

Mandell Pinder
Barristers & Solicitors

500 - 1080 Mainland Street, Vancouver BC V6B 2T4
Tel: (604) 681-4146 Fax: (604) 681-0959



FAX COVER SHEET

DATE: October 11, 2001

CLIENT #: 216-00.4

To: MVEIRB
Attention: Joe Acron

FAX: 1-867-920-4761
PHONE:

Cc Ka'a'Gee Tu First Nation
Attention: Allan Landry

FAX: 1-867-825-2002
PHONE:

CC: Ka'a'Gee Tu First Nation
Attention: Chief and Council

FAX: 1-867-825-2002

FROM: Constance MacIntosh

RE: Paramount's Response to the Ka'a'Gee Tu Submissions on the Drilling Project

ORIGINAL BEING SENT BY MAIL: YES: NO: xx

NUMBER OF PAGES INCLUDING COVER SHEET: 6

MESSAGE

Please see the attached.

CONFIDENTIALITY CAUTION

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged and confidential. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address at our cost.

IF YOU DO NOT RECEIVE ALL THE PAGES PLEASE CALL Lisa AT (604)681-4146 AS SOON AS POSSIBLE.

216-00.400050

October 11, 2001

Via Fax – 867-920-4761

MVEIRB
P.O. Box 938
Yellowknife, NT
X1A 2N7

Attention: Joc Acorn, EAO, MVEIRB

Dear Sirs:

Re: Paramount's Responses to the Ka'a' Gee Tu's Submissions on the Drilling Project

The Ka'a' Gee Tu First Nation has received and reviewed Paramount's responses to their submissions on Paramount's Drilling and Flaring Project (dated September 24, 2001), and remains dissatisfied with some of the responses.

Paramount continues to refuse to meet with the Band to develop a plan for assessing whether the Company's activities have resulted, or will result in losses to the Ka'a' Gee Tu People. There is no question that the Company's proposed activities will result in increased access to the area by those working for the Company, but there is no plan to assess how this increased access and activities associated with drilling will affect the Ka'a' Gee Tu, and for compensating the Band should such access occur and have adverse impacts on their interests. Paramount's refusal to deal with this issue in advance threatens to cause significant problems down the road if such impacts do occur.

Paramount has failed to provide a complaint and reporting system for the Band members to use if they witness Paramount employees disturbing wildlife or other people. This leaves Band members concerned about Paramount's sense of accountability to their community.

The Band remains in the dark about Paramount's compensation system for trappers. First, it is not just trappers who may suffer losses. Harvesting occurs otherwise than by trapping, and cultural values are at stake. Further, the Band cannot assess whether the compensation system is acceptable without knowing who measures 'demonstrable loss' and how, as well as the terms of compensation. The Band is concerned that Paramount's plan addresses compensation for any decrease in trapping harvests.

The Band would also like to add some context to Paramount's correspondence, which it states verifies its commitment to consult. Consultation must be in good faith and meaningful. When the Band asks questions, consultation requires Paramount to answer those questions and address their issues. We note below a few examples of Company conduct which is not reflected

in this correspondence, but which illustrates the Band's concerns about the inadequate consultation which has occurred.

Although Paramount did send the Band a request for services, this letter was sent December 21, after Band offices were closed. As the work was to commence between December 28th and early January, the Band was precluded from being able to make a bid. This was especially disappointing given that the Band had sent Paramount a draft Mutual Benefits Agreement on November 16, a document which Paramount did not acknowledge until January 8, and has never properly addressed. Similarly, Paramount omitted correspondence sent by the Band when Paramount tried to cancel a meeting last May.

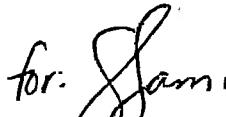
The Band has continuously asked to meet with those individuals at Paramount who have the authority to make decisions, so that they can address and resolve the issues discussed above (see enclosed copies of correspondence which Paramount omitted from its collection). Many meetings have been cancelled, or the Ka'a' Gee Tu were unable to attend, due to the unavailability of both Paramount and Ka'a' Gee Tu representatives. Multiple letters showing meeting agendas for meetings which did not take place obscure the record.

Although Paramount will withdraw from the area after it has finished extracting resources and its leases expire, the Ka'a' Gee Tu will remain. Canada must not endorse development activities which are carried on at the cost of the Ka'a' Gee Tu's culture.

The Ka'a' Gee Tu First Nation remains extremely concerned about the impact of this development project on their cultural practices and way of life.

Yours truly,

MANDELL PINDER

for: 
Constance MacIntosh
Barrister and Solicitor

CM/lb
Enc.

cc: Ka'a' Gee Tu First Nation: Chief and Council
Ka'a' Gee Tu First Nation: Allan Landry, Manager of Oil and Gas,

Mandell Pinder
Barristers & Solicitors500 - 1000 Mainland Street, Vancouver BC V6B 2T4
Tel: (604) 681-4146 Fax: (604) 681-0959

May 10, 2001

Via Fax (403) 262-7994

Paramount Resources Ltd.
4700 Bankers Hall West
888 3rd Street SW
Calgary AB T2P 5C5**Attention: Ken Brink**

Dear Sirs:

Re: Meeting between Kakisa and Paramount Resources

We have been contacted by representatives of the Ka'a'gee Tu First Nation ("Ka'a'gee Tu") regarding a meeting scheduled for May 15, 2001, between Paramount Resources and themselves. The Chief and Council of Ka'a'gee Tu have directed these representatives to have this meeting with Paramount in Calgary, and not in the community. We understand that the purpose of this meeting was to allow for direct communication and consultation concerning Cameron Hills.

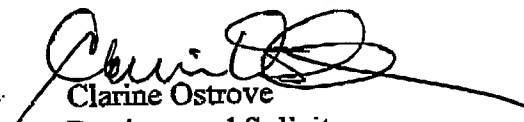
We are told that Paramount intends to cancel this meeting, and that previously scheduled meetings have also been cancelled. Ka'a'gee Tu is seriously inconvenienced by your proposed change of plans. They not only arranged their schedules to keep this commitment, but have already finalized their travel arrangements. As the summer approaches, it is more and more difficult to arrange for meetings as the people are away on the land and working. We understand Paramount has been advised that spring meetings are the most convenient to Ka'a'gee Tu. Rescheduling the May 15th meeting is not realistic.

Ka'a'gee Tu's representatives will be in Calgary on May 15. Given the importance of this meeting, we urge Paramount to reconsider its position and make itself available to meet as previously scheduled. It is obviously difficult to develop understanding and build

relationships if Paramount refuses to meet.

Yours truly,

MANDELL PINDER



Clarine Ostrove
Barrister and Solicitor

cc: Ka'a'gee Tu First Nation, Chief and Council
cc: Allan Landry Oil and Gas Director

Mandell Pinder
Barristers & Solicitors

500 - 1080 Mainland Street, Vancouver BC V6B 2T4
Tel: (604) 681-4146 Fax: (604) 681-0959

May 14, 2001

Via Fax (403) 262-7994

Paramount Resources Ltd.
4700 Bankers Hall West
888 3rd Street SW
Calgary AB T2P 5C5

Attention: **Ken Brink**

Dear Sirs:

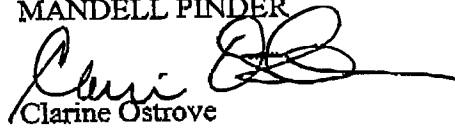
Re: Meeting between Kakisa and Paramount Resources

We are directed to advise you that representatives of the Ka'a'gee Tu First Nation ("Ka'a'gee Tu") are travelling to Calgary for the purpose of meeting with Paramount, as previously scheduled. Ka'a'gee Tu fully expects that their representatives will be meeting tomorrow with the appropriate representatives of Paramount and that tomorrow's meeting will be the first of a number of meetings which will be needed to fully explore the community's concerns and requirements.

Ka'a'gee Tu has prepared an outline of a presentation and we have been asked to forward that outline to you. We understand that this identifies the subject matters for tomorrow's discussion. We trust that those discussions will be constructive and fruitful for all concerned.

Yours truly,

MANDELL PINDER



Clarine Ostrove
Barrister and Solicitor

cc: Ka'a'gee Tu First Nation, Chief and Council
cc: Allan Landry, Oil and Gas Director
Encl.