MINISTRY OF ABORIGINAL RELATIONS AND RECONCILIATION BRIEFING NOTE

Date: August 6, 2013

Ref. No. 32296

I Prepared for the INFORMATION of Minister John Rustad

II ISSUE: Minister Rustad meeting with Stellat'en First Nation

III BACKGROUND:

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File:

Stellat'en First Nation (pron: stull-a-tin) is located west of Fraser Lake with 370 band members. The main community resides on Stellaquo (Stella) Indian Reserve #1, at the mouth of the Stellako River, approximately 150 km west of Prince George (total of 2 reserves on 851.5 hectares).

The Chief of Stellat'en First Nation (Stellat'en) is Archie Patrick, recently elected on July 25, and Councillors are Ken Luggi and Tannis Reynolds.

Stellat'en is affiliated with the Carrier Sekani Tribal Council (CSTC), and is currently not active in the treaty process.

Status of agreements and negotiations:

Stellat'en has three agreements in place: two Forest Tenure Opportunity Agreements and a Forest and Range Consultation and Revenue Sharing Agreement. Negotiation of an Economic and Community Development Agreement (ECDA) on the Endako mine expansion were stopped in 2012 in response to litigation initiated by Stellaten.

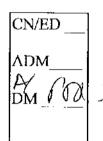
There is an opportunity for a Strategic Engagement Agreement (SEA) in partnership with CSTC and its member bands and CSTC is promoting the development of a SEA, on behalf of the Stellat'en FN. However, MARR has not engaged directly with Stellat'en and it is still unclear as to the level of support from the First Nation on this proposal.

IV DISCUSSION:

Minister Rustad can expect to meet with the Chief and Council. Stellat'en may also invite community members and Elders to attend the meeting.

It is anticipated that the following items will be raised during the meeting:

<u>Pipelines:</u> There are two significant initiatives that may result in new pipelines west from Prince George to the north coast area and may cross Stellaten territory: Enbridge and Liquefied natural gas (LNG). CSTC is publically opposed to the Enbridge pipeline. In regard to LNG, CSTC is not opposed, but publicly



acknowledge the need for the Province and Industry to engage with their communities and provide accommodation through appropriate agreements. Further information is provided in LNG Briefing Note, 32287

Endako Mine litigation: Stellat'en filed a lawsuit in May 2010, asserting that the Province did not fulfill its duty to consult in regards to Thompson Creek Metal's proposal to expand the Endako molybdenum mine. The BC Supreme Court found that the Province consulted adequately, ruling to dismiss Stellat'en First Nations lawsuit on August 5, 2011. Stellat'en subsequently took the decision to the Court of Appeal in 2012. A decision has not yet been announced.

Economic and Community Development Agreement (ECDA): Initially Stellat'en agreed to put their litigation on the Endako Mine Act permit in abeyance to allow opportunity to negotiate an ECDA. The intent of both parties was to attempt to reach an agreement that could result in the litigation being withdrawn. Negotiations were unsuccessful and Stellat'en proceeded with their litigation. As a result, MARR suspended the ECDA discussions. Stellat'en have expressed concern that the ECDA was the only accommodation offered on the mine, and disagreed with the provincial revenue sharing policy that limits revenue sharing to incremental ore resulting from the mine expansion.

V KEY MESSAGES:

- The Province would like to see beneficial arrangements with Stellat'en that would facilitate prosperity for their communities from the LNG sector.
- The Province encourages Stellaten to continue working with MARR regional staff and MARR negotiators to develop strategies to address specific interests and concerns.
- The Province is no longer engaged in ECDA negotiations with Stellat'en and is not in a position to discuss the Endako ECDA with Stellat'en at this time.

If pressed on a commitment to develop a SEA:

- The Province encourages Stellat'en to work with CSTC to engage MARR staff on discussions for a phased approach to a SEA.
- Consultation process to support Stellat'en engagement on LNG pipeline related authorizations is a priority interest for the Province and could provide a stepping stone to a comprehensive SEA arrangement.

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