

WITHOUT PREJUDICE

**TOWARD A NEW RELATIONSHIP BETWEEN THE GOVERNMENT OF CANADA
AND THE CREE NATION OF QUEBEC**

- STATEMENT OF THE INTENTIONS OF THE PARTIES -

WHEREAS the Cree Nation of Quebec (the "**Cree**"), acting through the Grand Council of the Crees (Eeyou Istchee), and the Province of Quebec (the "**Province**") signed in 2002 a New Relationship Agreement, known as the Paix des Braves, in which they mutually agreed to resolve significant issues between them surrounding the implementation of the James Bay and Northern Quebec Agreement, resolved related litigation between them and also significantly advanced the capacities of a regional Cree Nation government;

AND WHEREAS the Grand Chief of the Cree and the Minister of Indian Affairs and Northern Development (the "**Minister**"), at a meeting between them on March 30, 2004, mutually stated their desire to similarly work towards the resolution of JBNQA implementation issues between the Cree and the Government of Canada, to resolve related litigation and to advance Cree governance, and the Minister appointed a Chief Federal Negotiator for these purposes;

AND WHEREAS the parties' respective chief negotiators believe that the likelihood of success in the negotiations to come would be greatly increased if each of them were mandated by their principals on the basis of mutually stated intentions and goals;

NOW THEREFORE the purpose of this document is to state the intentions and goals of the parties' respective representatives in the preliminary discussions now underway, as expressed by the Chief Federal Negotiator (Mr. Raymond Chrétien) and the Chief Cree Negotiator representing the Cree (Mr. Bill Namagoose), to move expeditiously towards formal negotiations on the matters expressed herein, subject to receipt of appropriate mandates to that effect from their respective principals.

This statement of intent is a non-binding, without prejudice statement that will be a working document against which the success of the negotiations, should such negotiations be mandated, can be assessed by all those having an interest in the negotiations, and especially by the members of the Cree communities in Northern Quebec.

OUR INTENT REGARDING REVITALIZED REGIONAL CREE NATION GOVERNANCE

Considerations

1. The James Bay and Northern Quebec Agreement ("**JBNQA**") of 1975 was Canada's first comprehensive land claim agreement, and modern treaty; and, the *Cree-Naskapi (of Quebec) Act* of 1984 was the first example of local governance legislation developed by the federal government for, and with the participation of First Nations.

2. The federal government's "James Bay and Northern Quebec Implementation Review, 1982" (Tait Report) observed that the governance regime regarding Cree communities, then still in development, would allow for the continued evolution of Cree self-government.
3. Indeed, Cree governance, particularly the governance of Categories 1A and 1B Cree lands, has evolved significantly since the JBNQA and related federal and provincial legislation.
4. The recent Paix des Braves between the Cree and the Province further advanced the evolution of Cree governance.

The Goal Regarding Governance: A Regional Cree Government

5. Enhancements to Cree Governance: We believe it necessary to consider enhancements in Cree governance. We believe that our negotiations will be a success if, in the result, a new regional Cree Nation government is formally acknowledged in federal legislation and is provided with appropriate means to adequately carry out its functions and deliver programs. One option is legislation that is distinct from, and adds to, Cree governing capacities as set out in the *Cree-Naskapi (of Quebec) Act*.
6. A Cree Nation Constitution and the Intended Federal Legislation: In the development of a regional government, we envision the federal legislation will acknowledge and give legislative life to a Cree Nation constitution that the Cree themselves will develop. The federal law would set out the framework within which the Cree constitution will fit, and the federal law will set out an amendment process that also meets Cree expectations.
7. Regional Cree Government and Assumed Federal JBNQA Obligations: We believe and mutually intend that the new Cree regional government should assume for a defined period of time, to be determined, certain federal JBNQA obligations to be negotiated.

OUR INTENT REGARDING THE RESOLUTION OF PAST DIFFERENCES AND FUTURE DISPUTE AVOIDANCE

Considerations

8. We believe that the disagreements between Canada and the Cree today, which are reflected in a number of court actions against Canada, should be ideally resolved outside the judicial forums.
9. We believe that the JBNQA currently lacks adequate means of dispute avoidance appropriate to the modern context.
10. Both the Cree and the federal government have strong interest in the proposed negotiations also resolving, to the degree practical, past differences between them as to JBNQA implementation, including the resolution of litigation, so as to truly embark upon a new and positive relationship.

The Goal Regarding the Resolution of Past Differences and Future Dispute Avoidance

11. An Information Exchange Forum, Buttressed by formal Dispute Resolution Mechanisms: We believe that a permanent information exchange forum, at senior levels, should be considered so that ongoing issues between Canada and the Cree community and new regional governments can be referred to such forum in the hope that good relations are maintained, court actions or other "adversarial" proceedings (e.g., arbitration) are minimized, and normal relations can be conducted without the need to turn to dispute resolution mechanisms. We would intend also to propose the creation of a dispute resolution mechanism appropriate to the new Cree-Canada relationship and which would assist the parties in resolving future disputes prior to recourse to the courts.

12. The Resolution of Court Actions and the Resolution of Past Differences: We intend to resolve court actions and to resolve past differences to the extent possible.

OUR INTENT REGARDING FUNDING MATTERS

Considerations

13. A new Cree regional government with enhanced capacities and functions would require consideration of related program and funding support.

14. The resolution of court actions and the resolution of past differences would be reflected in the funding package to be negotiated.

15. The Goal regarding Funding Matters: We intend to consider appropriate funding levels to achieve the purposes set out herein. We also intend that such funding would be commensurate with the funding provided by the province of Quebec under the Paix des braves and be in addition to current funding arrangements with the Cree and to normal programs, which would continue, though we intend to explore possible consolidation of existing with new funding arrangements to the degree possible.

16. Periodical funding reviews: We intend to review the funding arrangement towards the end of an initial funding period. The purpose of this JBNQA review would be to set the funding levels for future time periods, taking into account the JBNQA and the evolving context, including the extent to which the regional Cree government has developed efficiencies and other factors to be agreed between the parties.

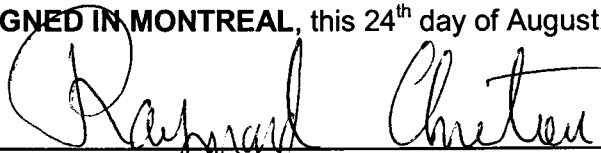
GENERAL

17. Mandate: Each of the parties' chief negotiators will seek a mandate to achieve a new Canada-Cree relationship on the basis of this Statement of Intent.

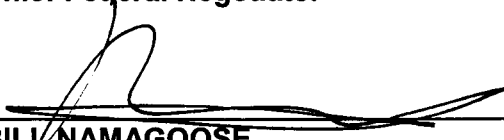
18. Timing: We intend to seek negotiating mandates immediately, meaning as soon as practicable. With mandates in hand, targeting December 2004 for conclusion of the mandating processes, we expect to pass quickly through the agreement-in-principle stage (if one is

required) and then to a final agreement, subject to further mandating if such is required. Our goal for a final agreement is March 2005.

SIGNED IN MONTREAL, this 24th day of August, 2004



RAYMOND CHRETIEN
Chief Federal Negotiator



BILL NAMAGOOSE
Executive Director, Grand Council of the Crees
Chief Cree Negotiator