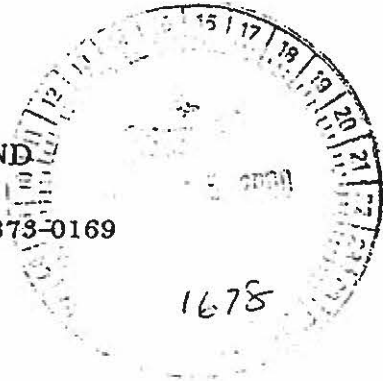


Sandell

6 November, 2000

Government of the Northwest Territories
Yellowknife NT
X1A 2L9

BY HAND
&
BY FAX (867)873-0169



Attention: Honorable Joseph L Handley
Minister of Finance

Dear Honorable Minister,

On behalf of the Association I would like to update you on the result of our survey poll and our position as it relates to your proposed hotel tax.

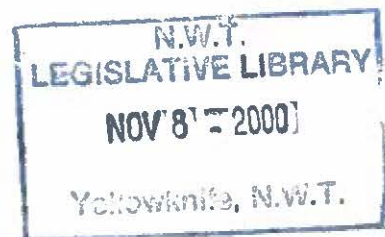
The survey included retail stores, business community and association including aboriginal groups.

RESULTS:

- > Survey returns - 78%
- > Non support of tax - 83%
- > Support to suspend - 95%
- > Support of the tax - 17%
- > Negative effect on business - 65%
- > No alternative but to deposit funds to general revenue - 90%

As a matter of interest there were 2 returns that suggested that the hotel tax if implemented should be directed to the building of a convention centre.

Hotel Association of Northwest Territories
C/O The Explorer Hotel, P O Box 7000, Yellowknife NWT, X1A 2R3
Fax: (867)873-2789



Hotel Association of the Northwest Territories

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Honorable Joseph L Handley, Minister of Finance

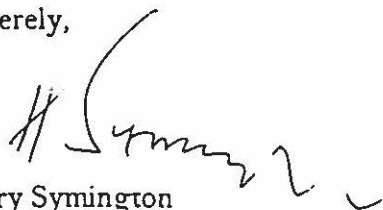
With regard to the Yellowknife properties all establishments including Super 8 do not support the tax.

Occupancy in hotel property in the city of Yellowknife in October 2000 did not exceed 55% with an additional 240 rooms coming on stream by year end should leave you in no doubt how fragile the industry is at this time.

Whilst the association continues to commend your initiative to raise tourist funding, we believe it is essential that we find alternative sources of funding, we would ask you to suspend your initiative for up to 12 months and in the interim set up a working group that would include hotel operators to find alternatives.

I sincerely thank you for the time you have afforded me during the past month and again look forward to pursuing a program of marketing NWT to both Asia and Europe.

Sincerely,



Harry Symington
Chairperson
Hotel Association of Northwest Territories