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June 23, 2010

Town of Hay River
75 Woodland Drive
Hay River Northwest Territories
X0E 1G1

Dear Mayor and Council:

We have been engaged to audit the financial statements of Town of Hay River for the year ending December-31-09.

Canadian generally accepted auditing standards require that we communicate at least annually with you regarding all relationships between the company and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, the standards require us to consider relevant rules and related interpretations prescribed by the Institute of Chartered Accountants of the Northwest Territories and applicable legislation, covering such matters as:

(a) Holding a financial interest, either directly or indirectly, in a client;

(b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;

(c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;

(d) Economic dependence on a client; and

(e) Provision of services in addition to the audit engagement.

We are not aware of any relationships between the Council and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence, that have occurred from January 1, 2009 to December 31, 2009.

The total fees charged to the company for audit services were $45,000 during the period from January 1, 2009 to December 31, 2009.

Canadian generally accepted standards for audit engagements requires that we confirm our independence to management or persons having oversight responsibility for the financial reporting process in the context of the Rules of Professional Conduct of the Institute of Chartered Accountants of Northwest Territories. Accordingly, we hereby confirm that we are independent with respect to the company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Northwest Territories as of June 23, 2010.

This report is intended solely for the use of the, board of directors, management and others within the Council and should not be used for any other purposes.

Yours truly,

Ashton Chartered Accountants