

Mandell Pinder
Barristers & Solicitors

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

EA01-005

FAX COVER SHEET

DATE: January 17, 2002

CLIENT #: 216-00.4

TO: Paramount Resources Ltd.
Attention:

FAX: (403) 262-7994
PHONE:

CC: Ka'a'gee Tu First Nation
Attention: Allan Landry

FAX: 1-867-825-2002
PHONE:

CC: INAC
Attention: Lorne Tricoteaux

FAX: (867) 669-2703
PHONE:

CC: MVEIRB
Attention: Joe Acorn

FAX: 1-867-920-4761
PHONE:

FROM: Constance MacIntosh

RE: Compensation Plan

ORIGINAL BEING SENT BY MAIL: YES: NO: X

NUMBER OF PAGES INCLUDING COVER SHEET: 2

MESSAGE

Please see attached.

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

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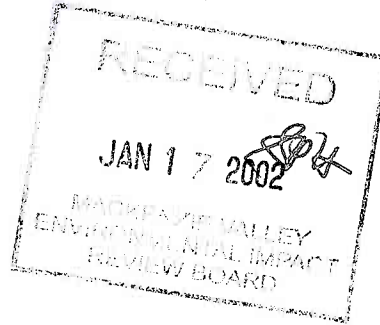
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January 17, 2002

Via Fax(403) 262-7994

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

Attention: Shirley Maaskant



Dear Ms. Maaskant:

Re: Compensation Plan

We have received a copy of your letter dated January 10, 2002, in which you state Paramount is available to meet with the Ka'a' Gee Tu First Nation after January 28 in the Hay River area to discuss compensation issues.

As of today, representatives from the Ka'a' Gee Tu First Nation are available to meet with Paramount on January 29th, and from February 4th to 8th, in Kakisa. Please write to the undersigned by January 21st to confirm which of these dates are convenient for you, as my clients cannot hold these dates open indefinitely.

We note that your letter only refers to developing a Wildlife Harvesting Protocol to address compensation for hunting, trapping and fishing. Our understanding from the January 4, 2002, meeting with INAC is that Paramount and the Ka'a' Gee Tu are to work together to develop the terms for the compensation plan. Please write to the undersigned by January 21 to confirm that Paramount does not intend to limit the compensation plan to these issues.

Yours truly,

MANDELL PINDER

Constance MacIntosh
Barrister and Solicitor
SIGNED IN THE WRITER'S ABSENCE

CM/lb

cc: Ka'a' Gee Tu First Nation, Attention: Allan Landry
INAC, Attention: Lorne Tricoteaux
MVEIRB, Attention: Joe Acorn

216-00.400151