

January 3, 2002

Via Fax (867) 920-4761

Mackenzie Valley Environmental Impact Review Board
Box 936
200 Scotia Centre
5102 - 50th Avenue
Yellowknife, NT X1A 2N7

Attention: Frank Pope

Dear Mr. Pope:

Re: Meeting on January 4

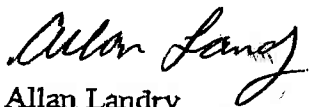
I have just been told by our lawyers that INAC has organized a consultation meeting with the Review Board. The issues which INAC and the NEB will address are all measures which the Review Board adopted in response to the submission made by the Ka'a'Gee Tu people. It will be difficult for me to get to Yellowknife on such short notice but because the interest of our people are at stake, I am prepared to make the trip.

The Ka'a'Gee Tu people support measures 13 through 17. These measures are that INAC approved a Benefits Plan which did not meet its lawful obligations to the Ka'a'Gee Tu people. They also address the fact that the traditional knowledge study was not completed and incorporated into the development plan before the Review Board finished its assessment. These recommendations constitute a recognition of important deficiencies in the Project plans as it affects our people, and we want to be able to speak on this matter at the meeting.

We remain concerned about our watershed, which is entirely fed by waters which run down from the Cameron Hills. The watershed is currently unpolluted. It supports our culture by nourishing the lands, animals and resources which are forever intertwined with our way of life. If this watershed is damaged, the harm to the Ka'a'Gee Tu people cannot be compensated for.

Cameron Hills lands is within the traditional territory of the Ka'a'Gee Tu people, and so is protected both by custom and pursuant to our *Traditional Territories Law*. Our occupation of these lands is also protected by Treaty 11, and the Interim Measures Agreement. Development of the area will only be lawful if it accommodate our rights.

Sincerely,



Allan Landry
Director of Oil and Gas,
Ka'a'Gee Tu First Nation

cc: Chief and Council
Legal counsel

216-00.400137

Mandell Pinder
Barristers & Solicitors

500 - 1080 Mainland Street, Vancouver BC V6B 2T4
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January 3, 2002

Via Fax (867) 669-2703

Lorne Tricoteaux
Associate Regional Director General
Indian and Northern Affairs Canada
PO Box 1500
Yellowknife, NT X1A 2R3

Attention: Lorne Tricoteaux

Dear Mr. Tricoteaux:

Re: Consultation meeting scheduled for January 4, 2002

This letter is to confirm our conversation earlier this afternoon regarding a consultation meeting, scheduled for tomorrow, during which there will be discussion about the Mackenzie Valley Environmental Assessment Review Board's (the "Review Board") recommendations contained in their Report for Paramount Resources Ltd.'s pipeline project.

You informed me of Indian and Northern Affairs Canada's ("INAC") position, which is that only the federal Minister and the responsible ministers to whom the report was distributed may participate in this meeting, and that INAC bases this position on the *Mackenzie Valley Resource Management Act* (the "Act").


It is my understanding that the Review Board interprets the Act differently, and finds the Act does accommodate including the participants of the environmental assessment process when its recommendations are under discussion. We support the position of the Review Board.

There must always be room for consultation with First Nations when their interests are at stake. The fiduciary obligation to consult with First Nations arises regardless of whether it is expressly described in the Act. All of the measures to be discussed at the meeting were contained in submission made by the Ka'a' Gee Tu First Nation's to the Review Board.

I have advised the Review Board that I will be available to attend the meeting via conference call. The Ka'a' Gee Tu First Nation has made arrangements for their Director of Oil and Gas, Allan Landry, to attend the meeting in person. Mr. Landry may be accompanied by another person.

Yours truly,

MANDELL PINDER


Constance MacIntosh
Barrister and Solicitor

CM/lb

cc: Clients