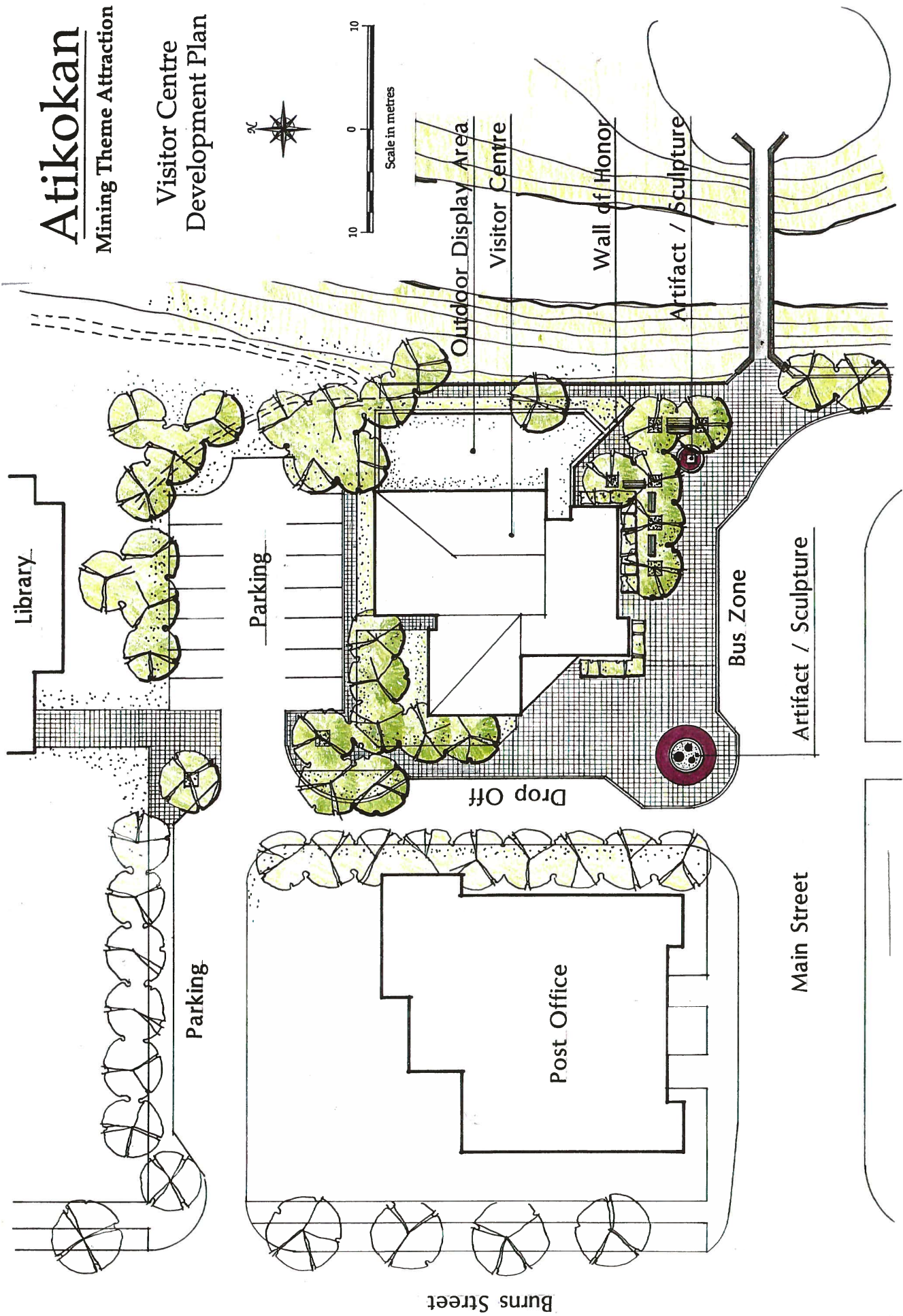
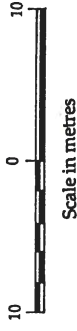
- limited non-resident vehicle access
- limited on-site interpretive displays with focus on Hogarth and Caland operations

In addition, several other development considerations are proposed. These include the use of signage, landscaping, banners, logo and artifacts for linkage between the three sites; promotion of thematic streetscaping on Main Street to the 1950's time period; Mining Wall of Honour commemorating all of the workers at the mines; provision of special topics such as the role of women; promotion of business opportunities such as guided tours; presentation of a live play or high quality film of "the story"; and nomination of candidates for the Canadian Mining Hall of Fame.

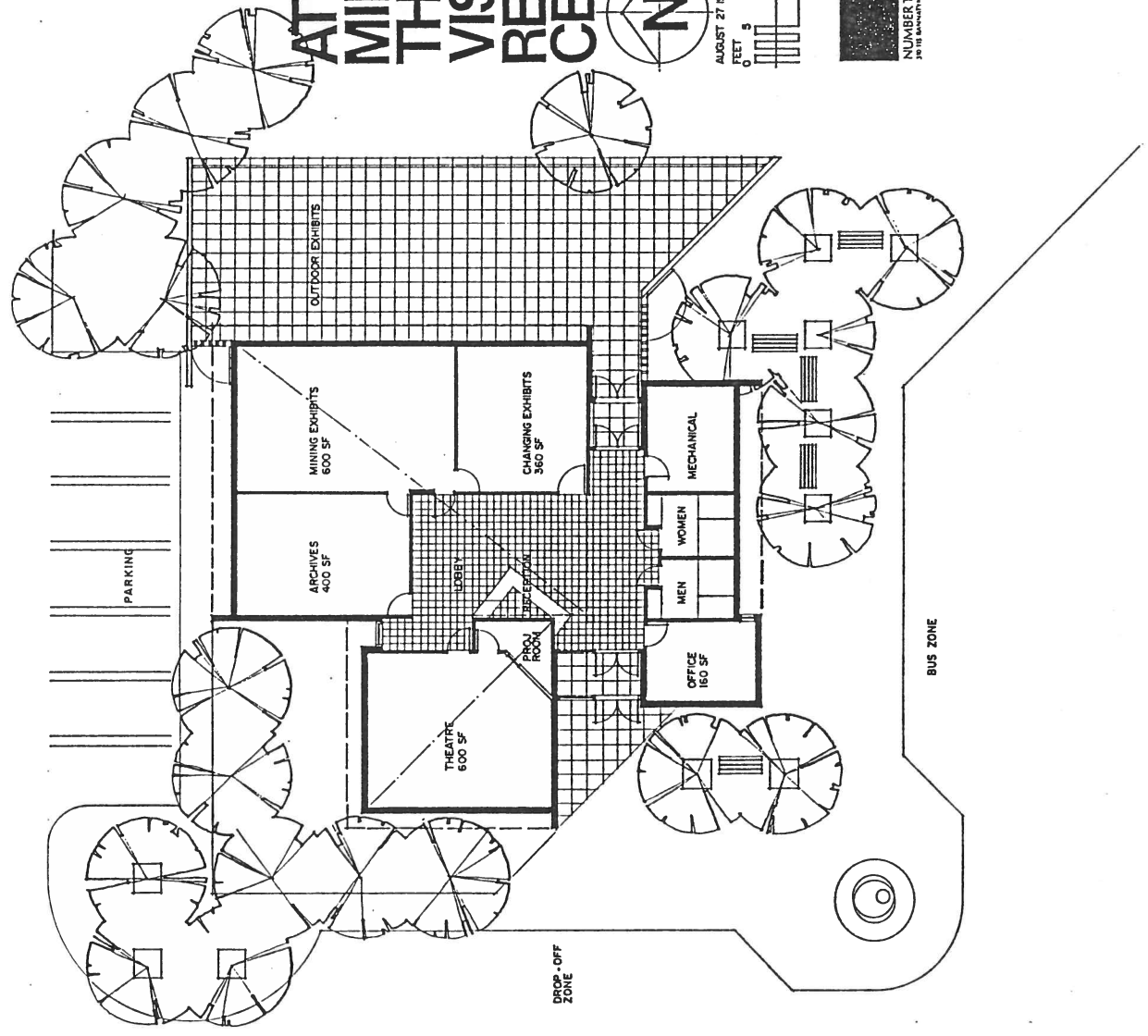
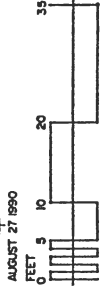
Atikokan

Mining Theme Attraction

Visitor Centre Development Plan



ATIKOKAN MINING THEME VISITOR RECEPTION CENTRE



DROP-OFF
ZONE

BUS ZONE

PARKING

OUTDOOR EXHIBITS

MINING EXHIBITS
600 SF

ARCHIVES
400 SF

LOBBY

RECEPTION

THEATRE
600 SF

PROJ.
ROOM

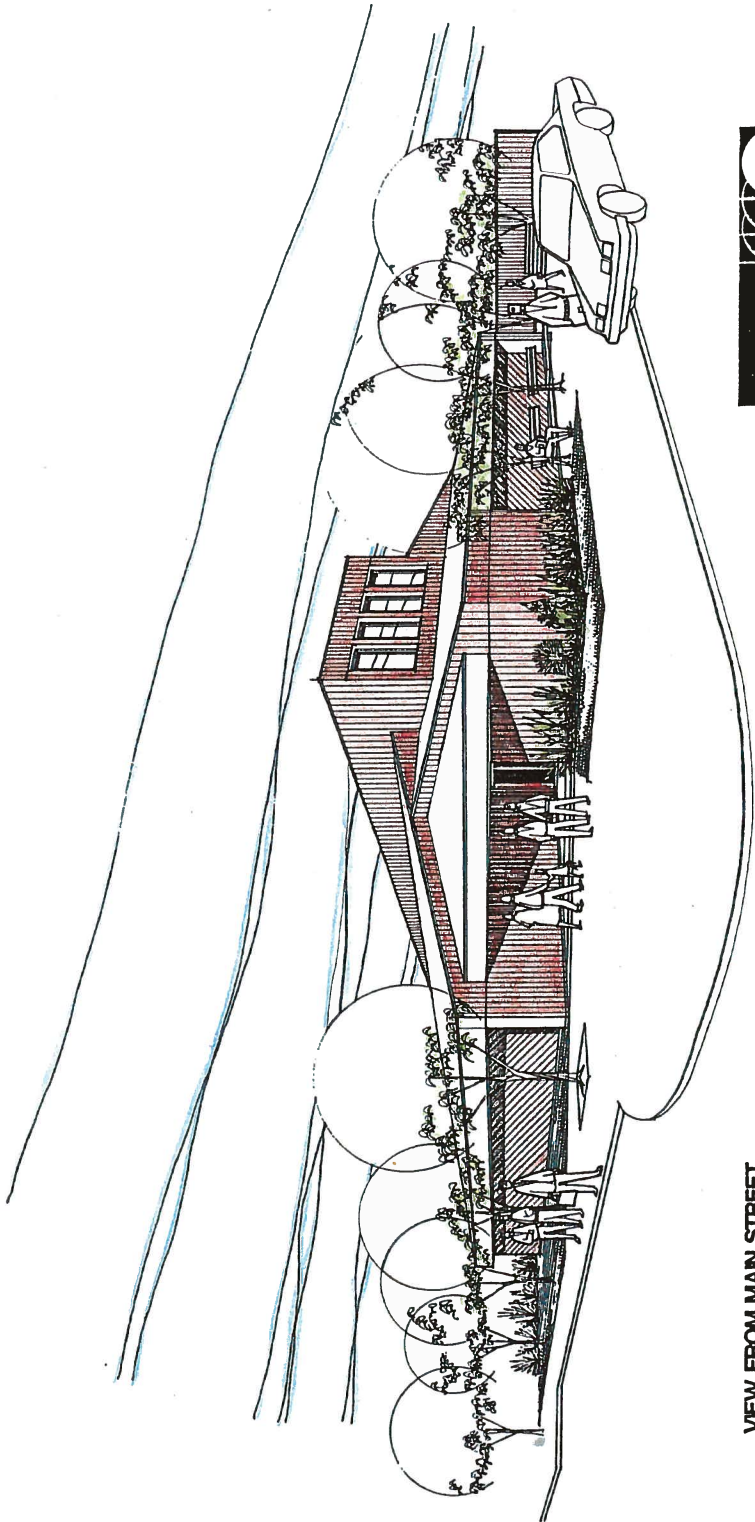
CHANGING EXHIBITS
360 SF

WOMEN

MEN

MECHANICAL

OFFICE
160 SF



VIEW FROM MAIN STREET

ATIKOKAN MININI. THEME VISITOR RECEPTION CENTRE



Atikokan

Mining Theme Attraction

HIGHWAY 11

Highway Site Development Plan



In addition, the mine site offers excellent opportunity for environmental research of post-abandonment impacts. Promotion of the interpretive aspects of the story is at much of the centre of the development. Eight themes are proposed:

1. Early native use of metals and artistic expression in the Shield Country west of Lake Superior.
2. Early exploration and geological surveys of the country along the Dawson Route.
3. Early history of iron prospecting and utilization in the Atikokan area and the Lake Superior Basin; 1880-1914.
4. Discovery of the Steep Rock Ore Body and the birth of Steep Rock Iron Mines Ltd.: 1925-1939
5. World War II and the capturing of the ore.
6. The Post-War development of Steep Rock Iron Mines Ltd. and the Caland Ore Company.
7. The Steep Rock Lake as a chapter in Modern Environmental History and Management.
8. Candidates for the Canadian Mining Hall of Fame and Atikokan Wall of Honour.

These themes will be conveyed using twenty-two storylines, each storyline identified by location and method of presentation. Proposed media types include:

- pure visualizations with or without textural copy.
- three dimensional displays, including dioramas and artifacts.
- self-activated audio-visual units or interactive units.
- publications and other print materials.
- formal audio-visual productions.

Class "C" costs have been prepared for each of the sites and development concepts. Their costs are summarized below:

(a) Highway Orientation Centre

- to attract passing tourists by creating an exciting and interesting thematic development which provides linkage to Atikokan, the Mining Theme Visitor Reception Centre and tourism opportunities in the region.
- Total Construction/Renovation \$148,500
- Total Fees 16,500
- Total All Costs \$164,500

(b) Visitation Reception Centre (3100 sq. ft.)

- to provide a central, accessible high quality attraction and interpretive facility which tells the vast and interesting story of mining in Atikokan in particular and the region in general.
- Total Building/Service/Interpretation \$ 954,500
- Total Fees 86,850
- Total All Costs \$1,041,350

(c) Mine Site (2 sites)

- to provide an opportunity to introduce visitors to the actual drama and impact of the mine operation.
- Total Development \$167,500
- Total Fees 18,450
- Total All Costs \$185,950

(d) Other Development

- to enhance the attractions and the role of Atikokan in their presentation

- Total Costs	
- brochures	\$ 50,000
- signage/displays	20,000
- main street enhancement	200,000
- visual record of mine site	20,000

	\$ 290,000
- Total fees	25,000

Total All Costs	\$ 315,000

GRAND TOTAL ALL DEVELOPMENT COSTS	\$1,706,800

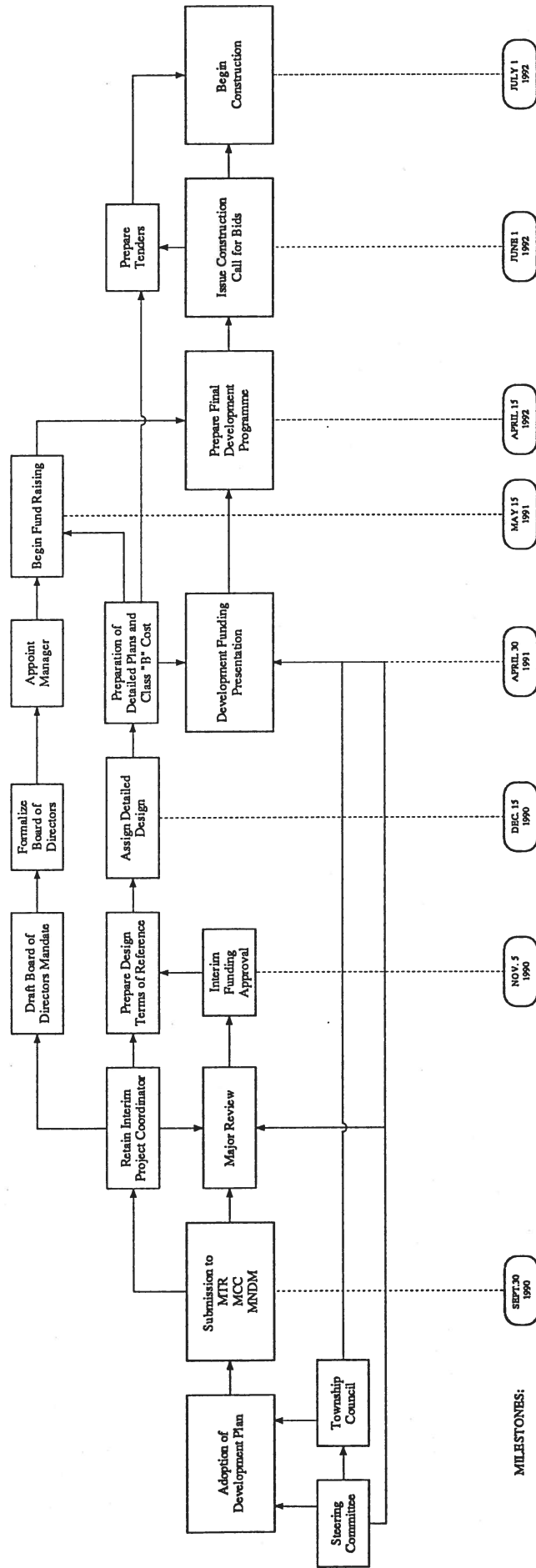
6. PRELIMINARY FINANCIAL ASSESSMENT

A preliminary financial assessment for the entire development and associated operation and maintenance requirement is based upon:

- seasonal use of the highway orientation centre
- non-staffed (private operators) mine site seasonal activity
- year round visitor reception centre with a manager, curator and half-time secretary, volunteer guides
- admission fees of: adults \$4.00, children \$2.00 and seniors \$3.00

The project would generate 30 person-years of employment during construction and 3.5 person-years as operational employment. Up to \$900,000 of the capital costs could be retained in the region. Visitors are expected to generate 1.1 million in spending by year 5 of the facility's operation.

Private sector opportunities could include provision of mine site guided tours and special rock hounding trips, souvenir/craft product production and sales, airplane tours of the site and most significantly expansion and alteration to existing retail establishments for increased revenues from visitors. The latter is the most significant business impact and the most important stabilizing influence for existing businesses which have experienced previously a decreased market population.



Atikokan Mining Theme Attraction Implementation Steps

business impact and the most important stabilizing influence for existing businesses which have experienced previously a decreased market population.

7. MANAGEMENT STRUCTURE

Success of this enterprise will depend upon the careful structuring of the management effort. As a result, the study recommends the formation of a Board of Directors including up to nine members, two of whom could be permanent non-resident persons whose presence on the Board would enhance the financial feasibility and profile of the project.

It is recommended that the three sites be operated by an incorporated non-profit organization headed by a manager.

8. CONCLUSION

The Atikokan Mining Theme Attraction is an exciting viable operation that is capable of generating a significant diversity to the Atikokan tourism base and existing business environment. The proposed theme and development programme provides for interesting interpretive opportunities and additional long term learning experiences. As well, the Atikokan story which had a dramatic international and engineering flavour will be told in a manner worthy of its significance.