

BLOOD TRIBE TOPGAS SETTLEMENT

Background

The Blood Tribe is currently negotiating a TOPGAS \$17.6 million settlement agreement with the Government of Canada.

In September of 2018 the Blood Tribe submitted a claim to Canada regarding the wrongful deduction of royalties arising from the sale of natural gas extraction that was from reserve lands.

The federal government of Canada has a long history of managing and regulating the oil and gas resources of the Blood Tribe. However, their role as a fiduciary responsibility over the past few years has been questionable.

From 1977 to 1994, as a part of TOPGAS, *(a clause in certain gas sales contracts in the 1970s required some major pipeline companies to either **take the gas and sell it or pay for the gas even if it couldn't be taken and sold**)* certain industry costs were wrongfully calculated as part of deductions to royalty payments owing to First Nations that had natural gas production. Several of the bigger producing First Nations such as the Stoney Nakoda were successful in their legal pursuits and negotiations on this matter and received direct repayments from the government of Canada.

The Blood Tribe has ensued the same avenue with the opportunity now to negotiate a settlement with the federal government. As of December 2020, and after months of negotiating facts, evidence, and arguments presented, the Government of Canada has offered a global settlement of \$17.6 million to the Blood Tribe. The success and strength of the Blood Tribe's negotiating team has secured a larger settlement than the initial offer of \$2.4 million by the Government of Canada. This was a result of a breach of the Crown's trust, fiduciary, and statutory obligations under the Indian Act, Indian Oil and Gas Act, Indian Oil and Gas Regulations, and Treaty No.7.

Both parties agreed to take the specific claims route in expediting the process of the settlement. Therefore, it was found that there is no requirement for the Blood Tribe to hold a referendum in accepting the settlement offer. The Blood Tribe Chief and Council will be the governing body to accept the offer and will affirm to the members that proper research and due diligence was carried out by the negotiating team.

The Blood Tribe Chief and Council have appointed Kainai Resources Inc. (KRI) to provide the technical support and make available the necessary information to the members of the Blood Tribe. The leadership is committed to informing the Blood Tribe so that the membership both on and off-reserve are fully aware of the settlement agreement and what the monies from the settlement will be used for. An extensive information campaign will begin in August along with a virtual community meeting.