

**Arctic Development  
Library**

**Sila Lodge Limited, Regional Evaluation  
Report For S/a.r.d.a.  
Type of Study: Feasibility Studies  
Author: Canada- S/a.r.d.a.  
Catalogue Number: 11-33-29**

11-33-29

**REGIONAL EVALUATION REPORT  
FOR S/ARDA**

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**SILA LODGE LIMITED**

**1. Applicant**

Sila Lodge Limited  
c/o Louis Pilakapsi  
P.O. Box 191  
Rankin Inlet, N.W.T.  
XOC OGO

Telephone: (819) 645-2960

**2. Principals**

- a) Of the three owners, John Hickes has the most experience in the tourism industry. As a hotel owner and president of the Manitoba Native Lodge Association, he can actively promote Sila Lodge. His contacts and experience in the tourism industry will greatly assist the project.
- b) Louis Pilakapsi is an experienced hunter, fisherman and guide. His contribution will be in the general operation of the business and specially in the care and treatment of guests. For the adventurer, he will offer a ferry service from Rankin Inlet to Sila Lodge.
- c) John Tatty is a certified mechanic who will maintain the equipment in good operating condition. He will also assist with the overall management and guiding responsibilities.

**3. Project Description**

The three principals plan to build and operate a twenty bed lodge in Wager Bay in the Keewatin Region. The proposed site of the lodge is slightly South of the Arctic Circle, but sufficiently far North to permit several weeks of viewing the midnight sun.

The unique scenery in the Wager Bay area provides the lodge with instant credibility. The principals have the opportunity and support from the Department of Economic Development and Tourism to develop this lodge into the "showplace" of the Keewatin Region.

The lodge will cater to a variety of markets including: fishing, hunting, archeologists, naturalists, photographic safaris, general interest, adventure travel, arts, cultural and historic tours, and short-term fly-in visitors.

**4. Financial Program**

<u>Use of Funds</u>		<u>Source of Funds</u>	
Machinery & Equipment	\$ 75,000	Equity	
Building & Structure	304,588	- Cash	\$ 10,000
Food for Builders	15,000		
Food Preparation	21,000	- Food Preparation	21,000
Transport building material from Rankin Inlet to Wager Bay	21,000	- transport material from Rankin Inlet to Wager Bay	21,000
Landing strip & road to shore	45,000	Contribution, Econ. Dev. & Tourism	50,000
Contingency	18,412	S/ARDA Contribution	250,000
		BLF Loan	148,000
<b>TOTAL</b>	<b><u>\$500,000</u></b>	<b>TOTAL</b>	<b><u>\$500,000</u></b>

It is noted that the original cost provided for the building and structure was reduced by \$36,000 by the contractor to allow the principals to supply the food (\$15,000) and the food preparation (\$21,000) for the construction crew during the building phase. The proponents will prepare the food as part of their equity contribution.

**5. Equity**

The total equity contribution from the proponents is \$52,000.00, or approximately 10% of the total project cost and will be offered in the following manner:

a) Cash	\$10,000
b) Transportation of building material from Rankin Inlet to Wager Bay	21,000
c) Preparation of food for construction crew	<u>21,000</u>
	<u>\$52,000</u>

The cost of transportation of material from Rankin Inlet to Wager Bay might be understated. There is enough contingency (\$18,412), however, to cover the overrun in freight if there is one.

**6. Time Schedule of Project**

- a) End of August/86 - Purchase of material, equipment and furniture.
- b) 1st week of Sept./86 - Material, equipment and furniture transported from Winnipeg to Churchill (CNR).
- c) 2nd week of Sept./86 - Transport of material, equipment and furniture from Churchill to Rankin Inlet.

- d) 3rd week of Sept./86 - Transport of material, equipment and furniture from Rankin Inlet to Wager Bay.
- e) During Winter of 1987 - Tractor walked from Repulse Bay to Wager Bay to build landing strip and road to shore.
- f) May 15 - June 15/87 - Building of structure to accommodate guests as of June 15/87.
- g) June 15 - July 31/87 - Completion of building.

## 7. Financial Analysis

The schedule of revenues is realistic. Savings could be achieved on food, freighting of supplies and the transportation of guests if some were to travel by boat from Rankin Inlet to Wager Bay.

To ensure success, however, the full amounts must be spent for advertising, that is, \$30,000 in the 1st year, \$40,000 in the 2nd year and \$60,000 in the 3rd year. The proponents have stated that these funds will be forthcoming.

## 8. Support of Proposal

Letters of support are enclosed from the following:

- a) Alan Kaylo, Head, Marketing, Department of Economic Development & Tourism;
- b) Margaret Bertulli, Archaeologist, Department of Culture & Communications;
- c) Raymond Mercer of the Keewatin Chamber of Commerce;
- d) Caroline Anawak of Travel Keewatin;
- e) Keewatin Regional Council (to be dexted);
- f) Keewatin Inuit Association (to be dexted); and,
- f) Keewatin Wildlife Federation (to be dexted).

## 9. Eligibility

The project meets with all the requirements for a commercial enterprise.

## 10. Consultation

The Departments of Economic Development & Tourism and Renewable Resources are both very supportive of this project.

In addition, several tourism wholesalers who visited the proposed site in early August of 1986 have pledged their support for the lodge in Wager Bay.

## 11. Employment

Several employment opportunities will be offered to Inuit residents.

- a) Year 1 - 10 positions of 26 weeks - salaries paid: \$114,870.
- b) Year 2 - 12 positions of 26 weeks - salaries paid: \$140,800.
- c) Year 3 - 12 positions of 26 weeks - salaries paid: \$141,000.

In years to come, another part time position will be created for maintenance. If the ferrying of guests from Rankin Inlet to Wager Bay takes hold, another part time position would be created.

The creation of employment will be the equivalent of between 6 and 7 person years, yearly.

## 12. Marketing

Henderson & Associates, the travel consultants retained by the Zone Association, will market Sila Lodge as an integral component of the Regional Tourism Package.

The planning of the detailed marketing is attached as Annex 1 and is in addition to the Zone Association's marketing.

The proponents will obtain the marketing funds from either the Department of Economic Development & Tourism, EDA or the Keewatin Travel zone Association.

## 13. Recommendations

It is recommended that the request for a contribution of \$250,000 be approved. Considering the construction schedule, the holdback of 10% should be waived and half of the contribution should be made available on the purchase of the construction material, equipment and furniture for the lodge.

## 14. Justification of Level of Funding

It is anticipated that 316 person work weeks will be created in each one of years 2 and 3, or 6.3 person years. This translates into a \$40,000 grant per new job.

There is very high unemployment within the Inuit populations of Repulse Bay and Rankin Inlet.

In years to come, general repairs and maintenance duties on the lodge will easily create an additional person year.

The lodge will be a permanent project with long term viability.

The increased traffic in tourism generated by the lodge will have an economic spin-off effect within the Region.

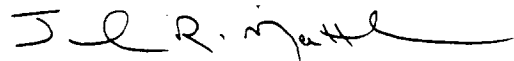
It is expected that the number of polar bear hunts will increase in succeeding years, thereby creating more jobs for guides and lodge employees.

#### 15. Economic and Social Benefits

The project will allow three well respected Inuit leaders the opportunity to develop an economically viable business which will create approximately 12 seasonal jobs.

The three proponents - Hickes, Pilakapsi and Tatty - can serve as role models to many younger would-be entrepreneurs.

Last, the lodge will provide a focal point for tourism traffic in the Keewatin Region.



John Matthews  
Assistant Regional Superintendent  
Keewatin Region

August 20, 1986

Mr. Jack Lamoureux,  
S/ARDA,  
Department of Regional  
Industrial Expansion,  
Government of Canada,  
P.O. Bag 6100,  
Yellowknife, N.W.T.  
X1A 1C0

Dear Mr. Lamoureux:

S/ARDA Application - Sila Lodge Limited

I will try to answer the areas of concern regarding the above application. The concerns that cannot be answered will have to be taken up by the Band.

1. Loan Equity

The amount of equity is low: \$52,000.00 or a little bit more than the minimum required by S/ARDA. My past experience tells me that we are lucky sometimes to get even that 10% equity. To that \$52,000.00 subscribed by the participants, we should add the contribution of the Department of Economic Development and Tourism, which is in the amount of \$50,000.00. If we did that, the equity would come up to \$102,000.00 or a little bit more than 20%.

2. Job Guideline Amount

There is no denial that our department will try to push for the maximum at the S/ARDA meeting dealing with the application. However, we will be only one voice and we will submit to the will of the majority. If the applicants have to borrow \$50,000.00 more than anticipated, the department will pick up the extra interest cost if required. If the bookings at the lodge, however, exceeds the capacity shown and we feel that is quite probable, there will not be any requirement for that extra help from the Department of Economic Development and Tourism.

3. Contingency

We accept that it is not an eligible cost under S/ARDA funding. Considering the overruns that occur in the construction industry, however, we feel that a reserve is always a blessing.

.../2

4. Analysis Of Financial Projections

The only thing that might be missing is a comparison of revenues with similar lodges in the Northwest Territories.

Under strict confidentiality, we are giving you the revenues of two lodges in the N.W.T. which is based on actual bookings for the summer of 1986.

These lodges operate three months out of the year, while Sila Lodge Limited will operate during six months of the year.

Bathurst Inlet Lodge - Revenues - 1986: \$264,000 (U.S.)

Chantry Inlet Lodge - Revenues - 1986: \$322,000 (U.S.)

5. One Quotation Only For Building

P.C.L. was contacted and their prices were higher. Clark Bowler Construction was the only contractor who has reserved a barge to go from Churchill to Rankin Inlet during the 2nd week of September. By using Clark Bowler Construction, the cost of freight is also reduced as the barge cost is being split among three different projects.

6. Equipment Cost Reduced From \$81,651 To \$75,000

The equipment will be purchased by a licenced outfitter who will get a greater discount than Clark Bowler Construction.

7. Page 13

New page to be substituted.

8. Maximum S/ARDA Funding

The rationale for the level of funding comes out of the presentation. It will create at least 6.3 jobs in an area where unemployment is very high. These jobs will also be long lasting and will create a spin-off for Rankin Inlet.

9. Training

This is being carried out now.

10. Estimate of Food Preparation - Transportation

a) Food preparation estimates come from Clark-Bowler Construction.

b) Transportation cost estimates of \$21,000.00 is too low after talking with Clark-Bowler Construction and the Cooperative in Eskimo Point which subcontracts its transport of supplies to a native from Eskimo Point.

.../3



11. Purchase of Material in Rankin Inlet

This would cost about 25% more on material and about 20% more on the cost of shipping. Furthermore Rankin Inlet Building Supplies (RIBS) would not have all the material required in stock, specially the equipment and furniture for the lodge.

12. Results Of Operation of Beluga Motel

As given over the phone by John Hickers

Revenues 1985	: \$239,560
Expenses	: 222,499
Profit before taxes:	<u>17,061</u>

13. Personal Statements from Principals

As two of the participants will contribute labour and their boats for transportation, we have deducted that they had little cash to invest in the proposal. Their contribution to the success of the operation, however, will be second to none, because of their experience in fishing and hunting and in the knowledge of the area.

14. Financing of Marketing

The marketing funds will come from within E.D.A., the regional office, Travel Keewatin or the Department of Economic Development and Tourism. This development is a high priority for the Minister of Economic Development and Tourism. This is highly confidential information.

Sincerely,



Marc Rioux,  
Administration Manager

August 21, 1986

Mr. Jack Lamoureux,  
S/ARDA,  
Department of Regional  
Industrial Expansion,  
Government of Canada,  
P.O. Bag 6100,  
Yellowknife, N.W.T.  
X1A 1C0

Dear Jack:

S/ARDA Application - Sila Lodge Limited

This letter is in answer of the further concerns expressed to me this morning.

1. Naturalists vs Hunters

I talked to Alan Kaylo of Tourism and he sees no problems in having Naturalists and Hunters in the same lodge as long as they do not occupy the lodge at the same time. The applicants have realized this problem and they will ensure that there is a division of timing for both groups as emphasized in the application. Alan Kaylo even stated that fishermen could be at the lodge at the same time as the Naturalists.

2. Competitive Bidding

I talked to Craig Hostland of P.C.L. Construction and they have no way of barging material from Churchill to Rankin Inlet at this late date in September. N.T.C.L. is doing a favour to Clark Bowler Construction in ferrying material from Churchill to Rankin Inlet during the second week of October. Again, it must be emphasized that P.C.L. could not compete with Clark Bowler Construction on the freight costs, as Clark Bowler Construction have three jobs in the Keewatin area and the freight is split between the three jobs.

.../2

3. Marketing

This question has been answered to everyone's satisfaction, I believe.

4. Equity

The equity provided by the participants in ferrying material from Rankin Inlet to Wager Bay will be accounted for so that the expenses may be capitalized.

The accounting will describe in detail the following expenses:

- a) hours of work in ferrying material
- b) boat charges in ferrying material at so much per day
- c) cost of fuel used to operate boats

5. Contribution Per Job

You agreed that \$20,000.00 per job was too low. If we use a contribution of \$25,000 per job, it would mean that the participants will have to borrow an extra \$92,500.00 at an extra interest cost of \$11,100.00, which means that the total interest to be paid for the first year would be \$27,700.00.

If the contribution was \$30,000.00 per job, the participants would have to borrow an extra \$61,000.00 at an extra interest cost of \$7,320.00 which means that the total interest to be paid for the first year would be \$23,920.00

I do not believe that we should lower the guidelines at this time which is \$30,000 per job created.

6. Break-Even Analysis

Two break-even analyses have been done and are attached as Schedule 8-A and Schedule 8-B.

a) Schedule 8-A

The assumptions of this analysis are as follows:

- i) Visitors are charged an amount of \$2,689.00 U.S. funds.
- ii) S/ARDA contribution is limited to \$25,000.00 per job. The S/ARDA contribution is \$157,500.00.
- iii) Applicants have to borrow an amount of \$240,500.00 at 12% interest.

- iv) The source of funds changes as follows:
  - total equity - the same: \$ 52,000
  - contribution Economic Development and Tourism: 50,000
  - S/ARDA contribution 157,500
  - BLF borrowing 240,500
  - TOTAL \$500,000

Results of Changes

- i) Number of guests will have to increase from 102 to 110.
- ii) The occupancy factor goes from 23% to 25%.
- iii) The project is still viable, although the pay-out period for the loan will be increased.
- iv) If applicants control the expenses, I do not see any increase in them. It will cost more for transporting guests, but applicants can compensate by savings on food, freighting of supplies, heat and lights, contingency, etc.

6. b) Schedule 8 - B

The assumptions of this analysis are as follows:

- i) Visitors are charged an amount of \$2,689.00 U.S. funds. No change from Schedule 8-A.
- ii) S/ARDA contributions is limited to \$30,000.00 per job. The S/ARDA contribution is \$189,000.00.
- iii) Applicants have to borrow an amount of \$209,000.00 at 12% interest.
- iv) The source of funds change as follows:
  - total equity - the same: \$ 52,000
  - contribution Economic Development and Tourism 50,000
  - S/ARDA contribution 189,000
  - B.L.F. borrowing 209,000
  - Total \$500,000

Results of Changes

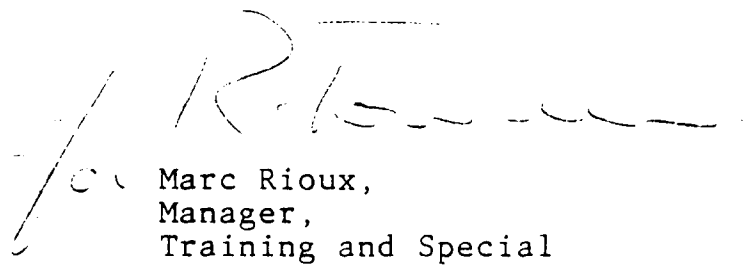
- i) Number of guests will have to increase from 102 to 109.
- ii) the occupancy factor goes from 23% to 24.5%.
- iii) The project is viable. The pay-out period for the loan is decreased as compared to Schedule 8-A.

- iv) The only difference here is that the applicants are paying the difference in interest on the amount of the loans between Schedule 8-A and 8-B.
- v) By controlling the expenses, the applicants could even make a small profit.
- vi) Because of the low capacity which is projected, we feel that there is enough flexibility in the operation to increase the revenues.

Conclusion

The marketing is the key to the success of the operation. Considering the money allotted for advertising and the advertising plan, it is felt that the operation will be successful. If anyone read the advertising plan in the application, there is no doubt that the operation of Sila Lodge Limited will be a success.

Sincerely,



Marc Rioux,  
Manager,  
Training and Special  
Projects

Attachments Schedule 8-A  
Schedule 8-B

SCHEDULE 8 - A

Sila Lodge  
 Projected Break Even Analysis  
 Year 1

	<u>Year 1</u>
Revenue (Schedule 1 )	296,700
Foreign exchange (35% on 100% of revenues)	103,845
Promotion Grant	<u>30,000</u>
 TOTAL REVENUE	 \$430,545
 <u>Expenses:</u>	
Audit (Note 1)	\$ 8,000
Food (Note 2)	47,960
Freighting Supplies (Note 3)	30,200
Heat, lights (Note 4)	9,000
Insurance (Note 9)	19,500
Gas and oil (Note 5)	7,000
Repair and Maintenance (Note 6)	--
Office	3,000
Supplies	3,000
Contingency	5,000
Transporting guests (Note 7)	84,955
Promotion (Annex 1)	30,000
Polar Bear Hunt (Note 12)	--
Wages (increase of 3% in year 2) (Schedule 2 )	114,870
Employee benefits	<u>9,300</u>
	<u>371,796</u>
 Income before depreciation and interest	 \$ 58,749
Interest, long term	(27,700)
Interest, current	--
Depreciation (Note 8)	<u>(30,750)</u>
 Net income before taxes	 \$ 299
Taxes (25%)	<u>--</u>
 Net Income	 <u>\$ 299</u>

Note:

Projected capacity	<u>25%</u>
Projected number of guests	<u>110</u>

SCHEDULE 8 - B

Sila Lodge  
Projected Break Even Analysis  
Year 1

	<u>Year 1</u>
Revenue (Schedule 1 )	293,678
Foreign exchange (35% on 100% of revenues)	102,788
Promotion Grant	<u>30,000</u>
<b>TOTAL REVENUE</b>	<b>426,466</b>
<b><u>Expenses:</u></b>	
Audit (Note 1)	\$ 8,000
Food (Note 2)	47,960
Freighting Supplies (Note 3)	30,200
Heat, lights (Note 4)	9,000
Insurance (Note 9)	19,500
Gas and oil (Note 5)	7,000
Repair and Maintenance (Note 6)	--
Office	3,000
Supplies	3,000
Contingency	5,000
Transporting guests (Note 7)	84,955
Promotion (Annex 1)	30,000
Polar Bear Hunt (Note 12)	--
Wages (increase of 3% in year 2) (Schedule 2 )	114,870
Employee benefits	<u>9,300</u>
	<u>371,796</u>
Income before depreciation and interest	\$ 54,670
Interest, long term	(23,920)
Interest, current	--
Depreciation (Note 8)	<u>(30,750)</u>
Net income before taxes	\$ 0
Taxes (25%)	<u>--</u>
Net Income	<u><u>\$ 0</u></u>
<b><u>Note:</u></b>	
Projected capacity	<u>24.5%</u>
Projected number of guests	<u>109</u>

# APPLICATION FOR ASSISTANCE UNDER THE SPECIAL ARDA PROGRAM

## PART I NOTE TO APPLICANTS

This application is divided into two parts. Part I is intended to determine the eligibility of a project for consideration under the Special ARDA program. Part II is intended to determine what assistance may be available to an eligible project. It is important that you answer carefully, and in as much detail as possible, the questions asked in both Parts I and II of the form.

You may complete and submit Part I of the form before completing Part II, but you will be required to submit the information in Part II before any decision will be made on the amount of assistance that may be made available. If you find it difficult to provide all the information requested, particularly in Part II, answer as many of the questions as you can; assistance in providing the remaining information will be made available to you on request.

Information and assistance on this program is available from:

Regional Superintendent  
Department of Economic  
Development and Tourism  
Government of the N.W.T.  
Rankin Inlet, N.W.T. X0C 0G0  
(819) 645-2881

Regional Superintendent  
Department of Economic  
Development and Tourism  
Government of the N.W.T.  
Frobisher Bay, N.W.T.  
X0A 0H0  
(819) 979-5311

Regional Superintendent  
Department of Economic  
Development and Tourism  
Government of the N.W.T.  
Inuvik, N.W.T. X0E 0T0  
(403) 979-7230

Regional Superintendent  
Department of Economic  
Development and Tourism  
Government of the N.W.T.  
Fort Smith, N.W.T. X0E 0P0  
(403) 872-7235

Regional Superintendent  
Department of Economic  
Development and Tourism  
Government of the N.W.T.  
Cambridge Bay, N.W.T.  
X0E 0C0  
(403) 983-2136

Department of Regional  
Industrial Expansion  
Bag 6100  
Yellowknife, N.W.T.  
X1A 1C0

1. What is the name you will be using for the project?

Sila Lodge Limited

If Other, please explain (e.g. describe membership of organization)

2. Where will it be located?

Wager Bay

P.O. BOX, STREET AND NO.

Keewatin Region

COMMUNITY, TOWN, VILLAGE

N.W.T.

TERRITORY

3. What is the name and address of the person to whom inquiries in connection with this application should be addressed?

Louis Pilakapsi

NAME

P. O. Box 191

P.O. BOX, STREET AND NO.

Rankin Inlet

COMMUNITY, TOWN, VILLAGE

N.W.T.

TERRITORY

(819) 645-2960

TELEPHONE NO.

4. Is the applicant  Inuit  Status Indian  
 Metis or  Other  
Non-Status Indian

5. Which of the following best describes the form of the proposed organization? (Check one)

sole proprietorship  partnership  cooperative  
 private or public company  community organization  other

If other please explain

6. Is the proposed project primarily related to (check one)

establishing, acquiring, expanding or modernizing a facility engaged in manufacturing, processing or providing consumer services.  
 primary producing activity such as fishing, trapping, forestry, or agriculture  
 training, counselling, or other social adjustment measures



7. Brief description of project and its purpose

A multi-function naturalist lodge will

Cater to:

- Archeologist
- Naturalists
- Fishermen
- Caribou hunters
- Char/hunt combination
- Polar bear hunters

8. A. What is the estimated number of jobs to be created directly by this project?

full time \_\_\_\_\_ seasonal 12 part-time \_\_\_\_\_

B. How many jobs will be made available to people of Indian or Inuit ancestry?

full time \_\_\_\_\_ part-time 12 seasonal \_\_\_\_\_

C. If a primary producing activity or social adjustment project, how many people will be assisted?

D. Of people assisted, how many of Indian or Inuit ancestry?

9. Will the project operate on a year round basis?

Yes  No

If "no" when will the project be in operation? (Please explain)

June 1 to August 20 for naturalists

archeologists and fishermen.

August 20 to October 30, for Char/

Caribou combination.

February to May for Polar bear hunts.

10. If construction is required on what date is it expected to start?

June 1st, 1987

11. What is the expected date on which the project will start operation?

July 1st, 1987

12. Have any agreements been signed, materials purchased or land acquired for this project?

Yes  No

If "yes" what kind of commitment and on what date was it made?

13. What are the total estimated costs for the project?

a) Capital

i) machinery and equipment	\$ <u>75,000</u>
ii) buildings and structures	<u>304,588</u>
iii) Food for builders	<u>15,000</u>
iv) land improvements (infrastructure)	<u>45,000</u>
b) Food preparation for builders	<u>21,000</u>
c) Contingency	<u>18,412</u>
d) Transport of material from Rankin to Wager Bay	<u>21,000</u>
<b>Total</b>	<b>\$ <u>500,000</u></b>

14. What will be the form of your required contribution to the project (equity)?

Equity of Principals:

- Cash input:	\$ <u>10,000</u>
- Preparation of food for construction workers	<u>21,000</u>
- Transport of construction material from Rankin Inlet to Wager Bay	<u>21,000</u>

15. Will the project receive any financial assistance from any other government agency?

Federal

Name of department \_\_\_\_\_  
expected amount \$ \_\_\_\_\_

Territorial

Name of department Economic Development  
expected amount \$ 50,000.00

Municipal

expected amount \$ \_\_\_\_\_

Other

Specify source, amount, terms and conditions

# DECLARATION OF APPLICANT

I am submitting this application for the purpose of obtaining assistance under the Special ARDA Program. The statements herein and in the attachments hereto are, to the best of my knowledge and belief, true and correct and I understand that any offer of assistance will be conditional upon this certification by me that such assistance is a significant factor in the decision to proceed with the project.

I understand that, in order for this application to be considered, I will have to complete a Part II of this application and supply any additional information to persons authorized by the Federal Minister and Commissioner of the Northwest Territories.

I agree to allow such persons to have access at any reasonable time to the site and premises of the project described in this application to inspect the books and records and to make inquiries and credit checks and obtain all other pertinent information necessary to evaluate the application.

Date June 11, 1986

Signature \_\_\_\_\_  
(please print name below)

Place Yellowknife, N.W.T.

Louis Pilakapsi, President

APPLICATION FOR ASSISTANCE UNDER  
THE SPECIAL ARDA PROGRAM

## PROJECT INFORMATION

### PART II

To permit you the greatest possible flexibility in providing what you consider to be the important facts about the project, you may provide this information in narrative form on a separate attachment. You are, however, requested to provide certain specific information as indicated under each of the following headings:

**A. Background and History of Proposal:**

Provide a brief description of how and why the project was initiated.

**B. Operations:**

Describe the function, activity or service to be carried out. If the project requires the use of raw materials, state what the source of these raw materials will be and whether sufficient quantities for the project will be available for at least the next five years.

**C. Marketing or Service Area:**

Indicate what volume of goods or services will be sold or provided annually, by whom, where the market is, who the main competitors are, and what amount and percentage of the market might be obtained.

**D. Land, Buildings and Equipment:**

Describe the size of the land required for the project and the conditions under which you have a right to use it. Indicate the size and type of buildings to be used. Provide a site plan and a plant layout if applicable. Attach copies of any cost quotations you have obtained.

**E. Management:**

Outline the background, education and experience of the key persons who will be involved in the project.

**F. Employees, Including Managers:**

Provide the following information for the project after it begins operation: the type of job to be performed; the number of males and females and the wage rates for each

job type; the number of persons of aboriginal ancestry for each job type, whether the jobs are permanent, seasonal, full-time or part-time; and if applicable, the number of shifts to be worked.

**G. Training:**

Identify the specific jobs for which training is required, if any, and indicate where that training may be obtained and what the probable costs and length of the training period will be. Provide this information for each of the persons to be employed in the job classes identified under the previous heading.

**H. Financial:**

Provide a projected income statement showing revenues and a breakdown of expenses for the first three years of operation. Also provide a balance sheet and a statement on estimated working capital requirements for the year before the project begins its operations and each of the following two years. Indicate the source of financing, including the terms of loans and details of the owner's equity.

**I. Professional and Technical Services:**

Where applicable, identify professional and technical services (e.g. name of banker, lawyer, accountant, engineer, etc.) that might be involved with the project.

**J. Pollution:**

Indicate whether the project will cause air, water, soil or noise pollution and, if so, describe the preventative measures to be employed.

**K. Economic Benefits:**

Outline the economic benefits to be brought about as a result of the project. For example, will the project result in additional jobs being created with other organizations or companies and thereby further reduce unemployment in the area; will any other existing organization or company benefit because the project buys their goods or services; to what extent will local businesses benefit from the increased incomes received by people employed in the project.

**L. Social Benefits:**

Describe how this project will improve life in your community. For example, will the number of families on welfare be reduced; what direct or indirect effect will there be on education, occupational skills or vocational training levels in the community; will the project result in additional public services being brought to the community; will there be any other effects which would improve standards of living in the community?

**Comments:**

See proposal

A series of horizontal lines for writing comments, starting from the line containing 'See proposal' and extending down to the bottom of the page.

**SILA LODGE  
(A Keewatin Wildlife Odyssey)**

**exciting alternatives  
FOR WORLD ADVENTURERS AND NATURALISTS**

---

A Special ARDA Application: Part II

with support from  
Keewatin Chamber of Commerce  
Keewatin Regional Council  
Keewatin Inuit Association  
Keewatin Wildlife Federation

---

Eligible under the  
Canada - Territorial Special Rural Development Agreement  
Special ARDA Program

---

Recommended by:  
Ian Kinsey, Regional Tourism Officer  
Hayward Simms, Field Business Advisor

Submitted by:  
Louis Pilakapsi, President  
Sila Lodge Limited

## TABLE OF CONTENTS

Section	Page
A. Background and History .....	1
B. Operations .....	1
Resource Base	
Physical Features .....	1
Reversing Falls .....	1
Polynias .....	1
Seals .....	1
Polar Bears .....	2
Birds of Prey .....	2
Caribou .....	2
Predators .....	2
Char .....	2
Trout .....	2
Early Man .....	2
Plant Life .....	2
Function, Activity and Services .....	3
Special Interest Groups - Services .....	3
Naturalists Services .....	3
C. Marketing	
The Competition .....	4
Market Characteristics .....	4
Market Potential. Why is it Growing? .....	5
Target - Specialty Groups .....	6
Action Strategy for Sila Lodge .....	7
Operating Season .....	8
Recommended Rates .....	8
Projected Revenue .....	9
D. Land, Building and Equipment .....	10
Capacity .....	10
Location .....	10
Site Plan .....	10(a)
Buildings .....	11
Capital Cost .....	12
E. Management .....	12
F. Employees .....	14
G. Training .....	15

Section	Page
H. Financing	
Equity Contributions .....	15
Getting to Wager Bay .....	16
Best Transport Alternatives .....	17
A Look at Direct Costs .....	19
Projected Financial Statements .....	21
I. Professional and Technical Services .....	27
J. Pollution .....	27
K. Economic Benefits .....	27
L. Social Services .....	27
M. Source of Information .....	27

#### Schedules

Number	Title	Page
1.	Projected Schedule of Revenue .....	9
2.	Schedule of Wage Costs .....	14
3.	Best Transport Alternatives .....	17
4.	Schedule of Transport Alternatives .....	18
5.	Direct Costs per Person/Week .....	19
6.	Projected Balance Sheet .....	21
7.	Projected Cash Flow .....	22
8.	Projected Schedule of Operations .....	23

#### Annexes

1.	Three Phase Promotion Package
2.	Cost Quotations - Material Listing - Buildings & Equipment
3.	Cost Quotations - Insurance
4.	Letters of Support

## A. BACKGROUND AND HISTORY OF PROPOSAL

### Introduction

For centuries, the mysteries of Wager Bay remained hidden from the world's adventurers. This changed in 1974 when Parks Canada identified Wager Bay as "an area of Canadian significance".

Today, Parks Canada is appraising the area for a national park.

Recently, the Keewatin Chamber of Commerce completed a quarter million dollar regional plan called The Keewatin Tourism Development and Marketing Strategy. This regional plan, prepared by Marshall, Macklin, Monaghan recommends that a remote naturalist lodge would compete well in the Keewatin and that the market remains unsaturated.

Wager Bay is recommended for the lodge's location because it has naturalness and uniqueness, including a sense of the exotic that naturalists want. Furthermore, the area is blessed with a variety of interests which would give the lodge the flexibility it needs to survive.

To begin this proposal, we are pleased to unfold the resource base which awaits the naturalist.

## B. OPERATIONS

### Resource Base:

Wager Bay is a rift valley which penetrates one hundred miles into the Canadian Shield. The shores are most attractive; its bluffs and islands are grey and pink granite. The high cliff-lined south coast rises 1,500 feet with intermittent narrow valleys and unexpected waterfalls. The north coast has gentle relief with high rounded hills and meandering river valleys.

The shape of the Bay, with its narrow mouth and head, results in powerful tidal pressures that create polynias, or open areas, in the winter. An abundance of sea mammals feed around the polynias in the winter and attract the polar bear. Other interesting tidal phenomena include a set of reversing falls at the head of Wager Bay and a tidal bore at the mouth.

Life begins in the waters of Wager Bay. The tidal pressures nurture and protect a surprisingly rich underwater plant and animal life. Parks Canada divers discovered that the water is teeming with plankton which feed the marine flora and fauna spawning sites. These sites support one of the highest concentrations of harbour seal in Arctic waters. Also in abundance are the ringed seal, bearded seal and the white (beluga) whale. Less frequent visitors are the walrus, harp seal, narwhal and the bowhead whale.

Polar bears migrate to the Bay to hunt the seal and sightings are common during open water season. Most bears come from the large denning area on the adjacent Southampton Island. This fall, Renewable Resources will be studying the Wager Bay area for denning sites.

Birds of prey command the skies along the cliff-lined south coast where an occasional explosion of feathers proclaims a kill. The cliffs protect one of the highest densities of endangered Peregrine and Gyrfalcon nesting pairs of anywhere on the North polar land mass. Naturalists regard them highly as a symbol of the wild, untouched lands of the Canadian Arctic. Other species of birds pour in and out in streams on their migratory routes. Two large colonies, the black guillemot and the common eider duck, make the Bay their full time summer resort. In all, over 100 species of birds nest there. They are currently being documented.

About 15,000 caribou spend all year at Wager Bay, calving on the south side and wintering in the hills to the north. The lodge is located in the caribou grazing area.

Caribou attract the predators. The Hudson Bay wolf, wolverine, arctic fox, red fox and ermine are plentiful and naturalists consider these sightings a bonus.

Although the Char and trout are not trophy size, they are plentiful in three locations: near the reversing falls, and on the Piksimanik and Quanguat Rivers. Ample fishing quotas have already been assigned by the Federal Department of Fisheries. As well, Char are plentiful in the two unnamed rivers which surround half the lodge site.

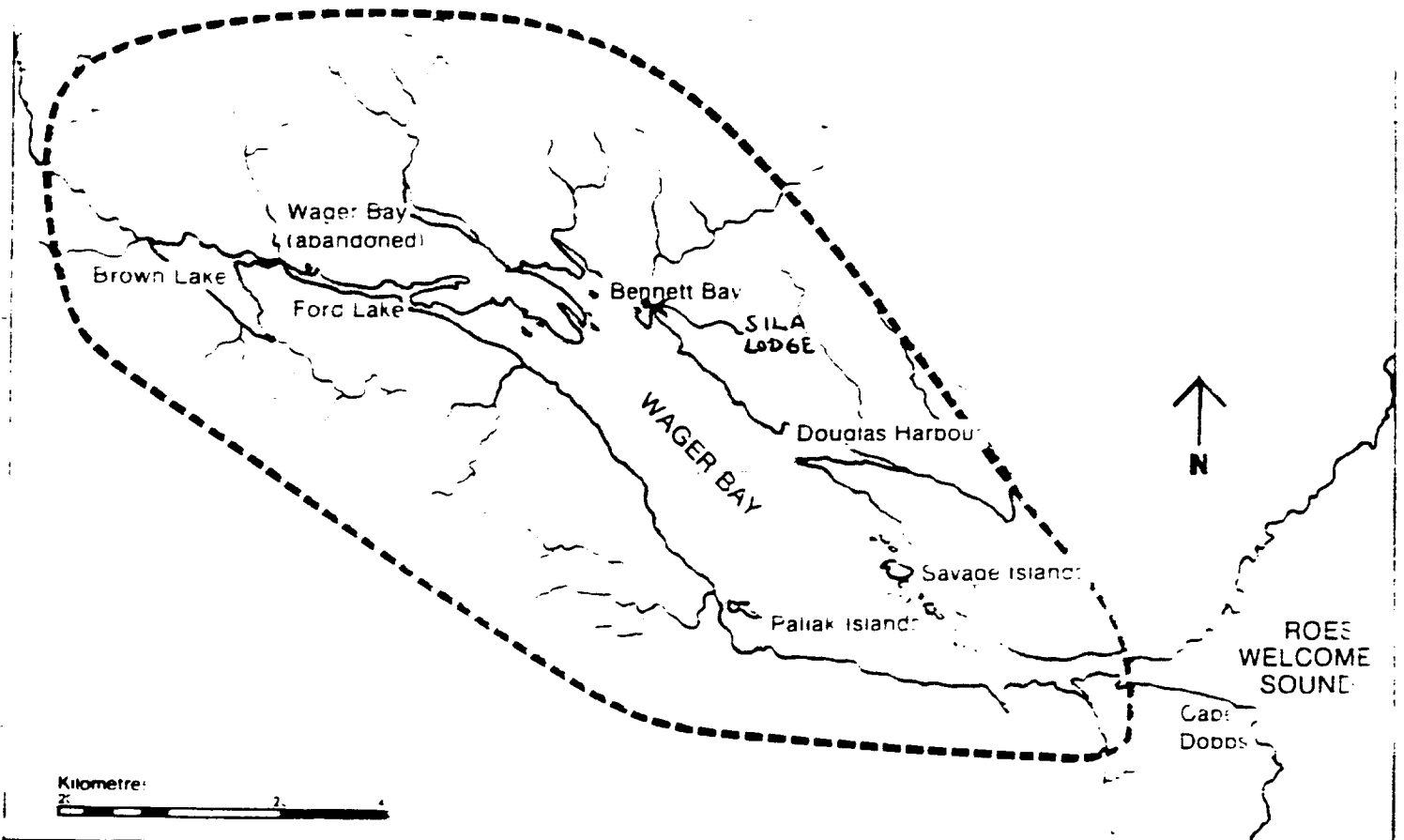
History buffs will be pleased with Wager Bay's involvement in the colonization, search for the Northwest Passage, the whaling industry and the Hudson's Bay Company. Naturalists can visit six archeological sites, three ancient inukshooks and an abandoned Hudson's Bay Company post. The Prince of Whales Northern Heritage Centre regards the area as potentially archeologically fertile.

Naturalists like to view a variety of tundra plant life. Over 350 varieties surround the site in a sunburst of colour.

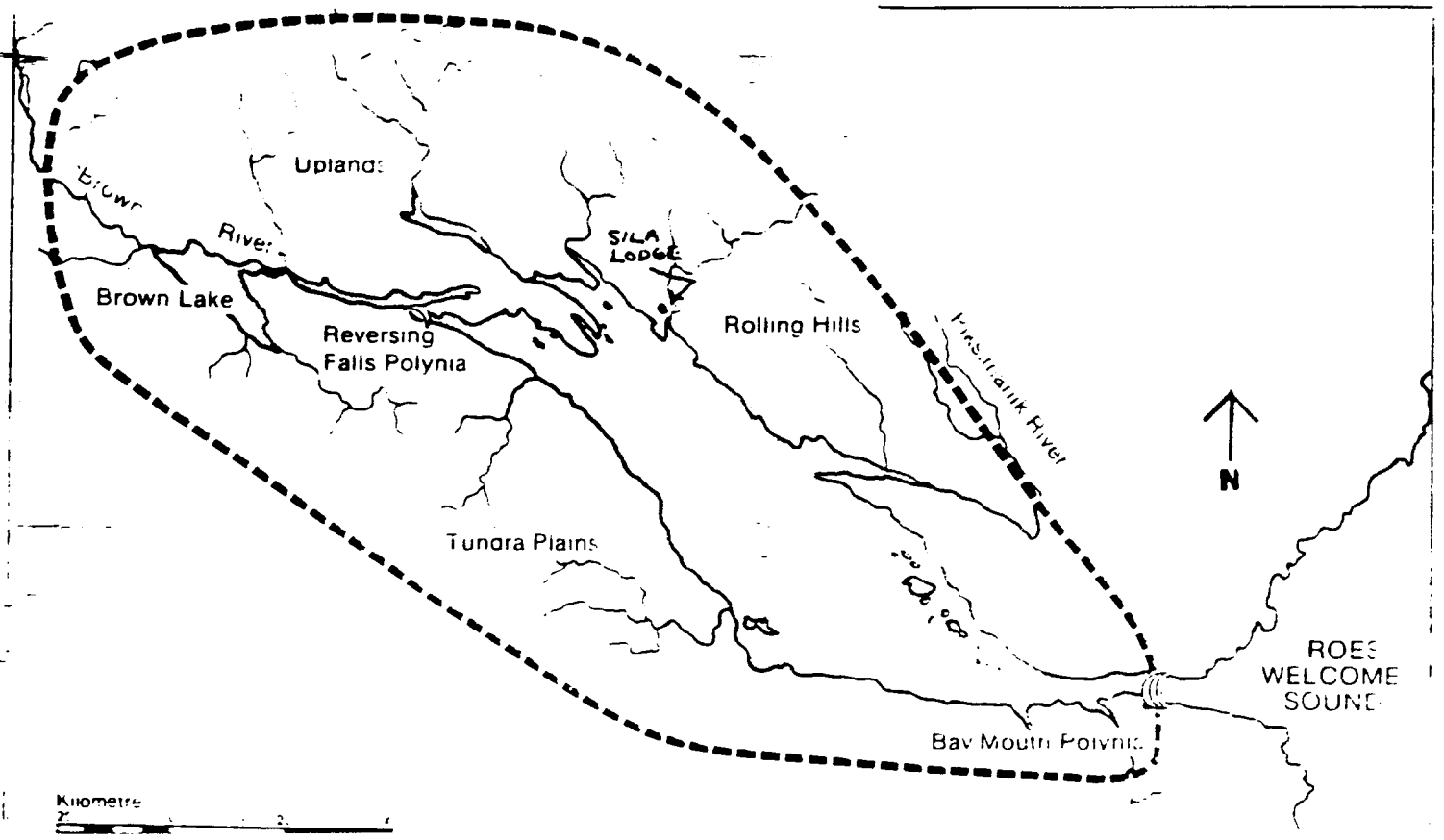
"Sila" (Inuktitut for 'outdoor') Lodge wants to be regarded as a place where Arctic life begins; its resource base is, in fact, rich enough to deliver this message to the world's adventurers.



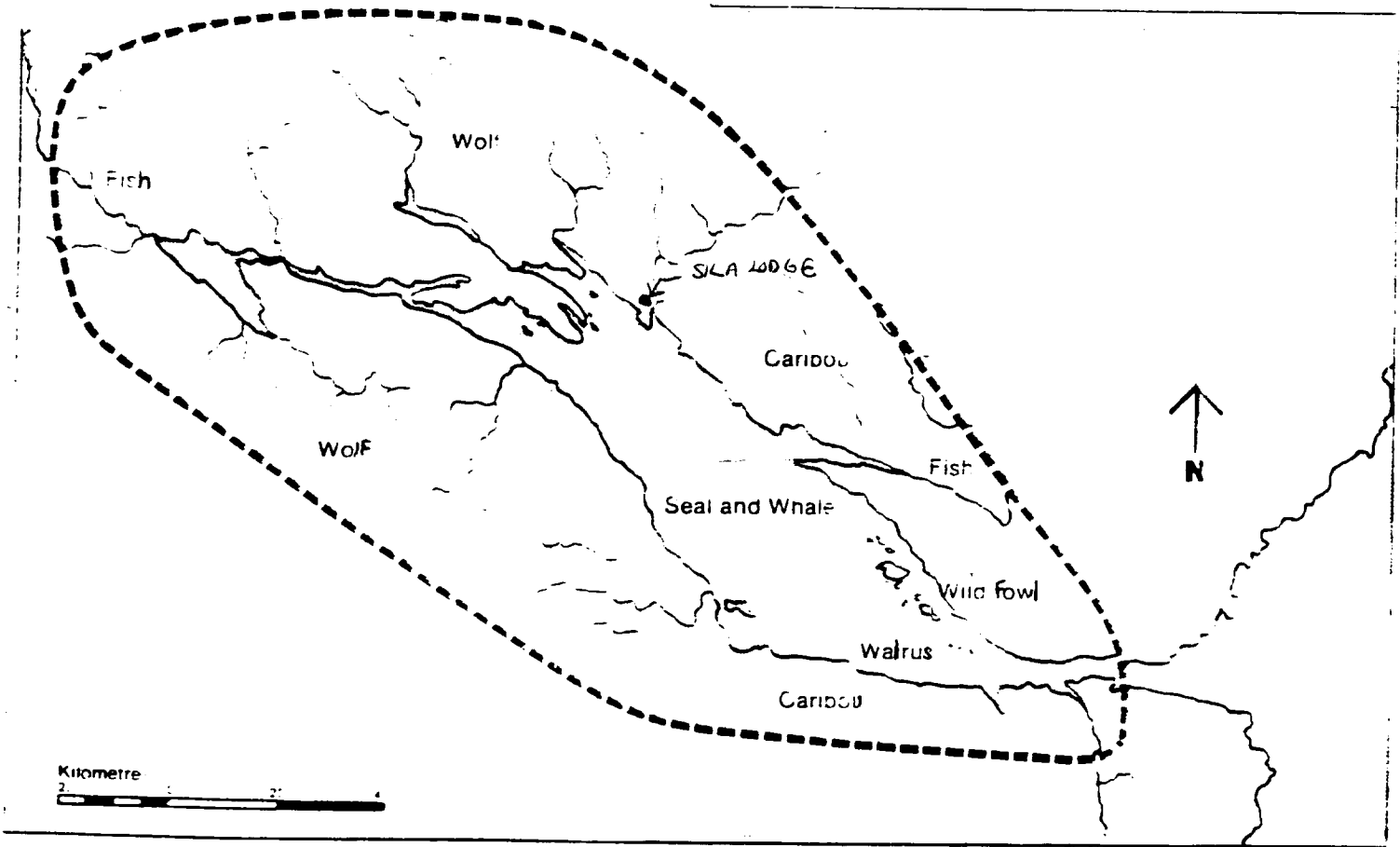
# SITE MAP



# NATURAL FEATURES



# INUIT LAND USE WILDLIFE



REVERSING FALLS

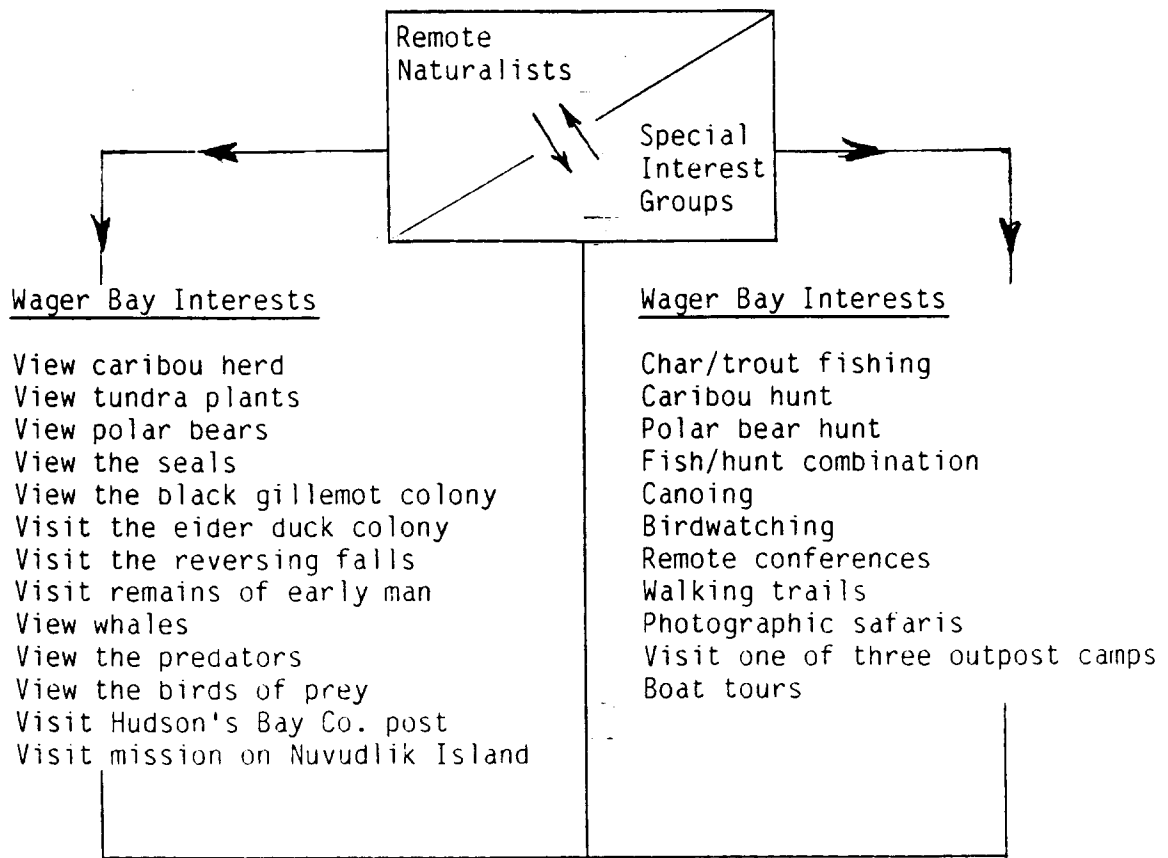
**Function, Activity and Service:**

Sila Lodge intends to provide value for money in an increasingly sophisticated and more segmented market of the 80's. It wisely possesses the versatility to alter its marketing theme to meet the demands and expectations of special interest groups. So the lodge is multi-functional and caters to:

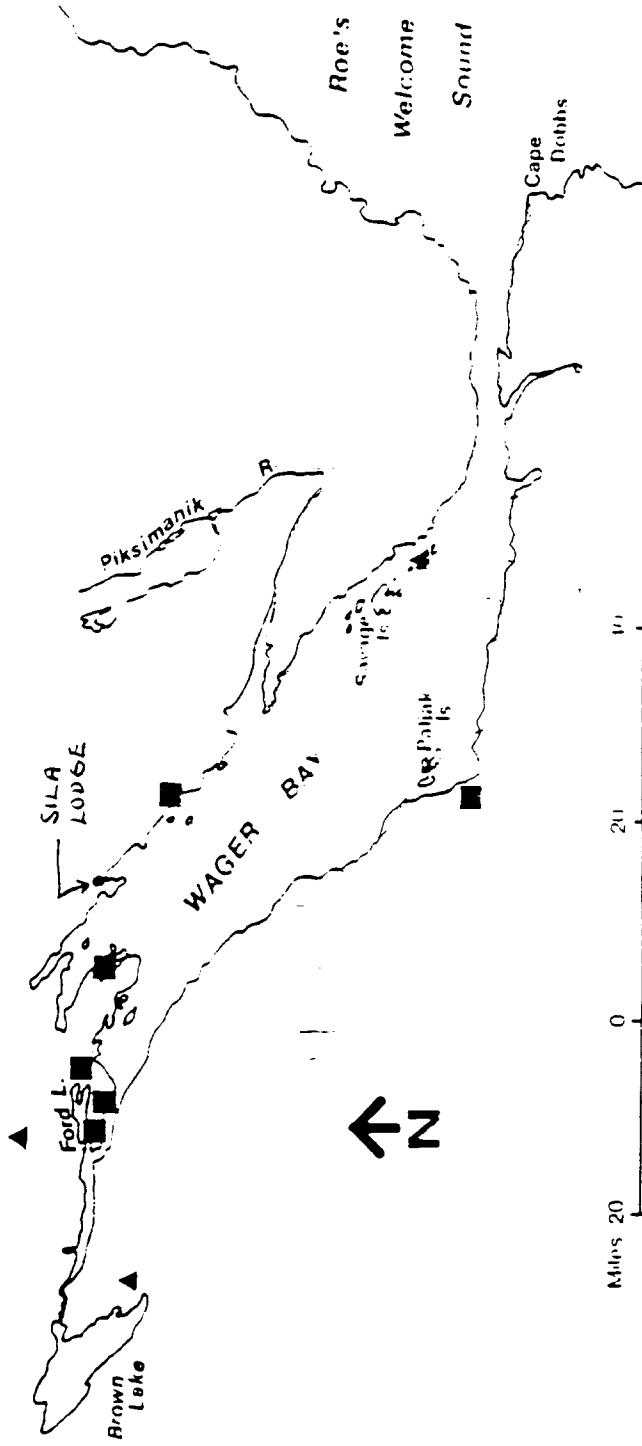
- |                                   |                             |
|-----------------------------------|-----------------------------|
| 1. Remote naturalists             | 10. Polar bear hunts        |
| 2. Char and trout fishermen       | 11. Bird watchers           |
| 3. History lovers                 | 12. Photographers           |
| 4. Wildlife encounter enthusiasts | 13. General interest groups |
| 5. Fly-in groups                  | 14. Back packers            |
| 6. Remote conference centre needs | 15. Artists                 |
| 7. Boat tours                     | 16. Geologists              |
| 8. Canoists                       | 17. Writers                 |
| 9. Caribou hunts                  |                             |

Reclassified into two groups - naturalists and special interest - here is what awaits our guests:

Sila Lodge: Multi-Functional Reclassification

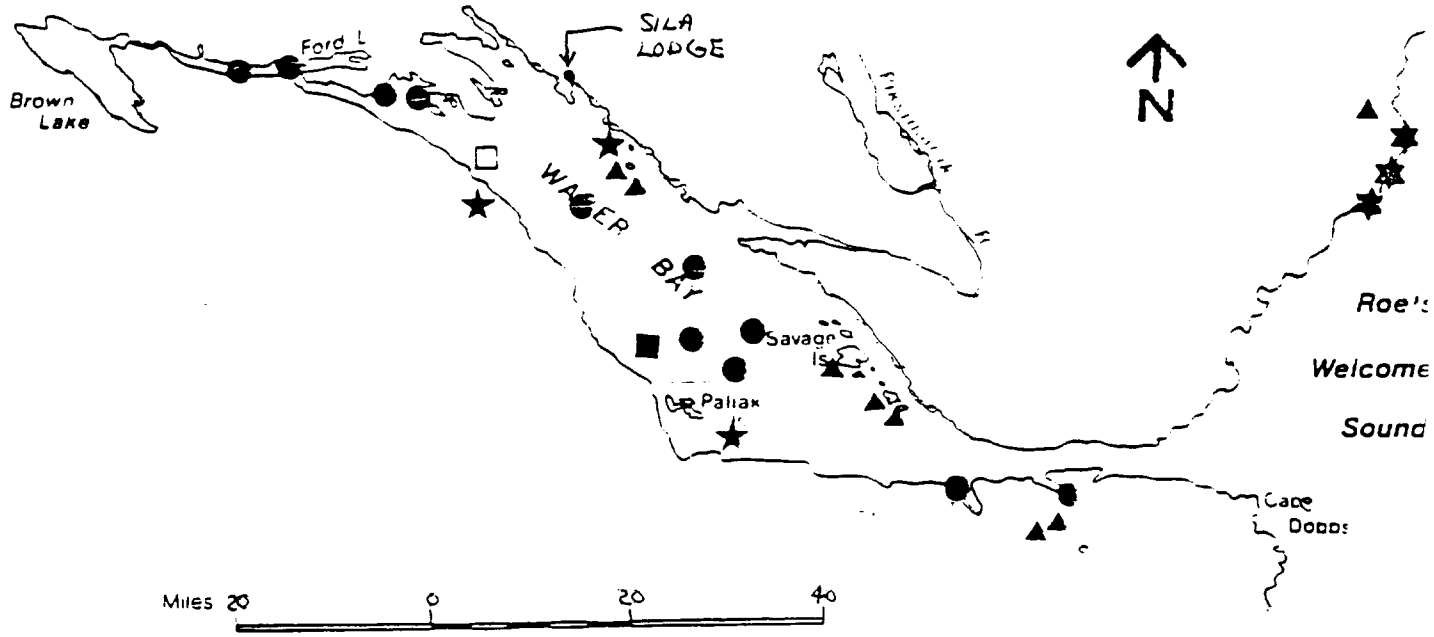


# Unidentified Archaeological Sites around Wager Bay



■ Stones houses, tent rings      ▲ Inuit shacks

### Critical Habitats: birds and mammals



#### Seals

- ringed
- bearded
- harbour harp

#### Whales

- beluga (white)
- narwhal

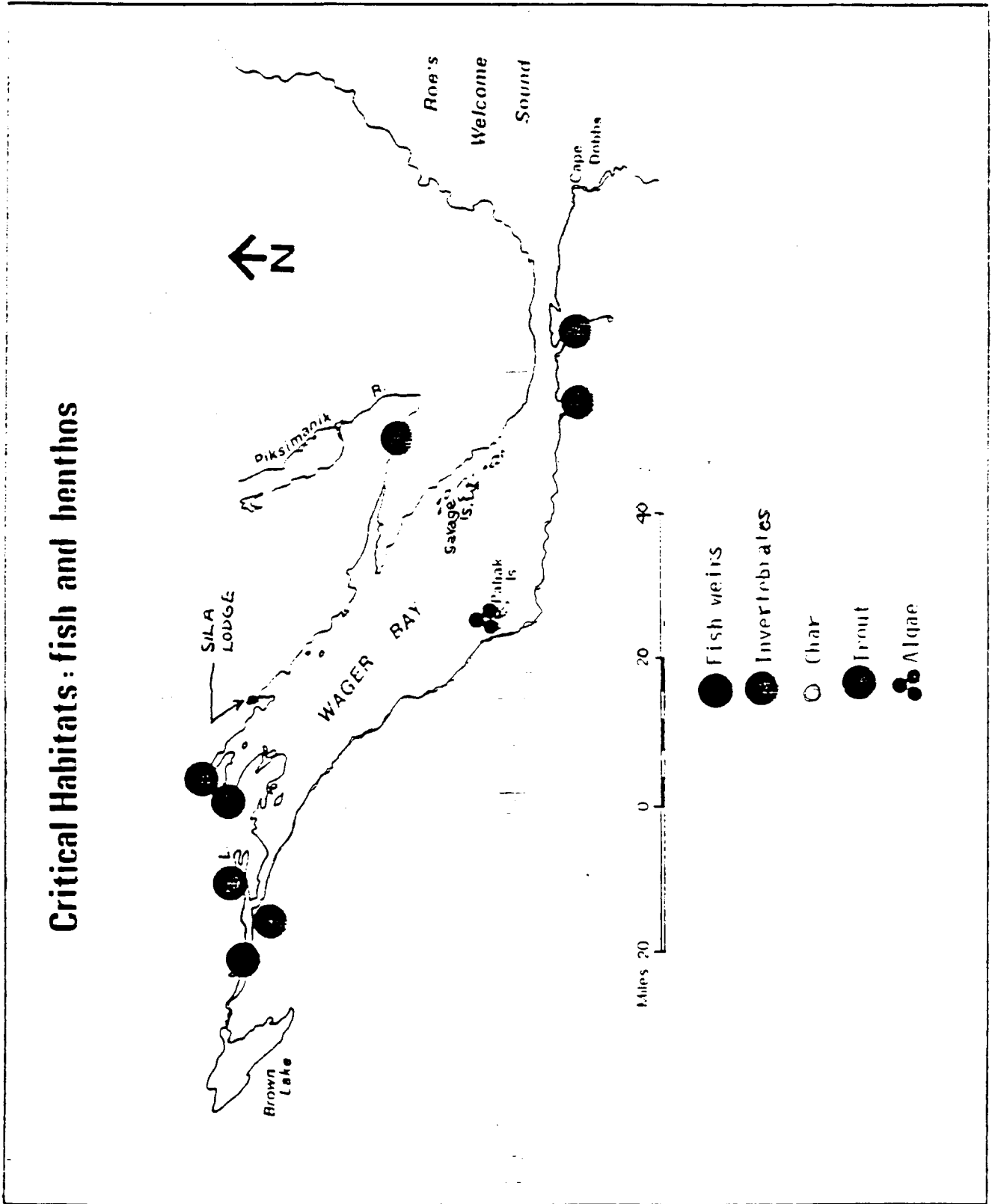
#### Birds

- ▲ eiderduck
- ▲ longtail (old sauaw)
- ▲ black guillemots

★ Walrus

★ Polar Bear

# Critical Habitats: fish and benthos



## C. MARKETING

### **The Competition:**

The Keewatin Regional Market Study examined the following naturalist lodges which operates in areas adjacent to the Keewatin:

- Bathurst Inlet Lodge, Cambridge Bay;
- High Arctic International Explorers Services Ltd, Ellesmere Island;
- Old Squaw Lodge, Yukon Border.

We added two fishing lodges and studied them in depth: Chantey Inlet Lodge and Lynx-Tundra Lodge.

None of the three naturalist lodges offer trophy fishing, yet they were fully booked this year. The fishing lodges were fully booked as well.

Sila Lodge's resources equal and may even surpass the competition. Outstanding over the competition is its flexibility to meet the demands of special interest groups and its accessibility to a greater variety of wildlife.

In the marketing program which follows, we have taken great pain to understand the new tourist of the 80's and to find out why the market is growing. Why did Bathurst Inlet Lodge have over 100 guests last year and why were they filled to capacity (120) this year? Why did Chantery Inlet Lodge have over 140 guests last year and are already half booked for the next year? Why was Old Squaw Lodge fully booked as were most lodges in the Baffin this year?

Armed with a comprehensive analysis from the Keewatin Regional Market Study, here is what we uncovered.

### **Market Characteristics:**

A love of nature is a primary characteristic of guests who patronize remote naturalist lodges. Bird watchers, botanists, amateur geologists, amateur photographers, artists and history buffs are among the people who go to the expense and effort to holiday in the Arctic. Favoured activities include: bird watching; viewing wild flowers and the varied Arctic wildlife; hiking and exploring the unique geological features near which the lodges are frequently situated; nature photography; learning about local culture and history; and spending quiet time in observation, writing or meditation.

People who stay at remote naturalist lodges generally tend to possess above average incomes, although a small percentage of these are persons with average incomes who carefully plan and save for such trips. These people are frequently mature individuals (50+ years old), almost invariably with education beyond the secondary school level and employed in (or retired from) white collar, managerial or professional occupations.

Individuals and couples are the most frequent guests with small groups of naturalists making up a small percentage of existing clientele. In addition, and in particular at Bathurst Inlet Lodge, guests accompanied by grandchildren are not an uncommon occurrence.

Remote naturalist lodges generally tend to be relatively small, accommodating at maximum between 15 and 20 guests at a time and only 90 to 100 guests in total during a six to eight week operation period. Facilities are generally modest, rustic log cabin style accommodations. Although rustic, the accommodation is comfortable. Services provided in weekly package rates include meals, transportation to and from the lodge location and the nearest airport and guide services to locating wildlife and local points of interest.

### Market Potential

Interest in naturalist activities has been growing in recent years. The 1960's witnessed renewed interest in and concern for the natural environment through North America. This interest has remained in spite of the harsh economic pressures of the late 1970's and early 1980's and it is expected that large groups of people on both sides of the international border will be interested in participating in naturalist activities in the foreseeable future. **As members who grew up in the 1960's and 1970's are now in their 30's and 40's, they will be looking for more comfortable, less physically taxing and more often family oriented ways of appreciating nature.**

Potential markets with possible interests in Arctic wildlife, history and scenery, would not only come from individuals but would also come from small special interest groups such as provincial federations of naturalist clubs (i.e., the Ontario Federation of Naturalists), societies interested in Inuit culture (i.e., The Arctic Society), national naturalist organizations (i.e., Canadian Nature Federation) and international organizations (i.e., the Audubon Society). Although memberships in these organizations are relatively small (i.e., Federation of Ontario Naturalists - 8,500 members; The Canadian Nature Federation - 12,000 members), they are either growing slightly or are stable and members have a long time interest in naturalist activities.

As mentioned earlier, the mature adult market - people of 55 years and older - has been steadily increasing and will expand rapidly in the late 1980's and 1990's. This small market comprises a significant proportion (up to 50 percent) of the membership of naturalist organizations. Members enjoy average to above average incomes and are able to afford the cost of travel to the Arctic or are highly motivated to give up other leisure activities to plan and save for such excursions. Members are accustomed to mild physical activity which naturalists pursuits require and expect comfortable, clean but not necessarily deluxe accommodation in remote "wilderness" locations.



### Target - Specialty Groups

The Keewatin Tourism study identified eight specialty market groups and subsequently analysed them to a greater level of detail. These eight market groups were viewed as having the highest potential economic impact in terms of tourism expenditures and development opportunities generated.

They were also those with which Sila Lodge's resources appeared to be most compatible.

This more detailed investigation involved numerous telephone interview with relevant local, territorial, national and international associations, public officials, facility operators and tour wholesalers as well as a more comprehensive review of available secondary source data.

The selected specialty markets included:

- fishing market (fishing camps, trophy fishing);
- hunting market (big game);
- remote naturalist lodges market;
- photographic safari market;
- general interest package tour market;
- short-term fly-in market;
- adventure travel market; and,
- arts/cultural/historic tour market.

These market groups have relatively distinct characteristics in terms of composition, preferences and trends. Sila Lodge clearly meets resource needs as discussed in the Operations Section.

Highlights from the Regional Study forecasts growth in speciality groups. Here are some key excerpts:

- Continued growth in fishing and hunting organizations indicates an expanded potential market of persons with the inclination and the financial ability to pay for the opportunity to undertake a sport fishing trip to Keewatin.
- Membership in relatively exclusive hunting and fishing organizations such as the Foundation for North American Wild Sheep appears to be stable with increasing membership anticipated. Such organizations represent the greatest concentration of potential participants in big game hunting activities in the Keewatin. These organizations also have information networks (i.e., membership mailing lists, quarterly newsletters) which, if properly accessed, could provide an important promotional function, reaching members in affiliated chapters and individually across the United States and Canada.

- To fully exploit the market with respect to big game hunting, hunting packages might be developed which focus on providing combination hunts, as feasible, polar bear - musk-ox, musk-ox - caribou, etc. This approach seems to be of interest to American clubs and has been successful in the Western Arctic.
- The photographic safari market can be considered small but strong and can be expected to maintain its stability and at best, grow with the improvement of general economic conditions. The market is already prone to extensive travel within North America primarily and quite willing to consider new areas.
- The adventure travel market is part of a growing trend in travel for pleasure. The adventure travel market is characterized as being different from the traditional "sun-sea-sand" pleasure travel market by the common desire of its participants for experimental and/or skill testing trips oriented to the outdoors.
- We detected an ambivalent attitude on behalf of wholesalers respecting future Keewatin offerings. Clearly, the Keewatin must move aggressively and "go after" these operations with the right promotional material to penetrate this market further.

**Action Strategy for Sila Lodge**

The Keewatin Tourism Study recommended that we avoid inhouse marketing and contract experienced people outside the N.W.T. This has been done.

The Travel Keewatin Zone Association hired Henderson & Associates, media and sales specialists of Thunder Bay. Based on recommendations from the Keewatin Tourism Study, the consulting firm designed a three phase promotion program, costing \$130,000, to hit the market in eleven ways:

<u>Description</u>	<u>PHASE</u>		
	<u>Pre-opening</u>	<u>Year 1</u>	<u>Year 2</u>
1. Consumer Shows	\$ 3,500	\$ 4,000	\$ 8,000
2. Trade Shows	3,000		4,000
3. Lure Brochures	12,000		7,500
4. Direct Mail	4,500	4,000	5,500
5. Audio Visual Photography		9,000	6,000
6. Magazine advertising	4,000	8,000	18,000
7. Editorials	1,000	1,000	1,000
8. Special Exhibits		6,000	
9. Lecture Tours		2,000	3,000
10. First Hand View	2,000	6,000	
11. Promotional Poster			7,000
<b>Total</b>	<u>\$30,000</u>	<u>\$40,000</u>	<u>\$60,000</u>

See Annex I for a full description of each phase.

Tourism & Parks Division of Economic Development & Tourism fully supports the promotion program and has identified funding sources for the \$130,000.

Henderson and Associates will provide a specialist to attend all shows, tours, etc. and execute the promotion program for Sila Lodge. He will also book guests. Because he promotes the Keewatin as well, his costs are borne by the Zone Association.

On top of that, John Hicke, a Sila Lodge owner, will attend eight to ten sportsmen's shows as President of the National Native Lodge Association of Manitoba. A veteran at promotion, Mr. Hicke intends to promote the lodge at these shows.

**Operating Season:**

For obvious reasons, we will separate the naturalist season from that of the hunters:

Naturalists	- June 1	- August 20	- 12 weeks;
Caribou Hunters	- August 20	- October 30	- 10 weeks;
Polar Bear Hunters	- February	- May	- 4 weeks.

**Recommended Revenue Rates:**

Bathurst Inlet Lodge charges \$2,200 U.S. out of Yellowknife. Lynx-Tundra Lodge charges \$2,200 U.S. out of Yellowknife. Chantery Inlet Lodge charges \$2,300 U.S. out of Fort Francis, Ontario.

We recommend \$2,500 U.S. for naturalist and \$2,800 U.S. for the char/hunt combination. Because the rates are out-of-Winnipeg, we feel that they are on par with the competition.

In addition, other profits will be pursued as follows:

1. Selling of equipment, souvenirs, carvings, etc.;
2. Selling of additional boat tours, particularly to fly-in groups;
3. Selling alcoholic beverages.

Net profit from additional revenue is estimated at \$100.00 per guest per week.

**Projected Revenue:**

See Schedule 1, Page 9.

SCHEDULE 1

Sila Lodge  
Projected Schedule of Revenue  
Year 1 to Year 3  
(U.S. Dollars)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
<u>Revenues:</u>			
1. Naturalists			
6 guests x \$ 2,500 x 12 weeks	\$180,000		
7 guests x \$ 2,500 x 12 weeks		\$210,000	
8 guests x \$ 2,500 x 12 weeks			\$240,000
2. Hunters and Fishermen			
3 guests x \$ 2,800 x 10 weeks	84,000		
6 guests x \$ 2,800 x 10 weeks		168,000	
6 guests x \$ 2,800 x 10 weeks			168,000
2 guests x \$15,000 x 4 weeks			30,000
3. Other Revenue			
\$100.00 per guest per week	<u>10,200</u>	<u>14,400</u>	<u>15,800</u>
	<u>\$274,200</u>	<u>\$392,400</u>	<u>\$423,800</u>
Projected capacity	(23%)	(33%)	(36%)
Projected number of guests	<u>102</u>	<u>144</u>	<u>158</u>

**D. LAND, BUILDING AND EQUIPMENT**

**Capacity:**

We settled on a 20 guest lodge for a variety of reasons. First, we expect a number of remote conference requests. Second, larger groups reduce the charter costs per guest because the cost spread is greater. Third, we can compete with the competition - mainly the 20 guest Chantry Inlet Lodge and the 20 guest Bathurst Inlet Lodge. Finally, Sila Lodge's resource base for attracting adventurers is rich enough to encourage growth.

**Location:**

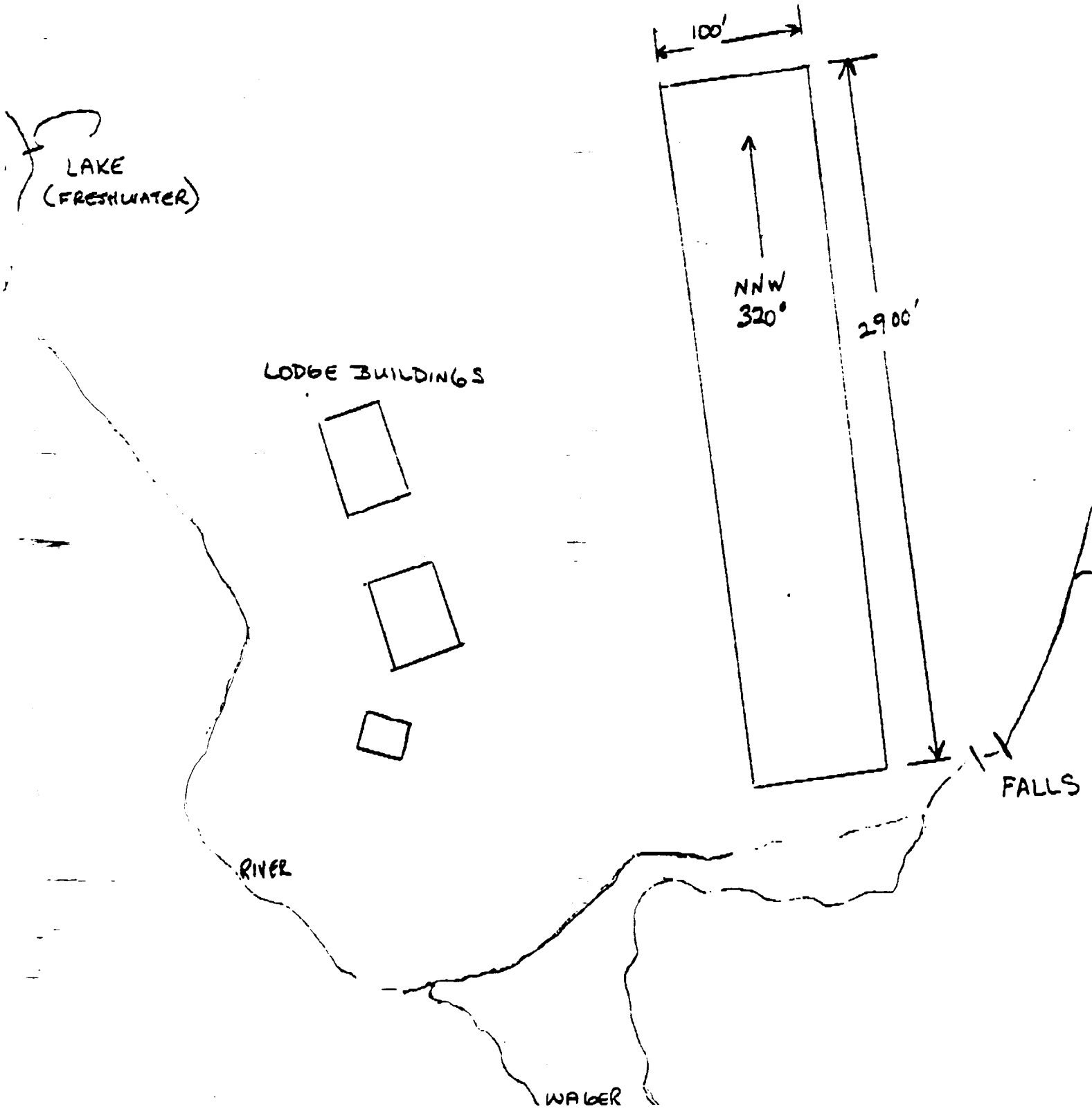
As stated above, we designed the lodge to provide comparative facilities with the competition but added a couple of twist of our own. The resource base is so vast and varied that we must reduce the scope to meet guest needs. So we added three movable outpost camps to bring guests closer to the wildlife in comfort. For example, one camp could be placed in view of the whales and seals, another in view of the polar bear and birds of prey; a third could be placed at the reversing falls near the large guillemot colony. The lodge itself, surrounded by plant life, is within walking distance of the caribou and the char.

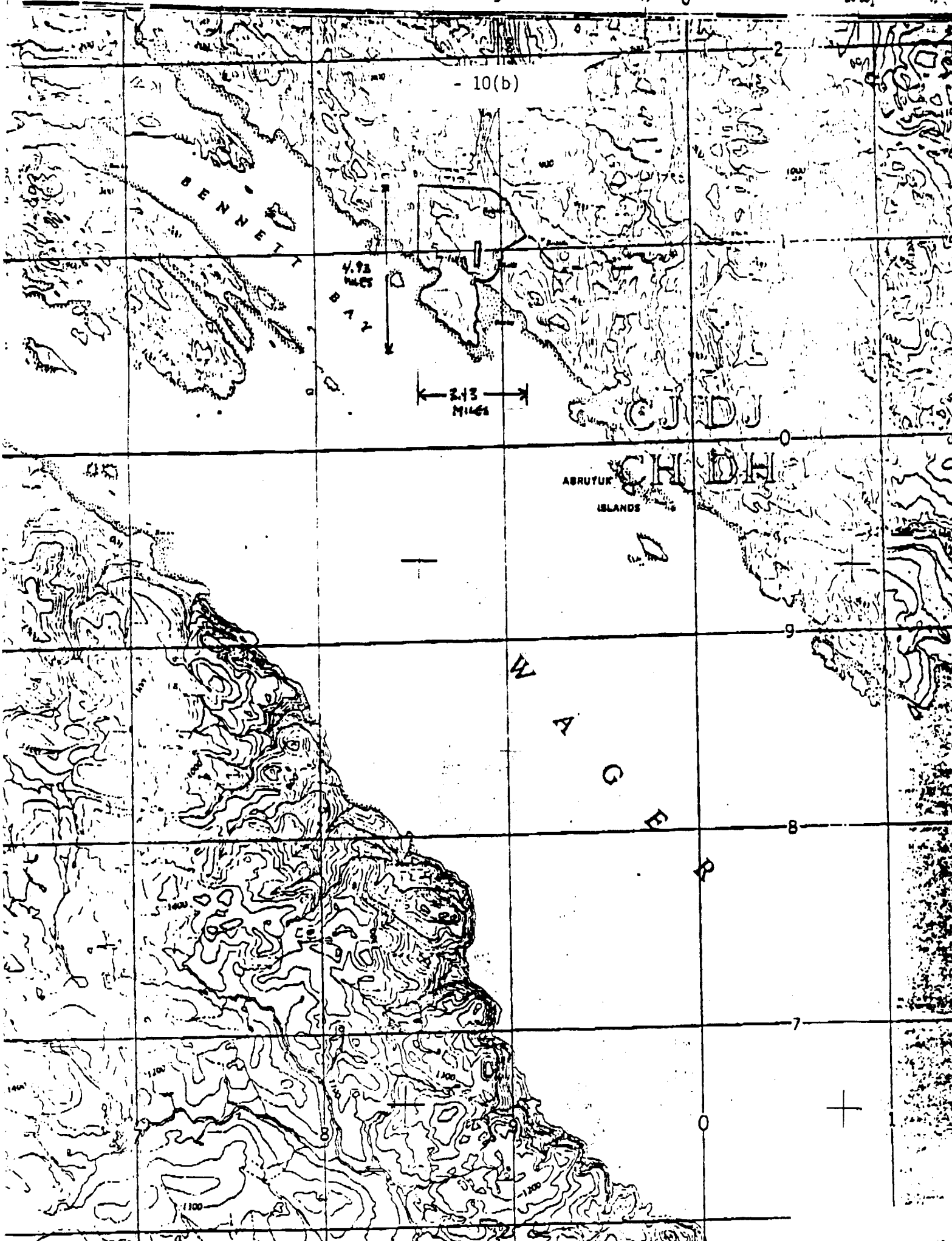
The lodge is located on the north side of Wager Bay, at Tinittuqtuq Flats, beside an esker which is to be upgraded for a landing strip. On the following page we provide a rough camp layout.

# SILA LODGE SITE PLAN

(NOT TO SCALE)

89°26' WEST AND 65°52' NORTH





- 10(b)

BENNETT

2.5  
MILES

2.5  
MILES

ABRUTUK  
ISLANDS

CJ DJ

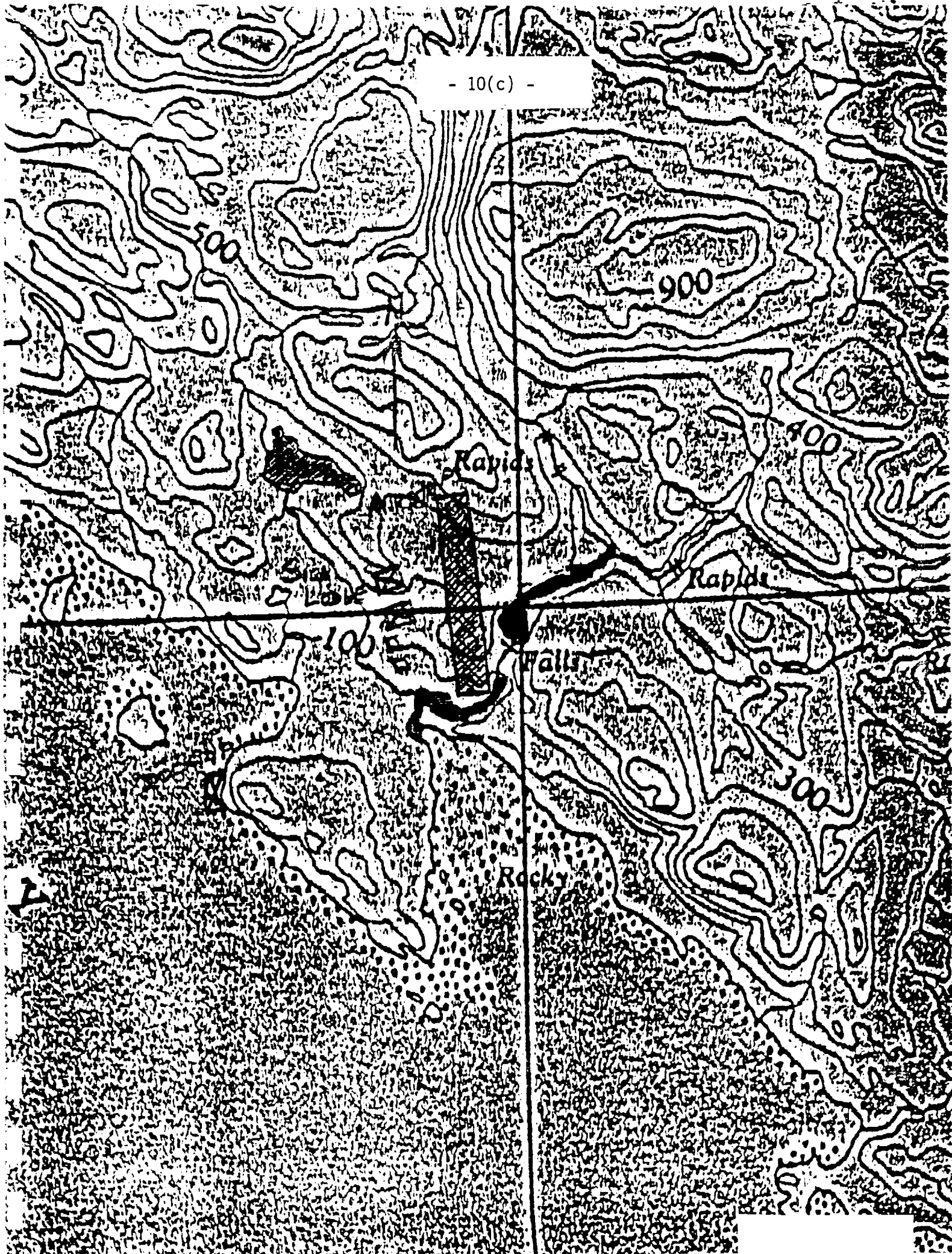
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7







**Buildings:**

The lodge is a 20 bed semi-modern facility that includes a central shower and laundry building as well as indoor chemical toilets in each cabin. The layout consists of 5 four person guest cabins, a central kitchen/dining room suitable in size for remote conferences, a central laundry/shower, a storage building, three tent frames for staff accommodation and three tent frames for outpost camps.

The air strip will be at least 2,700 feet long in order to accommodate the aircraft that would be used for transporting passengers; 3,500 feet, if cost is not a factor, to accommodate a DC-3.

Page 12(a) shows a rough drawing of a four person guest cabin. The cabin is 20' x 24' plywood structure consisting of two bedrooms and a dining area. The cabin is carpeted throughout, has propane heat, propane lights, and an indoor chemical toilet. It is insulated throughout with R15.

A diagram of the central cookhouse, dining room, and winter camp is included as page 12(b). The building is 20' x 40' in size and is of plywood construction. It includes two bedrooms for the cook and helpers, a kitchen, washroom, supply room, and a central dining hall. It also is insulated throughout with R20 for winter use (polar bear hunt). The building uses propane heat for the summer operation and an oil space heater for the winter operation. The kitchen and washroom are equipped with hot and cold running water.

We attach a diagram for the central laundry and shower facility on page 12(c). The building is 12' x 16' with a pressurized hot water system. It includes separate shower areas for men and women and a central laundry facility equipped with a gas dryer. This building is also fully winterized so that it could form part of the base camp for the polar bear hunt.

**Financial Program**

<u>Use of Funds</u>		<u>Source of Funds</u>	
Machinery & Equipment	\$ 75,000	Equity	
Building & Structure	304,588	- Cash	\$ 10,000
Food for Builders	15,000		
Food Preparation	21,000	- Food Preparation	21,000
Transport building material from Rankin Inlet to Wager Bay	21,000	- transport material from Rankin Inlet to Wager Bay	21,000
Landing strip & road to shore	45,000	Contribution, Econ. Dev. & Tourism	50,000
Contingency	18,412	S/ARDA Contribution	250,000
		BLF Loan	<u>148,000</u>
<b>TOTAL</b>	<b><u>\$500,000</u></b>	<b>TOTAL</b>	<b><u>\$500,000</u></b>

1. Provided we can come up with promotional funding from other sources, cash for pre-operating expenses should not be a problem. The projected financial statements show that guests' deposits meet the requirements.
2. Cost quotations for the building, furniture and fixtures are supplied by Clark-Bowler Construction in Annex 2. We adjusted the equipment quotation downward at their request to reflect their inability to attract a lower discount rate.
3. We also adjusted quotes upward to reflect freight costs from Rankin Inlet to Wager Bay. All quotes are F.O.B. Rankin.
4. The cost of the air strip is based on a quotation from Yvo Airut Enterprises Ltd., Rankin Inlet. If this firm receives the contract, Mr. Airut would walk a Cat from Rankin Inlet to Wager Bay during the winter season. The Cat would be used for constructing the air strip on the Tinittuktuq Flats during the summer season, and then walked back to Rankin Inlet the following winter.
5. See Annex 2 for contractor's cost quotations.

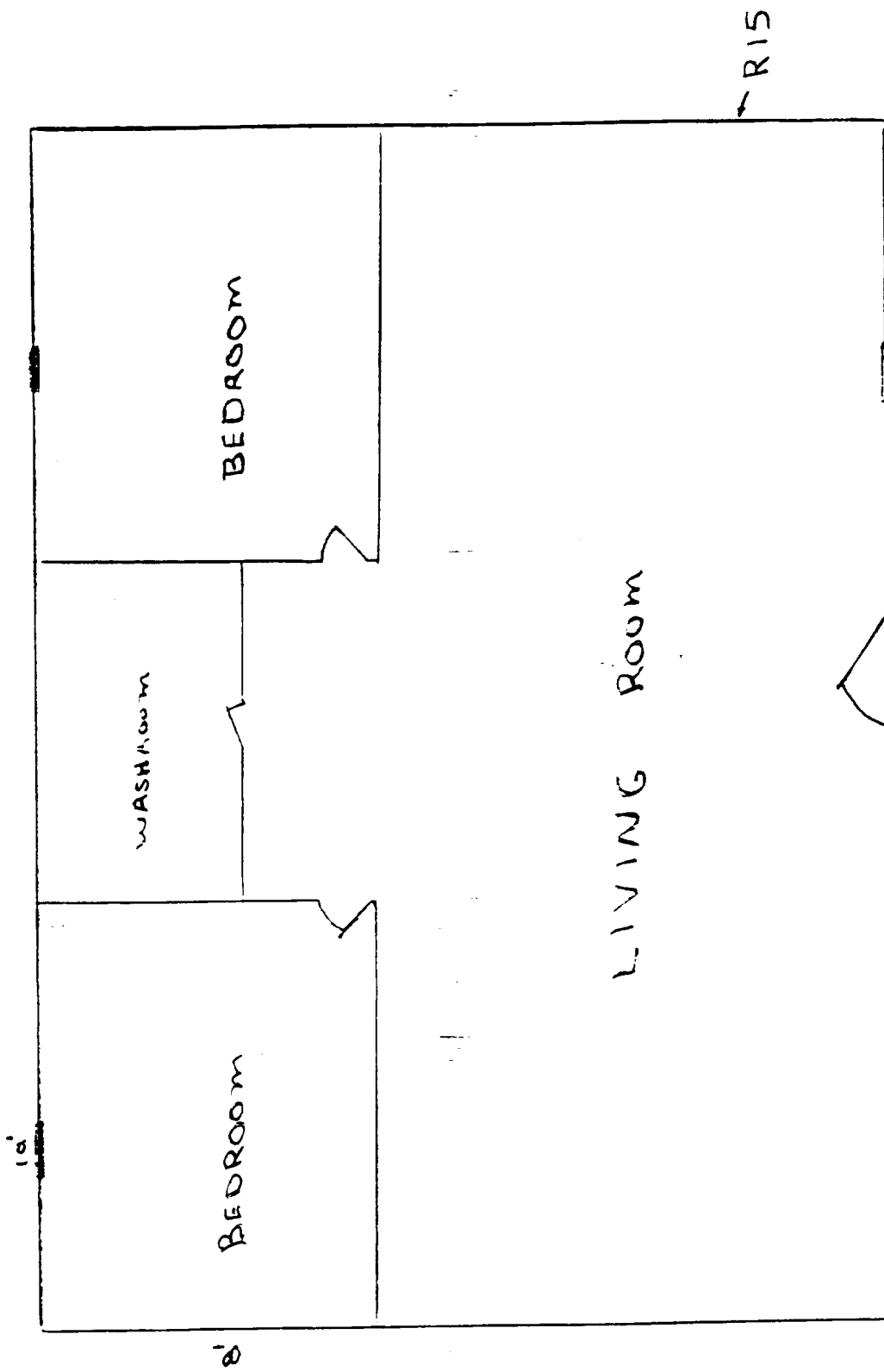
**E. MANAGEMENT**

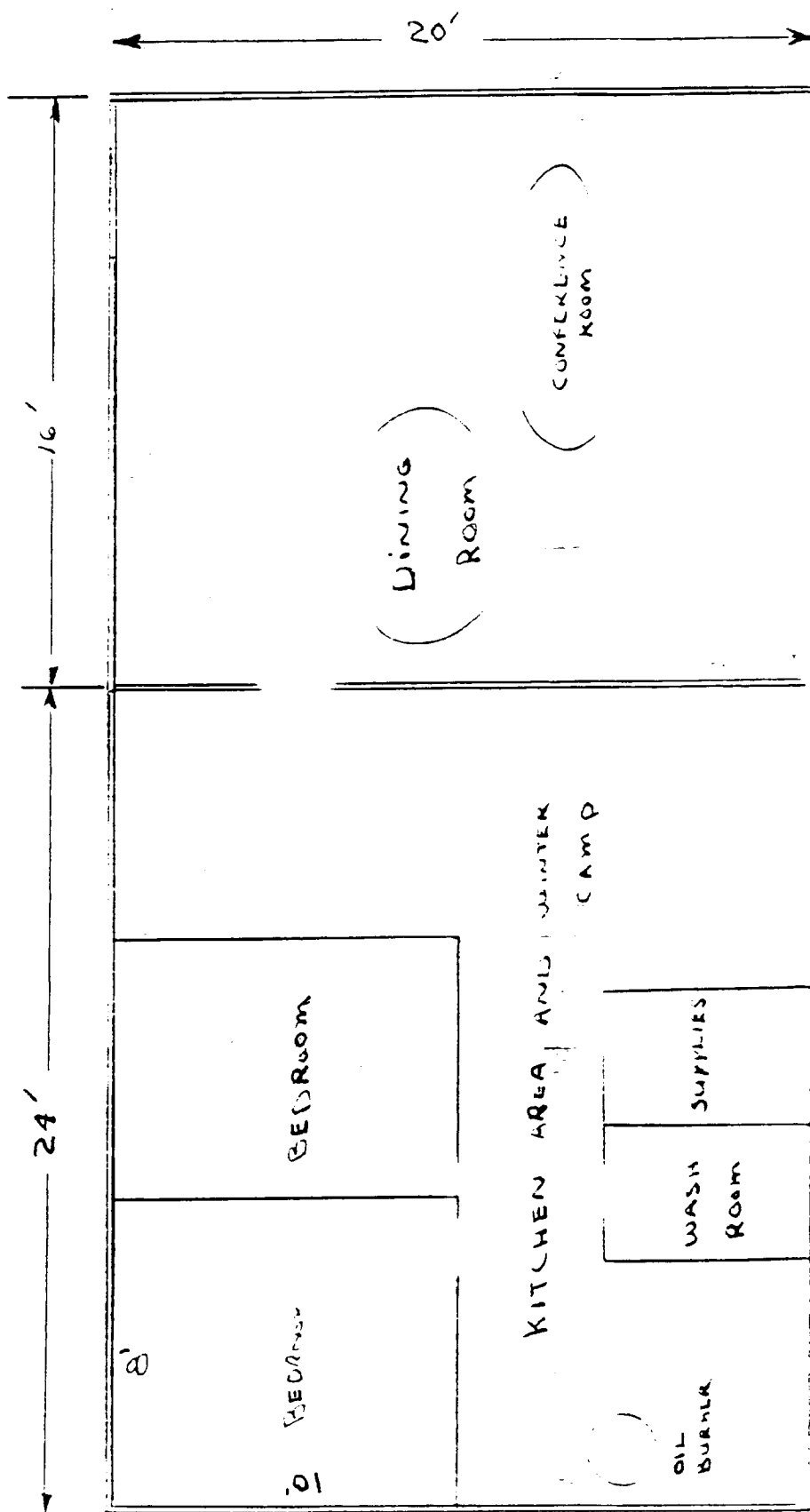
1. Louis Pilakapsi, 50 years of age, is married with eight children. He was born in Repulse Bay and has lived in Rankin Inlet for the past 15 years. He is a respected community leader and is presently serving as a member of the Hamlet Council. He is a skilled hunter, fisherman and guide, and has held several part-time employment positions. For the past two years he has been employed by Nunasi Corporation.

SILA LODGE

4 PERSON CABIN

20' x 24'



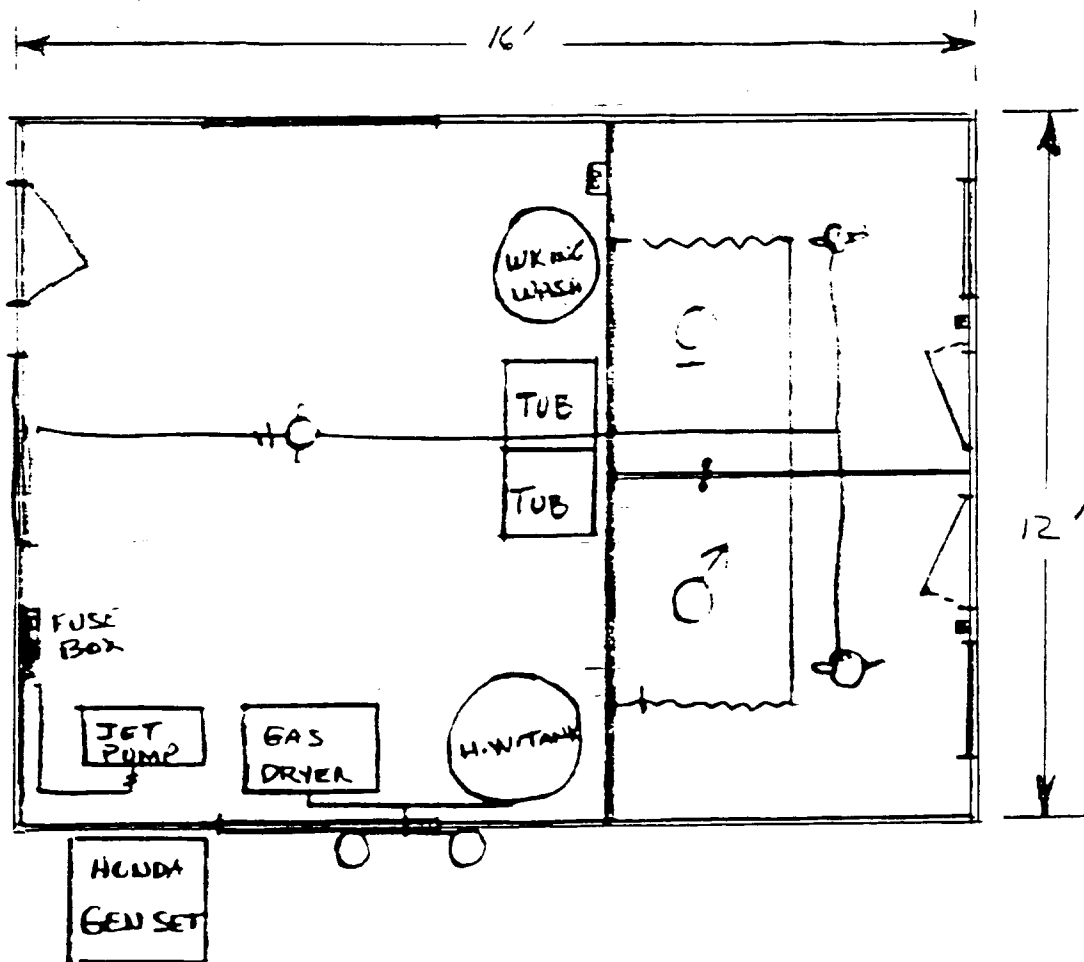


SILA LODGE

COOKHOUSE, DINING HALL, WINTER CAMP

CONFERENCE ROOM

20' x 40'



SILA LODGE  
LAUNDRY / SHOWER  
12' x 16'

2. John Tatty, 40 years of age, is married with five children. He was born in Repulse Bay and moved with his family to Rankin Inlet in the early 60's. He returned to Repulse Bay approximately three years ago, where he holds the position of Hamlet Foreman. He is an active and enthusiastic member of the Repulse Bay Hunters' and Trappers' Association. John's experience as a mechanic will come in handy for repairs and maintenance of the lodge. John has first hand knowledge of Wager Bay. He sets up a summer camp there regularly with his family. He intends to round out his guiding abilities by taking a hospitality training course.
3. John Hickers, aged 41, was born in Pistol Bay, N.W.T. and now lives in Churchill. He is married with two children. He is a well known and well respected Inuit leader. For the past five years, he has been President of Nunasi Corporation. John is also President of the Manitoba Native Lodge Association and has ownership in the Beluga Motel and Nanuk Lodge. He has spent all of his adult life in the promotion and hospitality business. His role as promoter and manager is invaluable.

F. EMPLOYEES

SCHEDULE 2

Sila Lodge  
Schedule of Wage Costs

<u>Job Description</u>	<u>Number of Employees</u>	<u>Weekly Wage</u>	<u>Number of Work Weeks</u>	<u>Annual Wages</u>
Manager	1	\$ 800	30	\$ 24,000
Cook	1	690	26	17,940
Cook's Helper	1	275	26	7,150
Account Clerk	1	300	26	7,800
Sanitation	1	275	26	7,150
Maid	1	275	26	7,150
Guides (4 for 1st year only)	<u>6</u>	<u>2,520</u>	26	<u>65,520</u>
	<u>11</u>	<u>\$5,135</u>		<u>\$136,710</u>

Personyears of employment =  $\frac{316 \text{ personweeks}}{50} = 6.3$  personyears.

All employees are Inuit.

Notes:

1. Wage rates as quoted by John Tatty and N.W.T. employment officer.
2. Weeks worked based on a 24 week operating season with 1 week before and 1 week after season for preparation and clean-up.
3. For the first year, salaries will be only \$114,870.

**G. TRAINING**

We know that success in drawing tourists will come to lodges that work to create a memorable experience for visitors. We also know that Sila Lodge cannot afford to employ earnest amateurs. As a result, John Tatty, Eric Tatty and Edmund Pilakapsi intend to take hospitality training with emphasis on service and emergency procedures.

John Hickes has agreed to put them through a three month on-the-job training program at his Beluga Motel operation during the summer and at Nanuk Hunting Lodge in the fall.

Because of these operations, Mr. Hickes has a steady inventory of available people that the Lodge can draw on for employment.

**H. FINANCING**

**Equity Contributions**

1. John Hickes	
A cash contribution in the amount of	\$10,000
2. Louis Pilakapsi and John Tatty	
a. Transport of material from Rankin Inlet to Wager Bay	\$21,000
b. Food Preparation	<u>21,000</u>
Total Equity from Principals	<u>\$52,000</u>

Notes:

1. Louis Pilakapsi is processing an application for Special ARDA funds to purchase a 27' longliner. If he is successful, he intends to include it as an equity contribution.
2. John Tatty and Louis Pilakapsi intend to freight the material from Rankin Inlet to Wager Bay using two large longliners - three trips each. They have three other friends with longliners to draw on if required. Estimated cost is \$21,000.00. It is to be noted that most of the contingency might be used for transportation.
3. John Tatty and family intend to set up tent frames and accommodate construction crews. Estimated equity, after expenses, is valued at \$21,000.
4. Mr. John Hickes will contribute a cash amount of \$10,000.00.
5. In all, total equity will amount to \$52,000.00.



### Getting to Wager Bay

Once again, we have taken great pain (Schedule 4) to locate the best transportation route for our guests. We felt it is important to find the route which transports our guests from a central southern location in reasonable comfort, at a minimum time, and with adequate safety. We also feel that charging one package fee from a central southern location puts us slightly ahead of some of our competitors.

Schedule 3 on page 17 reduces the alternatives on page 18 to three choices. We choose PWA to Churchill and Twin Otter to Wager Bay - 1,150 miles in 3.75 hours.

DC-3 from Churchill, while attractive, requires a 3,500 foot runway - a luxury we may not be able to afford.

After a swift flight to Churchill, our guests can enjoy a scenic flight where they can view the beluga whales and Inuit communities along the Hudson's Bay coast.

For groups of 5 or less, we choose to charter Air West out of Winnipeg.

SCHEDULE 3

Sila Lodge  
Best Transport Alternatives  
Year 1 to Year 3

	<u>Estimated Travel Time (hours)</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
<u>Alternative 1</u>				
Winnipeg - Churchill Pacific Western 737	2.00	\$252	\$252	\$252
Churchill - Wager Calm Air Twin Otter	<u>1.75</u>	<u>495</u>	<u>495</u>	<u>495</u>
	<u>3.75</u>	<u>\$747</u>	<u>\$747</u>	<u>\$747</u>
<u>Alternative 2</u>				
Winnipeg - Wager Nunasi Corporation DC-3	<u>8.0</u>	<u>\$705</u>	<u>\$705</u>	<u>\$705</u>
<u>Alternative 3</u>				
Winnipeg - Churchill Pacific Western 737	2.00	\$252	\$252	\$252
Churchill - Wager Nunasi Corporation DC-3	<u>2.00</u>	<u>324</u>	<u>324</u>	<u>324</u>
	<u>4.00</u>	<u>\$576</u>	<u>\$576</u>	<u>\$576</u>

**SCHEDULE 4**

**Sila Lodge  
Schedule of Transport Alternatives  
Winnipeg to Wager: 1,150 Miles**

CARRIER	CONTACT	AIRCRAFT	ROUTE	CAPACITY (Persons)	SPEED (m.p.h.)	ESTIMATED TRAVEL TIME (hours)	REQUIRED STRIP (feet)	COST
Northwest Territorial	John Robertson 920-4567	Lockheed Electra	Winnipeg - Rankin	100	350	2.75	N/A	(Round Trip - BE94 Fare \$626.
Nunasi Corporation	Jack Lamb 204-675-2354	DC-3	Winnipeg - Churchill - Wager Bay	26	150	8.0	3,500	\$14,105.20/20 pass. + gear = \$705. (\$324 Churchill - Wager)
Perimeter Airlines	Laura Webber 204-783-8000	Queen Air	Winnipeg - Churchill - Wager Bay	8	150	8.0	2,500	\$5,995.60/6 pass. + gear = \$1,000.
Air West	Dick Dagg 204-783-220	Cessna 402	Winnipeg - Churchill - Wager Bay	8	200	6.0	2,700	\$5,000.00/6 pass. + gear = \$833
Calm Air	Dave Rosser 204-675-8858	Twin Otter (Wheels)	Rankin - Wager Bay	15	155	1.5	2,500	\$2,368.00/8 pass. + gear = \$300
Keewatin Arctic Air	Bob May 204-786-6621	Beech Westwind Three	Rankin - Wager Bay	8	215	1.0	2,200	\$1,726.00/6 pass. + gear = \$288
Keewatin Arctic Air	Bob May 204-786-6621	Beaver (Wheels)	Rankin - Wager Bay	4	120	2.0	1,500	\$1,338.60/4 pass. + gear + \$335
Pacific Western Airlines	1-800-665-7350	737 Jet	Winnipeg - Gilliam - Churchill	121	510	2.0	N/A	(Round Trip) \$252 (\$231 after Sept. 9)
Calm Air	Hugh Conner 204-675-8858	Twin Otter (Wheels)	Churchill - Wager	15	155	1.75	2,500	\$4,952.00/10 pass. + gear = \$495

SCHEDULE 5

A Look at Direct Costs

A financial analysis for a development of this nature is difficult to conduct with total precision because there are always some unknowns which necessitate assumptions. Based on the operating experiences of Lynx-Tundra Lodge and Bathurst Inlet Lodge, the following scenarios are presented. Economics of scale must be realized based on the number of guests accommodated at one time.

Direct Costs per Person/Week  
Sila Lodge

Direct Costs \ No. of Guests at Camp					
	4	6	8	10	20
1. Flying in and out (Winnipeg - Wager)	1,000	833	871	747	747
2. Food at Lodge	150	100	75	75	60
3. Guide (includes accommodation)	130	100	120	90	90
4. Fuel for boating	80	60	60	50	50
5. Propane and heating	50	50	40	40	30
6. Other staff costs	150	75	50	40	40
7. Open/close camp	100	100	100	100	100
8. Promotion/Advertising	400	400	400	400	400
9. Office Costs	25	25	25	25	25
10. Management fees	200	200	200	200	200
TOTAL COST	2,285	1,943	1,941	1,767	1,742

Notes:

1. Fly-in Air West from Winnipeg - first 6; PWA to Churchill and Twin Otter to Wager - larger groups.
2. Food and fuel includes cost of transportation.
3. Guides are one per four guests with manager and cook helping out.
4. Fuel (20 gal. per boat @ \$8.00 gallon).

5. Very few groups of two are planned since they are not economical.
6. Other staff costs covers cook and helper.
7. Open/close camp costs (\$5,000) based on 50 guests per year.
8. Promotion/advertising based on \$20,000 budget and 50 guests.
9. Office costs based on \$1,250 and 50 guests.
10. Management fees based on \$10,000 and 50 guests.

SCHEDULE 6

Sila Lodge  
Projected Balance Sheet  
Year 1 to Year 3

	<u>Opening</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Assets:				
Cash	\$ 10,995	\$ 18,122	\$ 54,506	\$110,750
Prepaid expenses (Note 10)	57,855	67,855	87,855	87,855
Fixed Assets (at cost):				
Landing strip	45,000	45,000	45,000	45,000
Buildings	380,000	380,000	380,000	380,000
Furnishings & Fixtures	45,000	45,000	45,000	45,000
Lodge equipment	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
	500,000	500,000	500,000	500,000
Less: accumulated depreciation	<u>--</u>	<u>(30,750)</u>	<u>(61,500)</u>	<u>(92,250)</u>
	<u>\$500,000</u>	<u>\$469,250</u>	<u>\$438,500</u>	<u>\$407,750</u>
	<u>\$568,850</u>	<u>\$555,227</u>	<u>\$580,861</u>	<u>\$606,355</u>
Liabilities and Owners' Equity :				
Customers' deposits (Note 11)	<u>68,850</u>	<u>97,200</u>	<u>106,650</u>	<u>106,650</u>
	<u>68,850</u>	<u>97,200</u>	<u>106,650</u>	<u>106,650</u>
Long Term debt 11.25%	<u>148,000</u>	<u>144,197</u>	<u>139,967</u>	<u>135,261</u>
Owners' Equity:				
Balance, beginning	--	352,000	313,830	334,244
Owners' contribution	52,000	--	--	--
Government contribution	<u>300,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
	352,000	352,000	313,830	334,244
Add income	<u>--</u>	<u>(38,170)</u>	<u>20,414</u>	<u>30,200</u>
Balance, ending	<u>352,000</u>	<u>313,830</u>	<u>334,244</u>	<u>364,444</u>
Total Liabilities and Equity	<u>\$568,850</u>	<u>\$555,227</u>	<u>\$580,861</u>	<u>\$606,355</u>

SCHEDULE 7

Sila Lodge  
Projected Cash Flow  
Year 1 to Year 3

	<u>Opening</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Source of Cash:				
Owners' contribution	\$ 52,000	\$ --	\$ --	\$ --
Long Term Loan	148,000	--	--	--
Government Contribution	300,000	--	--	--
Increase in guests' deposits	68,850	28,350	9,450	--
Depreciation	--	30,750	30,750	30,750
Income	<u>--</u>	<u>--</u>	<u>20,414</u>	<u>30,200</u>
Total	\$568,850	\$ 59,100	\$60,614	\$ 60,950
Net Loss	--	38,170	--	--
Purchase of fixed assets	500,000	\$ --	\$ --	\$ --
Payment of loan principal	--	3,803	4,230	4,706
Increase in prepaid expenses	<u>\$ 57,855</u>	<u>\$ 10,000</u>	<u>\$ 20,000</u>	<u>--</u>
Total	<u>\$557,855</u>	<u>\$ 51,973</u>	<u>\$ 24,230</u>	<u>\$ 4,706</u>
Increase in cash	10,995	7,127	36,384	56,244
Cash balance, beginning	<u>--</u>	<u>10,995</u>	<u>18,122</u>	<u>54,506</u>
Cash balance, ending	<u>\$ 10,995</u>	<u>\$ 18,122</u>	<u>\$ 54,506</u>	<u>\$110,750</u>

Note:

- a) See note 10 for prepaid expenses.
- b) See note 11 for guests' deposits.
- c) Cash balances are optimistically high even though the occupancy rates are conservative. There are two main reasons for this: outside agents' commissions are a cost to the zone association and not passed on to the lodge, and promotion costs are expected to be government funded for the first three years.
- d) Short term working capital loans are not required. Guests' deposits fill this need.

SCHEDULE 8

Sila Lodge  
Projected Schedule of Operations  
Year 1 to Year 3

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Revenue (Schedule 1 )	\$274,200	\$392,400	\$423,800
Foreign exchange (35% on 80% of revenues)	76,776	109,972	118,664
Promotion Grant	<u>30,000</u>	<u>40,000</u>	<u>60,000</u>
 TOTAL REVENUE	 \$380,976	 <u>\$542,272</u>	 <u>\$603,464</u>
 <u>Expenses:</u>			
Audit (Note 1)	\$ 8,000	\$ 8,000	\$ 8,000
Food (Note 2)	47,960	63,840	64,640
Freighting Supplies (Note 3)	30,200	41,000	41,000
Heat, lights (Note 4)	9,000	10,000	10,000
Insurance (Note 9)	19,500	21,000	21,000
Gas and oil (Note 5)	7,000	8,000	9,000
Repair and Maintenance (Note 6)	--	10,000	10,000
Office	3,000	3,000	3,000
Supplies	3,000	3,000	3,000
Contingency	5,000	6,000	7,000
Transporting guests (Note 7)	84,955	107,568	118,026
Promotion (Annex 1)	30,000	40,000	60,000
Polar Bear Hunt (Note 12)	--	--	15,000
Wages (increase of 3% in year 2) (Schedule 2 )	114,870	140,800	141,000
Employee benefits	<u>9,300</u>	<u>12,700</u>	<u>13,000</u>
	<u>371,796</u>	<u>474,908</u>	<u>523,666</u>
 Income before depreciation and interest	 9,180	 67,364	 79,798
Interest, long term	(16,600)	(16,200)	(15,700)
Interest, current	--	--	--
Depreciation (Note 8)	<u>(30,750)</u>	<u>(30,750)</u>	<u>(30,750)</u>
Net income before taxes	(38,170)	20,414	33,348
Taxes (25%)	<u>--</u>	<u>--</u>	<u>( 3,148)</u>
Net Income	<u><u>\$(38,170)</u></u>	<u><u>\$ 20,414</u></u>	<u><u>\$ 30,200</u></u>

Note:

Projected capacity	<u>23%</u>	<u>33%</u>	<u>36%</u>
Projected number of guests	<u>102</u>	<u>144</u>	<u>158</u>



**Sila Lodge  
Notes to Projections  
Schedules 6 to 8**

**1. Audit**

It is assumed that audited financial statements will be required to meet commitments of long term debt. Seasonal rate applied.

**2. Food**

Food is purchased in Winnipeg and transported with guests on a weekly basis.

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
6 guests x \$20/day x 84 days	\$10,808	\$ --	\$ --
3 guests x \$20/day x 70 days	4,200	--	--
10 staff x \$20/day x 165 days	33,680	--	--
7 guests x \$20/day x 84 days	--	11,760	--
6 guests x \$20/day x 70 days	--	8,400	8,400
12 staff x \$20/day x 182 days	--	43,680	43,680
8 guests x \$20/day x 84 days	--	--	13,440
2 guests x \$20/day x 28 days	--	--	1,120
	<u>\$47,960</u>	<u>\$63,840</u>	<u>\$64,640</u>

**3. Freightng Supplies:**

Supplies to be freighted in before the season begins:

Gasoline and oil mix - Rankin 2,000 gallons	16,000 lb.
Propane - 120/100 lb. tanks - Winnipeg	16,000 lb.
Sundry items	4,000 lb.
	<u>36,000 lb.</u>
Ship out - empty propane tanks	<u>4,000 lb</u>

Cost:

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Propane - Winnipeg - Churchill			
- \$.10 x 20,000	\$ 2,000	2,000	2,000
- Churchill - Rankin			
- barge - \$.17 x 20,000	\$ 3,400	3,400	3,400
- Rankin Inlet - Wager Bay			
- Longliner - 4 trips	\$24,800	35,600	35,600
	<u>\$30,200</u>	<u>\$41,000</u>	<u>\$41,000</u>

**4. Heat and Light (Propane):**

60.00/day x 150 days	<u>\$ 9,000</u>	<u>\$10,000</u>	<u>\$10,000</u>
----------------------	-----------------	-----------------	-----------------

5. Gasoline and Oil Mix:

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
	(gallons)	(gallons)	(gallons)
Usage:			
60 days x 5 gal./day x 6 boats	1,800		
Runabout	533		
60 days x 5 gal./day x 6 boats		1,800	1,800
Runabout		866	1,199
	<u>2,333</u>	<u>2,666</u>	<u>3,000</u>
Cost at \$3.00/gallon	<u>\$7,000</u>	<u>\$8,000</u>	<u>\$9,000</u>

6. Repair and Maintenance:

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Buildings - 2% (except first year)	\$ --	\$ 7,000	\$ 7,000
Equipment - 4% (except first year)	<u>--</u>	<u>3,000</u>	<u>3,000</u>
		<u>\$10,000</u>	<u>\$10,000</u>

7. Transporting Guests:

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
102 guests x \$833	\$ 84,966	\$	\$
144 guests x \$747		107,568	
158 guests x \$747			118,026
	<u>\$ 84,966</u>	<u>\$107,568</u>	<u>\$118,026</u>

8. Depreciation:

Building	20 year straight line	\$18,750
Furniture and Fixtures	10 year straight line	3,000
Equipment	5 year straight line	<u>9,000</u>
		<u>\$30,750</u>

**9. Insurance:**

Quotations from Mones & Associates Insurance Brokers Inc. of Edmonton, Alberta - see Appendix 3 for details.

\$1 million dollar contingent liability	\$ 2,500
Property damage (\$425,000 x \$4.00/hundred)	<u>17,000</u>
	<u>\$19,500</u>

Coverage includes in watercraft. See Annex 3 for limitations. Property coverage does not include six tent camps and airport storage building.

**10. Prepaid Expenses:**

		<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Wages - Manager	\$800 x 5 wks.	\$ 3,200	\$ 3,200	\$ 3,200
- Cook	690 x 1 wk.	690	690	690
- Helper	275 x 1 wk.	275	275	275
- Sanitation	275 x 1 wk.	275	275	275
- Maid	275 x 1 wk.	275	275	275
- Guides	420 x 2 wks.	840	840	840
- Account Clerk	300 x 1 wk.	300	300	300
	Total Wages	<u>5,855</u>	<u>5,855</u>	<u>5,855</u>
Open Lodge		2,500	2,500	2,500
Insurance		19,500	19,500	19,500
Promotion		<u>30,000</u>	<u>40,000</u>	<u>60,000</u>
		<u>\$57,855</u>	<u>\$67,855</u>	<u>\$87,855</u>

**11. Customers' Deposits:**

Deposits of \$500.00 U.S. (\$675 Canadian) is due immediately upon verbal or written confirmation of the reservation:

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
102 guests x \$675	\$ 68,850	\$	\$
144 guests x \$675		97,200	
155 guests x \$675			<u>106,650</u>
	<u>\$ 68,850</u>	<u>\$ 97,200</u>	<u>\$106,650</u>

All lodges request at least 25% each year, refundable only if guests give enough notice. Notices range between 30 and 90 days.

**12. Polar Bear Hunts:**

Polar bear hunters pay \$15,000 per hunt; \$8,500 goes to the outfitter for a successful hunt.

\$8,500 x 2 tags = \$15,000.

**I. PROFESSIONAL AND TECHNICAL**

Lawyer - Peter C. Fuglsang, Yellowknife.  
Bank - Canadian Imperial Bank of Commerce, Rankin Inlet.  
Contractor - Clark-Bowler Construction, Yellowknife.

**J. POLLUTION**

The lodge intends to meet all Department of Health requirements in disposing of refuse, waste water and garbage. All installations will be inspected. The occupancy licence is not granted until all pollution and health requirements are met.

**K. ECONOMIC BENEFITS**

The region benefits in seasonal wages of \$150,000 and local freighting revenue of \$35,000.

The promotion program is extensive and should arouse the curiosity of tourists toward the Keewatin.

**L. SOCIAL BENEFITS**

The facility offers opportunities for Inuit to work in the hospitality industry and learn about guest service, guiding and outfitting.

**M. SOURCE OF INFORMATION**

A tremendous amount of information is currently being assembled by Parks Canada and Renewable Resources on Wager Bay. It will update and document Wager Bay's resource base and more pleasant surprises are anticipated. This proposal accessed the following:

1. Trip Report - Parks Canada, 1984.
2. Preliminary Account of Geology Around Wager Bay - Geological Survey of Canada.
3. Appraisal of Bathurst Inlet Lodge by Stewart, Weir & Co. - February/86.
4. Margaret Bertulli, Archaeologist, N.W.T. Heritage Museum, Yellowknife.
5. Henderson & Associates, Consultants, Thunder Bay, Ontario.
6. Reproductive Success of Peregrine Falcons at Wager Bay - George W. Calef and Douglas C. Heard.
7. Keewatin Tourism Development and Marketing Strategy - Marshall, Macklin, Monaghan - February/86.
8. Wager Bay Preliminary Marine Resource Analysis - Parks Canada.
9. Lynx-Tundra Lodge, HLA Consultants.
10. Al Christopherson, Federal Fisheries, Winnipeg.
11. Chantrey Inlet Lodge, Fort Francis, Ontario.

ANNEX 1  
THREE PHASE PROMOTION PACKAGE

ANNEX 1

Sila Lodge

Budget \$30,000/6 months

Program	Oct.	Nov.	Dec.	Jan.	Feb.	March
Consumer Shows					3500 Chigago	
Trade Shows		3000 NTA Atlanta				
Lure Brochure	12,000					
Direct Mail with Rate Cards or Flyers/Posters	2,500			2000		
AV/Photography						
Magazine Ads		4000				
PR Articles					1000	
FAM Trips						
Museum Field Trips						
Museum Exhibits			2000			
Naturalist Club Talks						
University Tour						
TOTALS	14,500	7000	2000	2000	4500	

PRE-OPENING

### Sila Lodge-Lure Brochure

This vehicle was chosen to give an indication of the quality of product and quality of experience to be offered to the Naturalists segment of the tourism market. It is of immediate priority to establish a physical image of Sila Lodge in the marketplace, as Sila Lodge is at present an unknown or little known commodity.

Timeline: Produced for end of October 1986

Target: Consumers, naturalists clubs, universities, museum tour groups, Audubon Society, and the like.

Objective: To initiate interest and awareness and to provide a physical image of Sila Lodge as a new product in the marketplace.

Description: A quality, four colour brochure on gloss stock including lure photography and copy describing wild-life, scenery and facilities available with details on air connections and booking arrangements. (costs to be inserted in brochure on accompanying rate card)

Cost: To produce \$12,000.00

#### Method of

Evaluation: Direct feedback in the form of telephone or written inquiries to Travel Keewatin salesperson or direct to Sila Lodge.

## Sila Lodge-Direct Mail/Rate Cards

A necessary nuts and bolts component of the marketing product mix to provide information on itineraries, prices, times of departure and to include a flyer/poster component for display purposes in universities, travel agencies etc.

Timeline: Produced for end of October, 1986.

Target: Consumers, naturalists clubs, universities, museums, etc.

Objective: To provide direct information on the Sila Lodge tourism product and second, to stimulate direct bookings.

Description: Rate Cards: 4 x 9" card, printed one colour, to include itinerary, prices plus small line map of lodge location.

Flyer/Poster: 8 1/2 x 14 coloured stock, single colour, inexpensive poster to include strong message title, description of product, departure times and contact person.

Cost: To produce \$4500.00 for both products. Mailing costs to come from KCC marketing effort.

Method of

Evaluation: Direct feedback from the marketplace to Travel Keewatin salesperson or direct to Sila Lodge.



Henderson  
+ Associates

### Sila Lodge-Magazine Ads

A limited amount of advertising has been added to the marketing mix in order to establish Sila Lodge as a presence in the naturalists segment. Although we will be encouraging direct bookings from these ads, the main intent is to create a recognizable image of Sila Lodge.

Timeline: Insertions to be made November 1986.

Target: Consumers, naturalists clubs, and academics. (with possible attraction to photographers and other special interest groups)

Objective: To provide market awareness of the existence of Sila Lodge and the quality of the experience offered there. Also to stimulate direct bookings.

Description: Larger classified style possibly including illustration. Black and white only inserted in major naturalists publications such as Federation of Ontario Naturalists Newsletter, Harrowsmith, Equinox.

Cost: \$4,000.00 maximum for 6 months.

### Method

of Evaluation: Feedback at consumer and trade shows and direct response.

## Sila Lodge-Museum Exhibits

Museums offer some of the best respectability available to this market segment. Preparation of inexpensive collateral material to garner support of this group is essential to the long term sales effort and recognition of Sila Lodge's place in the marketplace. (credibility)

Timeline: Produced prior to Christmas 1986.

Target: Museums with naturalists interest.

Objective: To provide, photographically, a physical image of Sila Lodge and its attractions to naturalists including wildlife and environment.

Description: Dry mounted 11 x 14 or 12 x 16" photographs with written descriptions attached. Small 8 x 10" dry mounted map to be included.

Cost: \$2,000.00

Method of

Evaluation: Follow up phone contact by Travel Keewatin salesman.

Sila Lodge-Trade Shows

The most likely method for achieving overall sales success is to utilize a travel agent system to generate sales, trade shows offer this access. This also offers the opportunity of using the Travel Keewatin salesperson and his related experience in achieving sales objectives.

Timeline: National Tour Association Trade Show in Atlanta, Georgia  
November 1986.

Target: Travel Agents and Tour Wholesalers.

Objective: To provide agents and wholesalers a comprehensive view of a new Sila Lodge tourism product and to encourage their support in generating direct sales.

Description: 10x10' booth shared with Travel Keewatin and including all transportation and accommodation costs.

Cost: \$3,000.00 (some subsidization may be necessary from NWT Air, Rankin Inlet to Winnipeg)

Method of

Evaluation: Evaluation sheets indicating level of agent/wholesaler commitment.

### Sila Lodge-Consumer Shows

Possibly the most effective method of reaching consumers close to home in a face-to-face direct sales situation.

Timeline: Chicago All Canada Show February 1987

Target: Naturalists and special interest consumers. (including photographers etc)

Objective: To reach consumers in a home setting and distribute information on Sila Lodge. Inform the public of the unique sales position and to write-up or pre-book direct sales. Also to present key Sila Lodge personnel to the public.

Description: 10 x 10' booth shared with Travel Keewatin and including all travel and accommodation costs.

Cost: \$3500.00

#### Method of

Evaluation: Written report from Travel Keewatin salesperson plus direct/pre-bookings.

Sila Lodge-Public Relations Articles (Editorial)

As opposed to paid advertising, editorial articles lend credibility. To establish itself in the marketplace, Sila Lodge needs to take full advantage of any editorial opportunity using all existing resources at hand. (writers, photographers presently planning to be travelling in area on other assignments)

Timeline: Articles to be complete for end of February 1987, for insertion April/May 1987 at the outside.

Target: Naturalists, special interest consumers, photographers and academics. ie. Ornithologists

Objective: To establish credible interest and awareness in Sila Lodge within the professional academic community as well as with interested amateur naturalists. Also to indicate Sila Lodge's location and attractions.

Description: editorial assistance, mailing costs, photo duplications etc. as might be necessary to achieve publication of editorial material.

Cost: \$1,000.00

Method of

Evaluation: Printed articles.

Sila Lodge  
 Budget \$40,000  
 6 months

	April	May	June	July	Aug.	Sept.
Consumer Shows		4000 Toronto				
Trade Shows						
Lure Brochure						
Direct Mail rate cards/ or folder/poster						4000
A/V Photography	9000*					
Magazine Ads	8000					
PR. Articles						1000
FAM Trips					6000	
Museum Field Trip						
Display Exhibits	6000					
Lecture Tour		2000				
TOTALS	23000	6000			6000	5000

YEAR 1 OF OPERATION

Sila Lodge-FAM Trips

As marketing intensity escalates, the need to have qualified professionals first had view the Sila Lodge facility becomes increasingly important. These key influencers should have a vested interest in the success of the lodge and have the potential to move tourists.

Timeline: July 1987 season

Target: Travel agents, tour wholesalers, academic key influencers, etc.

Objective: To encourage the target individuals to commit to the Sila Lodge experience and move tourists through the Sila Lodge plant.

Description: Travel accommodation and guiding through a 5 day FAM trip. (or less according to budget constraints) With follow-up correspondance.

Cost: \$6,000.00 (number of participants limited)

Method of

Evaluation: Feedback forms/surveys and direct sales.

Phase II

Sila Lodge-Lecture Tour

Aside from Consumer Shows and Trade Shows, the only face-to-face sales opportunity available. The lecture tour is a logical spin-off of consumer shows as the cost of transportation is absorbed with the initial trip to the show making the lecture tour very attractive financially.

Timeline: May 1987, immediately following Toronto Consumer Show.

Target: Naturalists Clubs, universities.

Objective: To initiate interest and awareness in Sila Looge, its wildlife, environment. To provide an opportunity to distribute lure material, present audio visual to a qualified market and to initiate direct sales.

Description: Travel to southern Ontario Naturalists clubs and universities as well as nearby U.S. border cities. Presentation to take the form of 2 hour presentation followed by informal question and answer period.

Cost: \$2,000.00 (Number of venues limited)

Method of

Evaluation: Written report by Travel Keewatin salesperson. Pre-bookings and direct sales.

Phase II



## Sila Lodge-Audio Visual and Photography

A strong audio visual reference piece for use as support to live presentations is an integral part of the marketing presentation. This gives the sales person a direct reference to the Sila Lodge experience as he presents to a naturalist or academic group.

Timeline: Mid April 1987 prior to lecture tour.

Target: Naturalists, clubs, universities and other interested parties.

Objective: To provide a dynamic reference documentary on Sila Lodge, its attractions, wildlife and environment to be used as support material for lectures or as an independant piece to be mailed out.

Description: An 8 to 10 minute audio visual presentation duplicated from 3/4" videotape to 1/2 inch to be converted from slides and raw video tape. (if available) Using narrator and appropriate music bed.

Cost: To produce \$9,000.00 (Co-operative subsidy with other group encouraged) ie. small airline

### Method of

Evaluation: Direct response at lectures. Follow up response from direct telephone sales.

## Sila Lodge-Display Exhibitry

An independant display separate from the Travel Keewatin umbrella offers Sila Lodge a clearer image in the marketplace and a platform from which to deliver its sales message directly to the marketplace. It also encourages operator involvement with the marketplace further developing entrepreneurial skills in the north.

Timeline: April 1987 prior to May Consumer Show.

Target: Consumers, travel agents, wholesalers and also university and museum utility.

Objective: To provide a graphic presentation of Sila Lodge, its location and attractions.

Description: An 8 x 10' portable display unit with laminated photography, Sila Lodge graphics and locator map.

Cost: To produce \$6,000.00.

Method of

Evaluation: Direct marketplace response, number of consumers attracted to display.

Phase II

Sila Lodge-Consumer Shows  
Second 6 months

As previous

Timeline: Toronto Sportsmans Show May 1987.

Target/Objective/Description: As previous.

Cost: \$4000.00 (includes cost of separate booth rental for  
Sila Lodge.

Method of Evaluation: As previous.

Phase II

Sila Lodge Magazine Ads  
Second 6 months

As previous

Timeline: Insertion April 1987.

Target/Objective/Description: As previous.

Cost: \$8,000.00 (increased insertion)

Method of Evaluation: As previous

\*Note: increased advertising emphasis as marketing effort escalates.

PHASE II

Sila Lodge-Direct Mail/Rate Cards  
Second 6 months

As previous

Timeline: September 1987 (for 1988 season)

Target/Objective/Description: As previous

Cost: \$4,000.00 (Some production costs absorbed in first  
production)

Method of Evaluation: As previous.

\*Note: Updates itineraries and prices for following season.

Phase II

Sila Lodge-Public Relations Articles (Editorial)  
Second 6 months

As previous

Timeline: September 1987.

Target/Objective/Description: As previous.

Cost: \$1,000.00

Method of Evaluation: As previous.

\*Note: Gearing up editorial for 1988 season.

PHASE II

Sila Lodge

Budget \$60,000

PHASE III

	Oct.	Nov.	Dec.	Jan.	Feb.	March
Consumer Shows				4000 Minne.	4000 Chicago	
Trade Shows		4000 NTA				
Lure Brochure	7500					
Direct Mail rate cards/ flyer/poster		2750		2750		
AV/Photography	6000					
Magazine Ads		9000		9000		
Public Relations Articles					1000	
FAM TRIPS						
Promotional Poster			7000			
Lecture Tour Naturalists				1500		
Lecture Tour University					1500	
TOTALS	13500	15750	7000	17250	6500	

YEAR 2 OF OPERATION

**Henderson**  
Associates

Sila Lodge-Lure Brochure  
Third Six Months

As Previous

Timeline: End of October 1987.

Target/Objective/Description: As previous.

Cost: To produce \$7,500.00 (This is a reprint with limited update in copy, possibly 1 or 2 photo separations to enhance overall quality and accuracy of the publication for the 1988 season.

Method of Evaluation: As previous.

Phase III



**Henderson  
+ Associates**

Sila Lodge-Audio Visual and Photography  
Third 6 months

As Previous

Timeline: October 1987

Target/Objective/Description: As previous.

Cost: \$6,000.00 (To update AV to reflect experience of  
tourist season previous; includes re-edit of video  
and audio components and transfer back to 1/2" video  
tape)

Method of Evaluation: As previous

Phase III

Sila Lodge-Trade Shows  
Third 6 months

As Previous

Timeline: National Tour Association November 1987.

Target/Objective/Description: As previous.

Cost: \$4,000.00 (Includes independant Sila Lodge booth)

Method of Evaluation: As previous.

Phase 111

**Henderson**  
+ Associates

Sila Lodge-Direct Mail/Rate Cards  
Third 6 months

As previous

Timeline: Half in November 1987 and other half in January 1988.

Target/Objective/Description: As previous.

Cost: \$5,500.00 (includes increased circulation and anticipated  
increase in mailing costs)

Method of Evaluation: As previous.

Phase III

Henderson  
+ Associates

Sila Lodge-Magazine Ads  
Third 6 months

At this stage in the marketing effort, Sila Lodge will have established a noticeable presence. To build momentum and effectively compete against other destinations both international and national, stronger advertising provides the necessary horsepower to do the job.

Timeline: Insertions to be made November 1987 and January 1988.

Target: Consumers, naturalists clubs and academics (with photographers and other special interest groups in mind)

Objective: To establish the market dominance of Sila Lodge and to actively hustle direct bookings.

Description: Large format, colour magazine ads limited number of insertions, graphically showing nature of Sila Lodge experience. Possibly full page, full colour if affordable. Reference Travel Keewatin's Angler and Hunter magazine ad for approach. (March 1986)

Cost: 2 flights total \$18,000.00

Method of

Evaluation: Direct Sales

\*Note: The 1987 operating season to provide necessary product feedback to tailor these ads precisely to market.

Phase III

**Henderson  
+ Associates**

Sila Lodge-Promotional Poster/Calendar  
Third 6 months

Often most advertising and marketing efforts have very short life spans. With the nature of Sila Lodge and its appeal to naturalists, a promotional piece of a more lasting quality would suit the marketing mix very well. A 12 month calendar with strong four colour photo component offers such an opportunity.

Timeline: Complete for mail out mid December 1987.

Target: Naturalist clubs, photographic clubs, university department heads, naturalist writers/editors etc., wildlife magazine offices, government and private sector key influencers.

Objective: To provide a year long image and sales piece for Sila Lodge reflecting the quality of a high priced naturalist vacation.

Cost: \$7,000.00 (including mail out)

Method of

Evaluation: Telephone sales follow up and contact with editorial personnel.

Phase III

Sila Lodge-Consumer Shows  
Third 6 months

As Previous.

Timeline: January 1988 Minneapolis, February 1988 Chicago

Target/Objective/Description: As previous.

Cost: Two trips total \$8,000.00 (includes independant  
Sila Lodge booth space)

Method of Evaluation: As previous

Phase III

Sila Lodge-Lecture Tour  
Third 6 Months

As Previous

Timeline: January and February 1988 coinciding and subsequent to  
Minneapolis and Chicago Consumer Shows.

Target/Objectives/Description: As previous

Cost: Two trips total \$3,000.00 (to mid west U.S. based  
universities and naturalist groups/clubs.

Method of Evaluation: As previous

Phase III

Sila Lodge-Public Relations Articles (Editorials)  
Third Six Months

As Previous

Timeline: February 1988 prior to 1988 tourist season

Target/Objective/Description: As previous

Cost: \$1,000.00

Method of Evaluation: As previous

\*Note: Final editorial hit prior to the 1988 season should maximize the impact of increased advertising expenditures during the 6 month period to stimulate increased editorial coverage of Sila Lodge product.

Phase III



## Conclusion

In summary, Sila Lodge has the unique advantage of being able to use the now existing resources of the Travel Keewatin sales effort to maximize the opportunities in marketing their product.

This marketing plan has been developed to take advantage of all existing sales plans and to ensure co-ordination of entire marketing strategy for the Keewatin Region.

ANNEX 2  
COST QUOTATIONS  
BUILDINGS, EQUIPMENT AND FIXTURES

ANNEX 2



**CLARK-BOWLER  
CONSTRUCTION**

P.O. BOX 667, YELLOWKNIFE, N.W.T. X1A 2N5 TEL. (403) 873-6337, TELEX 034-45627

August 7, 1986

Government of the Northwest Territories  
Economic Development and Tourism  
Yellowknife, N.W.T.

Attention: Mr. Hayward Simms  
Economic Development and Tourism

Dear Sir:

Re: Sila Lodge, Wager Bay, N.W.T.

Further to conversations and meetings in the past three (3) weeks, I have worked out a complete Construction Cost for the above captioned project.

As requested I have priced out the following items:

- 1) Five (5) only four (4) person guest cabins.  
20' x 24' as per your detail sheet.
- 2) One (1) only laundry and shower building.  
12' x 16' with equipment as per your detail sheet.
- 3) One (1) only cook house and dining room.  
20' x 40'.
- 4) One (1) only airport storage building.  
12' x 16'.
- 5) Six (6) only tent frame units. 12' x 16'.

.../2



August 7, 1986  
Page 2  
Hayward Simms

Included in our bid price are all of the following items:

- a) Complete purchase of all building materials, F.O.B.: Rankin Inlet, It is understood that the owner will be responsible for the materials to get to Wager Bay.
- b) All supervision, travel and general expense items including room and board. Room and Board has been estimated to 350 mandays for a sum of \$36,000.00. This item could be past onto the owner if he wishes to supply the room and board.
- c) The project has been estimated for a June 15, 1987 start up and to be completed by September 1, 1987. It will also be able to accommodate minor operations after four (4) weeks of construction.
- d) Our company has been involved in numerous projects throughout the Arctic, and we have employeed many native people on training programs. We feel that this would be a perfect time to have one (1) or two (2) native people on our work force for this job. Our crews will consist of a Superintendent, three (3) Journeymen Carpenters, and Electrician and a Plumber.
- e) We have also included in our proposal an optional equipment price which we feel could be improved on if the owner has an outfitters license. When a construction company purchases camp equipment such as this we are only able to get a fifteen percent (15%) discount as opposed to an outfitters price of thirty percent (30%) discount.

Our bid price for the complete construction of the Lodge:           \$ 340,588.00  
Our equipment price:   \$ 81,651.00

Attached you will find a complete estimated breakdown of up to date costs for your project.

At this time I would like to thank you for your ongoing interest in our firm. and I look forward to working with you in the future.

Sincerely,

CLARK-BOWLER CONSTRUCTION

Arthur Christensen

# ESTIMATE SHEET

PAGE NO. \_\_\_\_\_

OF \_\_\_\_\_

PAGES

E SILA LODGE. WAGER BAY N.W.T. OR AC. DESCRIPTION	CONTRACTOR  ARCHITECT  CHECKED BY	ESTIMATE NO.  DATE  BID DATE
--	---	--

FORWARD

DESCRIPTION	QUANTITY	UNIT	MATERIAL	LABOUR	<del>OVERHEAD</del> FREIGHT	TOTAL
<u>Summary</u>						
✓ AGENT 1			56630	43200	25000	124830
✓ 2			13199	2982	2750	18931
✓ 3			1150	2304	390	3844
✓ 4			13954	8706	6250	28610.
✓ 5			12237	10789	10057	33083
✓ 6			62270	28485	2000	92755.
			159440.	96166.	46447.	302053
						↓
						CLARK BOWLER COST 302053
						OVER HEAD & OPERATING COSTS 18123
						PROFIT FEE 7% 20712
						BID PRICE \$ <u>340588</u>
						COMPLETE EQUIPMENT PRICE \$ 81651.

# ESTIMATE SHEET

PAGE NO. / OF PAGES

JOB NAME <b>SILA LODGE.</b>	CONTRACTOR	ESTIMATE NO.
LOCATION <b>WAGER BAS</b>	ARCHITECT	DATE
ESTIMATOR	CHECKED BY	BID DATE
JOB DESCRIPTION		

**FORWARD**

DESCRIPTION	QUANTITY	UNIT	MATERIAL	LABOUR	SUBCONTRACT	TOTAL
<b>FOUR PERSON GUEST CABIN</b>						
<b>20 x 24 x 5</b>						
<b>FOUNDATION</b>						
1000	1000	WT				
	50 PC	HAND LEVEL PMS	3/10	640		240
	2500	6x6 x 20 x 3 x 5	1/50	1600		2725
500	360	STRINGERS 30 PCS 2x6x12	49/50	320		464
200	500	FIR JOISTS 50 4x6x10	49/50	280		520
500	16	TIG PLS	22/40	819		1171
288	144	PLATES 12PC 2x4x16'	37/40	74		128
1100	660	STUD. 110 PCS x 8	37/40	337		501
6000	13	TRUSS 13	75/15	249		1224
1000	24	ROOF 1/2 PLY 4x8	90/18	307		787
2000	22	SHINGLES 22	20/10	307		787
400	240	OVER HANG 20x16'	37/40	122		210
120	6	SOFFITS 1/2 G'S	50/30	230		390
80	64	FACIA 80. 8PC 1x6x11'	50/11	122		154
10		2 GABLE VENT.		32		82
700	28	4x8 RANGE STAIR	37/16	573		1525
800	2800	R 15 x 15 BATT	59/20	204		1204
550	550	R 15 x 25 RATED	69/20	140		470
40	800	6 mil PALS	97/15	153		193
800	40	WALL PANEL	30/25	768		1968
360	216	36PC 1x3x12' STRAP	55/30	83		158
500	500	500 SE TILE	1/50	320		820
100	1	2' x 6' 8"	150/25	96		246
100	2	2-6 x 6' 8"	159/75	96		246
150	1	2-6 x 6' 8" EXTRA	250/100	128		378
50	80	2" CMSE	7/30	51		211
50	240	12' x 1/4 RAFTER	1/50	153		393
375	5	WINDOWS	300/50	320		1020
200	6	NAILS 6 Box →	50/			300
	1	1 G'S PLS	35/60	76		111
		10%				
10000		@ 25				
			1136	8640		9776
			X 5	X 5		
TOTAL COSTS			56630	43290		99830
MISC JOB EXPENSES			AMOUNT			
			FRIGHT			25000
						124830
			OVERHEAD			
			PROFIT			

# ESTIMATE SHEET

PAGE NO. 2 OF PAGES

JOB NAME <b>WAGER BAS</b>	CONTRACTOR	ESTIMATE NO.
LOCATION <b>LAUNDRY &amp; Shower</b>	ARCHITECT	DATE
ESTIMATOR	CHECKED BY	BID DATE
JOB DESCRIPTION <b>12x16.</b>		

		FORWARD						
WT	DESCRIPTION	QUANTITY	U	MATERIAL	LABOUR	SUBCONTRACT	TOTAL	
336	14pcs 2x6x16'	224	1/35	80	99		189	
400	20' 2x6x12'	240	1/35	96	107		203	
320	8' 4x8x5	8	20/5	160	153		313	
240	10' 2x4x16'	115	40/35	46	51		97	
240	12' 2x4x12'	103	40/35	41	46		87	
200	80' 2x4x92"	640	40/35	256	286		542	
1800	9' O/H TRUSS.	9	70/20	630	230		860	
160	4x8 G.I.S. 1/2	8	18/5	144	153		297	
200	CEILING TILE	182	1.50/1	288	192		480	
300	DOOR UNITS	3	150/5	450	278		728	
500	22/24 WINDOWS	5	130/40	75	287		1027	
400	4x8 x 2	10	20/5	200	192		392	
800	SINGLES	10	25/5	250	192		442	
100	NAILS	100lb	1/20	100	50		150	
25	2 GABLE VENTS	2		50	50		100	
500	3/8 SHEATHING	16	18/5	288	307		595	
25	FLOOR PAINT	200	35/35	70	89		159	
900	INSULATION RIS	900	1.20	450	230		680	
<b>ELECTION</b>								
15	1 - 30 AMP FUSE	1		80			80	
25	14/2 NMD. 7WIRE	500		80			80	
15	LIGHT FIXTURES.	4		30			30	
4	PLUGS REC.	4		30			30	
200	WRINGER WASHER.	1		800			800	
150	JET PUMP.			500			500	
200	GEN. SET.			6000			6000	
<b>PRO PANE</b>								
150	100 lb TANK	2		200			200	
20	REGULATORS	2		100			100	
15	3/8 COPPER	50'		150			150	
90	33 GAL HOT TANK.	1		300			300	
180	DRYER	1		600			600	
				<b>TOTAL COSTS</b>	<b>13,199</b>	<b>2982</b>	<b>16181</b>	
14000 @ .25				<b>MISC. JOB EXPENSES</b>	<b>AMOUNT</b>	<b>FRIGHT</b>	<b>2750</b>	
							<b>18931</b>	
						<b>OVERHEAD</b>		
						<b>PROFIT</b>		

# ESTIMATE SHEET

PAGE NO. 3 OF      PAGES

<small>JOB NAME</small> <u>WAGER BAY</u>	<small>CONTRACTOR</small>	<small>ESTIMATE NO</small>
<small>LOCATION</small>	<small>ARCHITECT</small>	<small>DATE</small>
<small>ESTIMATOR</small>	<small>CHECKED BY</small>	<small>BID DATE</small>
<small>JOB DESCRIPTION</small>		

**FORWARD**

•	DESCRIPTION	QUANTITY	•	MATERIAL	LABOUR	SUBCONTRACT	TOTAL
	<u>PLUMBING</u>						
60	LAUNDRY TUR	1 SET		150			150
	2 1/2 PCU.	30'	}				
	1 1/2 ✓	100					
300	3/4 ✓	100			400		400
	1/2 ✓	100					
	50' 3"						
200	SHOWER STALL.	496.		600			600.
	<u>LABOUR</u>						
500	ELECTRICAL	3 DAYS	300/		1152		1152
500	MECH.	3 ✓	300		1152		1152

	<b>TOTAL COSTS</b>	<u>1150</u>	<u>2304</u>		<u>3454</u>
<small>MISC JOB EXPENSES</small>	<small>AMOUNT</small>			<small>FREIGHT</small>	<u>390</u>
				<small>OVERHEAD</small>	<u>3044</u>
				<small>CREDIT</small>	



# ESTIMATE SHEET

PAGE NO 3 PAGE 1

JOB NAME	WAGER B.	CONTRACTOR	ESTIMATE NO.
LOCATION	ARCHITECT	DATE	
ESTIMATE	CHECKED BY		PRICE

JOB DESCRIPTION



DESCRIPTION	QUANTITY	&	MATERIAL	LABOUR	SUBCONTRACT	TOTAL
<u>PLUMBING</u>						
600	1 SET		150			150
25	PCU					
1 1/2	✓		100			
500	2		400			400
1	✓		100			
50	3"					
200	SHOWER STALL		600			600
<u>LABOUR</u>						
500	ELECTRICAL	3 DAYS	300	1152		1152
500	MECH.	3 1/2	300	1152		1152
			1150	2304		3454
					FREIGHT	350
						3804
TOTAL COSTS 1150 2304 3454						
MISC JOB EXPENSES AMOUNT FREIGHT 350						
3804						

# ESTIMATE SHEET

PAGE NO. 4 OF PAGES

JOB NAME <b>WAGER BAS</b>	CONTRACTOR
LOCATION	ARCHITECT
ESTIMATOR	CHECKED BY
JOB DESCRIPTION <b>COOK HOUSE &amp; DINING ROOM</b>	

FORWARD

QTY	DESCRIPTION	QUANTITY	B	MATERIAL	LABOUR	SUBCONTRACT	TOTAL
800	WT 6x6x8' = 6x8	300 BF	50/50	150	192		342
1000	40 2x6x12' =	480 BF	40/40	192	245		437
1750	70 2x6x10' =	700 BF	39/55	280	358		638
1120	28 5/8 T9G	28	20/15	560	537		1097
500	20 2x6x12'	240 BF	40/40	96	124		220
240	10 2x4x16'	160 BF	40/40	64	81		145
1125	23 2x4x8'	450 BF	40/40	180	230		410
1200	80 2x6x8'	640 BF	40/40	256	327		583
2100	TRUSS	21	80/20	1680	557		2237
1500	1/2 SHT	38	20/15	760	729		1489
3040	SHIRRS	38	25/10	950	486		1436
300	2x4x14 - 12 PC	168 BF	40/40	68	87		155
250	2x4x16' = 10 PC	160 BF	40/40	68	87		155
250	1/2 GIS	10	20/20	200	250		450
290	1x6x16'	12 PC	/	150	64		214
240	GABLE VENT	2	/	60	32		92
140	3/8 SHT	32	20/15	760	729		1489
800	R 20 X	2800 SF	50/10	1400	358		1758
100	POLE	2800 SF	05/5	140	179		319
460	1/2 WOOD PANEL	40	30/15	1200	768		1968
450	1/2 GIS	38	20/10	760	486		1246
800	60 PC 1x3x12'	800 BF	40/40	320	409		729
300	DOOR 3	3	150/75	450	288		738
400	1/2 2 EAT	2	300/	600	192		792
150	25" x 12' x 1/2	1	15	150	128		278
700	WINDOWS	7	200/20	1400	268		1668
100	3/4 GIS	2	37/20	70	51		121
350	1/2	4	35/20	140	102		242
150	12 LIN COUNTER TOP	1	25	050	75		346
400	NAILS	400	-	400	-		400
150	2" CASE	200	-	200	192		392

25000 @ 25¢

TOTAL COSTS	13754	2406	22360
MISC. JOB EXPENSES	AMOUNT	FRIGHT	6250
			28610

# ESTIMATE SHEET

PAGE NO. 5 OF        PAGES

JOB NAME <u>WAGER RAD</u>	CONTRACTOR	ESTIMATE NO.
LOCATION	ARCHITECT	DATE
ESTIMATOR	CHECKED BY	BID DATE
JOB DESCRIPTION <u>AIR PORT STORAGE</u>		

WT	DESCRIPTION	QUANTITY	Ø	MATERIAL	LABOUR	SUBCONTRACT	TOTAL
300	10 2x6 x 16'	160	45/40	72	82		154
250	12 2x6 x 12'	144	45/40	64	73		137
320	3 PL3	8	45/40	200	102		302
100	4 2x4 x 16	64	45/40	28	35		63
150	6 2x4 x 12	72	45/40	32	38		70
000	40 2x4 x 8'	340	45/40	108	124		232
300	12 2x6 x 14'	168	45/40	75	87		162
400	1/2 PL3	10	45/40	200	128		328
200	WINDOW	2	45/40	200	64		264
800	30 FING	800	40/40	320	204		524
480	3/8 PL3	16	45/40	240	204		444
4300	25 1075 <u>TENT FRAME x 6</u>			1537	1141		2680
840	3/8 PL3	24	45/40	360	307		667
800	5	20	45/40	400	256		656
1500	60-2x4 x 14	630	45/40	283	322		605
400	16-2x4 x 12	144	45/40	64	71		135
500	20-2x4 x 16	240	45/40	108	123		231
750	30-2x6 x 12'	360	45/40	122	184		346
900	30-2x6 x 16	480	45/40	216	245		461
300	3-6x6 x 8	300	45/40	90	100		190
100	NAILS	15		100			100
5980	25 1497 <u>x 6</u>			1783	1608		3391
	8.982			10,228	9648		20,876
	10.75			1,539	1,141		2,680
	10.057			12,237	10,789		23,026
TOTAL COSTS				12,237	10,789		23,026
MISC JOB EXPENSES						FREIGHT	10,957
OVERHEAD							33,983
PROFIT							

# ESTIMATE SHEET

PAGE NO. 6 OF 6 PAGES

JOB NAME <u>SIA LODGE.</u> LOCATION <u>WAGER BAS</u> ESTIMATOR _____ JOB DESCRIPTION _____	CONTRACTOR _____ ARCHITECT _____ CHECKED BY _____ ESTIMATE NO _____ DATE _____ BID DATE _____
---	--

GENERAL EXPENSE	FORWARD						TOTAL
DESCRIPTION	QUANTITY	•	MATERIAL	LABOUR	SUBCONTRACT	TOTAL	
0102 Project Manager				2000		2000	
0104 Superintendent				8500		8500	
0105 Assistant Superintendent							
0106 Foreman							
0108 Watchman/Security							
0110 Survey & Layout			250	300		550	
0112 Legal Survey							
0114 Mobilization/Demobilize			2500	500		3000	
0116 Job Truck							
0118 Equip. Rental (External)							
0120 Equip. Rental (Company)			1000			1000	
0121 Equip. Repairs							
0122 Expendable Tools			2120			2120	
0124 Tools							
0126 Crane							
0128 Forklift IN RANKIN			2000	500		2500	
0129 Equipment - Fuel	500 GAL		2000	500		2500	
0130 Temporary Building							
0132 Temporary Toilets			250	150		400	
0134 Project Signs							
0136 Photographs			150	50		200	
0138 Hoarding							
0140 Temporary Heat							
0142 Snow Removal							
0144 Temp. Life & Power							
0146 Temporary Water				200		200	
0148 Telephone			1000	250		1250	
0150 Ladders, Railings & Fences							
0152 Fire & First Aid			500			500	
0154 Safety Equipment							
0156 Storage Facilities							
0158 Protection of Finishes							
0160 Clean-up - Progressive			500	1000		1500	
0161 Clean-up - Final							
0162 Maintenance							
0164 Access Roads/Parking							
0168 Travel			9000			9000	
0170 Room & Board 350 MANDAYS @ 100/manday			35000			35000	
0172 Living Allowance							
0180 Permits & Licenses							
0182 Bond							
0184 Insurance			Bulding 3000	FREIGHT 2000		5000	
0188 Engineering & Design							
0190 Design & Drawings			2000			2000	
0195 Escalators & Overtime							
0196 Payroll Burdens	18%			19555		19555	

SCHEDULE 2

WAGER BAY LODGE

SCHEDULE OF BASIC CAMP EQUIPMENT

<u>quantities</u>	<u>Items</u>	<u>COST.</u>	<u>APPROX WEIGHT.</u>
6	14' Lund or Naden boats (aluminum) (FOB Rankin)	\$14,400	F.O.B RANKIN
6	9.9 HP <sup>YAM. OR MER.</sup> <del>Evinrude</del> (FOB Rankin) and tanks	9 240	✓
12	Paddles	360.	✓
6	Landing nets	360.	✓
8	Seat cushions/life supports	192.	✓
1	"Big Red" 3-wheeler	3300.	✓
1	4-wheel trailer	450	✓
1	1,000 gal. reg. gas tank (c/w stand, cradle, hose, nozzle)	1568	1200 lb.
2	Screened funnels	30.	5 ✓
3	Large garbage cans (cookery)	120.	50 ✓
5	Small garbage cans (cottages)	100.	60 ✓
6	10 X 12 poly tarps	200.	60 ✓
3	12 X 16 X 3' wall tents	1500.	150 ✓
1	500 gal. fuel oil tank (c/w stand, cradle, hose, nozzle)	1050.	900 ✓
5	5 gal. poly gas cans	100.	15 ✓
		<u>\$ 32 970.</u>	<u>\$ 610.</u>

SCHEDULE 3

WAGER BAY LODGE

SCHEDULE OF CAMP FURNISHINGS AND FIXTURES

<u>Quantities</u>	<u>Items</u>	<u>Cost</u>	<u>Approx. weight (lbs)</u>
14	Single cotts and mattresses (staff)	2100.	1000 lb.
12	Box spring mattresses & frames (twin)	800	1000 lb.
25	Pillows	625	50 lb.
72	Sheets	700	100
75	Pillow cases	425	50
24	Wool blankets	1800	150.
8	Night tables	400	180
8	Chests of drawers	1000	500
6	Mirrors	120	60
1	Propane fridge, 10 cu.ft.	1550	600
2	Propane freezers, 5.5 cu.ft.	4500	1000
1	Propane stove, 2 burner & grill 24"	2050	800
	Kitchen utensils, cutlery, glasses, etc.	1500	400.
8	Brooms	120	30.
3	Mop sets	80	30.
30	Wood chairs	1800	600.
4	Dining room tables (30" X 60", ply & frame)	1000	300
3	Cabin tables (48" X 48", ply & frame)	550	200
		<u>\$25,120.</u>	<u>1762.</u>

JERROLI

<u>Quantities</u>	<u>Items</u>	<u>Cost</u>	<u>Approx. weight (lbs)</u>
1	Kitchen work table (30" X 60")	250	50
3	Kerosene heaters (tent frames)	550	60
4	Coleman lanterns	80	20
6	Wash basins	180	25.
82	Sq. yds. bedroom carpet (indoor-outdoor)	984.	700.
160	Sq. yds. vinyl flooring (kitchen and cabins)	2240.	1000.
3	Chesterfields and chairs	2000	200.
1	Oil space heater (winter camp - kitchen)	700	170
4	15,000 BTU propane standing heaters	1200	150.
50'	3" vent pipe and caps	150	60
9	100 lb. propane tanks	1125	675.
23	Propane light fixtures (13 wall, 10 ceiling)	2000.	250
6	Regulators Y200	240	70.
325'	3/8 soft copper supply tube	325	70
	Fittings, elbows, connectors, etc.	275	70.
1	Double stainless sink and drain	175.	30.
3	Bathroom sinks and drains	200	60.
150'	1 1/2" black PCV flex pipe	150.	80.
4	Chemical toilets and vents	400	120.
		<u>#13,224.</u>	<u>965.</u>

JERROLD S  
MANAGEMENT

ANNEX 3  
COST QUOTATIONS  
INSURANCE

ANNEX 3



# MONES & ASSOCIATES

Insurance Brokers Inc

#126. 6325 - 103 Street

Edmonton, Alberta T6H 5H6

(403) 435-4862

Telex 037-42728

## N.W.T. LODGES AND OUTFITTERS COMPREHENSIVE GENERAL LIABILITY PROGRAM

### COVERAGE

\$1,000,000.00

INCLUSIVE LIMITS, INCLUDING:

- PRODUCTS AND COMPLETED OPERATIONS
- EMPLOYEES AS ADDITIONAL NAMED INSUREDS
- CONTINGENT EMPLOYERS LIABILITY
- BROAD FORM PROPERTY DAMAGE
- OCCURRENCE PROPERTY DAMAGE
- PERSONAL INJURY
- MEDICAL PAYMENTS - \$ 2,500.00 PER PERSON  
- \$10,000.00 PER OCCURRENCE

### WARRANTIES & LIMITATIONS

- TOTAL AND ABSOLUTE AVIATION EXCLUSION
- WATERCRAFT LIMITATIONS - MAXIMUM 20 FEET  
- MAXIMUM 25 HORSE POWER
- \$500.00 DEDUCTIBLE, BODILY INJURY AND PROPERTY DAMAGE
- WAIVER A/O RELEASE FORM REQUIRED FOR ALL GUESTS AND EMPLOYEES
- \$1,000,000.00 ANNUAL POLICY AGGREGATE
- ALL PREMIUMS ARE 100% MINIMUM ANNUAL RETAINED
- COVERAGE IS LIMITED TO CLAIMS A/O SUITS BROUGHT WITHIN CANADA

N.W.T. LODGES AND OUTFITTERS  
COMPREHENSIVE GENERAL LIABILITY PROGRAM

PREMIUMS & RATES

FISHING LODGES & NATURALIST LODGES

Under \$400,000.00 GROSS RECEIPTS

- RATE \$4.00 PER THOUSAND

OVER \$400,000.00 BUT UNDER \$600,000.00 GROSS RECEIPTS

- RATE \$3.20 PER THOUSAND

OVER \$600,000.00 GROSS RECEIPTS

- RATE \$2.60 PER THOUSAND

\$1,000.00 MINIMUM ANNUAL RETAINED PREMIUM

\*COVERAGE INCLUDES EMPLOYED GUIDES

FISHING OR SIGHTSEEING OUTFITTERS

\$500.00 FLAT MINIMUM ANNUAL RETAINED PREMIUM PER GUIDE

BIG GAME OUTFITTERS

RATE \$4.00 PER THOUSAND OF GROSS RECEIPTS

\$2,500.00 MINIMUM ANNUAL RETAINED PREMIUM

FOR FURTHER INFORMATION CONTACT  
MITCH LEFEBVRE AT  
WONES & ASSOCIATES

N.W.T. LODGES AND OUTFITTERS  
COMPREHENSIVE GENERAL LIABILITY  
APPLICATION

GENERAL INFORMATION

1. NAME OF INSURED \_\_\_\_\_  
TELEPHONE NO. \_\_\_\_\_
2. MAILING ADDRESS \_\_\_\_\_
3. SOLE PROPRIETORSHIP, PARTNERSHIP OR REGISTERED COMPANY \_\_\_\_\_
4. NAMES OF OWNER, PRINCIPALS, PARTNERS, ETC. \_\_\_\_\_
5. LENGTH OF TIME IN BUSINESS \_\_\_\_\_

DESCRIPTION OF OPERATIONS

6. MY BUSINESS IS FISHING LODGE \_\_\_\_, NATURALIST LODGE \_\_\_\_, BIG GAME OUTFITTER A \_\_\_\_, B \_\_\_\_, C \_\_\_\_, FISHING OR SIGHTSEEING OUTFITTER \_\_\_\_\_
7. LICENCED LOCATION OF LODGE OR OPERATING AREA OF OUTFITTING \_\_\_\_\_
8. WHAT IS YOUR USUAL OPERATING SEASON \_\_\_\_\_
9. WHAT IS THE LICENCED GUEST CAPACITY OF LODGE \_\_\_\_\_
10. NUMBER OF GUIDES EMPLOYED INCLUDING OWNER/OPERATOR, FISHING AND SIGHTSEEING OUTFITTERS ONLY \_\_\_\_\_

N.W.T. LODGES AND OUTFITTERS  
COMPREHENSIVE GENERAL LIABILITY  
APPLICATION

PREMIUM CALCULATIONS

11. TOTAL ANNUAL GROSS RECEIPTS LAST YEAR \_\_\_\_\_  
12. ESTIMATED GROSS RECEIPTS THIS YEAR \_\_\_\_\_

\_\_\_\_\_ X \_\_\_\_\_ = \_\_\_\_\_  
ESTIMATED GROSS RECEIPTS RATE PREMIUM

\* PLEASE NOTE MINIMUM ANNUAL PREMIUMS FOR YOUR TYPE OF OPERATIONS

\*\* PLEASE NOTE PREMIUMS ARE 100% MINIMUM ANNUAL RETAINED. WHILE YOUR POLICY SHOWS AN ANNUAL PREMIUM, THE RATES AND PREMIUMS ARE BASED UPON THE SEASONAL ASPECTS OF YOUR OPERATIONS. PAYMENT MUST ACCOMPANY THIS APPLICATION.

ALL STATEMENTS IN THIS APPLICATION ARE TRUE AND THE APPLICANT HEREBY APPLIES FOR A CONTRACT OF COMPREHENSIVE GENERAL LIABILITY INSURANCE TO BE BASED ON THE TRUTH OF THE SAID STATEMENTS.

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
SIGNATURE INSURED

DATE

ANY INSURANCE OBTAINED AS A RESULT OF A MISREPRESENTATION OR FALSE STATEMENT MAY NOT BE VALID.

MAIL TO: MITCH LEFEBVRE  
MONES & ASSOCIATES INSURANCE BROKERS INC.  
126, 6325 - 103 STREET  
EDMONTON, ALBERTA  
T6H 5H6  
PHONE - (403) 435-4862  
TELEX - 037-42728  
OR PASS TO AEDO OR RTC

RECEIVED \_\_\_\_\_



TELEX MESSAGE

IMPORTANT! Type or Print Neatly or this telex may be returned, not ser

<b>TO</b>		<b>FROM</b>	
REGIONAL TOURISM OFFICERS, ST, GNWT		Department: ECON. DEV. & TOURISM	File No. 61 520 00
- FORT SMITH REGION	- INUVIK REGION	Name M. BUNDGAARD	
- KEEWATIN REGION	- BAFFIN REGION	Title A/SENIOR DEV. OFFICER	Phone No. 7385
- KITIKMEOT REGION		Authorizing Signature: <i>[Signature]</i>	Date: 31   7
Telex No.	Answer Back		

MESSAGE

61 520 003 LIABILITY INSURANCE - MONES AND ASSOCIATES

FURTHER TO LETTER FROM BILL GRAHAM JULY 29, THE FOLLOWING CONCERNS CALCULATION OF PREMIUMS:

1. AN OUTPOST CAMP IS CONSIDERED BY INSURER TO BE A "SEPARATE LOCATION" AND THEREFORE IS SUBJECT TO A MINIMUM PREMIUM OF \$1,000.

2. INSURER CONSIDERS THAT AN OUTPOST CAMP IS A TOURIST ESTABLISHMENT CONSISTING OF BUILDINGS OR TENT FRAMES, BUT DOES NOT INCLUDE A TENT CAMP.

3. A GUIDE IS ANYONE IN CHARGE OF A BOAT BUT DOES NOT INCLUDE A SECOND STAFF MEMBER IN THE BOAT AS AN ADDITIONAL PASSENGER.

EX ROOM ONLY:

ANNEX 4  
LETTERS OF SUPPORT

ANNEX 4

Northwest  
Territories Economic Development and Tourism

August 13, 1986

Mr. Louis Pilakapsi,  
President Sila Lodge Limited,  
P.O. Box 191,  
Rankin Inlet, N.W.T.

Dear Mr. Pilakapsi:

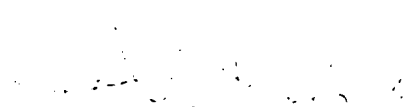
We have recently received correspondence pertaining to marketing activities associated with Sila Lodge.

After careful review we fully support the program as stated and was impressed with the phased approach to marketing. It appears that you have considered a good mix of marketing activities which include the travel trade, consumers, media and sales aids (brochures). Your target markets are clearly defined and appropriate to the keewatin.

Funding for this marketing initiative has been identified in three phases; pre-opening \$30,000; year 1 of operation \$40,000; year 2 of operation \$60,000. There are a number of possible funding sources that our department would be more than pleased to assist you in applying for. I would suggest you contact our regional office in Rankin Inlet for more information.

Congratulations on your initiative, as I'm sure Sila Lodge has the potential to become a World Class facility, which will attract many more visitors to the Northwest Territories.

Sincerely,

  
Alan Kaylo,  
Head, Marketing,  
Tourism and Parks.

c.c. Bill Graham,  
A/Assistant Deputy Minister.

Ian Kinsey,

Commerce Division

JUN 27 1986

Northwest  
Territories Culture & Communications

17 552 118

June 26, 1986

HAYWARD SIMMS  
FIELD BUSINESS ADVISOR  
ECONOMIC DEVELOPMENT AND TOURISM

Archaeological Sites on Wager Bay

With reference to your inquiry concerning archaeological sites on Wager Bay, I have completed a computer search of the National Inventory of Prehistoric Sites which has revealed two recorded sites.

The first is LiJa-1 on the south shore of Nuvudlik Island, the southernmost of the Savage Islands. Its co-ordinates are 65° 23' 30"N and 88° 15' 20"W. It consists of tent rings but there is no indication in the file of age or cultural affiliation.

The second is LhHw-1, on the north shore of Wager Bay, west of Cape Montague. Its co-ordinates are 65° 19' 55"N and 87° 36' 20"W. It consists of tent rings but again there is no further information.

Both sites were reported by J. Reid in 1983.

A search of our avocational report files revealed no further sites.

I understand that, at one time, Parks Canada was considering making Wager Bay a federal park reserve and that a few preliminary biological studies of the area were done.

As you suggested in your telephone call, the area is potentially archaeologically fertile.

All historical and archaeological sites are protected from any disturbance by the NWT Archaeological Site Regulations, a copy of which is enclosed for your records.

*Margaret Bertulli*

Margaret Bertulli  
Archaeologist

Encl.





**KEEWATIN**

Chamber of Commerce

---

August 13, 1986

Mr. Len Griffore  
Regional Superintendent  
Economic Development and  
Tourism  
Keewatin Region

Re: Sila Lodge Proposal for Development

We have been informed that your department is considering a proposal to develop a naturalist facility for Wager Bay called Sila Lodge.

This letter is to advise you that the Keewatin Chamber of Commerce is completely in support of the proposal and urges you and your Department to give every consideration possible to the acceptance of the development.

In the past the Keewatin Chamber of Commerce has been very active in the development and promotion of the tourism industry in the Region and it has been a concern of the industry operators that not enough high-quality facilities have been developed and managed by community-based groups. We are, to say the least, delighted with this local initiative for such a facility.

Your continued support of the private sector development of the tourism industry is much appreciated.

Thank you.

Raymond Mercer  
President

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Keewatin Chamber of Commerce, Rankin Inlet, N.W.T. X0C 0G0

August 13, 1986



Mr. Len Griffore  
Economic Development and  
Tourism  
Government of the N.W.T.  
Rankin Inlet, N.W.T.  
XOC OGO

Dear Len;

As the tourism industry's representative in the Keewatin we wish to advise you of our complete support for the development of a Naturalist Lodge facility in Wager Bay.

It is our understanding that a proposal for funding of this development will soon be brought forward to the various funding agencies for approval. It is for that reason that we write to you to offer our complete support for Sila Lodge.

After much discussion with Henderson and Associates, we in Travel Keewatin feel that this project would be of great benefit to the neighbouring communities and to the Keewatin as a whole.

As such, we will be offering the services of the marketing agency located in Thunder Bay to assist the owners of this new facility as much as possible. Henderson and Associates advises us that they will be able to make their complete mailing list available as well as the services of the Keewatin marketing representative to provide the necessary distribution network in order to provide marketing support to the facility.

In addition, Henderson and Associates will be investigating the possibility of acquiring cooperative promotions with such companies as Coleman, Kodak, and Eddie Bauers. The acquisition of these types of cooperative promotions have proved to be of great value to the Tourism Zone Association and we have every reason to believe that they would greatly assist in the market capture for Sila Lodge.

It is vitally important that these types of facility development take place in the Region in the future so that the tourism industry can sustain its already healthy growth.

Yours truly,

Caroline Anawak  
President

Travel Keewatin  
P.O. Box 190  
Rankin Inlet, N.W.T.  
XOC OGO

October 17, 1985.

Hunters & Trappers Association  
General Delivery  
Repulse Bay, N.W.T.  
XOC OHO

During the H.T.A. meeting on October 10, 1985 we were discussing John Tatty that he requests support from Hamlet Council to have a fish plant in Wager Bay. And he wanted support from H.T.A. in Repulse Bay and the H.T.A. fully supports John Tatty to have fish plant in Wager Bay, he also wants help from Government.

*John Kulluak*  
President  
*ANDREAS STUTINAK*  
member.

SILA LEUOE

Resolution # 5

WHEREAS Seela Lodge has requested support of the Keewatin Wildlife Federation in establishing a sport fishing camp, and commercial freezer facility for commercial fishing.

BE it resolved that the Keewatin Wildlife Federation supports the application for licencing of its operation by Seela Lodge.

CALALC se se C 156 Δb4 QAL LC C d.06 P 157 DL 476 076  
b7LX 446 a4 14666 Δb4 157 , 4 L 14666 06 QAL 476  
076 157 Δb4 .

CALALC C d.06 P 157 DL 476 b7LX 446 Δb4 DALC 14666 157  
14666 QAL 157 se se C 157 .

Motioned by John Kaunak  
Seconded by Robert Tatty

Δb4 157 14666  
QAL 157 CUF

<p>GOVERNMENT OF THE N.W.T. DEPT. OF ECONOMIC DEVELOPMENT BARREN INLET, N.W.T.</p> <p><b>RECEIVED</b></p> <p><b>JUN 4 1985</b></p> <p>FILE No. ....</p> <p>REFER TO .....</p>
---

August 13, 1987

Notes from DeBriefing Meeting of August 12 with Wager Bay Farm Trip Participants

1. Mike Lacey, Victor Emanuel Tours, Austin, Texas
  - Victor Emanuel is the largest photographic safari company in the United States
  - Mike has been running tours to the Churchill area for three years
  - Mike is most keen to see Wager Bay grow into a world class destination
  - Mike feels that the area has a great deal of potential
  - the use of large boats to ferry people around within the bay is essential due to weather conditions
  - Mike indicates that they will run a program into Wager Bay/Sila in 1988 on a test basis.
  - he wants to go back once the lodge has been built to set up the tours for the following year
  - he feels that the guides should be more sensitive to southern sensibilities, i.e. country food handling
  - very keen on this area will definitely be supplying business in the coming years to Wager Bay
  - has now booked a program of tours to Coats Island, thus showing his commitment to the Keewatin
  - recommend that Mike be invited to Sila in the first week of August directly after his first group goes to Coats Island
  
2. Barry Griffiths, Canadian Nature Tours, Toronto
  - Canadian Nature Tours is a subsidiary of the Ontario Federation of Naturalists, largest in Canada
  - feels much the same about the Wager Bay area as Mike Lacey
  - has committed to run tours to Wager Bay in 1988 pending the building of the lodge in 1987
  - has offered to come up to Sila Lodge in 1987 for two weeks to help the owners devise and refine a naturalists program/tour
  - he would do this for no cost, only the cost of airfare involved
  - he will start to collect naturalist information in the south on Wager upon his return, then compile into a booklet form for use at the lodge
  - very impressed with it all, will send photographs he took
  - same comments about the guides, very knowledgeable about the land but need polishing about the natural resources of the area
  - extremely valuable resource person for the lodge, recommend that he does go to Wager in the summer of 1987 to help with the set-up of a naturalist program that can be used for 1988 tours
  
3. Richard Harrington, Photographer, Toronto
  - Richard very impressed with the area
  - wants to write various articles on the area this year
  - will be supplying all photographs to Travel Keewatin for their use
  - wants to approach National Geographic to cover the opening of the lodge next year
  - recommend that we assist Richard in gaining the support of National Geographic in producing a feature article on Wager Bay
  - will be coming back to the Region next year
  
4. Sam Coe, President, Sierra Club of California
  - we'll be back was the most prevalent comment
  - will be putting in an article to the Sierra Club and the Audubon Society

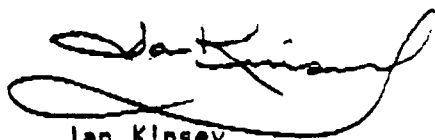
- wants to do a slide show presentation on the area to the various Sierra Clubs at their next annual conference
- will be asking his executive to support the area as a tour destination that can be added to their list of world-wide preferred destinations
- all in all very pleased with the area, will be talking it up a lot about the area for us

5. Fred Loosemore, Trailhead/Blackfeather Sea Kayak Tours, Toronto

- not yet back so can only report the prior commitments and discussions
- If Wager Bay is all it is supposed to be, will be running tours for 1987
- will have to make some kind of deal with the owners as usually they sell the kayaks to the lodge and then rent them back at one tenth the cost for one weeks rental, therefore the kayaks are paid for over a two year period at most
- currently moves about 2500 people to such destinations as Queen Charlottes, Ellesmere, etc. Moves over 100 to Nahanni this year
- Will be talking to John Hickes upon his return to the south
- very good prospect almost assured of 1987 production

6. Conclusions

- Judging by the enthusiasm exhibited for the area there is certainly a strong market for the Wager Bay area
- most are curious to see the lodge open before they make firm commitments but the impression is, is that it is more a formality than reluctance
- will be keeping in touch with this group to keep them informed of developments



Ian Kinsey  
Tourism Development Coordinator  
Keewatin Region

cc: Bill Rogoza, Marketing Representative, Travel Keewatin