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Executive Council Labrador and Aboriginal Affairs September 26, 2008

Innu Nation and Province Reach Historic Agreement

The Honourable Danny Williams, Premier of Newfoundland and Labrador, and Mark Nui, Grand Chief of Innu Nation, today announced the signing of a milestone agreement. The Tshash Petapen Agreement (jash pey-taah-ben) which translates as the New Dawn Agreement, marks a new beginning for the Innu of Labrador and their relationship with the province. The agreement resolves key issues relating to matters between the province and Innu Nation surrounding the Innu Rights Agreement, the Lower Churchill Impacts and Benefits Agreement (IBA) and Innu redress for the upper Churchill hydroelectric development. Final agreements based on the Tshash Petapen Agreement will be subject to ratification by the Innu people.

The Premier and Grand Chief were joined by: the Honourable Patty Pottle, Minister of Aboriginal Affairs; Innu Nation Deputy Grand Chief, Peter Penashue; Sheshatshiu Innu Chief, Anastasia Qupee; Mushuau Innu Chief, Prote Poker; and President and CEO of Newfoundland and Labrador Hydro, the province's energy corporation, Ed Martin and the Honourable Kathy Dunderdale, Minister of Natural Resources.

"We are so proud to announce that after years of negotiations the Government of Newfoundland and Labrador and the Innu Nation of Labrador have reached an agreement on the major issues that will facilitate the finalization of an Agreement in Principle on Innu Rights," said Premier Williams. "The Innu Rights Agreement will bring tremendous new benefits and opportunities to the Innu people of Labrador, and signals a new era of partnership and cooperation between their people and our government. The Tshash Petapen Agreement also resolves key issues associated with the Lower Churchill development including an Impacts and Benefits Agreement and redress on the upper Churchill hydroelectric development. We are extremely pleased to have these details agreed upon, as this signals an extremely important and significant step on the road to development of the Lower Churchill project. Today, Newfoundland and Labrador is substantially closer to finally seeing this project developed and in the North American context this further positions us as a major player in the energy industry."

Grand Chief Nui noted the importance of the agreement to the Innu of Labrador. "We called this agreement Tshash Petapen because it means new dawn. With this agreement we will now be able to complete and ratify the final three agreements which will create the foundations for our future as Innu and as Labradorians."

This agreement lays out quantum and location for various selections of Innu lands, and establishes economic areas assuring Innu participation in resource projects in the region. The agreement also provides compensation to the Labrador Innu for impacts associated with the Churchill Falls development. This settles the outstanding grievance of Innu Nation with respect to damages suffered to Innu lands and properties as a result of the flooding caused by the upper Churchill River development in the 1960s.

"A new and fruitful relationship was forged between the Government of Newfoundland and Labrador and Innu Nation today," said the Honourable Patty Pottle, Minister of Aboriginal Affairs. "What we have witnessed is history in the making. This fair and equitable agreement between the Provincial Government and Innu Nation balances the interests of all the people of Labrador. This achievement builds upon a solid foundation for a strong and diverse future for all of Newfoundland and Labrador."

"When the three foundation agreements are approved by our membership, we will be able to turn our focus, energy and resources to addressing the internal issues impacting our communities and building a safe, healthy and productive future for future generations," added Deputy Grand Chief Penashue.

The agreement also contains the details of the commercial terms of the Lower Churchill IBA. Key elements of which include, a structured royalty regime and implementation funding to support Innu Nation's involvement in the Project during construction.

"This significant progress toward the conclusion of the IBA with Innu Nation is a major milestone for the Lower Churchill Project," said Mr. Martin, "Step by step we are obtaining the certainty necessary to move forward with our project planning and further investment. We look forward to continuing to work with Innu Nation to finalize the IBA. More importantly, we look forward to a productive and long term relationship with our new partners."

Negotiations will continue to execute formal agreements. Once final agreements have been reached, Innu Nation will present the details to the Innu people for ratification, which is planned for early 2009.

- Tshash Petapen Agreement New Dawn Agreement
- Map

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<u>Photo #1</u>: At a news conference the Honourable Danny Williams, Premier of Newfoundland and Labrador, and Mark Nui, Grand Chief of Innu Nation, announced the signing of a milestone agreement.

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BACKGROUNDER

Highlights of today's New Dawn Agreement include:

- The Tshash Petapen Agreement resolves the outstanding issues in three anticipated agreements fundamental to the future relationship between the Innu people of Labrador and the Province of Newfoundland and Labrador:
 - o Innu Rights Agreement

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- Lower Churchill Project Impacts and Benefits Agreement
- Upper Churchill Redress
- Negotiations have been ongoing between the Innu Nation and the Province of Newfoundland and Labrador in separate forums for many years. The Tshash Petapen Agreement was negotiated at the most senior levels of Innu Nation, the Province of Newfoundland and Labrador and the province's energy corporation.

Land Claim Selection

5,000 square miles - Labrador Innu Lands (Category I)

- The Innu will have legal title to these lands
- Jurisdiction to make laws in relation to specified matters
- Resource royalty sharing
- Impacts and Benefits Agreements (IBAs) on developments

9,000 square miles - Labrador Innu Settlement Area (Category II)

 Crown land, in which the Innu will have special rights and benefits concerning resource royalty sharing, consultation on environmental assessment, economic development and IBAs on major projects.

13,000 square miles - Category III Lands

 Areas where the Innu people will be able to conduct their traditional hunting for migratory species of wildlife without the need for provincial government permits.

Defined Economic Development Areas

The Innu will be able to enter into IBAs on most major developments.

Land selection under review

 Four select parcels of land have been identified as needing further refinement and will be negotiated as part of the final agreement.

Upper Churchill Development

The agreement provides compensation to the Labrador Innu for impacts associated with the Churchill Falls development over the full project lifecycle.

The compensation structure is \$2 million per year upon execution of the final agreement until 2041, after which the Labrador Innu will be entitled to a percentage of revenue from the Project.

Lower Churchill Project Impacts and Benefits Agreement

The Innu Nation was given the option of taking an equity position in the Project or an equivalent royalty and has chosen the royalty option:

- 5% of net project revenue
- \$5.0 million per year payable upon Project sanction until commercial power.

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