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Taltson Hydroelectric Expansion Project

Consultation History and Plan

May 2007



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Consultation History and Plan – May 2007

In early 2000, the Northwest Territories Power Corp. (NTPC) a Crown Corporation, and subsequently NWT Energy Corporation (03) Ltd. (NTEC) a fully owned subsidiary of NTPC, commenced investigations into the development of a power project that would bring economic and social benefits to residents of the South Slave Region. From 2002 through 2004, the concept envisaged the Crown Corporation as the potential proponent. With this perception, in 2003 and 2004, NTEC commenced consultation with community leaders and members to understand potential interests and issues.

Since that time up until November 2006, as a result of the consultation process, the two parties in the South Slave Region – Akaitcho Treaty 8 First Nations (Akaitcho), South Slave Métis (Métis) – together with NTEC, engaged in the process of developing a three-party proponent model for a potential hydroelectric power project. This process resulted in the three parties first entering into a Memorandum of Understanding, followed by a Memorandum of Intent, and finally in November 2006, the formation of the Dezé Energy Corporation (Dezé). The formation of the Dezé Energy Corporation was a critical step in defining a project proponent.

During this proponent development period (2004-2006), Contribution Agreements were established between NTEC, the Akaitcho and the Métis that included a method of communicating project developments to the parties' community leaders and members, and obtaining feedback from the same. The Akaitcho and Métis preferred a method in which the parties themselves would take responsibility for consultation through Community Coordinators, as opposed to NTEC managing the consultation process. The Community Coordinators managed the consultation process and disseminated project information to Aboriginal groups and communities as Community Coordinators conducted community consultation up until the formation of the Dezé, a formal database of meetings was not maintained.

To assist the Community Coordinators, NTEC provided project updates to, and sought feedback from, communities and leaders via presentations and meetings with the General Assemblies and with the communities, as well as through brochures, newsletters, and placement of project models in public buildings. Summaries of these meetings and consultation are attached. Feedback from the Community Coordinators and from the meetings were incorporated into both the proponent structure and the project design.

Concurrent to the proponent development process and ongoing consultation, NTEC, with input from the Métis and Akaitcho, assessed conceptual and prefeasibility concepts for a i) economically viable, and ii) socially and environmentally sustainable power project. Development of potential project concepts that could meet these objectives involved the on-going assessment of evolving scenarios and opportunities.

As the project and its ownership remained in a very dynamic state up until late 2006, the parties agreed to continue to have the Community Coordinators disseminate project information to the Akaitcho and Métis,



(including Salt River, Smith Landing, Yellowknives Dene (Dettah), Yellowknives Dene (Ndilo), Lutsel K'e, and Deniu K'ue First Nations and Fort Smith Métis Council, Northwest Territory Métis Nation, Fort Resolution Métis Council, and Hay River Métis Government Council), until a project proponent was defined and a project was identified.

Due to the evolving nature of the project and the proponent, broader consultation prior to the formation of a project proponent and establishment of a feasible project would have resulted in the presentation of inconsistent information or information that could rapidly become inaccurate or superseded in regard to the project plan (such as location with traditional territories) and ownership.

In late 2006, with the formation of Dezé, and thus a defined proponent, and with the identification of a feasible project in terms of design, identified clients, and economic viability, the parties developed a plan for consultation. The plan transfers to Dezé, the consultation role previously conducted by the Community Coordinators. Assuming this responsibility, Dezé will continue consultation with the Akaitcho and Métis, as well as engage other Aboriginal groups. Dezé is currently in the process of contacting the Tli Cho Government, North Slave Métis Alliance, West Point First Nations, Katlodeeche First Nation, Athabasca Denesuline, and the Wek'eezhii Renewable Resource Board to arrange mutually agreeable dates, as soon as possible, for face-to-face meeting.

As part of consultation planning, Dezé intends to use the MVLWB Application and Project Description referral process as a means to distribute a consistent project description to the regulators, interested parties and Aboriginal groups, (Interested Parties or Groups) upon which Dezé would initiate the formal consultation process. Dezé also intended to complete the consultation process during the referral period or during an Environmental Assessment if the Mackenzie Valley Land and Water Board (MVLWB) referred to the project to the Mackenzie Valley Environmental Impact Review Board (MVEIRB).

Dezé is aware that Interested Parties expend considerable energy addressing MVLWB referrals and engaging in project consultations. Dezé is also aware that this is the first hydroelectric project to be reviewed under the MVRMA and that Interested Parties may not be familiar with the design, development, and the potential effects of hydroelectric projects. Dezé recognizes that meaningful consultation takes time and that ensuring that the Groups understand the project and its potential effects on their interests is an important step in the consultation process. Consultation is anticipated to be an ongoing process throughout the MVLWB Preliminary Screening or the MVEIRB Environmental Assessment process.

Attachments:

- A Minutes of 2003 meetings by Rescan Environmental Consultants Ltd., on behalf of Northwest Territories Energy Corporation (03) Ltd.
- B Summary of project information sessions and meetings conducted by NTEC (pre-2006) and Dezé Energy Corporation (post Nov. 2006)

Statistical information was initially gathered from a number of sources, including the Statistics Branch of the GNWT, to report on a number of key community socio-economic indicators. General community profile, locational and historical information was also gathered based on literature searches and telephone discussions with key community information sources.

However in November 2003, the researchers were advised that the statistical information that had been gathered to that point would be updated early in 2004. Therefore, the searches were halted and the updated information will be gathered in 2004.

3.10 Community Consultation

It was originally anticipated that two sets of public consultation meetings would be held in the 2003-2004. Community consultation sessions were proposed for Lutsel K'e, Fort Resolution and Fort Smith.

The first set of meetings was originally intended to be held in November 2003. Additional meetings with community leaders would then follow in February or March 2004.

These communities were selected because they included the Lutsel K'e First Nation, the Deninu Ku'e First Nation, the Salt River First Nation and the Smith's Landing First Nation within the Akaitho Territory and communities in which a majority of the NWT Métis Nation were resident. In each community the consultant recommended holding an afternoon Open House prior to the evening public meeting. The Open Houses would provide an opportunity to talk about the project without the pressure of having to ask questions in a public meeting. Refreshments would be provided at the Open Houses and the evening meetings.

Public notice in the form of community posters and newspaper advertisements would promote the holding of the meetings. All meetings would be open to any interested member of the public. Depending on the community, translators would be provided to assist. In the initial round of meetings, simultaneous translation would be offered. If used, this would require the transport of a technician, headsets, microphones and mixing equipment. The consultant team would require a facilitator, a meeting note taker and a technician. Translator(s) would be hired locally within each community.

However, based on revised terms of reference for this work, some of these planning principles and implementation strategies were modified and a more limited public information approach evolved.

The public information initiatives began with a series of leadership meetings in Fort Smith, Fort Resolution and Hay River — December 8-11, 2003. A community leadership meeting in Lutsel K'e was also planned and arrangements had been made to fly to Lutsel K'e for meetings on December 10. However on December 9, Lutsel K'e advised that their community was no longer interested in a meeting and sent a letter to the Akaitho Territory Government to that effect.

Notes were taken for the initial series of meetings in December 2003 (see attached reports – Appendix 3.10-1a to 3.10-1c), but was not directly involved in meeting arrangements which were handled through the members of the project leaders.

As a follow-up to the December 2003 meetings, it was recommended that the community consultation process be initiated in February 2004. However, due to the absence of a clear project definition it was decided to defer full community consultation until a clear project definition was available.

So, instead of consultation, public information meetings were offered. Meetings were scheduled for Fort Smith, Fort Resolution and Hay River. Because of the previous letter from Lutsel K'e indicating a lack of interest in community information meetings, the decision was taken to extend a Lutsel K'e meeting offer through the Akaitcho Chiefs who are involved in the Taltson Hydro Project, rather than through the consultant. That was done but the project leaders were unsuccessful in making arrangements for a community information meeting in Lutsel K'e at the same time as the other meetings in the South Slave region in March 2004.

4.10 Community Consultation

The meetings that were held with the leadership of the Akaitcho First Nations (Salt River First Nation, Smith's Landing First Nation and Deninu Kue First Nation) and the NWT Métis Nation (Locals in Fort Smith, Fort Resolution and Hay River) in December 2003 laid a foundation for the public information meetings that were held in the communities in March 2004.

Meetings were successfully arranged in Fort Smith (March 16), Fort Resolution (March 17) and Hay River (March 18). Each meeting was held in a public facility starting at 7:00 pm and was preceded by an afternoon open house (2:00 – 4:00 pm) to allow for more informal discussions. Meetings were promoted by newspaper advertisements (Appendix 4.10-1, radio promotion (Appendix 4.10-2 - CJCD, CKLB and CBC all used advance, on air information items), and notices on community bulletin boards (Appendix 4.10-3). Translation services were offered in all communities but were only required in Fort Resolution. Reports on the Open Houses and evening public meetings are attached to this report (see Appendix 4.10-4a to 4.10-4c and 4.10-5a to 4.10-5c). One written submission from a former resident of Rocher River was received (Appendix 4.10-6). Meetings were best attended in Fort Resolution and least well attended in Hay River.

Prior to these meetings the consultant, prepared and secured agreement from the Project Partners on public information guidelines for these meetings and other communication activities (Appendix 4.10-7).

These public information activities raised the public profile of the Taltson Hydro Project in the NWT and some media coverage followed. With the exception of one misreported story on CBC (which they later corrected), coverage was accurate. A sampling of media mentions and reports is attached (Appendix 4.10-8). CBC inaccurately reported that the community of Lutsel K'e had asked for a meeting and had been refused. They admitted that their Yellowknife news room had rewritten the story filed from Fort Smith and changed the report that "The project had asked for a meeting with Lutsel K'e and been refused" to "People in Lutsel K'e had asked for a meeting but had been turned down." A verbal apology was offered, but an on-air apology was not offered. A story correcting this inaccurate report was aired a few days later.

The March 2004 public meetings gave the consultant an opportunity to identify concerns and to evaluate the extent of public support for the Taltson Hydro Project.

4.10.1 Support

- Expressions of support for the Taltson Hydro Project concept were greatest in Hay River and Fort Smith. The Town Councils of both communities are reported to have discussed the project and generally support it.
- Fort Resolution residents were more cautious about the project and generally indicated that their community may be willing to support the project if certain concerns are addressed.

- Support in the communities is sometimes tied to the concept of cheaper power rates in the South Slave region as well as employment and business opportunities associated with construction. This was particularly true of Fort Resolution and Fort Smith.

4.10.2 Concerns

Concerns varied by community; the following is a summary of concerns expressed during meetings and Open Houses:

- The highest general level of concern was expressed in Fort Resolution. Three kinds of concerns were raised there. The most often mentioned concern dealt with compensation for past “wrongs” associated with the original Taltson power plant development and its operation to the present. A second level of concern dealt with the current project — particularly the need for more information about possible impacts on water levels, ice conditions and trapping. A third level of concern addressed the need for consensus among Aboriginal communities with respect to development and the fact that Lutsel K’e is possibly in opposition to the Taltson Hydro Project expansion and the proposed transmission line.
- A separate concern was raised by the original inhabitants of Rocher River who are now considered part of the Fort Resolution Band. Many of these individuals do not see themselves as part of the Fort Resolution Band and believe they should have separate representation on the Taltson Hydro Project and separate participation in studies and the gathering of Traditional Knowledge.
- Concern was also raised by one former Rocher River resident, Della Beck, that the descendants of Chief Snuff (Rocher River) should be at the Taltson Hydro Project table but that Lutsel K’e, Salt River, Smith’s Landing, Dettah and N’Dilo have no place at a table which is discussing issues about the Taltson River.
- Fort Smith concerns seemed to focus on power rates and getting a fair share of business opportunities. There were some expressions of concern about environmental impacts and the visual pollution that a power line in the wilderness would represent.
- Hay River seemed to have few, if any concerns, and wanted to get a share of any benefits that could be associated with construction. If anything there seemed to be a concern that project benefits might go more to Fort Resolution or Fort Smith, if preferential purchasing decisions were made in favour of Aboriginal businesses or businesses in those communities.

4.10.3 Potential Barriers

- The biggest potential barrier to advancing the Taltson expansion is the current absence of Lutsel K’e from the project. Lutsel K’e has a contract with Regional Power (a Manulife subsidiary) for the development of hydro power in its area. It is reported that the contract prohibits Lutsel K’e’s participation in any other hydro project which could be potentially competing.

Results and Discussion

- The next potential barrier is the “past wrongs” compensation issue. Some people argue that Fort Resolution should withhold its support until this issue is resolved or a process is in place to resolve this matter.
- The third potential barrier is the “us” and “them” thinking that continues to persist in relation to the project. Most people at the community level do not exhibit a sense of project ownership. The Taltson Hydro Project is seen as someone else’s scheme. Some people in the communities are even suspicious that this is a plan on the part of the NWT Power Corporation to push the burden of liabilities associated with Taltson construction and operation onto Aboriginal people.

**APPENDIX 3.10-1A
FORT SMITH LEADERSHIP INFORMATION MEETING,
DECEMBER 8, 2003**



Appendix 3.10-1a
Fort Smith Leadership Information Meeting, December 8, 2003

Location: Roaring Rapids Hall, Fort Smith, NT

Attendees:

| | |
|-----------------|--------------------------------|
| Raymond Beaver | Salt River First Nation |
| Fred Daniels | Smith's Landing First Nation |
| Toni Heron | Salt River First Nation |
| Danny MacDonald | Salt River First Nation |
| Sonny MacDonald | Salt River First Nation |
| Peter Paulette | Salt River First Nation |
| Jerry Peardon | Smith's Landing First Nation |
| James Schaefer | 4991 NT Ltd. (SRFN Membership) |
| Tony Vermillion | Smith's Landing Council |

Presenters/Resource Persons:

| | |
|--------------------------|---|
| Paul Campbell (NTPC). | Northwest Territories Power Corporation |
| Dan Grabke | NWT Energy Corp. |
| Elizabeth Fillatre | Rescan (Yellowknife) |
| Jason Lepine | Northwest Territory Métis Nation. |
| Brian McCutcheon | Rescan/Outcrop (Yellowknife) |
| Jerry Paulette | Smith's Landing First Nation (Chief) |
| Shane Uren | Rescan (Vancouver) |
| Tom Vernon | NTPC. |
| Peter Watt | NTPC. |

The meeting began at approximately 6:20 with an Opening Prayer given by **Toni Heron**.

Chief Paulette began the meeting by introducing himself and **Jason Lepine**. He explained that the project that is being considered is a "business opportunity" for the region that could develop and sell excess energy from the Tatson River to customers such as the Snap Lake diamond mine.

He added that while it is a business opportunity, there are also political considerations to be addressed. He explained that the Akaitcho, the Northwest Territory Métis Nation and the NWT Power Corporation were working together on

the project. His personal role in the project was given to him by the Akaitcho Chiefs who had assigned this "portfolio" to him.

Chief Paulette asked everyone around the table to introduce themselves and when the introductions had been completed he called on **Peter Watt** to update the leadership on the background, the MOU, customer negotiations and the ongoing development of a business relationship among the three groups involved in the project (NTPC, the Akaitcho Territory Government and the Northwest Territory Métis Nation).

Peter Watt presented the "Community Information Update – December 2003" (copy attached to these minutes) and summarized information that it contained.

He noted that a Memorandum of Understanding (MOU) had been signed among the three parties on June 6, 2003 and that this had established three objectives. These objectives were to establish a corporate entity to further develop the resources of the Taltson River system, to develop a detailed business plan for profitable opportunities and to oversee research into the proposed development.

He noted that the work had now reached the stage where it needed to be communicated more widely and that the group was working on a strategic communications plan to inform and address stakeholder issues.

He explained work that was ongoing in the area of customer negotiations. Briefings and discussions had also been held with the Government of the Northwest Territories (GNWT).

He concluded by describing the process that was ongoing to develop a Memorandum of Intent (MOI) to create a more detailed agreement among the parties with respect to ownership, investment and benefits.

Peter Watt then introduced **Dan Grabke** who presented a PowerPoint presentation on the Taltson River Project.

Dan Grabke gave a detailed presentation on the project, studies to date, options, project costs, conclusions, and preliminary recommendations. A copy of that presentation is attached to these minutes.

Following the presentation the meeting was opened to questions and comments from those in attendance. *(The person making the comment or asking the question is identified below. Answers and comments came from various members of the project team.)*

James Schaefer – If you are planning to tack on another 18 MW, you'll have a lot of extra power. It will help if you have extra customers – at least one or more.

(Response) We are planning on talking to others about the possibility of supplying power to them as well.

James Schaefer – What about the South?

(Response) Right now you're competing with cheaper power in the South but in future things may change. We haven't done a lot of studies to understand the southern market. For example, what is the next generation of power needs in Alberta? There may be opportunities. But we need more studies.

Jerry Paulette – I want to explain more of the work we have done to get us to the next stage. First, we are working on an MOI to develop a new company that we would all own. We have called that company "NEWCO" for now. That stands for "new company." It would be that new company that would look at the studies we have done and also what we need to do next. So NEWCO needs to be put in place first and we are working on that right now.

We are also involved in meetings with DeBeers (the company planning the Snap Lake mine). That helps us understand their needs and how our project could possibly meet their needs.

We are also looking at the studies that have been done on fish, water, lands and all. These are very important to our people and we are mindful of the need for this work. Our concern is that the Traditional Portfolio of First Nations is always in balance with the Economic Portfolio.

We have seen that people from the communities have been involved in the studies and some of our concerns have come through from the people working on those studies.

The issue of access fees has also been raised in our discussions.

At the end of the day, what we need to know is if "the people" are prepared to go with it (the project) when all the issues have been identified. Of course, political issues are also a concern and we will need to address those as well.

We believe there will be many opportunities to create economic benefits and opportunities for Aboriginal people. For example, creating a separate company to supply infrastructure components (like the transmission line towers).

This project is an "uphill battle." There are environmental issues, engineering issues and financial packaging challenges.

There may also be delays. Because there are Interim Measures Agreements in place there may be legal challenges. The Métis are considering seeking an injunction against Snap Lake until their issues are addressed.

There are also issues at Lutselk'e. Lutselk'e has a private deal with Regional Power and may be considering a possible dam on the Lockhart or Snowdrift rivers.

The five other Akaitcho Chiefs want to pursue this (the Taltson Project) as far as we can. So we are looking at whether we can work out an agreement with Lutselk'e that sees them develop their own power and has them transmit the power on one common transmission line.

We are also starting the process of looking at financing the project. We have talked with Scotia Bank and we will talk with others. We have been told that "the bigger the risks, the less the profit."

But, first we want to get NEWCO in place. We will start with Snap Lake (as a project focus) and we can also talk about other possibilities. The challenge is to be able to develop a business opportunity and still be mindful of our traditional portfolio.

So, we are asking the leadership, "Do you like the work to date. Should we keep going?"

Jason Lepine – We need to be aware that the money we make in the short term is not important. But the long-term benefits can be very large. What we do now will go a long way in future to supporting all the long-term projects we want for our children and grandchildren.

Gerry Peardon – Do you have more information on the cost of crossing at the Simpson Islands?

(Response) At the moment we think it would cost \$50 million more to construct. That's a very preliminary estimate. If there is a problem with the East Arm route, we need to pick the next best and study it. If we pick an alternative, it could also take another year for studies. This should be decided soon because the focus for next year's work needs to come together in the next couple of months.

Jason Lepine – Our position is that we want to own the facilities and the transmission lines. That way we control the whole project from generating the power to delivering it to the customer.

Gerry Peardon – How much fuel do the diamond mines use for their power needs?

(Response) At the moment, the two mines each use 30-40 million litres of fuel per year to run their power plants.

Sonny MacDonald – Any word on the Drybones Bay Project?

(Response) No. It seems to come and go. We don't know where it's at right now.

Fred Daniels – As far as walking away from the project, I don't think that is an option. This is our opportunity to participate in development and get a benefit for our children. We don't want to see one community stop us.

Raymond Beaver – I would like to know about compensation. My brother-in-law traps below the dam and the area doesn't look like it did. There was no compensation from the Power Corporation when the Taltson River was first dammed. Maybe you need to compensate people first. If this group is going to look at business opportunities, we need to settle past compensation issues before we go ahead. We need to think about that and talk about settling those issues.

Jerry Paulette – These comments are real issues among Akaitcho people.

On the compensation issue, we are going to make sure that past claims are settled before NEWCO can proceed with a project. The compensation issue is still on the table with the Akaitcho. We want to make sure that when we set up a company we don't want to leave ourselves in a position where our people could be suing their own company.

Jerry Paulette – Our challenge now is to pick something that is good for us. If it is a good deal, we will be in the driver's seat.

Peter Watt – I have a question for the leadership. How and when do we share the information about this project with the community-at-large? What should be the timing and how should be the information he shared?

(Response) There was no direct response to Peter Watt's question. However, Chief Paulette commented that once NEWCO is in place that company will be responsible for settling how to go forward.

Peter Paulette – How much power can we sell them down South? How about Saskatchewan?

(Response) We need to do more research and understand the market. Saskatchewan has relatively small demands right now. But things could change.

Peter Paulette – I support this project personally. But we need to look at all the positives and negatives.

Jerry Paulette – Our people have been on the outside looking in for a long time. I am trying to put our people on the inside.

This is much more than just a power project. If we can put that sort of asset on our balance sheet, we can do much more. But we still need to be mindful of our elders and their wisdom. We have to balance our traditional portfolio with our economic portfolio.

Fred Daniels – This is a good project and you should keep on going.

Chief Paulette thanked all for their participation and the meeting concluded with a prayer.

APPENDIX 3.10-1B
FORT RESOLUTION LEADERSHIP INFORMATION MEETING,
DECEMBER 9, 2003



Appendix 3.10-1b
Fort Resolution Leadership Information Meeting, December 9, 2003

Location: Council Chambers

Attendees:

| | |
|-------------------|--------------------------------|
| Dawna Beaulieu | Métis Local |
| Louis Balsillie | DKFN (Deninu Kue First Nation) |
| Paul Boucher | Akaiitcho Territory Government |
| Warren DeLorme | Métis Local |
| Richard Eninew | DKFN |
| Frank Fabien, Jr. | Métis Local |
| Kevin Fabien | Métis Local |
| Diane Giroux | DKFN |
| Pete King | Métis Local |
| Cecil Lafferty | Métis Local (President) |
| Sharon Lafferty | DKFN |
| Ruth Mandeville | DKFN |
| Angela McKay | Akaiitcho Territory Government |
| Marilyn Sanderson | Akaiitcho Territory Government |
| Robert Sayine | DKFN (Chief) |
| Patrick Simon | DKFN |
| Ray Simon | DKFN |
| Bernadette Unka | DKFN |

Presenters/Resource Persons:

| | |
|------------------|---|
| Dan Grabke | NWT Energy Corp. |
| Jason Lepine | Northwest Territory Métis Nation |
| Brian McCutcheon | Rescan/Outcrop |
| Jerry Paulette | Akaiitcho Territory Government . |
| | Smith's Landing First Nation (Chief) |
| Shane Uren | Rescan |
| Tom Vernon | Northwest Territories Power Corporation |
| (NTPC). | |
| Peter Watt | NTPC . |

The meeting began at approximately 6:20 P.M. with an Opening Prayer led by **Chief Robert Sayine**.

Chief Jerry Paulette introduced himself and **Jason Lepine**. **Cecil Lafferty** introduced executive members of the Métis Local. **Chief Robert Sayine** introduced his Band Council and **Peter Watt** introduced members of the project team and consultants.

Chief Jerry Paulette described how the three parties (the Power Corp, the Akaitcho and the Métis) had come together to sign a Memorandum of Understanding (MOU) and noted their purpose was to develop a "business arrangement." He advised the audience that the parties hoped to have an Agreement-in Principle by January or February 2004 for an agreement to develop a project. He explained that the parties want to work together and "push the issue as far as we can." Then the communities can decide, at the end of the day, if they want to be part of it.

Cecil Lafferty – What about Joe Handley's statement that the project (Taltson) will go ahead no matter what?

(Response) The project is not locked in and there are lots of issues including the environment and land use that still have to be considered. There is also the issue of whether the project is going to be profitable for all of us. So, it's not decided yet.

Chief Paulette asked Peter Watt for his introductory remarks. **Peter Watt** reviewed materials that are to be presented to the meeting and noted that handouts are available. A copy of Peter's handout (Community Information Update – December 2003) is attached. He talked about the creation of a new company through a Memorandum of Intent (MOI) and the setting up of a separate project company to pursue the next step.

Chief Paulette noted that there had been a process for community representatives to be briefed up until now on the work of the partners. He mentioned that Diane Giroux had been appointed for the Deninu Kue First Nation, Florence Catholique for the Lutselk'e First Nation and Danny MacDonald for Salt River First Nation.

Dan Grabke was then introduced to make a PowerPoint presentation on the Taltson project that detailed studies, options and preliminary recommendations. A copy of that PowerPoint presentation is attached to these minutes.

Following the presentation the meeting was opened for questions and comments. The person making the comment or asking the question is identified below. Answers and comments came from various members of the project team.

Cecil Lafferty – There were no problems mentioned in the presentation. What problems are there that need to be addressed? What kind of community benefit can we expect to get? Who is going to get a benefit and what will it be? Will this project just benefit the big companies and we'll be left with nothing? Also, you have to be more specific about the environmental impacts. What do you mean there will just be minimal impacts?

(Response) To a large extent the environmental "damage" has already been done. An expansion at Taltson would just mean there would just be more water over the spillway or through the generators.

The environmental studies are continuing in two parts. First there are studies under the Water Effects Monitoring Program (WEMP) and there are also studies related to the current project. We will be able to use the information from the WEMP studies to develop a model that shows how things were, what they are like today and, if more capacity is going to be added, what they will be like in future. We don't have any

baseline studies of what things were like before Taltson was constructed and these current studies will help us understand the changes better,

Bernadette Unka – Was there no documentation of past damage. Are you saying you don't know what happened? What about the trappers that went through the ice and drowned? Are you telling me there is no baseline data that addresses impacts?

(Response) We don't have baseline data for Nonacho Lake or the Taltson River like we would have today. There is some information, but not enough. We also don't have Traditional Knowledge information on the area. We are working to correct that with the current and future planned studies. There are two studies ongoing right now, the WEMP and the studies for the expansion project. The TK hasn't been gathered yet nor have the socio-economic studies and community consultation been done.

Chief Jerry Paulette – We started looking at this as a "business opportunity." Then we looked at what needed to be studied. When we looked at the studies that the Power Corporation was doing we saw that a lot of the issues we had about water, fish and wildlife are being addressed by those studies.

The challenge was then to balance the business issues with the other issues. Recently, through our settlement agreements, we have learned a lot about money and how to create an economic or money portfolio. So we applied that "portfolio" thinking to our people and how we have come to live where we do and we called that our "Traditional Portfolio." When there is a business arrangement we have to deal with both portfolios. But the traditional portfolio should also supercede the economic portfolio.

Since last year the "eyeball" has been on Snap Lake. We're looking at this (the Taltson expansion) as a way that we can own this project collectively. The intent is to provide benefits collectively to our communities but not to individual people. At the end of the day, the people have to know that there is a business arrangement that makes a profit. But at the same time, the traditional portfolio has to be respected.

This work is a challenge and the risks may be economic, political and environmental.

There are also some current issues that we need to be aware of. The Akaitcho and the Métis both have IMAs and it is possible there could be some legal action if the Métis decide to file a court objection about Snap Lake.

Another issue is Lutselk'e. Last year in Edmonton all of the Akaitcho Chiefs agreed to look at getting a business arrangement with the Métis and the Power Corporation. However, while we were doing this, it appears that Lutselk'e was privately negotiating with Regional Power. They signed a deal with Regional Power in April 2003. We have been told that our project is competing with their interests and their use of their lands. We have continued with our project studies and have offered the same briefing we are presenting tonight to the leadership in Lutselk'e but that meeting was cancelled at the last minute.

We don't want to be on the outside looking in ten years from now. So we intend to continue to work together to get that work done. And, we need to do more work to see if this is a good deal for the communities.

On the issue of compensation, I would want to separate that issue from the new company we are creating to do project work. I would ask that the new company that the partners are forming be indemnified against any liability from past wrongs. Those issues need to be settled separately.

Bernadette Unka – Perhaps the communities can get a direct benefit in terms of lower power rates. As leaders we keep getting asked, “When do we get compensated for past damages?” This may be a way and there may be other ways.

Chief Robert Sayine – It was said earlier that we should just leave compensation on the side for now. But, I don’t know if this is a good idea. As Chief, I want to know what’s in this for my community. It may be too early to tell.

I think I am in support of this project. I think this is a good opportunity. Here in the middle of the Akaitcho Territory we have no economic activity.

I don’t know what Archie is saying, but this project is important to us. The other chiefs in Yellowknife say it is far away from them and they will support it for everyone’s benefit.

Chief Jerry Paulette – We may need a compensation portfolio. Whoever takes on that portfolio needs to make a claim against the federal and territorial governments and whoever else was responsible. This needs to be addressed separately and pushed hard.

On the benefits issue, I see investing profits in things like Elders’ housing or support for small businesses in the communities. But I want to leave the discussion of that for the end of the day (after we settle on a project).

Cecil Lafferty – Benefits need to come back to us.

Jason Lepine – We expect to turn money back to the communities to see what they want to use it on. So the communities will have a lot say about how the money is spent.

Cecil Lafferty – You need to know that we are very cautious people. We have been shafted before and we don’t want to get shafted again.

(A short break was called and the meeting resumed for more questions and comments after about 15 minutes).

Chief Jerry Paulette – Another issue we need to talk about is where we will get our financing. There will probably be a need for government guarantees. So we will give both governments a heads-up that we are working on a huge project that may need a ministerial guarantee. They would just need to co-sign with us.

I could also comment on possible solutions in relation to Lutselk’e. We need to hear what their concerns are and possibly we can accommodate Lutselk’e’s interests. Perhaps we could go first and build a transmission line. They could build a plant and add power which could be transmitted later. We are also concerned that we deal with Deninu Kue issues about this project.

Sharon Lafferty – Has a similar project been done somewhere else?

(Response) In Pic River, Ontario we saw a community that has gone into hydro and forestry and other ventures that are benefiting their community. There are other examples of hydro development like this that are operating. There is one in Manitoba that we visited with people from the Sahtu. Times have changed. The emphasis is now on the environment as well as generating power. We wouldn't even look at some things that could cause the damage that was caused previously by hydro projects.

Cecil Lafferty – Well show us what these better projects are like. Take us there and show us how it's different so we can believe you.

(Response) We could do that or we could bring some people here to talk to the communities.

Chief Jerry Paulette – If we learn how to maximize the ability to get benefits from the investment, we could hold a big economic stick. (Gave example of how the Smith's Landing First Nation leveraged their economic resources to get a communication benefit for Fort Fitzgerald).

Bernadette Unka – What about the risk factors? Have you looked at something like the big power shutdown last summer in Ontario?

(Response) We will need to look at all the risks associated with reliability. With Snap Lake there would be a diesel plant there as a back-up to the customer.

Patrick Simon – What about that question of liability? How can you indemnify yourself? Are you asking us to give an assurance that we won't take legal action?

(Response) We would want to separate the compensation issue so that people would not be taking action against themselves or their company.

Sharon Lafferty – What happened with the James Bay Cree?

(Response) They had to negotiate a new agreement to deal with their compensation issues.

Bernadette Unka – The original James Bay agreement was pushed through and compensation wasn't properly addressed.

Here we still have issues that have to be addressed. People were forced to relocate. The community of Rocher River was threatened with flooding and Nonacho Lake was changed by flooding. To get people to move the school was burned down. These are hurts that we still have and it was all wrong. I bring this up because these hurts still have to be addressed.

Cecil Lafferty – If the compensation issue isn't addressed, it could hold up the whole thing.

Chief Jerry Paulette – The compensation issue needs to be addressed and we need to get all the people into a room where we are negotiating.

We also need to consider what is there in compensation and what benefits there are to us in ownership. We need to be mindful about that when we think about compensation. If we hold this up for a small amount of compensation we could lose the opportunity to be owners in company that could have a quarter of a billion dollars in value.

Patrick Simon – There hasn't been enough information about the environment tonight. Proper consultation needs to be more thorough and more information needs to be put out about the environment and the environmental studies.

(Response) There will be meetings in the communities early in the New Year to talk about last year's studies and studies for next year.

Diane Giroux – Do we really want to do business together in hydro development? We need to consult with our individual communities. We also need to look at many markets. It's too soon to say yes or no.

Patrick Simon – There are already issues and concerns about the environment. Now that we are players, are we going to be brought in to look at the study details? We don't want to come along at the E.A. Stage. That's too late.

Bernadette Unka – Do you have a steering committee to supervise the traditional Knowledge studies? No one in this community has been approached.

(Response) Joanne Barnaby has been contracted to facilitate the TK process in the communities and she will work with each community to set up a process and gather TK.

Bernadette Unka – Joanne Barnaby is not from our community. Why was she selected to do this? We need someone from our own community. We also need to know who will own TK once it's gathered.

(Response) This will be worked out with the community. TK is the property of Aboriginal people but it still needs to be put into the plans if it is going to be used.

Diane Giroux – A protocol needs to be worked out at the community level, with community input, to determine ownership of TK.

Chief Robert Sayine – Joanne (Barnaby) told me that her TK work plan had not been accepted because it was too big. What is happening with this?

(Response) The TK work for this year was scaled back because the project hasn't yet been clearly defined. The scope of the TK work will have to be based on what the project partners determine needs to be done and what they are willing to pay for.

Diane Giroux – Perhaps NEWCO can work with the communities to set out a protocol and process so that TK is collected at the community level and is held and guarded there.

Marilyn Sanderson – Will people in the communities continue to be employed by the project?

(Response) Yes. When we go out in the field to do studies a community-hired assistant is part of the team. Last summer we hired three people to work with our study teams.

Cecil Lafferty – People don't know about this project. We need to consult and we may need to go door-to-door to make sure everyone knows about this.

Diane Giroux – I have a suggestion for future presentations. Perhaps you could show the regulatory process on a chart and the steps that have to be taken in reviewing the project.

Bernadette Unka – Earlier you mentioned the political challenges. How do plan to handle the political challenges?

(Response) The challenge is just to keep moving forward and to keep on track. We have our differences and sometimes people will get angry. But we need to stay in the room and try to work things out. This is an uphill battle. It's uphill all the way.

Richard Eninew – If the line was built, who would get jobs?

(Response) A lot of manpower would be needed for construction. We would want to maximize local employment.

Diane Giroux – You talked about different projects. How would these projects be selected?

(Response) We would expect to use consensus to arrive at decisions about the projects. If we couldn't reach agreement we could vote but we would prefer to make decisions by consensus.

Chief Jerry Paulette thanked all those in attendance for their participation.
The meeting was closed with a prayer led by Chief Paulette at approximately 9:20 P.M.

**APPENDIX 3.10-1C
HAY RIVER LEADERSHIP INFORMATION MEETING,
DECEMBER 11, 2003**



Appendix 3.10-1c
Hay River Leadership Information Meeting, December 11, 2003

Location: Ptarmigan Inn

Attendees:

| | |
|----------------------|-------------------------------|
| Fredrick J. Beaulieu | Hay River Elder |
| Gladys Bloomstrand | Hay River Métis Board Member |
| Elsie Bouvier | Hay River Métis Board Member |
| Dustin Froehitch | Hay River Métis Board Member |
| Faye Johns | Hay River Métis Board Member |
| George Lafferty | Hay River Métis Board Member |
| Todd Pitman | Town of Hay River |
| John Pollard | Town of Hay River |
| Marilyn Sanderson | Akaiicho Territory Government |
| Verne Tordoff | Town of Hay River |

Presenters/Resource Persons:

| | |
|------------------|---|
| Dan Grabke | NWT Energy Corp. |
| Jason Lepine | Northwest Territory Métis Nation. |
| Brian McCutcheon | Rescan/Outcrop |
| Shane Uren | Rescan |
| Tom Vernon | Northwest Territories Power Corporation |
| (NTPC). | |
| Peter Watt | NTPC . |

The meeting began at approximately 3:05 P.M.

Jason Lepine introduced himself and noted that **Chief Jerry Paulette** had sent his apologies for being unable to attend the meeting.

Jason Lepine gave a brief introduction to the Taltson project. He explained that the project was a proposal to expand the Taltson power plant and sell power. He explained that the partners are looking at this as a "business opportunity" and noted that the project is "time dependent." By supplying power, people in the South Slave could have an opportunity to take part in the developments occurring in the North Slave area – particularly the diamond mines.

He then asked Peter Watt to introduce the presenters and resource persons and to report on recent developments. A copy of Peter's handout (Community Information Update – December 2003) is attached.

Peter Watt noted that the three partners (the NWT Energy Corporation, the Akaiicho and the Métis) had come together and signed a Memorandum of Understanding (MOU) in June 2003. The three partners had agreed to maximize the resources of the Taltson River system.

Peter Watt continued – At this time, we are working through our partners to get information out to the communities. We are going to the leadership first. The partners are also talking to potential customers. Talks have been held with DeBeers and will soon be held with BHP and Diavik. In order for the project to proceed, customers have to be signed up.

The partners have also briefed the Government of the Northwest Territories and the federal government through our MP Ethel Blondin-Andrew.

The three partners are also developing a Memorandum of Intent (MOI) and expect that a new company, owned by the partners, will be set up by the end of January 2004. A separate MOI specific to the Taltson Project will also need to be set up.

Dan Grabke was then introduced. He made a PowerPoint presentation on the Taltson Project that detailed studies, options and preliminary recommendations. A copy of the PowerPoint is attached to these minutes.

Following the presentation the meeting was opened for questions and comments. The person making the comment or asking the question is identified below. Answers from various members of the project team are grouped in the "Response" sections.

Jason Lepine added comments to emphasize that he sees Taltson as a business opportunity. "Before we know if it will work, we have to know where a line could go, who we can sell power to, how we can address political issues and, at the end of the day, how we all make money from this."

The Métis see this as being one-third owners in a project that provides power to homes, sells power to industry and may sell power outside the North to Alberta and Saskatchewan.

Right now we don't have the numbers of what we can earn per year but we know at first our earnings will be very small. However, over time they will increase and after 30 years that's when the money kicks in – "big time". So I say to you "This is a business deal. How much do you want to earn?"

Fred Beaulieu – Because of the size of the plant you want to build, will the water level have to be higher?

(Response) We would need to know what size of plant we want to build. However, we would still be using the existing dam. Nothing would happen at Twin Gorges. But downstream there would be less water flowing through Trudel Creek. Nonacho Lake would be operated within historic levels. But we need to have a specific study on all of this. The dam on Nonacho Lake would need to be repaired but there wouldn't have to be any major flooding. The levels in the lake would rise and fall within historic limits.

John Pollard – "Don't stop now." And don't do Option #1 (simply selling current excess power at Taltson). Hay River wants to take advantage of the opportunities that this could create.

Hay River could use 3-5 MW of extra power if the Mackenzie Valley pipeline construction goes ahead. We expect to be building modules in Hay River and also coating pipe. We encourage you to keep going and to go with the bigger power generation option.

John Pollard then put the question, "Do you think the mines are going to request total standby?"

(Response) There are timeline issues involved. If we can get there sooner, rather than later, Snap Lake may not need as much backup diesel capacity.

John Pollard – So, what kind of construction would you be using on the transmission towers? Would they be steel?

(Response) They would be steel. About 1500 of those towers could be assembled in the North. They would then be flown out or trucked to their locations on winter roads.

John Pollard – What about the MVEIRB? Do they have the capacity to deal with your project in a good timeframe?

(Response) We talked to the MVEIRB and we have been told that each project will get the resources it needs. They feel we should not be concerned about the time issue. If we go the phased approach, portions of the project may be permitted in separate processes.

John Pollard – There aren't a lot of power companies that don't make it. Don't do this thing halfway!

Jason Lepine – My position is clear. I want the 35 MW expansion at a minimum.

John Pollard – Sometime the federal and territorial governments have to invest to get infrastructure going. Think grand and be bold!

If the pipeline goes ahead we will need more power in 2006-2008. The components for the pipeline project could be built on Vale Island (in Hay River) and the coating plant at the Pine Point location. There is also the possibility of DeBeers doing some fabrication of units here (Hay River) in 2005-2006 and that would have power needs as well.

John Pollard – What about Drybones Bay?

Jason Lepine – From what I've seen of the environmental assessment, it's not going to go.

John Pollard – Kennedy Lake has a lot of potential.

(Response) We are aware of that and it would be great if that was the fourth mine. We are planning to be in this for the long-term and we need several long-term customers. We are laying the foundation here for long-term economic growth for the region.

Jason Lepine – We appreciate your questions and comments. If you need more information after we've gone call us. If not, we'll be back soon for more meetings.

George Lafferty – What about construction? Who will get the work?

(Response) We feel that we here in the South Slave should get "first kick at the cat." But it has to be competitive because we're spending our own money. This isn't just the NWT Power Corporation. The company we are setting up will be one-third/one-third/one-third. The new company will be owned by all of us and will have directors chosen by the beneficiaries. We expect to have the first MOI by the end of January, so we can set up a company to advance this project.

Share Uren – We are looking to start community consultation in February and we're looking for feedback on the timing and content of meetings. Let us know if you have ideas. These meetings are planned to be with the community-at-large and not just with the leadership.

John Pollard – The sooner you can meet with people the better. We're already getting questions at the town (of Hay River).

Jason Lepine thanked all for their attendance and the meeting concluded about 4:20 P.M.

APPENDIX 4.10-1
NEWSPAPER AD – SLAVE RIVER JOURNAL AND HAY RIVER
HUB

ATTENTION

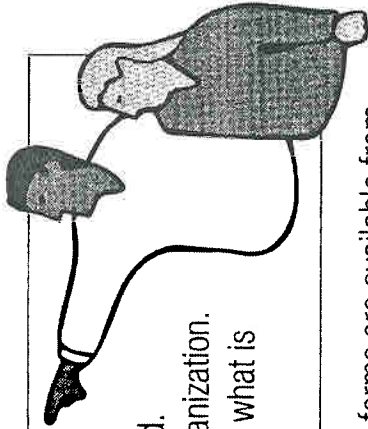
South Slave Community Groups and Volunteers!

You are invited to attend the

South Slave Volunteer Conference

You will learn:

- Student leadership
— Empowering youth to lead.
- How to run an effective organization.
- What is Volunteer NWT and what is volunteering?



The agenda and registration forms are available from the local recreation leader in your community.

The conference will take place at

**Diamond Jenness Secondary School in Hay River
from March 19 to 21, 2004.**

For more information, contact Eddy McKay, Community Development Officer,
Department of Municipal and Community Affairs
in Fort Smith at (867) 872-7320.

Hope to see you there!



Northwest
Territories Municipal and Community Affairs



South Slave Volunteer Network
Réseau des volontaires du Nord-Ouest
Initiative communautaire sur le bénévolat

Taltson Hydro Project

PUBLIC INFORMATION MEETINGS

The public is welcome to attend community information meetings to learn more about the Taltson Hydro Project – a unique business partnership of the NWT Métis Nation, Akaitcho Territory Government and the NWT Energy Corporation.

The three organizations are working together to study further development of the hydroelectric resources of the Taltson River.

Fort Smith – March 16

Roaring Rapids Hall

Open House 2:00 – 4:00 PM

Public Meeting 7:00 PM

Fort Resolution – March 17

Antoine Beaulieu Memorial Hall

Open House 2:00 – 4:00 PM

Public Meeting 7:00 PM

Hay River – March 18

Hay River Legion – Dining Lounge

Open House 2:00 – 4:00 PM

Public Meeting 7:00 PM

For more information about the meetings call
Brian McCutcheon, Community Meetings Coordinator,
at Outcrop Communications (867-920-4652)

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SHOP LOCAL... It pays!



Government
of Canada

Gouvernement
du Canada

Industry Canada Public Notice

Aboriginal Business Canada has opened a new office in Yellowknife.

This office will serve existing and new program clients throughout the Northwest Territories. The office is located at:

YK Centre

6th Floor, 4910 - 50th Avenue

Yellowknife, NT X1A 3S5

Telephone: (867) 920-6624

Office hours are Monday to Friday,
8:30 a.m. to 4:30 p.m.

Aboriginal Business Canada is an Industry Canada program that promotes the establishment and growth of Aboriginal majority-owned businesses.

For more information, call:

1 800 O-Canada (1 800 622-6232)

TTY/TDD 1 800 465-7735

or visit: www.abc-eac.ic.gc.ca

Canada

Hay River Hub (March 10, 2004)

APPENDIX 4.10-2
PUBLIC SERVICE ANNOUNCEMENT REQUEST/MEDIA
ADVISORY



PSA Request/Media Advisory

We would appreciate a mention of three upcoming Public Information Meetings on the Taltson Hydro Project.

The public is welcome to attend information meetings on the Taltson Hydro Project at Fort Smith in the Roaring Rapids Hall on March 16, at Fort Resolution in the Community Hall on March 17 and at Hay River in the Legion on March 18. In each community there will an Open House from 2-4 PM in the afternoon and a public meeting starting at 7 PM in the evening.

The Taltson Hydro Project is a business partnership of the The Metis Energy Company, the Akaitcho Territory Government and the NWT Energy Corporation studying the best way to develop the excess hydro-electric potential of the Taltson River.

For more information about the meetings contact:

Brian McCutcheon
Community Meeting Coordinator
867-920-4652

**APPENDIX 4.10-3
COMMUNITY BULLETIN**



Taltson Hydro Project

PUBLIC INFORMATION MEETINGS

The public is welcome to attend community information meetings to learn more about the Taltson Hydro Project – a unique business partnership of the NWT Métis Nation, Akaitcho Territory Government and the NWT Energy Corporation. The three organizations are working together to study further development of the hydroelectric resources of the Taltson River.

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Roaring Rapids Hall

Open House 2:00 – 4:00 PM

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Open House 2:00 – 4:00 PM

Public Meeting 7:00 PM

Hay River – March 18

Hay River Legion – Dining Lounge

Open House 2:00 – 4:00 PM

Public Meeting 7:00 PM

For more information about the meetings call
Brian McCutcheon, Community Meetings Coordinator,
at Outcrop Communications (867-920-4652)

**APPENDIX 4.10-4A
FORTH SMITH OPEN HOUSE PUBLIC INFORMATION
PROGRAM, MARCH 16, 2004**



Appendix 4.10-4a

Forth Smith Open House Public Information Program, March 16, 2004

Attendees

| Name | Affiliation |
|--------------------|---------------------|
| Ted Mercredi | Local 50 |
| Dan MacDonald | SRF Nation |
| Julie Lys | Metis Local 50 |
| Peter Martselos | Mayor, Ft. Smith |
| Lou Sebert | Director, NTPC |
| Patti-Kay Hamilton | CBC Radio |
| Jessica Book | Slave River Journal |
| Ron Schaefer | 802 - Trapper |
| John Desjarlais | 810 - Trapper |
| | |

Questions/Concerns Raised

A number of other questions and comments were offered. Each was discussed by a member of the Information Team with the person who raised the issue.

Mayor Martselos: (Fort Smith) Council is very supportive.
Lots of interest from High Level (Alberta). Maybe they're interested in purchasing power?
Would there be an opportunity to run a power line along the (proposed) road through the park?
Feels Council is generally supportive of the (Taltson) proposal.

Name Unknown: Is this project a definite go?

Will information be sent to the communities

Is Snap Lake confirmed as a customer?

What opportunities will there be (local) businesses or employment?

Where will the money come from?

Who is the NWT Energy Corp?

How long will it take to build the project?

Will the mines be partners? Are they putting money up?

How many changes will there be to the current Taltson plant?

Have you done market studies?

Will there be any more flooding?

**APPENDIX 4.10-4B
FORT RESOLUTION OPEN HOUSE PROJECT PUBLIC
INFORMATION PROGRAM, MARCH 17, 2004**



Appendix 4.10-4b
Fort Resolution Open House Project Public Information
Program, March 17, 2004

Attendees

| Name | Affiliation |
|--------------------|--------------------|
| Francis Mandeville | YHSSA |
| Gene Norn 394-4202 | |
| Richard Simon | |
| Donald Beaulieu | |
| Gus Pasowisty | |
| Mary Pierrot | |
| Steven Cuthbert | DKDC |
| Richard Eninew | EDO / DKFN / RWED |
| | |

Questions/Concerns Raised

A number of other questions and comments were offered. Each was discussed by a member of the Information Team with the person who raised the issue.

Names Unknown: How will the transmission line affect the buffalo hunt?

 How much money will be spent on traditional knowledge?

 You're looking at baseline data over the next few years?

 What is the route?

 What will be the economic benefits? What about jobs?

 What will happen after the mines shut down?

 Are you looking at other power generation sites?

**APPENDIX 4.10-4C
HAY RIVER OPEN HOUSE PROJECT PUBLIC INFORMATION
PROGRAM, MARCH 18, 2004**



Appendix 4.10-4c
Hay River Open House Project Public Information Program,
March 18, 2004

Attendees

| Name | Affiliation |
|------------------|--|
| Andrew Butler | Nuni (Ye) Dev. Corp. |
| Merlyn Carter | Nonacho Lake Lodge |
| Jean Carter | Nonacho Lake Lodge |
| Ron Cook | Town of Hay River |
| Sue Balmer | Resident |
| G. Balmer | Resident |
| Peter Redvers | Resident & Cmty. Econ. Development Consultant |
| Sean Percy | Hay River Hub |
| Richard Lafferty | Flash Point Facilitators Ltd. |

Questions/Concerns Raised

A number of questions and comments were offered. Each was discussed by a member of the Information Team with the person who raised the issue.

Names Unknown: What is the cost of the expansion?

I'm concerned about the potential impact on the trucking industry. Would this result in a decrease in trucking? Would it reduce the viability of a Mackenzie River bridge?

Is this an attempt to get out of lawsuits regarding Rocher River?

There is lingering bitterness regarding the Taltson Dam and Pine Point.

Regarding the Akaitcho letter to the Metis, how solid is the partnership?

Is this a power play on behalf of the partners regarding negotiations?

How can I make money from this?

Will the transmission line have any impact on the hydrology?

**APPENDIX 4.10-5A
FORT SMITH COMMUNITY MEETING PUBLIC INFORMATION
PROGRAM (EVENING SESSION) MARCH 16, 2004**



Appendix 4.10-5a Fort Smith Community Meeting Public Information Program (Evening Session) March 16, 2004

Attendees

| Name | Affiliation |
|--------------------|---------------------|
| Ron Schaefer | 802 - Trapper |
| Marie L. Swanson | Resident |
| Glen Freund | Resident |
| Don Jaque | Slave River Journal |
| Dennis Bevington | Businessman |
| Sandra Jaque | Business |
| Jack Van Camp | Resident |
| Paul Campbell | Resident |
| (name unreadable) | Resident |
| George Seymour | Resident |
| Sylvie Tordiff | Metis Resident |
| Julie Lys | Metis Council |
| Allen Schaefer | Business Owner |
| Della Beck | Metis Member |
| Patti-Kay Hamilton | CBC Radio |

The meeting was opened and closed with prayers. Power point presentations were made by Dan Grabke and Shane Uren on the project concept and the 2003-2004 studies program.

Questions/Concerns Raised

| | |
|------------------|---|
| Don Jaque | Regarding the route for the power line, would it be designed to pick up the potential at the Lockhart? |
| | What about capturing potential at other sites? |
| Response | We are not looking at other sites at the moment. This is a study that is focused on the potential of the Taltson. |
| Don Jaque | If you planned to sell power to the South, would the power line to High Level have to be replaced? |
| Response | Yes. |
| Dennis Bevington | You say there is the potential of a 40 MW expansion at Taltson. What is the capacity factor you are using? |
| Response | We are looking at that now. We are sizing the system to 90% capacity. The expanded plant would be able to generate approximately 58 MW of power (18 MW current plus 40 MW expansion). |

The exact capacity will vary from year to year.

Dennis B. This is better capacity than estimated with a 20 MW expansion.

Response We would size it purposely to be greater than needed.

Allen Schaefer The present dam is at 60 % capacity. Will it be redone?

Response The new plant will be very efficient, so it will be used more often. The old plant is 40 years old and will need to be upgraded.

Don Jaque Have they done any climate modelling?

Response This is pending. We can use computer models to evaluate climate impacts.
We also have the experience with the Snare River system.
There is some indication that northern rivers may be increasing in flow.

Allen S. What kind of spin-offs will there be? As the gateway city, where does Ft. Smith sit in getting preference?

Response The MOI will address this. We anticipate there will be a preference for Aboriginal organizations regarding contracts.

Allen S. Will you look at the size of the communities or the size of local companies?

Response We want local people to benefit. We will look at giving advance notice of contract opportunities. We may also split the contracts into smaller components to allow more smaller business access to opportunities.

Allen S. Will there be a local business opportunities office or a liaison officer?

Response This hasn't been discussed yet, but we would probably like to do this.

Chief Jerry Paulette Thanks to all attendees on behalf of the Akaitcho Chiefs. As First Nations people, we need to think of the environment. We have learned a great deal about corporate thinking and that helps us deal with the business aspects.

However, we must also consider the 'traditional portfolio'. Why did people situate themselves where they did? What is their relationship with the land? We can't compromise the traditional portfolio.

What is the economic potential of this project? We started by looking at DeBeers. We have projected revenues of \$150 - \$200 million and expenses of about \$80 million over the life of the project. Beyond those projections, we may have other opportunities to sell power to the south or the west.

There are lots of challenges, but a successful major project will help us in the future. Of course, we must also take into account political considerations, such as land claims.

We want to know what people think. If people don't like this idea, the leadership would have no problem backing away. With Newco (the company we could form to advance the project), the Metis and Dene would be allowed first priority, but we don't have exact numbers yet on the opportunities.

How can we move forward for future generations?

We're part of all of the planning. Dan McDonald, Jason LePine, Diane Giroux have been involved in the project. We've also asked Lutselk'e to be involved.

We've also learned a lot from our treaty negotiations. If there are strong concerns, we may not go forward.

We will try to keep the spin-offs in the communities.

Bob Schaefer

The Taltson Dam was built without consultation. Land was flooded and ran over traps. Will the group compensate local trappers?

Response

We are aware of this issue.
This needs to be dealt with.

Bob S.

Did NTPC assume the liabilities when they bought the dam?

Response

We have discussed this issue with the Chiefs. There were apparently no discussions (about compensation) when the dam was built. (However) after it was built there was flooding. Then, liabilities became a greater issue when two people from Lutselk'e went through the ice.

The new company that could be formed to expand Taltson Newco would have no liability for the past. However the issue of compensation still needs to be resolved. Compensation is still on the agenda for the (Akaitcho) Chiefs and maybe for the Metis. Depending on how far the Taltson expansion project goes, it could help push a resolution of the compensation issue.

Dennis Bevington

This project looks very interesting. We should build the project for the economy and for our children.

Mining companies have been given royalty holidays and tax breaks (including for their diesel generating plants). We should get the same benefits for this project and should approach the federal government to get those benefits. The importance of this point can't be overstated.

(Also) because of the move towards greenhouse gas controls (i.e. the Kyoto Protocol), we should aggressively pursue this project. The (greenhouse gas) credits could be sold and could make the project even more viable.

Della Beck

(Read letter from her sister Barbara Beck, formerly of Rocher River, disputing the right of some Akaitcho Chiefs in relation to this project. Asserted the rights of Chief Snuff's descendents. States that people of Rocher River are the ones who should be reviewing and negotiating on this project. A copy of this letter is attached to this report for the record.) Questions or comments about the letter should be addressed to Barbara. Her telephone and email address are included in the letter, as is her web address.

Response

Thanks for reading the letter. We will make sure that a copy is attached to the report of this meeting.

Kevin Heron

What effects will the Lutselk'e / Regional Power partnership have on this project?

Response

We can't deal with a hypothetical Regional Power project at this point. However, we can reaffirm that Lutselk'e has been invited to participate in this project.

Kevin H.

What if (Lutselk'e says) we can't build the northern portion of this project... if they invoke their treaty rights?

Response

We have the door open regarding discussions with Lutselk'e and we look forward to finding ways to work together.

Don Jaque

Why have you not considered selling excess power to the three communities already connected to the dam?

Instead of sending power to the mines, why not give the expanded capacity to the communities? Huge economic benefits could result. The smaller scale could provide more benefits to locals. We could do the work in stages.

Response

Since (Pine Point closed in) '86, the excess capacity has not been used. There is no current demand. Studies have been done, and they have shown that it is uneconomical.

Don Jaque

We should be reducing the cost of power to our communities and converting oil heating to electricity.

Response

Noted. But, we're not sure what the opportunity is. What could we do if there is no extra transmission line built? We need to be creative. The partnership is in a position to look at alternatives, but looking at other ideas will require more work.

| | |
|------------------|---|
| Name Unknown | <p>You looked at different options for use of excess power. Five months of the year, there is no use for the excess, if it is only being used for heating. If you are basing the expansion on Diavik Mines alone, the cost of a transmission line is very high.</p> <p>Although there is the extra cost of crossing at the lake (the Simpson Islands crossing), you would make the power more accessible to Yellowknife. You can use a longer amortization to pay for the cost of the expansion. If you look at the diamond mines only, you only have a 25-year market.</p> |
| Response | We are still looking at options. The eastern route (around the East Arm of Great Slave Lake) means more potential for future diamond mines. There may be other opportunities as well. |
| Dennis Bevington | Who would be the prime customer, the people or the mining companies? |
| Response | The diamond mines would be the prime customers as they are willing to pay higher rates. We need an anchor customer to justify building the infrastructure. |
| Dennis B. | We need to look at the benefits to people in the NWT before the mining companies. |
| Response | We are looking at this first of all as a business opportunity. That would mean that "public utility" thinking may have to be secondary to make sure the project is economically viable. However, other groups could possibly build spur lines to service communities. |
| Dennis B. | A lot is factors will still need to considered. The MVIERB will have a say in the choice of the route and the benefit to northerners needs to be assessed. There may also be a challenge about the East Arm being designated for a National Park. |
| Ron Schaefer(?) | Will Rescan study ice changes starting right below the dam from the penstock on down? Ice is very unpredictable. The open spillway causes flooded ice. The area around the spillway must be studied. To get an understanding, it will take more like 20 years worth of studies. I want to make sure I am not being flooded out. |
| Response | We will look at the effects all the way through the system down to Tzu Lake. Our number one priority is to study what happens under normal conditions. How do water flows affect ice formation and flooding? We have more work to do. |
| Name Unknown | Did the environmental studies get finalized regarding mercury concentrations? |
| Response | That was not part of this study and we do not have any information on that. |

Concluding
Remarks:

The attendees and presenters were thanked by the facilitator who explained that the information gathered at these meetings is helpful to the project planners.

**APPENDIX 4.10-5B
FORT RESOLUTION COMMUNITY MEETING PUBLIC
INFORMATION PROGRAM (EVENING SESSION), MARCH 17,
2004**



Appendix 4.10-5b Fort Resolution Community Meeting Public Information Program (Evening Session), March 17, 2004

Attendees

| Name | Affiliation | Name | Affiliation |
|-------------------|---------------------|---------------------|-----------------------|
| Henry Yelle | | Louis Balsillie | DKFN |
| Marcel Norn | | Georgina Biscaye | |
| Doris Beck | | Margo Edjericon | DKFN |
| Mary Pierrot | | John Simon | DKFN |
| Gus Pasowisty | | Richard Simon | SRFN |
| Velma Delorme | | Lorette Edjericon | DKFN |
| Warren Delorme | | Jerry Sanderson | DKFN |
| Henry Calumet | | Delores Dawson | DKFN |
| L. McKay | | Ruth Mandeville | Deninoo Cmty. Cncl. |
| Paul Biscaye | | Chief Robert Sayine | DKFN |
| Wilfred Simon | | Tommy Beaulieu | DKFN |
| John Cree | | Harvey Mandeville | DKFN |
| Richard Eninew | EDO | Violet Mandeville | Fort Res. Metis Cncl. |
| G. Yelle | | Stan Ed Beck | DKFN |
| Marilyn Sanderson | Akaitcho Terr. Gov. | Michelle Mandeville | Fort Res. Metis Cncl. |
| Arthur Sanderson | DCC | Henry McKay | |
| Shawn Venre | NWT 78 | Darin McKay | |
| Henry King | | Laura Boucher | Deninu School/DKFN |
| Suzanne Boucher | | | |
| Diane Giroux | DKFN | | |

The meeting was opened and closed with prayers. Power point presentations were made by Dan Grabke and Shane Uren on the project concept and the 2003-2004 studies program.

Questions/Concerns Raised

Chief Robert Sayine Welcomes everyone to the meeting.

I want to reinforce that this meeting is for information only. We are happy to have the team here to present to us, and we are happy to see so many elders here. In any community, elders are very important. They know the land, and they know the Taltson and Rocher Rivers.

Regarding power rates, we need to deal with the Power Corp Board. Last winter the power rate increase resulted in high power bills. Lots of people say the Akaitcho should get the cheapest power, and that elders should not have to pay for power at all.

I want to see benefits from this project. What are they?

I also have question about Lutselk'e. Has there been any headway regarding cooperation? We want consensus in order to embark on a partnership. It will impact the project if Lutselk'e doesn't sign on.

Response

In December 2003, a letter was brought to the leadership meeting here in Fort Resolution indicating that Lutselk'e doesn't intend to be part of the project at this time. Despite that letter the project has continued to offer to meet with the Lutselk'e community and their leadership to provide information on the project studies and plans to this point. The project is open. No doors are closed.

Lutselk'e is part of the South Slave. The land we want to put this power line on is theirs, just like everyone else's. The door is always open. The light is always on. We are happy to talk to Lutselk'e.

We want to assure Fort Resolution that all their concerns are being recorded tonight and will be shared with those doing the project planning. It is important to put those concerns on the table so the project partners can address these issues when making decisions.

Some of the issues, like power rates in Fort Resolution, are separate from the project that is being studied. We know that power rates are an issue for the communities, but this is a separate matter and probably can't be addressed in reaching a decision about the Taltson Hydro Project.

Diane Giroux

I sit on the Technical Committee (of the Taltson Hydro Project). My role has been to influence how this project is presented to the communities. This is being developed as a business opportunity.

This meeting tonight is not consultation – it is strictly an information meeting. At our last meeting (in December 2003), I had some concerns because the groups (the Akaitcho and the NWT Metis Nation) had not made a formal decision regarding saying 'Yes' to this project. That still has to be done. We are still in the stage of receiving information so that we can make a decision.

The first decision we will be looking at is whether we agree to the partnership. My participation has been on the Technical Committee.

I have not been representing the interests of the Band in these meetings. I am not in a position to say anything on behalf of the Band. It must all go back to the Band for a final decision.

There will be questions around who the partners are, because as Chief Sayine said, one of the First Nations within Akaitcho is not participating. In order for this to work, because it affects resources and the land, there has to be consent in those areas. We also have to look at what benefits will come out of this if we agree to go ahead. Benefits such as financial, employment for the communities, and possibly free power for the community.

What is going to happen to the land with this additional development? What are the environmental impacts?

There are still outstanding issues around compensation for the initial building of Taltson Dam. That hasn't been resolved. There are going to be some additional impacts with the expansion. That has to be determined. From my perspective, the community doesn't have all the information.

As far as consent, it will have to come through the respective organizations (the Band or the Metis Local). Before anything goes through, consent has to be given. This is not a done deal – it is an opportunity that we are considering. That is where we're at now.

Response

Thanks for all those comments. Information must flow both ways. The project planners need the information that people in the community have so they can do the best job of planning and making recommendations. We are anxious to hear from you and are honoured that so many Elders and others have come tonight to this meeting.

Wilfred Simon

I'm going to read a letter from Barbara Beck. I am only reading this as a promise. I don't necessarily agree with it. I'll only read the main points.

[Reads letter from Barbara Beck – same letter presented in Fort Smith – that letter is attached to these meeting notes.]

In Fort Resolution, we are all one people – white, Metis, Akaitcho. We all live together in this town. I believe a lot of people who moved here from Rocher River have ill feelings about this Taltson River Dam. By talking to people, I know that.

I agree that we need employment in this community. We need income, we need a future for our people via a business partnership. How do you set up a business partnership between Metis, Dene and you people? The (Akaitcho) Chiefs sent a letter saying that the Metis had no rights to Treaty 8 land. I don't know if that's true. We need to go to the people and find out what's really going on. Get the facts out. I can't make a decision when nobody's telling us what's going on out there. I agree we need jobs, but we have to protect our lands.

The diamond mines came in and will probably do a lot of damage. Our own brothers from the Treaty 8 people promised we would be equal partners, but when it came through, they gave us \$250,000 per year. They're probably getting millions – we don't know. Hopefully this is not going to be like that. We've been told we would be equal, but it doesn't happen like that in the long run. I want more facts on the table. I want more consultations with the Métis and all the people of Fort Resolution. I believe they are the

true owners of the dam, and they are the ones that will suffer the initial impacts. But I do agree that we need the dam.

Diane Giroux

This is a question from one of our Yellowknife members. Why is there an information meeting being held in Hay River? Because Hay River is in the Deh Cho territory, they wondered why this type of meeting is going on there.

Response

In planning meetings, we looked at where the members of the various partner organizations lived. It was clear that there are members of the NWT Metis Nation (formerly the South Slave Metis Alliance) living in Hay River. That was the main reason Hay River was scheduled for meetings. Another reason is that Hay River is part of the Taltson grid so changes might impact them. Finally, there is a lot of talk about pipeline work in Hay River, which means they will need more power. We would be happy to sell them more power and that will make us more money.

Unidentified

Who is on the technical committee for this project, besides our representative Diane?

Response

Jason LePine (NWT Metis Nation), Danny MacDonald (Salt River First Nation), Chief Jerry Paulette (Akaitcho Chiefs and Smith's Landing First Nation), Dan Grabke (NWT Energy Corp.), and Diane Giroux (Deninu Kue First Nation).

Georgina Biscaye

I am from Rocher River. Every time the Taltson Dam is discussed, Rocher River people are pushed aside and not mentioned. For the (Taltson Hydro Project) Technical Committee, I recommend that you select three Elders from Rocher River.

We were relocated, which was good in a way because we got an education. But every time there are meetings regarding the (Taltson) dam, it seems like people from Rocher River are pushed aside. They are the ones that were there. They have seen the impact on the land. I have a problem with people who have never been there coming to do studies on the land and the animals.

Response

There will be an opportunity for people in the communities to provide input during our Traditional Knowledge gathering process. We are not quite at that stage yet. Some of these things may happen as a result of community decisions on how to gather Traditional Knowledge and what should be shared. As part of the scope of work in the knowledge process, Elders from the entire area will be interviewed. This information can then be integrated with our western science approach.

Georgina Biscaye

I'm not talking about T-K. I'm talking about the Technical Committee. You have representatives from the surrounding

communities, not from Rocher River. I'm asking you to put three Elders on your Technical Committee from Rocher River; I'm not talking about T-K or the studies or the research that's being done.

- Response Thanks for clarifying that.
- Doris Beck I lived on Taltson River all my life ... 64 years. I lived in the bush with my husband for 40 years at Talston River. We always get flooded out since the dam was put in. When they need more power close to Christmas, they open the dam and we get flooded out. It floods our storehouse and the beaver lodges. I don't see any 'rats' (muskrats) around there anymore because of the flooding. The hunting is bad – my boys got only 15 beavers and no 'rats'.
- The Power Corp should do something for the trappers who were flooded out. They should be compensated because they're having a hard time. Gas prices are high; they go out and don't make any money. The Power Corp should do something about it.
- Response Did anyone ever come and talk to you about this?
- Doris Beck No, but we reported this lots of times. My boy reported it in Ft. Smith, and I gave him pictures of the flooding. Nothing was done for the trappers there.
- Response Where is your cabin on the Taltson River?
- Doris Beck We're not that far from Ft. Smith. We're seven miles above Rat River ... seven miles south.
- Response We're looking at that area in terms of how the dam is affecting the flow in the rivers and the water levels. That work is in progress to identify changes to the water regime.
- Doris Beck So you've seen where it has been flooded? It floods every year, for quite a few years now.
- Response We haven't made it down to Rat River. We started at the outflow of Tsu Lake and made our way up from there. But we will be looking at that area in the near future.
- Doris Beck The trappers are having a hard time there. I've gotten a boot full of ice-cold water lots of times from the slush while riding on the skidoo. We're having a hard time there, so the trappers should get help from the Power Corp.
- Georgina Biscaye You say this meeting is for information purposes only. When will you start the community consultation meetings?

Response

In order for the community consultation meetings to begin, there must be an agreement as to who the partners are and what they're proposing.

That is the next step – to see if there can be an agreement among the people who have been doing the studies up to now. There is the possibility of forming a new company (Newco). So the partners must first agree on forming that company. Then, they must agree on exactly what kind of project they're proposing.

As soon as that information is available, that would be the time to decide when to begin the community consultation. That way there would be something very specific to take to the communities and say, "This could be the project. Let's talk about it."

Georgina Biscaye

Is our partner, the (Akaitcho) First Nations, going to do community consultations before the agreement is signed?

Response

(Diane Giroux) Before we enter into any agreement, the membership has to consent to this. I'm sure it's the same thing with the Metis. Before we enter into any kind of agreement... MOU or MOI... there has to be consent from our membership.

Laura Boucher

Earlier, someone mentioned that Fort Resolution is the community most impacted by the Taltson River dam. That is because a lot of people moved from Rocher River to Fort Resolution. Rocher River used to be a booming community. I researched it and am from there.

The Taltson River dam is one of the things that impacted Rocher River in a negative way. As a result, the community closed down and everybody moved. Everyone was scattered to various communities around the North. That is one reason why I think consultation here is more important than anywhere else.

If you're going to add more power, wouldn't that have a greater impact on the environment? Wouldn't the effects on the trappers and the animals be worse than they already are?

Response

Right now, about $\frac{1}{4}$ of the water flowing to the dam goes into the turbine and produces electricity. The other $\frac{3}{4}$ of the water goes around the dam, into the spillway, and back into the river. We're talking about using the water that goes around the dam, and running through another turbine to produce electricity. It's the same amount of water, but it's being harnessed to make electricity as it goes down the river. There's no increase or decrease in the water flow.

Laura Boucher

Georgina mentioned the Technical Committee. There are lots of other people around my age who could give you good advice, make suggestions or recommendations on this because we are the most impacted. There are people going back there today.

In the summer time, it is a busy place (Rocher River). They can tell you what's the impact is. The water level can go up ten feet in the summer, and in the next summer it is low. You can practically walk on the rock beds underneath the water. When I compare it to when I was young, all the names that were written on the rocks are under water. There is an impact, and besides Elders there are people who can give you feedback on that.

Stanley Beck

You said the use of the water wouldn't make any difference. I worked up there last summer and at the mouth Trudel Creek, I took pictures of the erosion. When they change the water levels in Nonacho Lake, it sends more water downstream. This affects where I have my camp. The water level got high enough last year that it was coming up towards Carter's Lodge. They had to release more water out of Nonacho Lake to keep the water levels down, and that sent more water down. Below the dam where I am, the water level increases. When this happens, it also sends more sand and silt down Trudel Creek.

Response

You are correct. When there's not much water going through the turbine because not much electricity is needed, all the water coming from upstream has to go through Trudel Creek and that's causing a great deal of erosion. That's been true for quite a few years.

If we expand the plant and let that water go through the turbine, less water will go through the spillway and Trudel Creek. That won't restore the creek to normal, but the creek won't have the flow of water that it does now, and so there should be less erosion. When you expand the plant, there should be less harm to Trudel Creek. There should be less sediment in the water.

Stanley Beck

It's common sense. The dam will always be there generating power, and Trudel Creek is the main river going past it. The other dam at Nonacho Lake is controlling the water, and that will always be full. You need to show people the photos (that Shane has), so they'll fully understand it.

Response

We have photos that show the erosion on Trudel Creek. We didn't show them because we have looked at the details of what's happening on Trudel Creek, from an environmental point of view. That is part of our scope of work for this coming year.

[Shows photos on the screen] You can see the erosion along the banks. This used to be a small creek that you could jump over at one point. Now, with the spillway, about 75% of the water goes through there and it is eroding the channel. You can see the trees that are falling into the river. It is a major component of our upcoming work to see if that river is ever going to stabilize and whether the sediment load will have stop flushing down to Tsu