

Quatsino Band Council

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September 1, 2011

Ministry of Energy and Mines PO Box 9053 STN Prov Govt Victoria, BC V8W 9E

Attention: Minister Rich Coleman

Re: Quatsino First Nation: Consultation and Accommodation regarding

Exploration Permit for the New Island Copper ("NIC") Project

The Quatsino First Nation has inhabited the lands and waters of northern Vancouver Island since time immemorial. Our People have unsurrendered, unextinguished and exclusive Aboriginal rights, interests and title to the land and resources within our traditional territory. All activities and development that any company embarks upon is within our traditional territory is subject to our title, jurisdiction, rights and interests.

The Quatsino First Nation is writing to provide notice to the Ministry that the exploration permit for the NIC Project to Compliance Energy was granted without due consultation and accommodation of Quatsino Aboriginal rights, titles and interests. We have a strong strength of claim and your Ministry is required to conduct deep consultation and accommodation with respect to this Project that has potential adversely affects. To date, your Ministry has sent only written correspondence with minimal effort to provide Quatsino with an informed perspective on the Project. Letters and emails do not constitute adequate consultation and are not consistent with the honour of the Crown.

We have a mutual and beneficial interest in co-operating with both government and various companies to avoid infringement of our Nation's Aboriginal rights, titles and interests. We have a mutual interest in avoiding and mitigating against any and all adverse environmental, socioeconomic and socio-cultural effects that may be caused directly or indirectly from a particular project.

For the information of your Ministry, Quatsino has made reasonable efforts to develop a relationship Compliance Energy Corporation. Accordingly, we have had preliminary discussions with Compliance and have proposed a structured engagement process. Compliance has effectively rejected this engagement process and is taking a position that it owes minimal legal obligation to Quatsino First Nation. If the Ministry is delegating procedural or substantive elements of its duty to consult, we can advise you that Compliance is failing to fulfil this legal obligation.

We respectfully request a meeting with your Ministry to discuss legal options to put the exploration program on immediate hold. We are strictly opposed to an exploration project continuing within our territory without our express consultation, accommodation and consent.

If you have any questions, we would be pleased to discuss it at your immediate convenience.

With respect,

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Chief Tom Nelson Quatsino First Nation