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MEMORANDUM OF AGREEMENT

AMONG:

The Government of the Yukon, as represented by the Government Leader (the "Yukon");

AND

The Council of Yukon First Nations as represented by the Grand Chief ("CYFN");

AND

Yukon First Nations as represented by their respective Chiefs;

AND

The Kaska Dena Council as represented by the Chairperson;

AND

The Kaska Tribal Council as represented by the Tribal Chief;

being the Parties to this Agreement (the "Agreement").

WHEREAS:

Yukon and CYFN together with the Government of Canada, signed the Umbrella Final Agreement (the "UFA") on May 29, 1993, the provisions of which are wholly incorporated into the Settlement Agreements for the Teslin Tlingit Council, the Champagne and Aishihik First Nations, the First Nation of Nacho Nyak Dun and the Vuntut Gwitchin First Nation;

Yukon and the Government of Canada are in the process of negotiating Settlement Agreements, pursuant to the UFA, and self-government agreements with all other Yukon First Nations;

Settlement Agreements are land claims agreements within the meaning of section 35 of the Constitution Act, 1982;

Yukon Indian People, subject to Settlement Agreements, have aboriginal rights, titles and interests in and to the Yukon which are recognized and affirmed by section 35 of the Constitution Act, 1982;

the Kaska represented by the Kaska Dena Council have aboriginal rights, titles and interests in and to their traditional territory in the Yukon, and the Yukon and the Kaska Dena Council have entered into a bilateral agreement dated January 20, 1997, to expeditiously negotiate a Transboundary Agreement in respect of those rights, titles and interests;

the Canada Yukon Oil and Gas Accord signed by Yukon and the Government of Canada on May 28, 1993 (the "Canada Yukon Oil and Gas Accord") addresses the transfer of the administrative and legislative powers and responsibilities in respect of the management of onshore Oil and Gas on public lands to Yukon and a process for the finalization of shared management of Oil and Gas resources in the offshore;

Yukon First Nations, pursuant to Settlement Agreements, have for Category A Settlement Land, the fee simple title in the Mines and Minerals and the Right to Work the Mines and Minerals;

the Yukon entered into Letters of Understanding with CYFN, the Kaska Tribal Council, the Kwanlin Dun First Nation and the Liard First Nation on November 15, 1996, January 6, 1997, January 7, 1997 and January 10, 1997 respectively, in which it was agreed that a technical working group would be established to review the Canada Yukon Oil and Gas Accord and make recommendations to the signatories;

this Agreement is based on the recommendations of the technical working group established pursuant to the Letters of Understanding;

THEREFORE, the Parties agree as follows:

1.0 DEFINITIONS

1.1 Capitalized words have the meaning assigned in the UFA unless the context requires otherwise.

1.2 In this Agreement, the following definitions shall apply.

"Bill C-50" means the Canada-Yukon Oil and Gas Accord Implementation Act which received First reading on June 14, 1996 in the Second Session, Thirty fifth Parliament, 45 Elizabeth II, 1996;

"disposition" has the meaning assigned in the Proposed Yukon Oil and Gas Act;

"Kotaneelee Fund" means the fund referred to in 7.4(a) of the Canada Yukon Oil and Gas Accord;

"Proposed Yukon Oil and Gas Act" means Bill No. 87 entitled the Yukon Oil and Gas Act tabled on April 19, 1996 in the Second Session of the Twenty-Eighth Legislative Assembly of the Yukon Territory;

"transfer date" has the meaning assigned in the Proposed Yukon Oil and Gas Act;

"working group" means the working group established under 3.5 of this Agreement;

"Yukon oil and gas lands" has the meaning assigned in the Proposed Yukon Oil and Gas Act which for greater certainty does not include Category A Settlement Land;

2.0 INTERPRETATION

2.1 Nothing in this Agreement shall be construed so as to abrogate or derogate from, nor identify or define, any aboriginal rights, titles, interests or treaty rights of Yukon Indian People or any other aboriginal people of Canada.

2.2 Nothing in this Agreement shall affect the ability of Yukon Indian People or any other aboriginal peoples of Canada to exercise, or benefit from, any existing or future constitutional rights for aboriginal people that may be applicable to them.

2.3 Nothing in this Agreement derogates from Canada's fiduciary responsibility to Yukon Indian People or any other aboriginal people of Canada.

2.4 For greater certainty, the transfer of the administration and control of Yukon oil and gas lands to the Commissioner pursuant to Bill C-50 is subject to any trusts existing in

respect thereof and to any interests other than that of the Crown in the same.

3.0 GENERAL PRINCIPLES

Completion of Settlement Agreements

- 3.1 The completion of negotiations of Settlement Agreements and self-government agreements with all Yukon First Nations and transboundary claimants continues to have the highest priority for all Parties.

Common Onshore Oil and Gas Regime for the Yukon Territory

- 3.2 The Parties recognize that Yukon First Nations have for Category A Settlement Land, the fee simple title in the Mines and Minerals and the Right to Work the Mines and Minerals, and the power to enact laws in relation to Settlement Land, pursuant to the Yukon First Nations Final Agreements and to the self-government agreements.
- 3.3 The Parties recognize that subject to 2.4, Yukon will have, upon the transfer date, the administration and control of onshore Oil and Gas resources on Yukon oil and gas lands and the legislative power in respect of those resources pursuant to the Yukon Act, as amended.
- 3.4 While recognizing the respective authority and jurisdiction referred to in 3.2 and 3.3, the Parties acknowledge that they shall work together to develop competitive, efficient and complementary Oil and Gas regimes in the Yukon Territory which may include a common regime. Yukon First Nations must be full participants with Yukon in the co-operative design, determination, development, administration, and management of such regimes in a manner consistent with the nature of their government-to-government relationship.
- 3.5 The Parties agree to establish the working group to develop a workplan and to carry out a review on behalf of the Parties based on such workplan. The review shall include, but shall not be limited to, a review of the following:
- 3.5.2 Existing Canadian legislation including the Proposed Yukon Oil and Gas Act, dealing with Oil and Gas rights and the disposition thereof.

- 3.5.2 Existing Canadian legislation including the Proposed Yukon Oil and Gas Act, dealing with Oil and Gas operations.
- 3.5.3 The fiscal regimes applicable to Oil and Gas exploration and development.
- 3.5.4 Provisions in respect of socio-economic benefit plans for Yukon First Nations and other Yukoners in relation to exploration and development of Yukon oil and gas lands including any applicable provisions set out in legislation such as Development Assessment Legislation.
- 3.5.5 Other provisions of the Proposed Yukon Oil and Gas Act and draft regulations as required.
- 3.6 Yukon, CYFN, Kwanlin Dun First Nation, Liard First Nation and the Kaska Tribal Council may all appoint representatives to the working group and the working group shall make all decisions and recommendations by consensus.
- 3.7 Unless otherwise agreed, the review referred to in 3.5 shall be undertaken as soon as practicable and in any event, the Parties shall make best efforts to conclude the review within seven (7) months from the signing of this Agreement.
- 3.8 The Parties shall address the recommendations of the working group identified as a result of its review referred to in 3.5.
- 3.9 The Parties shall jointly develop any future amendments or additions to the common onshore Oil and Gas regime.
- 3.10 For greater certainty, nothing in this Agreement shall be construed to affect or limit the respective authority and jurisdiction of the Parties referred to in 3.2 and 3.3 and it is acknowledged that any of the Parties may not adopt or may opt out of all or parts of the common regime.
- 3.11 If any of the Parties do not adopt or opt out of all or parts of the common regime, the Parties shall Consult on all aspects of Oil and Gas policy or any other measures which may affect the other Parties' interest as an owner, regulator or producer of Oil and Gas.
- 3.12 For greater certainty, the work carried out by the working group shall constitute Yukon's obligation to Consult with Yukon First Nation's under 23.2.7 of the UFA in relation to

the design of the fiscal regime contemplated by this Agreement.

4.0 CANADA-YUKON OIL AND GAS ACCORD IMPLEMENTATION ACT (BILL C-50)

- 4.1 Subject to the terms of this Agreement, the Parties agree to support the immediate passage and proclamation of Bill C-50 by the Parliament of Canada.
- 4.2 The Parties shall jointly recommend to the Government of Canada that it continue the effect of its existing policy of not issuing any new Oil and Gas rights in the Yukon Territory prior to the settlement of aboriginal claims, by amending Bill C-50 to provide that, in respect of a Traditional Territory for which the Effective Date of a Yukon First Nation's Settlement Agreement has not occurred, neither Yukon nor Canada shall issue any new disposition in respect of Yukon oil and gas lands in the Yukon Territory, without the consent of that Yukon First Nation.

5.0 YUKON OIL AND GAS ACT

- 5.1 In addition to recommending the amendment to Bill C-50 referred to in 4.2, Yukon hereby agrees that it will not, in respect of a Traditional Territory for which the Effective Date of a Yukon First Nation's Settlement Agreement has not occurred, issue any new disposition in respect of Yukon oil and gas lands in the Yukon Territory, without the consent of that Yukon First Nation.
- 5.2 The Yukon agrees to amend the Proposed Yukon Oil and Gas Act to incorporate the undertaking set out in 5.1 and to amend the Proposed Yukon Oil and Gas Act or other legislation as may be required to implement the recommendations of the working group that are accepted by the Parties.

6.0 OFFSHORE OIL AND GAS RESOURCES

- 6.1 Yukon First Nations may, at the sole discretion of the Yukon First Nations, be participants with Yukon in the development of Yukon's negotiating positions and will be members of Yukon's negotiating team for negotiations in respect of Oil

and Gas in the offshore referred to in 11.0 of the Canada Yukon Oil and Gas Accord.

- 6.2 It is acknowledged that it is Yukon that will represent the interests of all Yukon residents in negotiations in respect of Oil and Gas in the offshore referred to in 11.0 of the Canada Yukon Oil and Gas Accord.

7.0 CROWN ROYALTIES

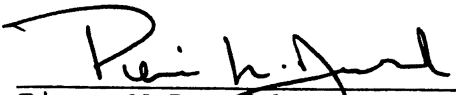
- 7.1 For greater certainty, the Parties acknowledge that Chapter 23 - Resource Royalty Sharing, of the UFA as incorporated into Yukon First Nation Final Agreements continues to apply.
- 7.2 For greater certainty, in respect of the Kotaneelee Fund, Yukon shall make the payments required pursuant to 23.2.5 of the UFA.
- 7.3 In respect of the Kotaneelee Fund, Yukon agrees to hold in trust for the respective Yukon First Nations any amounts that remain vested in Yukon pursuant to 23.2.5 of the UFA and any income or interest earned thereon from the transfer date, and to pay such amounts to the respective Yukon First Nations on a date no earlier than the Effective Date of that Yukon First Nation's Final Agreement.
- 7.3.1 Yukon First Nations shall consider the inequities of Chapter 23 and may direct Yukon to allocate those portions of the Kotaneelee Fund payable to Yukon First Nations under 7.2 and 7.3, or any other amounts payable to Yukon First Nations under 23.2.4, other than on the basis set out in 23.2.4 of the UFA, in which case Yukon shall make such payments in accordance with that direction.

8.0 Contribution Agreement

- 8.1 Yukon shall, subject to the appropriation of funds by the Legislative Assembly, enter into a contribution agreement in the amount of \$160,000 with the Parties, as follows:
- 8.1.1 \$50,000 as a non-repayable contribution by Yukon;
and
- 8.1.2 \$110,000 to be deducted from the Yukon First Nations' share of the Kotaneelee Fund referred to in 7.2 and 7.3.

- 8.2 The funds referred to in 8.1 shall be administered by Yukon under the direction of the working group, to enable the Parties to participate in the review referred to in 3.5, and to enable the working group to hire such resource people as it determines are necessary.
- 8.3 Yukon agrees to advance to any Yukon First Nation which so requests, an advance on such Yukon First Nation's share of the Kotaneelee Fund held in trust by the Yukon under 7.3, to enable such Yukon First Nation to conduct a review independent of the working group of any aspect of Oil and Gas matters.
- 8.4 Yukon agrees that if there is any duplication between the workplan developed by Yukon to finalize the Proposed Yukon Oil and Gas Act and any regulations thereunder, and the workplan developed by the working group, Yukon shall pay for such work in accordance with the workplan developed by Yukon and the funds allocated by the Yukon to its workplan and that such costs shall not be charged against the funds referred to in 8.1.
- 8.5 The Yukon First Nations entitled to receive payments pursuant to 7.2 and 7.3 agree that the portion of the Kotaneelee Fund payable to Yukon First Nations under 23.2.0 shall be reduced by the amount set out in 8.1.2 in order to fund the working group.
- 8.6 The Parties agree that Yukon shall not be required to pay to Yukon First Nations in respect of the Kotaneelee Fund under this Agreement and Chapter 23 of the UFA, any amount which exceeds an amount equal to the total of the payments referred to in 7.2 and 7.3 less any amount advanced to the working group or a First Nation under 8.1.2 and 8.3.

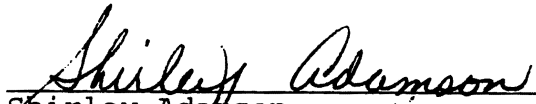
Signed this ____ day of January, 1997, at Whitehorse, Yukon.



Piers McDonald
Government Leader
Government of the Yukon



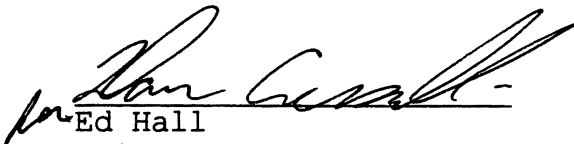
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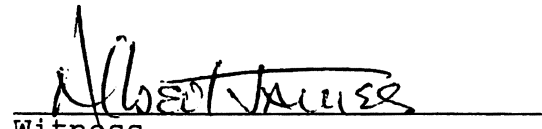
Shirley Adamson
Grand Chief
Council of Yukon First Nations



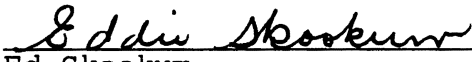
Witness



Ed Hall
Chief
Carcross/Tagish First Nation



Witness




Ed Skookum
Chief
Little Salmon/Carmacks First
Nation



Witness

Paul Birckel
Chief
Champagne/Aishihik First
Nations

Witness



Steve Taylor
Chief
Tr'on dek Hwech'in First
Nation

Witness

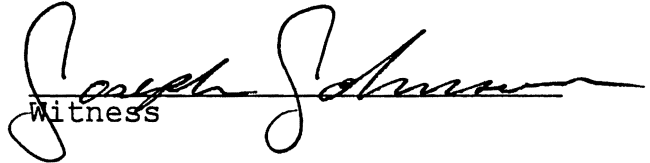


Robert Johnson
Chief
Kluane First Nation

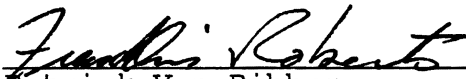
Witness



Robert Hager
Chief
First Nation of Na-cho Nyak Dun



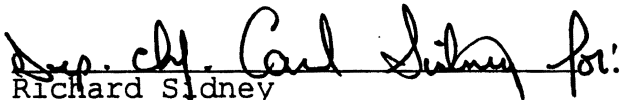
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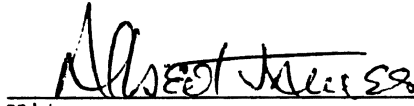
Patrick Van Bibber
Chief
Selkirk First Nation



Witness



Richard Sidney
Chief
Teslin Tlingit Council



Witness



Glenn Grady
Chief
Ta'an Kwach'an Council

Witness



Randall Tetlich
Chief
Vuntut Gwitchin First Nation

Witness



Margaret Glazier
Chief
White River First Nation

Witness

Signed this ____ day of January, 1997, at Whitehorse, Yukon.



Piers McDonald
Government Leader
Government of the Yukon

Witness



Joe Jack
Chief
Kwanlin Dun First Nation



Witness

Signed this ____ day of January, 1997, at Whitehorse, Yukon.



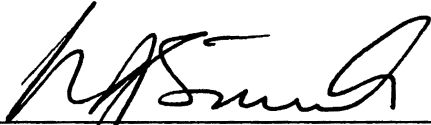
Piers McDonald
Government Leader
Government of the Yukon

Witness



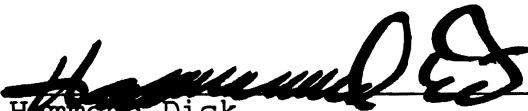
Ann Bayne
Chief
Liard First Nation

Witness



Norman Sterriah
Chief
Ross River Dena Council

Witness



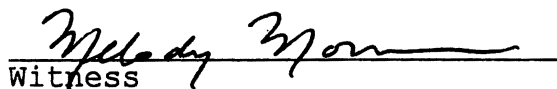
Hammond Dick
Tribal Chief
Kaska Tribal Council



Witness



Walter Carlick
Chairperson, Kaska Dena Council



Witness