



**MARBLE MOUNTAIN
DEVELOPMENT
CORPORATION
2008-09
Annual Report**

CONTENTS

CHAIRPERSON'S MESSAGE	1
MARBLE MOUNTAIN DEVELOPMENT CORPORATION OVERVIEW	2
SHARED COMMITMENTS.....	5
HIGHLIGHTS AND ACCOMPLISHMENTS.....	7
REPORT ON PERFORMANCE 2008-09	10
OPPORTUNITIES AND CHALLENGES	17
APPENDICES.....	19

CHAIRPERSON'S MESSAGE

I am pleased to present the Annual Business Report for the 2008-09 fiscal year for Marble Mountain Development Corporation. In the MMDC Articles of Incorporation, the mandate of the Board states:

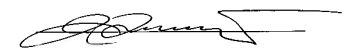
- *The Marble Mountain Development Corporation shall have marketing as an important priority of its mandate and shall designate a portion of its generated revenues solely to marketing;*
- *Promote the area as a four-season resort area;*
- *Actively pursue operators, tenants and/or owners to occupy the lands in the area for the following purposes:*
 1. *Ski facilities*
 2. *Summer activities and attractions*
 3. *Accommodations and services*
 4. *Any other activity consistent with the development of a four season establishment*

The Corporation's mandate has been generally summarized to state that it is to develop the ski facility into a four-season anchor attraction to serve as a catalyst for tourism development both locally and in the province as a whole. The development of tourism related businesses and the interest of private investors in year-round activities in the Humber Valley region, indicate that the Corporation is fulfilling its mandate and following the strategic direction from the Minister of Tourism, Culture and Recreation.

Skier visits to Marble Mountain declined by less than five percent, making the 2008-09 season the second busiest on record and only the second season with visitation over 90,000. The greatest decrease was in international traffic. The downturn in the economy and the cessation of flights from Europe did negatively affect revenue particularly in snow school, rentals and the cafeteria, all departments that rely heavily on tourists.

The Board of Directors, management and staff at Marble Mountain have worked collectively to ensure that we continue to be a premier tourism attraction and valuable asset for the people of Newfoundland and Labrador. Consequently I wish to thank the management, staff and Board of Directors for their roles in implementing the mandate of the Corporation and in the success of the past year.

The 2008-09 annual business report for the Marble Mountain Development Corporation is submitted in accordance with the Government of Newfoundland and Labrador's commitment to accountability and transparency. My signature is indicative of the entire Board's accountability for the actual results reported in this annual report.



Jamie Schwartz, Chairperson

MARBLE MOUNTAIN DEVELOPMENT CORPORATION OVERVIEW

Marble Mountain Resort is located near Steady Brook, in the Humber Valley in Western Newfoundland. The Marble Mountain Development Corporation (MMDC) was established in 1988 to develop the Marble Mountain ski facility into a year-round, full-service resort. Its mandate was to develop the resort into a four-season attraction that would act as a catalyst for tourism development both locally and in the province as a whole. Government's role was to construct the initial critical mass infrastructure to attract private sector investment.

In 1995 the base lodge was constructed and the detachable high-speed quad chair lift was installed. In 1999, just prior to the Canada Winter Games, Marble Villa, the resort's condominium-style hotel was opened. There has been no further development of the base area.

MMDC's management team consists of four full-time managers overseeing the year-round operation. During the ski season, an Outside Operations Manager, Snow School Director and Ski Patrol Manager are hired (*appendix A*). The management team is currently comprised of three females and one male with three additional males joining the team for the ski season. Approximately 140 employees are required to operate the ski resort during the busiest months of the season and the gender breakdown is 60 per cent male and 40 per cent female. The summer operation consists of weddings, meetings and conferences with Marble Mountain's Food and Beverage and Marble Villa staff hired for these events. A typical summer event requires between 10 and 15 employees with 90 per cent of summer event staff being female and 10 per cent being male. All employees of Marble Mountain Development Corporation are from the Corner Brook, Bay of Islands, Humber Valley region.

The present Board of Directors consists of eight directors. They represent the Marble Mountain Ski and Ride Club, the City of Corner Brook, the Town of Steady Brook, the Government of Newfoundland and Labrador and, where feasible, tourism related businesses. The Board's structure has been established according to the MMDC by-laws and the Board reports to the Government



through the Minister of Tourism. Mr. Jamie Schwartz was appointed Chair of the Board in January 2008. There are currently two vacant board positions.

Skier visits to Marble Mountain had been steadily increasing, reaching 95,270 in 2007-08. With the downturn in the economy and the cancellation of direct flights from Europe, skier visits in 2008-09 totaled 90,728 a decrease of 4.8% over the previous season. While skier visits did not increase, 2008-09 was only the second ski season in Marble Mountain's history with visitation over 90,000. The Canadian Ski Council and media have reported decreases in skier visitation of 10 to 20 per cent across the country so the 2008-09 ski season at Marble Mountain was relatively positive. The 2008-09 ski season was 104 ski days (from December 26 to April 12). The average season length of the previous five seasons was 102 days. Revenue was \$2,667,544 before Government funding (\$400,000) and expenses were \$2,868,037 before amortization.

Vision

Marble Mountain Development Corporation is to provide a high-quality, safe and memorable experience in a world-class all-season resort area.

Customer service and safety are top priorities at Marble Mountain Resort. Friendly, caring staff ensure that our guests enjoy their visits. The outside operations crew follow a stringent maintenance plan and the lifts and machinery are regularly inspected to ensure they are in safe running order. Marble Mountain's risk management specialist from Gougeon Insurance was impressed, once again, with the level of attention to detail. After his visit on March 9, 2009 he wrote, "Marble Mountain remains committed to a high quality experience for their guests with good risk management practices, and an impressive attention to detail is evident throughout the operation."

Mission

By 2011, the Marble Mountain Development Corporation will have improved its financial performance.

Improved financial performance will result from increased visitation, increased yield per visitor, controlled expenses, maintained visitor satisfaction and increased revenues from sources other than alpine services.

The MMDC Board recognizes that most ski resorts do not survive on skiing alone. Other revenue streams such as real estate development and additional year-round activities could enable Marble Mountain to improve its financial performance.

Lines of Business

Alpine Activities and Services

Skiing and Snowboarding are still the primary activities at the resort. Chair lift rides are offered in the winter season. Disabled skiing, through the Canadian Association of Disabled Skiing is offered weekly throughout the ski season.

Marble Mountain offers equipment rentals and repairs, snow school instruction and child supervision, locker and storage rentals and ski patrol (safety and first aid) services.

MMDC sells advertising in the form of signage on chair backs and at the top and base of the mountain. As well, sponsorships for events are available, as are advertising spaces in our resort brochure.

Retail space is currently leased to George's Mountain Village. Their business at Marble Mountain, which operates during the ski season only, sells ski accessories such as goggles, gloves, hats and sunglasses. It also carries souvenirs and some confectionery items.

Special Events

Marble Mountain Resort caters to weddings, meetings and conferences throughout the spring, summer and fall. During the ski season, events such as the ECMA Kick-off concert and Old Sam Day are held to add to the total guest experience at the resort.

Accommodations

Marble Villa is a 31-room hotel with condominium-style suites, which range in size from studios to two-bedroom units. They are characterized as ski-in/ski-out. This means that they are situated at the base of the mountain to allow easy access for skiing and snowboarding guests. Marble Villa is air-conditioned and open year-round and is convenient for guests attending weddings, meetings and conferences at the base lodge.

Food and Beverage

The resort's food and beverage service operates a cafeteria, snack bar and bar during the ski season. These services are available to skiers and snowboarders and to the general public.

SHARED COMMITMENTS

In the development of its Strategic Plan, the Department of Tourism Culture and Recreation (DTCR) identified one strategic direction that directly relates to Marble Mountain Development Corporation and it is as follows:

Newfoundland and Labrador becoming a multi-season tourism destination.

Marble Mountain is committed to becoming a major all-season tourism generator, with an emphasis on being a catalyst for further high-end destination oriented development in the area. Skiing will be the primary activity, however, summer and other off-season activities will also be given priority.

Marble Mountain Resort is the Province's primary winter attraction. MMDC partners with the DTCR in a winter marketing campaign that has Atlantic Canada and St. John's as its primary markets. This marketing campaign consists of print and television advertising and, this year, included ambient advertising in a shopping mall in Dartmouth, Nova Scotia. The campaign received positive reviews. Skier visits did decrease in 2008-09 but by less than five per cent, which is positive given the economic climate. Last season, the average decline in skier visits in Canadian ski resorts was estimated to be between 10 and 20 per cent. Skier visitation is calculated by adding day pass sales to visits from season passes. Season pass visitation at Marble Mountain is calculated by multiplying the number of season passes by 23. This is the average visits per season pass and this figure was derived by surveying season pass holders.



Marble Mountain, one of its travel packagers and the Western Destination Marketing Organization attended the Toronto Ski and Snowboard Show from October 16-19, 2008. Skier visits from Ontario did decline in 2008-09 and the recession is being blamed. A partnership was formed with one of Ontario's largest vacation packagers, Ultimate Ski Vacations (USV). The partnership was shared with the Western Destination Marketing Organization and M3B, a Humber Valley Resort homeowners consortium. We contributed \$5,500 in accommodations and lift tickets to USV and they provided \$11,000 in advertising. This partnership was successful in that USV had more inquiries about travel to Marble Mountain than other ski resorts and converted many into skier visits. The conversion rate would have been higher had the inquiries been spread

throughout the season. Accommodations were sold-out for popular vacation times.

Marble Mountain has been a catalyst for private sector investment in the area surrounding the resort. Millions of dollars have been injected into the area to upgrade or establish new operations. Humber Valley Resort (HVR) used Marble Mountain as a primary component of its marketing and investment attraction program. While HVR is no longer in full operation, the chalets are privately owned and some are part of packagers inventory. Marble Inn and Cabins, a locally owned business, which started as a few cabins across the highway from Marble Mountain, has expanded to include an inn, restaurant, indoor pool and fitness centre. Their future plans included the construction of condominiums to take advantage of the heightened interest in Marble Mountain and the Humber Valley region. KSAB Construction has built condominiums in the area and is planning further developments in the future. It is a fair statement to say that this development is occurring in large part because of Marble Mountain Resort.

MMDC has formed a partnership with Marble Zip Tours Inc. a company started by a young entrepreneur who saw the potential of creating a unique adventure tourism product in the Steady Brook gorge, which is located at the base of Marble Mountain. A zipline was constructed during the summer and was opened for business at the end of August 2008. This four-season activity is attracting people from the province and beyond, helping the province become a multi-season tourism destination.

The Pontiac World of Skiing approached MMDC to partner with them in the production of a television episode of their program about Marble Mountain Resort. Their crew arrived in January and the resulting show was well received. It provided welcome exposure to a broad, international audience. MMDC provided television ads from our provincial marketing campaign and they were aired starting at the end of November on Pontiac World of Skiing shows and the Federation Internationale du Ski World Cup Freestyle and Alpine Skiing shows on Rogers Sportnet. Web ads were in rotation at skitelevision.com and we received stock footage and edited video for promotion and web usage.

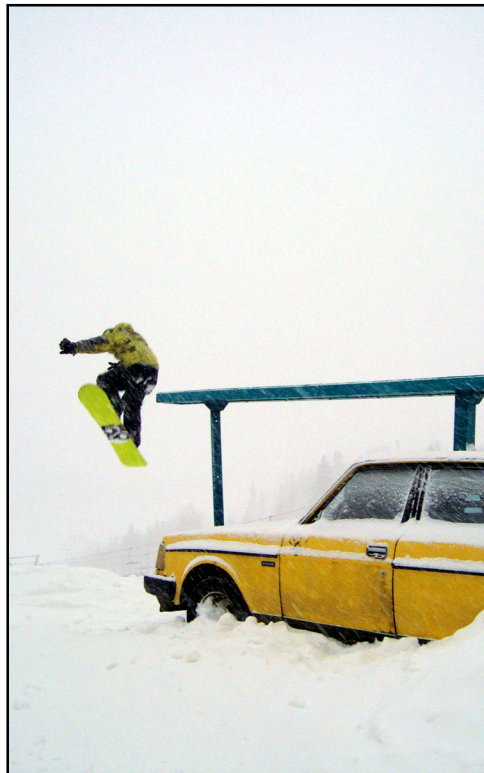
Marble Mountain has partnerships with local media, hotels, and other businesses with a common goal to increase multi-season tourism traffic in Western Newfoundland. These mutually beneficial relationships help create and promote the area as an attractive tourism destination.

HIGHLIGHTS AND ACCOMPLISHMENTS

Slope Improvements

A blue (novice/intermediate) run was constructed on the lower half of the mountain to fulfill a need that was identified through consultations with skiers. The run was named Jigger in keeping with MMDC's policy to consider culturally relevant slope names. Feedback was mostly positive. The upper half of the slope will be re-jigged prior to the 2009-10 season to make it easier for novice skiers and snowboarders.

The terrain park was excavated and reshaped to make improvements for users and to cut down on the amount of man-made snow required. Features were added to make the park bigger and better. One of the new rails was created on an old bright yellow car, which sat in a prominent spot in the park. This rail created lots of interest among terrain park users. The feedback on the park was very positive.



New Lift

Learning to ski or snowboard at Marble Mountain was made much easier with the installation of a surface conveyor lift in the beginner area know as Broadway. This type of lift is perfect for anyone trying alpine activities for the first time. Industry statistics suggest that very few beginners are converted into avid skiers or snowboarders. Making learning an enjoyable experience makes retention more likely and the response from beginners supports that.

Canadian Ski Council Award

Marble Mountain Resort was the recipient of the Canadian Ski Council (CSC) Customer Satisfaction and Operational Excellence Award for Atlantic Canada. The award is presented to a ski area with the highest level of customer service and a strong commitment to increasing growth in skiing and snowboarding in Atlantic Canada. The award was presented to Marble Mountain Snow School Director, James Ryan, at the CSC State of the Ski and Snowboard Industry Conference in Whistler, B.C.

Snow School

Once again, Snow School's season-long children's ski programs were fully subscribed and our snowboard season-long program experienced growth. Interest in these programs augers well for the future of skiing in the area as the participants will learn to ski or snowboard properly and will more likely become avid adult participants in the sports.

Each ski season, level one instructor courses are conducted at Marble Mountain but courses at higher levels are held infrequently because of the scarcity of candidates. In March, our Snow School was successful in attracting enough candidates to host a level two Canadian Association of Snowboard Instructors course. Three candidates were successful in passing the riding and teaching components of the course. These higher qualified instructors allowed Snow School to offer advanced lessons to our guests.

East Coast Music Awards

Marble Mountain was chosen as the Rock Stage for the ECMAs, which were held in Corner Brook from February 27 to March 1. Sonic Entertainment and Marble Mountain partnered to hold a kick-off concert featuring Matt Mays and El Torpedo on the night before the ECMAs. An appreciative, sold-out audience enjoyed an incredible concert, which set the tone for the ECMA weekend.

Summer Events

MMDC's summer business consists mainly of weddings, meetings and conventions. In 2008-09 the total income from summer events was \$222,285 compared to \$130,320 in 2007-08, a 71 percent increase. Marble Mountain has earned its reputation as an attractive venue for weddings, meetings and conventions. The Oil and Gas Symposium was held at Marble Mountain and the success of the event has resulted in its being booked here again in September 2009. Twenty weddings were held in the base lodge and our food and beverage staff received rave reviews. Marble Villa has benefited from the event business with the occupancy rate improving over the previous year.

Skier Visitation

While skier visits decreased in 2008-09, they were over 90,000 for only the second time in Marble Mountain's history. The 4.8% decrease in skier visits compares favorably to the rest of the country. Most Canadian ski resorts reported decreases ranging from 10 to 20 percent.

Marble Zip Tours Inc.

Marble Zip Tours and MMDC are working together to increase activities outside the ski and snowboard season. This partnership is a perfect example of a cooperative effort to expand the tourism season and attractions around Marble Mountain. A young company is benefiting from its location at an established tourism venue and Marble Mountain is benefiting from the additional revenue of the lease arrangement as well as advertising that Marble Zip Tours Inc. is purchasing on our website and in our print material. Additionally, Marble Villa is benefiting from increased traffic in the non-ski season.

Enhanced Web Marketing

Marble Mountain's website continues to be an important marketing tool. We worked with our web designers M5i and their marketing division, Podium Digital to optimize our web presence. Our site visits increased by seven per cent and our goal conversions increased by 14 per cent. We increased online sales by 10 per cent and our newsletter subscribers increased by 13 per cent from October 1, 2008 to April 30, 2009.

A highlight of the ski season was our increased involvement in social marketing. We launched a Facebook Fan Page. We promoted events and uploaded our photo of the day to the page. Guests upload photos and comments to share with the world.

REPORT ON PERFORMANCE 2008-09

Issue One: Base Area Development

Original plans for Marble Mountain Resort included the development of the base area. Condominiums, townhouses and other amenities were identified as integral to the development of the base area of the resort. This development did not happen. Multi-season, high-quality resorts have highly developed base areas. A development strategy for the base of Marble Mountain needs to be created.

Goal One:

By 2011, the Marble Mountain Development Corporation will have created a base area development strategy.

2008-09

Objective: By April 2009, the MMDC Board will have identified land utilization options.

Measure: Report containing land utilization options

Indicator: Resort's needs are identified and commercial ventures are explored.



Planned for 2008-09	Actual for 2008-09
Resort's needs are identified and commercial ventures explored.	The resort's needs were discussed but not formally identified and commercial ventures were not explored. A report was not written.

Discussion of Results:

Since the MMDC was formed in 1988, development strategies and plans have been created with the help of industry professionals SE Group (formerly Sno.engineering) of the United States. The design and creation of the base lodge, the installation of Atlantic Canada's only high-speed detachable chairlift and some slope expansion were completed in the mid 1990s. The ski industry experienced a downturn at that time due in part to a couple of years of unseasonably warm weather. El Nino became a common term. Further development at Marble Mountain was not initiated. There was very little development for nearly a decade.

The MMDC Development Committee met throughout the year to review existing development plans as a resource for identifying Marble Mountain's needs in terms of land utilization. Discussion about possible land use and commercial ventures consistently lead to a lack of understanding of the power MMDC has in making decisions regarding base development on the mountain. Possible needs such as coffee shops, table-service restaurants, increased accommodations, boutiques, four-season recreational activities were discussed. The question arose as to how the Corporation could explore potential partnerships and commercial arrangements that could benefit the resort's operation. It is critical that the MMDC knows its latitude to negotiate for commercial or residential real estate development. A key piece of information required by any interested party to develop their business case is an understanding of the potential cost of the land. For example, can a developer enter into a long term lease or would they have to purchase the land? Who has authority to set pricing and negotiate for the land? Where would revenues flow from any sale or lease agreement? Would restrictive covenants be placed on the lease or sale of these properties to a third party? Without a clear understanding of the parameters within which the Board must operate regarding development, progress could not be made. The MMDC Development Committee is preparing a letter to be sent to the Minister of Tourism, Culture and Recreation asking for guidance. When a response is received, the MMDC will work to identify the resort's needs and explore commercial ventures.

2009-10

Objective: By April 2010, the MMDC Board will have identified land management options and completed a needs assessment of the region including infrastructure capacity.

Measure: Report identifying land management options and the region's needs in terms of real estate and tourism-related development.

Indicators:

- Resort's needs identified
- Commercial ventures explored
- Land management options identified
- Needs assessment conducted
- Existing infrastructure reviewed
- Report written which includes land utilization and management options and identification of the needs of the region.

Issue Two: Terrain Development

MMDC has access to extensive terrain for further growth but few resources have not been committed to this in recent years. User feedback has indicated that the transition from beginner to intermediate slopes is difficult due to the lack of novice terrain. Other suggestions have included expansion of alternative off-piste terrain including glades, chutes and parks. Short-term terrain development options were examined according to the MMDC transitional business plan but a more detailed terrain development strategy is needed to ensure that the resort continues to develop and offer a high-quality ski and snowboard product, in keeping with the Department of Tourism, Culture and Recreation's strategic directions.

Goal Two:

By 2011 the Marble Mountain Development Corporation will have created a long-term terrain development strategy.

2008-09

Objective: By April 2009, the MMDC Board will have identified critical terrain needs.

Measure: Critical terrain needs identified

Indicator:

Market trends are explored and stakeholder consultations are held.

Planned for 2008-09	Actual for 2008-09
Market trends are explored and stakeholder consultations are held.	MMDC personnel attended conferences and workshops where trends in the industry were discussed. Stakeholders were consulted through surveys and social marketing avenues and meetings with the Marble Mountain Ski and Ride Club (MMSRC) a group representing season passholders. A suggestion box is available to guests and emails are read and responded to within 24 hours.

Discussion of Results

The world has changed significantly with the development of the Internet. Avenues are readily available for stakeholders to provide opinions. Marble Mountain Resort stays in touch with its stakeholders through its Facebook Fan Page and email. A "Let's Improve the Marble Mountain Terrain Park" group was

formed on Facebook. This was initiated by stakeholders and ideas were generated through this medium.

All Marble Mountain season pass holders are members of the Marble Mountain Ski and Ride Club (MMSRC). A representative of the MMSRC sits on the MMDC Board of Directors. He provides feedback and ideas from club members to the Board and Management on a regular basis. Marble Mountain Alpine Race Team Inc. (MMARTI) is part of the MMSRC and runs the alpine race program on the mountain. Their concerns are also brought to the Board through the MMSRC representative. These groups and MMDC work cooperatively to ensure that the ski and snowboard product meets the needs of recreational and competitive alpine sports enthusiasts. Discussions regarding improving racing facilities at the resort are ongoing.

The Atlantic Ski Areas Association (ASAA) is an active group of industry people in Atlantic Canada who meet twice a year to discuss trends and share ideas. The meetings are attended by most resorts in the region and the exchange of ideas is valuable to participating resorts. A Parksappers certification course was coordinated by the ASAA and Gougeon Insurance. This course includes information on terrain park construction, maintenance and safety.

Marble Mountain is a member of the Canada West Ski Areas Association (CWSAA). This group's mission is to develop, coordinate and vigorously promote superior programs that educate and enhance the well being of the ski industry and its individual members. They foster the highest standards in operating procedures, education and skiing and snowboarding safety. They strive to provide the best possible skiing and boarding experience in the world. The CWSAA has as its members resorts of all sizes including Whistler Blackcomb, the largest resort in the country. The annual convention provides the latest information on the ski industry in this country. Marble Mountain attends this convention each spring.

For those who are not computer savvy and would like to have input in any aspect of Marble Mountain's operations, a suggestion box is positioned in a prominent location in the base lodge. This is checked regularly for guest feedback. This basic, anonymous way to communicate is utilized regularly.

Marble Mountain participates in the Canadian Ski Council National Demographic Survey. The survey provides a space for comments and we review the surveys before sending them to the council's analyst.

Two areas of concern regarding terrain continued to be raised. One was the lack of novice terrain on the mountain and the other was the need for improvement in the terrain park. The MMDC Board realized that some changes were necessary before a long-term strategy was developed.

Two projects were undertaken prior to the 2008-09 season.

1. A novice slope was constructed on the lower section of the mountain. This slope was designed to create an easier transition from beginner to intermediate. The slope received mostly positive reviews and improvements will be made before the next season, based on user feedback. During construction of the slope, named Jigger, improvements were made to the bottom of Country Road, a beginner trail from the top of the mountain.
2. The existing terrain park was excavated to create better features and to decrease the snowmaking demands of the area. Jump landings were created through excavation, and rocks were removed to allow the park to open earlier in the season. New features were constructed and installed, including a Newfoundland dory, a rail on top of an old car and a wall. The park received rave reviews. The success was demonstrated by the lack of traffic on the "Let's Improve Marble's Mountain's Terrain Park" Facebook page. As well, park users were encouraged to provide feedback to our groomer operators and to work with our staff to maintain the jumps and features.

A third area of concern pertained to the lift system on Broadway, our beginner slope. Beginners were having difficulty using the T-bar to access our learning terrain. Beginner retention is imperative for growth so immediate action was taken to enhance the learning experience. A Magic Carpet, surface conveyor, was installed. It is easy to use for both skiers and snowboarders and was very popular with our guests. As their skills improved they were able to move on to the T-bar and eventually the chairlifts.

The need for a progression terrain park was identified. This would better prepare skiers and snowboarders to use the main park. A progression area is in the plans for 2009-10.

2009-10

Objective: By April 2010, the MMDC Board will have created terrain as identified in objective 1.

Measure: Terrain further developed.

Indicators:

- Progression terrain park area created

The major critical terrain needs were taken care of ahead of planning because of the availability of capital funding.

Issue Three: Viability of Marble Mountain becoming a four-season resort.

MMDC's mandate includes making Marble Mountain a four-season resort which would in turn, help Newfoundland and Labrador become a multi-season tourism destination. Initiatives have been introduced in the past with poor results. These initiatives included summer chairlift rides, hiking trails, children's activities and a driving range. MMDC's financial position became weaker as a result of the increased activity.

The summer, spring and fall operations at Marble Mountain currently consist of events such as weddings, meetings and conventions. While these events are profitable, the facilities at the resort will need upgrading to further expand event business. Meeting space is awkwardly configured due to the post and beam construction of the lodge and during the ski season, meeting space is very limited. The kitchen facilities are not designed for large group catering.

The 2007-08 interim business plan included a goal to identify options to enhance the utilization of the resort. The consideration of new activities and facilities highlighted the need to determine whether it is viable for Marble Mountain to become a four-season resort in the traditional sense. MMDC will evaluate the viability of becoming a four-season resort to ensure that expanding operations will result in profitability.

Goal Three:

By 2011, MMDC will have evaluated the viability of Marble Mountain Resort becoming a four-season operation.

2008-09

Objective:

By April 2009, the MMDC Board will have examined market trends.

Measure:

A report on market trends.

Indicator:

Market trend assessment based on industry scan.

Planned for 2008-09	Actual for 2008-09
Market trend assessment based on industry scan.	The market trend assessment has been delayed because of the downturn in the economy and unexpected cancellation of flights from Europe.

Discussion of Results

Skier visits were increasing. Marble Mountain had been experiencing growth in international visitation, particularly from the United Kingdom and Ireland. The cessation of direct flights from Gatwick to Deer Lake resulted in a very different ski season in 2008-09. The 2008-09 season was a difficult one for the ski industry worldwide. The downturn in the economy resulted in decreases, estimated to be between 10 and 20 percent, in skier visitation across Canada. While Marble Mountain's decrease in total skier visitation was under five per cent, visitation from Europe was down 74 per cent. Snow school, the rental shop and the cafeteria were significantly affected as these departments depend heavily on destination skiers and snowboarders. Resorts across the country depend on tourists from around the world to make their operations viable.

Due to the downturn in the economy, 2008-09 was not representative of market trends in the industry and, thus, an examination of market trends would not have yielded reliable results as a basis for moving forward.

2009-10

Objective: By April 2010, the MMDC Board will have conducted a needs assessment of the region.

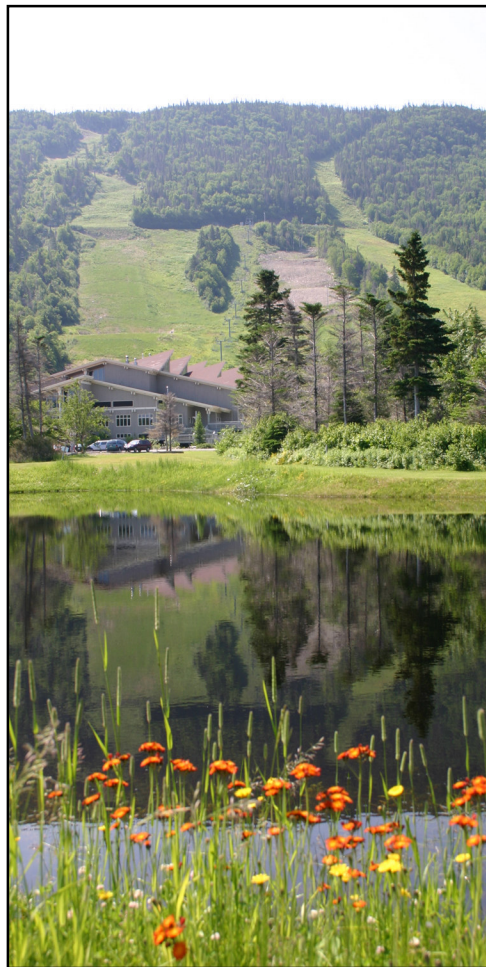
Measure: A report on the needs of the region regarding four-season resort activity.

Indicators:

- Industry scan conducted
- Market trends examined
- Needs assessment conducted
- Report written

OPPORTUNITIES AND CHALLENGES

MMDC was established in 1988 to create sufficient resort infrastructure to make the facility attractive to private investors. While the first master plan indicated the necessary improvements required to create a destination resort, the 1994 master plan took development activity to a much higher level. Along with further recommendations to improve the ski facilities, the plan addressed the need for further developments to make the resort a full-service, all-season complex. This master plan document suggested that most of these facilities should be established by the private sector. While the original vision of golf courses and four-season activity on the Marble Mountain site has not been realized, complementary businesses, such as Humber Valley Resort, Marblewood Village, George's Mountain Village and Marble Inn and Cabins have been developed, in large part, because of Marble Mountain. Most recently, Marble Zip Tours Inc. has established a zipline operation at the base of the mountain. This privately owned business offers four-season activity at Marble Mountain Resort.



The development of the base area of the mountain is both an opportunity and challenge. It must work with services already provided by local entrepreneurs and create additional opportunities for private investment. Land available for development in the area has become scarce. A base area land use development plan is a goal of MMDC for 2011.

Marble Mountain's season pass rates continue to be an affordable option for winter sports enthusiasts. The downturn in the economy has created cautious consumers so an affordable activity that provides memorable experiences could be an attractive choice. The challenge is to not devalue the product while informing people that skiing and snowboarding at Marble Mountain is a great deal. Industry analysts predict that in this time of economic uncertainties, consumers will stop buying "stuff" but will continue to pay for experiences.

The resort's summer operation has shown significant revenue growth in 2008-09. The summer operation consists of events from May until the ski season begins. Weddings, meetings and conferences make up the bulk of the summer activity.

Over 400 guests can be accommodated at a sit down event and the standing capacity for concerts is over 900. Hosting events in the ski season is a challenge due to lack of meeting space. The Food and Beverage Manager is very creative in turning the Children's Activity Centre into a fine dining restaurant when required but renovations to existing space would make the lodge more attractive to groups who want to combine meetings with skiing.

Affordable direct air access continues to be a challenge. The Ontario market is compromised by costly and infrequent direct flights that arrive inconveniently late at night and depart very early in the morning. The lack of flights from Europe has had a significant negative impact. The challenges people have in getting here create challenges for Marble Mountain.

Marble Mountain Development Corporation has successfully created a destination resort that is the cornerstone for the Newfoundland and Labrador winter tourism product and a catalyst for tourism development in the region. The growth in tourism related businesses in the area can be attributed, in large part, to Marble Mountain's existence. MMDC recognizes that the ski resort has to continue to grow to meet the demands of discerning guests who insist on high quality service, good snow conditions and new developments.

In 2008-09 the Marble Mountain Development Corporation Board, Management and Staff successfully provided a high level of customer service and a superior ski product to its guests.

APPENDICES

APPENDIX A – MANAGEMENT STRUCTURE

APPENDIX B – VISITOR STATISTICS

APPENDIX C – FINANCIAL OVERVIEW

AUDITED FINANCIAL STATEMENTS

APPENDIX A - MMDC MANAGEMENT STRUCTURE

BOARD CHAIR

MMDC BOARD OF DIRECTORS

GENERAL MANAGER

- Guest Services
- Rental & Repair

Manager of Administration

- Bookkeeper Clerk
- Ticket Counter
- Office Clerk
- Administration/Villa Assistant

Outside Operations Manager (Seasonal)

- Groomer Operators
- Lift Attendants
- Risk Management
- Snowmaking
- Equipment Maintenance

Villa, Marketing & Sales Manager

- Villa Housekeepers
- Villa Live-in Security
- Administration/Villa Assistant

Food & Beverage Manager

- Bar Staff
- Cafeteria Staff
- Maintenance Staff

Snow School Director (Seasonal)

- Snow School Instructors

Pro Patrol Manager (Seasonal)

- Pro Patrol

APPENDIX B - SKIER VISITATION STATISTICS

Season Passes

2007-08	2008-09	Change	% Change
2702	2855	+153	+5.7%
2702X23= 62146*	2855X23=65665	+3519	+5.7%

** The number of skier visits per season pass is estimated to be 23. This figure was derived from a season pass holder survey.*

Daily Lift Ticket

2007-08	2008-09	Change	% Change
33,124	25,063	-8,061	-24.3%

Daily Lift Ticket Sales by Region

Region	2007-08	2008-09	Change	% Change
Local	13,018	11,407	-1611	-12.4%
NL	9,473	9,145	-328	-3.5%
Atlantic Can.	2,922	2,275	-647	-22.1%
Canada	708	493	-215	-30.4%
USA	60	52	-8	-13.3%
International	6,370	1,678	-4692	-73.7%
Unknown/Comp	573	13	-560	-97.7%

Total Skier Visits

2007-08	2008-09	Change	% Change
95,270	90,728	-4,542	-4.80%

Marble Mountain Resort participated in the Canadian Ski Council Demographic Survey. The results of the survey show the gender breakdown of visitors to Marble Mountain Resort as follows:

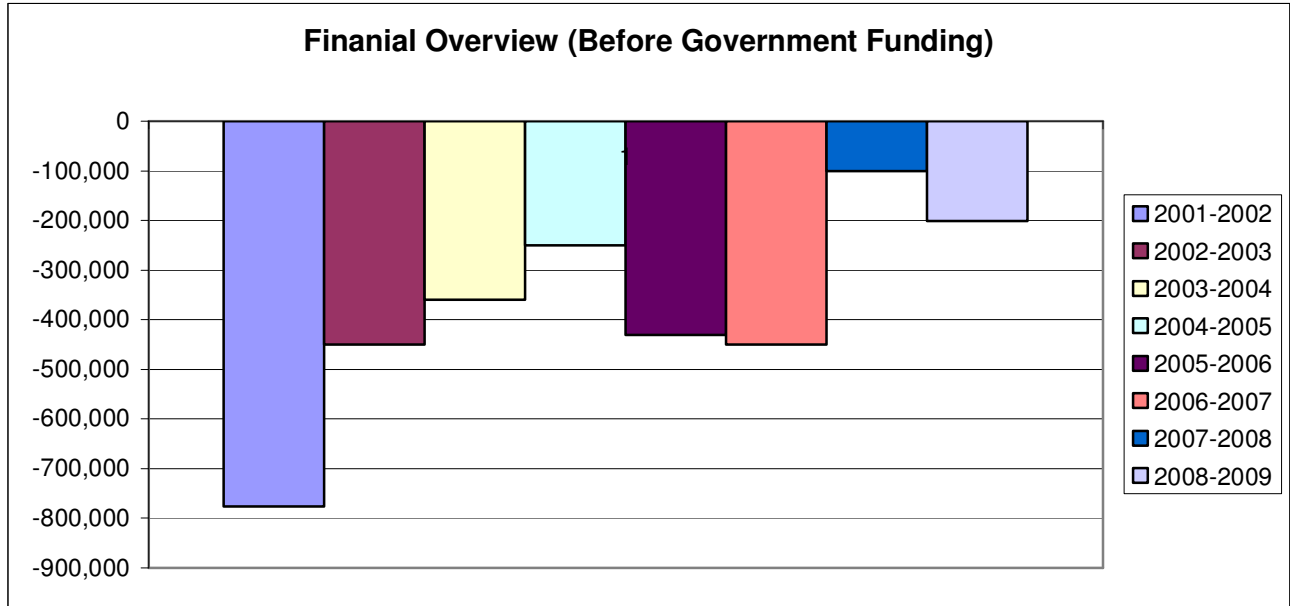
Female 55 per cent
Male 45 per cent

**Marble Mountain Resort
Summary of Skier Visits
1995 - 2009**

Season	Local	Within the Province	Out of Province	Total Visits
1995-96				44,000
1996-97	46,881	10,404	2,447	59,732
1997-98	39,015	11,041	4,478	54,534
1998-99	36,507	7,211	6,031	49,749
1999-00	43,815	6,296	2,489	52,600
2000-01	48,891	9,200	4,483	62,574
2001-02	48,845	7,962	5,701	62,508
2002-03	54,596	9,039	6,532	70,167
2003-04	60,251	8,932	6,066	75,249
2004-05	62,306	10,500	8,518	81,324
2005-06	65,048	7,426	8,260	80,734
2006-07	*63,219	*11,187	*9,652	*84,058
2007-08	62,169	18,719	14,382	95,270
2008-09	64,974	18,506	7,248	90,728

** These numbers include Tubing Passes. The total ski/snowboard visits is actually 79,649 for 2006-07.*

APPENDIX C – FINANCIAL OVERVIEW



MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Financial Statements

Year Ended April 30, 2009

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Index to Financial Statements

Year Ended April 30, 2009

	Page
AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Deficit	3
Statement of Operations	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 10
Lift Operations (<i>Schedule 1</i>)	11
Rental and Repair Shop (<i>Schedule 2</i>)	12
Cafeteria (<i>Schedule 3</i>)	13
Bar (<i>Schedule 4</i>)	14
Ski School (<i>Schedule 5</i>)	15
Events (<i>Schedule 6</i>)	16
Marketing (<i>Schedule 7</i>)	17
Marble Villa (<i>Schedule 8</i>)	18

AUDITORS' REPORT

To the Shareholders of Marble Mountain Development Corporation

We have audited the balance sheet of Marble Mountain Development Corporation as at April 30, 2009 and the statements of operations, deficit and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at April 30, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Corner Brook, Newfoundland and Labrador
June 10, 2009

Belanger Clarke Follett & McGettigan

CHARTERED ACCOUNTANTS

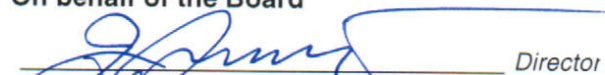
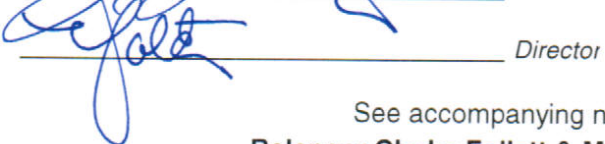
MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Balance Sheet

As at April 30, 2009

	2009	2008
Assets		
Current		
Cash	\$ 7,139	\$ 2,040
Accounts receivable	92,217	83,596
Inventory (Note 2)	48,220	34,976
Prepaid expenses	79,779	81,754
	227,355	202,366
Capital assets (Notes 2, 3)	17,466,031	17,787,836
Deferred charges (Note 2)	24,497	24,408
	\$ 17,717,883	\$ 18,014,610
Liabilities		
Current		
Bank indebtedness (Note 4)	\$ 1,890,789	\$ 1,778,571
Accounts payable and accrued liabilities (Note 5)	354,589	335,076
Current portion of obligations under capital lease (Note 6)	143,300	120,705
Deferred revenue	13,000	13,630
Current portion of long term debt (Note 15)	13,967	32,330
	2,415,645	2,280,312
Long term debt (Note 15)	286,033	267,670
Obligations under capital lease (Note 6)	273,426	116,265
Deferred government assistance (Notes 2, 7)	5,791,833	6,085,611
	8,766,937	8,749,858
Shareholders' equity		
Contributed surplus	22,730,703	22,330,703
Deficit	(13,779,757)	(13,065,951)
	8,950,946	9,264,752
	\$ 17,717,883	\$ 18,014,610
Contingent liability (Note 11)		
Lease commitments (Note 10)		

On behalf of the Board


Director

Director

See accompanying notes to financial statements.

Belanger Clarke Follett & McGettigan, Chartered Accountants

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Statement of Deficit

Year Ended April 30, 2009

	2009	2008
Deficit - beginning of year		
As previously reported	\$ (13,065,951)	\$ (906,668)
Prior period adjustment (<i>Note 14</i>)	<u>(10,763)</u>	(11,508,429)
As restated	(13,076,714)	(12,415,097)
Excess of revenue over expenditure	<u>199,507</u>	273,413
	(12,877,207)	(12,141,684)
Amortization	<u>902,550</u>	924,267
Deficit - end of year	<u>\$ (13,779,757)</u>	\$ (13,065,951)

See accompanying notes to financial statements.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

**Statement of Operations
Year Ended April 30, 2009**

	2009	2008
Income(loss) from operations		
Lift Operations (<i>Schedule 1</i>)	\$ (311,954)	\$ (332,188)
Rental and Repair Shop (<i>Schedule 2</i>)	165,161	255,170
Cafeteria (<i>Schedule 3</i>)	49,586	86,277
Bar (<i>Schedule 4</i>)	73,583	70,841
Ski School (<i>Schedule 5</i>)	28,679	74,458
Events (<i>Schedule 6</i>)	41,735	19,842
Marketing (<i>Schedule 7</i>)	(127,408)	(90,693)
Marble Villa (<i>Schedule 8</i>)	192,253	149,331
Operating grant (<i>Note 8</i>)	400,000	400,000
Interest income	712	1,515
	<u>512,347</u>	<u>634,553</u>
Expenses		
Bad debts	2,732	-
Directors fees (<i>Note 12</i>)	3,940	11,055
Advertising	578	801
Labour services	184,306	188,914
Management fees (<i>Note 12</i>)	-	790
Administration	12,809	14,846
Communications	7,288	5,913
Travel and conference	7,855	5,673
Interest on capital leases	25,979	22,324
Interest and bank charges	54,387	96,151
Professional fees	7,981	11,236
Board and committee meetings	3,627	1,777
Miscellaneous	1,358	1,660
	<u>312,840</u>	<u>361,140</u>
Excess of revenue over expenditure	<u>\$ 199,507</u>	<u>\$ 273,413</u>

See accompanying notes to financial statements.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Statement of Cash Flows

Year Ended April 30, 2009

	2009	2008
Cash flows from operating activities		
Cash receipts from customers	\$ 2,634,849	\$ 2,796,807
Cash paid to suppliers and employees	(2,733,683)	(2,750,618)
Interest paid	(123,468)	(158,784)
Prior period adjustment	(10,763)	-
Interest received	712	1,515
Cash flow used by operating activities	<u>(232,353)</u>	<u>(111,080)</u>
Cash flows from investing activities		
Purchase of capital assets	(552,400)	(79,852)
Proceeds on disposal of capital assets	21,841	4,994
Cash flow used by investing activities	<u>(530,559)</u>	<u>(74,858)</u>
Cash flows from financing activities		
Bank indebtedness	112,218	(108,852)
Repayment of obligations under capital lease	(144,207)	(111,769)
Operating grant	400,000	400,000
Capital grant	400,000	-
Cash flow from financing activities	<u>768,011</u>	<u>179,379</u>
Increase (decrease) in cash flow	5,099	(6,559)
Cash - beginning of year	<u>2,040</u>	<u>8,599</u>
Cash - end of year	\$ 7,139	\$ 2,040
Cash consists of:		
Cash	<u>\$ 7,139</u>	<u>\$ 2,040</u>

See accompanying notes to financial statements.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Notes to Financial Statements

Year Ended April 30, 2009

1. General

The Corporation is a "Non-Profit Development Corporation" incorporated under the Corporations Act of Newfoundland and Labrador. Its affairs are managed by a Board of Directors appointed by the Lieutenant Governor in Council. The Province of Newfoundland and Labrador holds 100% of the issued common shares.

2. Summary of significant accounting policies

Revenue Recognition

We recognize revenues when they are earned, specifically when all the following conditions are met:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- our ability to collect is reasonably assured.

Inventory

Inventory is valued at the lower of cost and net realizable value.

Capital assets

Capital assets purchased by the Corporation are accounted for at cost. Donated assets are recorded at the estimated fair market value. Amortization is provided for on a straight-line basis over the estimated life of the assets as follows:

Buildings	15-40 years
Vehicles	3-20 years
Computer equipment	3 years
Furniture & fixtures	5 years
Rental equipment	3 years
Signs	5 years
Lifts	30 years
Area improvements	30 years
Equipment under capital lease	10 years

Deferred charges

Deferred charges represent the unamortized cost of purchasing uniforms for snow school instructors. Amortization of the deferred charge is provided on the straight-line basis over 3 years and is recorded as ski patrol expense in lift operations.

(continues)

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Notes to Financial Statements

Year Ended April 30, 2009

2. Summary of significant accounting policies *(continued)*

Government assistance and other contributions

Provincial government grants and other contributions related to the acquisition of capital assets are accounted for as contributed surplus. Federal government grants and other contributions related to the acquisition of capital assets are recorded as deferred government grants and amortized to income in relationship to the amortization of the asset involved. Government assistance and other contributions related to capital assets retired from service are credited against the related capital asset in the year of retirement.

Government grants related to operations are accounted for as revenue or as a reduction of the expense to which the grant relates.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include providing for amortization of capital assets and goodwill. Actual results could differ from these estimates.

3. Capital assets

	Cost	Accumulated amortization	2009 Net book value	2008 Net book value
Buildings	\$ 10,607,249	\$ 3,740,896	\$ 6,866,353	\$ 7,092,973
Vehicles	5,535,464	3,993,787	1,541,677	1,737,592
Computer equipment	19,658	7,026	12,632	2,812
Furniture and fixtures	797,623	740,822	56,801	53,578
Rental equipment	253,578	175,532	78,046	65,315
Signs	106,541	106,541	-	-
Lifts	4,932,665	2,581,457	2,351,208	2,331,500
Area improvements	12,259,258	6,377,758	5,881,500	6,078,144
Equipment under capital lease	850,525	172,711	677,814	425,922
	\$ 35,362,561	\$ 17,896,530	\$ 17,466,031	\$ 17,787,836

4. Bank indebtedness

	2009	2008
Outstanding cheques in excess of funds on deposit	\$ 81,297	\$ 35,526
Line of credit	1,809,492	1,743,045
	\$ 1,890,789	\$ 1,778,571

The line of credit is authorized in the amount of \$2,100,000 and bears interest at the rate of bank prime less .5%. It is secured by a Provincial Government guarantee and letter of indemnity and overdraft agreement signed by the Board of Directors.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Notes to Financial Statements

Year Ended April 30, 2009

5. Accounts payable and accrued liabilities

	<u>2009</u>	<u>2008</u>
Trade	\$ 333,487	\$ 289,027
Harmonized Sales Tax payable	996	3,648
Payroll deductions payable	14,747	37,312
Wages payable	5,359	5,089
	<u>\$ 354,589</u>	<u>\$ 335,076</u>

6. Obligations under capital lease

	<u>2009</u>	<u>2008</u>
Leascor Equipment Financing Inc. lease bearing interest at 8.6% per annum, repayable in monthly blended payments of \$5,671. The lease matures on July 31, 2009 and is secured by a charge over specific equipment.	\$ 22,298	\$ 85,449
Alter Moneta Leasing lease bearing interest at 6.76% per annum, repayable in monthly blended payments of \$5,504. The lease matures on November 30, 2010 and is secured by a charge over specific equipment.	93,960	151,521
National Leasing lease bearing interest at 8.45% per annum, repayable in monthly blended payments of \$6,166. The lease matures on November 30, 2013 and is secured by a charge over specific equipment.	280,376	-
National Leasing lease bearing interest at 10.835% per annum, repayable in monthly blended payments of \$753. The lease matures on December 1, 2012 and is secured by a charge over specific equipment.	20,092	-
	<u>416,726</u>	236,970
Amounts payable within one year	<u>(143,300)</u>	<u>(120,705)</u>
	<u>\$ 273,426</u>	<u>\$ 116,265</u>

Future minimum capital lease payments are approximately:

2010	\$ 143,300
2011	97,211
2012	66,917
2013	67,326
2014	41,973
Total minimum lease payments	<u>\$ 416,726</u>

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Notes to Financial Statements

Year Ended April 30, 2009

7. Deferred government assistance - capital assets

	<u>2009</u>	<u>2008</u>
Balance, at beginning of year	\$ 6,085,611	\$ 6,362,146
Less: amount transferred to income by reduction of amortization expense for the year	<u>(293,778)</u>	<u>(276,535)</u>
Balance, at end of year	<u>\$ 5,791,833</u>	<u>\$ 6,085,611</u>

8. Government assistance and other contributions - operations

Province of Newfoundland and Labrador - Operating grant

For the year ended April 30, 2009, an administrative operating grant of \$400,000 (2008 - \$400,000) was approved and received. For the year ended April 30, 2009, a capital grant of \$400,000 (2008 - Nil) was received and recorded as contributed surplus.

The above administrative operating grant is subject to the terms and conditions as outlined in the contribution agreement

9. Income taxes

The Corporation is a not-for-profit corporation wholly owned by the Province of Newfoundland and Labrador and as such is not subject to Federal and Provincial income taxes under the Canadian Income Tax Act.

10. Lease commitments

The Corporation leases equipment under long-term operating leases which expire at various times between 2009 and 2010. The future minimum lease payments required under these long-term leases are approximately as follows:

2010	\$ 6,462
2011	<u>2,398</u>
	<u>\$ 8,860</u>

11. Contingent liability

As at April 30, 2009, a supplier had claimed that the Corporation owed it approximately \$70,005 for services rendered. The Corporation's management feels the claim is unfounded and the likelihood of any loss resulting therefrom is undeterminable. Therefore, the Corporation has not recorded a provision for losses that may result from the claim.

12. Related party transactions

During the year ended April 30, 2009, a management fee was paid to the Chairperson of the Board of Directors in the amount of \$Nil (2008 - \$790). In addition, director's fees of \$3,940 (2008 - \$11,055) were paid in aggregate to the Board of Directors of the Corporation.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Notes to Financial Statements

Year Ended April 30, 2009

13. Financial instruments

The Corporation's financial instruments consist of cash, accounts receivable, bank indebtedness, accounts payable and accrued liabilities, deferred revenue, obligations under capital leases, and long-term debt. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

14. Prior period adjustments

Prior period adjustments are the result of additional transactions recorded in the general ledger after the 2008 audited financial statements were completed.

15. Long term debt

	<u>2009</u>	<u>2008</u>
Department of Innovation, Trade and Rural Development loan, non-interest bearing and repayable in annual installments based on 20% of available cash flow. Due 2015.	\$ 300,000	\$ 300,000
Amounts payable within one year	<u>(13,967)</u>	<u>(32,330)</u>
	<u>\$ 286,033</u>	<u>\$ 267,670</u>

Principal repayment terms are approximately:

2010	\$ 13,967
------	-----------

The above long term debt is secured by a chattel mortgage on specific equipment. Long term debt repayments required to meet retirement provisions are based on available cash flow which is defined as net profit plus amortization less principal payments on long-term debt and capital leases. The Corporation has until 2015 to repay the loan in full.

16. Changes in non-cash working capital

	<u>2009</u>	<u>2008</u>
Accounts receivable	\$ (8,621)	\$ 18,315
Inventory	(13,244)	1,384
Accounts payable	19,513	25,347
Prepaid expenses	1,975	(2,594)
Deferred revenue	<u>(630)</u>	<u>(2,539)</u>
	<u>\$ (1,007)</u>	<u>\$ 39,913</u>

17. Comparative figures

The prior year comparative figures were audited by another firm of chartered accountants.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Lift Operations

(Schedule 1)

Year Ended April 30, 2009

	2009	2008
Revenue		
Lift tickets	\$ 570,300	\$ 703,024
Season passes	581,611	525,500
Tenant-revenue	31,393	14,912
Children's centre	9,517	14,899
Facilities rental	649	440
Miscellaneous - Lifts	1,286	2,361
	<u>1,194,756</u>	<u>1,261,136</u>
Expenditures		
Management contract	92,400	103,575
Snowmaking		
Electricity	118,353	123,340
Labour services	37,721	28,173
Equipment maintenance	35,876	45,814
Vehicle operating		
Repairs	52,668	57,609
Fuel	53,355	79,793
Lift repairs	97,391	177,850
Maintenance		
Equipment	701	451
Building	62,412	46,210
Slopes	54,154	33,703
Labour services	395,499	420,610
Heating and electricity	123,120	119,998
Insurance	117,330	118,879
Ski patrol	85,388	77,946
Supplies	30,634	24,001
Municipal fees	13,385	22,006
Interest and bank charges	40,174	34,971
Security	389	1,479
Children's centre	18,290	22,831
Miscellaneous	19,064	17,699
Snowclearing	15,720	8,801
Communications	15,167	7,147
Equipment rental	22,565	19,887
Uniforms	4,954	551
	<u>1,506,710</u>	<u>1,593,324</u>
Loss from operations	<u>\$ (311,954)</u>	<u>\$ (332,188)</u>

See accompanying notes to financial statements.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION**Rental and Repair Shop
Year Ended April 30, 2009****(Schedule 2)**

	2009	2008
Revenue	\$ 231,829	\$ 327,791
Expenditures		
Labour services	64,865	66,980
Supplies	411	4,101
Miscellaneous	(73)	249
Communications	590	416
Equipment rental	875	875
	66,668	72,621
Income from operations	\$ 165,161	\$ 255,170

See accompanying notes to financial statements.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Cafeteria

(Schedule 3)

Year Ended April 30, 2009

	2009	2008
Revenue	\$ 290,936	\$ 341,732
Cost of sales	<u>123,744</u>	137,932
Gross profit	<u>167,192</u>	203,800
Expenditures		
Repairs and maintenance	2,891	408
Miscellaneous	519	446
Supplies	13,700	14,052
Communications	383	240
Labour services	<u>100,113</u>	102,377
	<u>117,606</u>	117,523
Income from operations	<u>\$ 49,586</u>	\$ 86,277

See accompanying notes to financial statements.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Bar

(Schedule 4)

Year Ended April 30, 2009

	2009	2008
Revenue	\$ 159,762	\$ 172,626
Cost of sales	45,809	56,677
Gross profit	113,953	115,949
Expenditures		
Entertainment	8,798	8,300
Repairs and maintenance	459	696
Labour services	26,857	31,959
Communications	157	191
Security	594	727
Special events	2,407	2,399
Supplies	878	420
Licenses and fees	220	416
	40,370	45,108
Income from operations	\$ 73,583	\$ 70,841

See accompanying notes to financial statements.

Belanger Clarke Follett & McGettigan, Chartered Accountants

MARBLE MOUNTAIN DEVELOPMENT CORPORATION**Ski School****(Schedule 5)****Year Ended April 30, 2009**

	2009	2008
Revenue	\$ 139,223	\$ 198,745
Expenditures		
Labour services	95,904	109,821
Training	3,564	2,848
Supplies	3,942	700
Computer lease	366	366
Miscellaneous	576	1,592
Krunchers Club	5,685	8,476
Communications	507	484
	110,544	124,287
Income from operations	\$ 28,679	\$ 74,458

See accompanying notes to financial statements.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Events

(Schedule 6)

Year Ended April 30, 2009

	2009	2008
Revenue	\$ 223,050	\$ 130,410
Cost of sales	<u>62,006</u>	34,444
Gross profit	<u>161,044</u>	95,966
Expenditures		
Labour services	102,711	63,091
Maintenance	1,550	704
Supplies	6,611	3,977
Miscellaneous	3,255	2,125
Interest and bank charges	4,415	5,337
Communications	<u>767</u>	890
	<u>119,309</u>	76,124
Income from operations	<u>\$ 41,735</u>	\$ 19,842

See accompanying notes to financial statements.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Marketing

(Schedule 7)

Year Ended April 30, 2009

	2009	2008
Revenue		
Sponsorships	\$ 40,211	\$ 39,726
Advertising	<u>19,950</u>	<u>22,400</u>
	<u>60,161</u>	<u>62,126</u>
Expenditures		
Advertising		
Television	33,129	11,561
Print	6,841	9,285
Radio	35,595	38,631
Internet	2,250	2,567
Website	29,745	17,775
Marketing campaign	1,020	5,307
UK/International marketing	34	-
Labour services	43,522	42,384
Communications	4,050	4,242
Complimentary Marble Villa rooms	8,908	5,335
Membership fees	2,322	2,394
Travel and meetings	60	413
Ski shows and familiarization tours	7,358	5,455
Office and postage	43	108
Supplies	<u>12,692</u>	<u>7,362</u>
	<u>187,569</u>	<u>152,819</u>
Loss from operations	<u>\$ (127,408)</u>	<u>\$ (90,693)</u>

See accompanying notes to financial statements.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Marble Villa

(Schedule 8)

Year Ended April 30, 2009

	2009	2008
Revenue	\$ 367,115	\$ 286,465
Expenditures		
Housekeeping	30,058	21,991
Heat and light	33,414	30,600
Repairs and maintenance	43,112	19,239
Labour services	16,883	19,239
Security wages	9,399	6,016
Common area expenses	7,870	7,230
Insurance	6,804	6,804
Communications	5,494	5,206
Cable television	5,631	4,272
Supplies	6,839	4,322
Miscellaneous	1,842	(91)
Marketing	1,500	1,615
Laundry	6,016	10,691
	174,862	137,134
Income from operations	\$ 192,253	\$ 149,331

See accompanying notes to financial statements.