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FAX COVER SHEET

EA01-005

DATE: April 8, 2002

CLIENT #: 216-00.4

TO: INAC
Attention Malcolm Robb, A/Director

FAX: 1-867-669-2705
PHONE:

Cc: MVEIRB
Attention: Joe Acorn

FAX: 1-867-920-4761
PHONE:

Cc: MVLWB
Attention: Board Members

FAX: 1-867-873-6610
PHONE:

Cc Ministry of Aboriginal Affairs
Attention: Phil Mercredi

FAX: 1-867-873-0169
PHONE:

Cc INAC
Attention: Lorne Tricoteaux

FAX: 1-867-669-2703
PHONE:

Cc RWEB
Attention: Bob Bailey

FAX: 1-867-873-0114
PHONE:

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

FAX: 1-867-825-2002
PHONE:

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

FAX: 1-867-825-2002
PHONE:

FROM: Constance MacIntosh

RE: Terms of Reference for Facilitated Discussion on the Draft Cameron Hills
Compensation Plan

ORIGINAL BEING SENT BY MAIL: YES: No: X

NUMBER OF PAGES INCLUDING COVER SHEET: 3

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.**

216-00.400173

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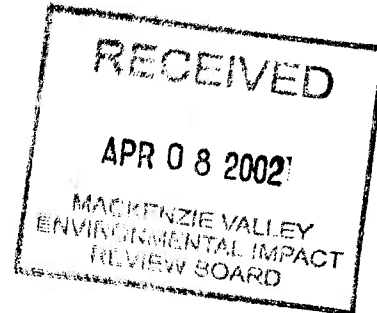
April 8, 2002

Via Fax (867) 669-2705

Mineral and Petroleum Resources Directorate
Indian and Northern Affairs Canada, NT Region
P.O. Box 1500
Yellowknife, NT X1A 2R3

Attention: Malcolm Robb, A/Director

Dear Mr. Robb:



Re: Terms of Reference for Facilitated Discussion on the Draft Cameron Hills Compensation Plan

We are counsel for the Ka'a' Gee Tu First Nation. We write to you in response to your letter to Chief Lloyd Chicot, dated March 20, 2002, regarding facilitated discussions between Paramount Resources Ltd. ("Paramount") and First Nations to develop the Cameron Hills Compensation Plan.

Firstly, we would like to correct a misstatement in your letter. The Ka'a' Gee Tu did not ask INAC to appoint a facilitator for these negotiations. The Ka'a' Gee Tu's position on this matter, as stated in their letter dated February 8, 2002 to Mr. Lorne Tricoteux, is that they do not object to INAC taking on the role of facilitator. However, the Ka'a' Gee Tu's position was, and remains, that INAC not take a role where INAC cannot take such actions as are necessary to resolve the outstanding problems involved in developing a proper compensation package consistent with its fiduciary obligations to the Ka'a' Gee Tu.

Secondly, we write to provide you with the Ka'a' Gee Tu's position on the matters raised in your letter. The Ka'a' Gee Tu have sent several letters to INAC over the last few months in which the Ka'a' Gee Tu requested INAC's assistance, as their fiduciary, in negotiating a compensation plan which meets the standards set by Canadian courts for accommodation. In particular, the Ka'a' Gee Tu sought INAC's commitment to ensuring the plan will address the impact of Paramount's activities on the Ka'a' Gee Tu's livelihood, including their cultural and economic interests. These letters remain unanswered. The Ka'a' Gee Tu have also informed INAC that as their interests are different than those of other affected First Nations, they want to participate in separate meetings.

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The Ka'a' Gee Tu find your Terms of Reference unacceptable. The facilitation process which is outlined in your letter does not remedy the above issues. The Terms specifically exclude discussion of employment, training and business opportunities, despite the fact that, in our opinion, such opportunities are essential components of compensation. The Ka'a' Gee Tu continue to request a separate meeting.

The Ka'a' Gee Tu ask INAC to meet with them before the deadline for designing a compensation plan passes, to discuss the steps acceptable to the Ka'a' Gee Tu which INAC can take to ensure the Ka'a' Gee Tu's interests are protected, either through the development of the compensation plan with Paramount or some other compensation mechanism. Please advise the undersigned of INAC's availability to meet with the Ka'a' Gee Tu by April 11, 2002.

We await hearing from you.

Yours truly,

MANDELL PINDER


for Constance MacIntosh
Barrister and Solicitor

CM/lb

SIGNED IN THE WRITER'S ABSENCE

cc: Clients
INAC, Attention: Mr. Lorne Tricoteaux
Ministry of Aboriginal Affairs, Attention: Phil Mercredi, executive assistant to the
Honourable Mr. Jim Antoine
RWED, Attention: Bob Bailey
MVEIRB, Attention: Joe Acorn
MVLWB, Attention: Board Members