

FUTURE PROSPERITY

A photograph of two children on a swing set. The child on the left is a girl with long dark hair, wearing a light blue t-shirt, looking off to the side. The child on the right is a boy with blonde hair, wearing a maroon hoodie with '05 SPORTS' on it, smiling and holding onto the swing ropes. The background is a bright, slightly hazy outdoor setting. The image is overlaid with a green gradient on the left side and white wavy shapes on the far left and right edges.

New Funding

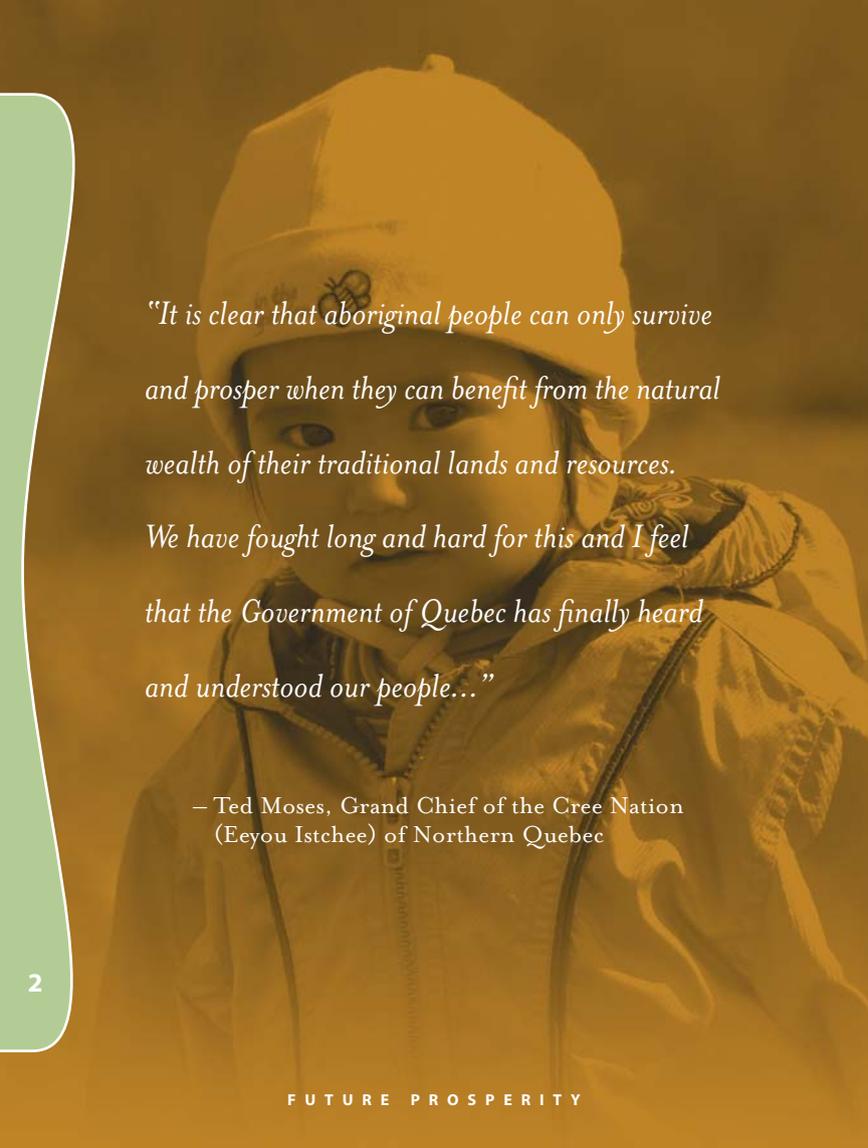
Since *the* New Relationship
Agreement *with* Quebec



We have won many battles... and reaped great rewards

It's been more than 30 years since Cree leaders first formed the Grand Council. In the years since, numerous agreements have been entered into that defend Cree rights and bring benefits to help us prepare for the future of our people, the Cree Nation.

This report highlights the major agreements that have been successfully completed over the last five years. The benefits can be seen in our communities. We have more housing, better health services and greater opportunities for employment and financial gain.



“It is clear that aboriginal people can only survive and prosper when they can benefit from the natural wealth of their traditional lands and resources. We have fought long and hard for this and I feel that the Government of Quebec has finally heard and understood our people...”

– Ted Moses, Grand Chief of the Cree Nation (Eeyou Istchee) of Northern Quebec



Before the James Bay and Northern Quebec Agreement, substandard health and education services were provided to us—but not by us. As a result of our collective actions through the Grand Council, we have gained control over much of our lives. We now operate our own schools and health systems and we have the means to provide vastly improved services. We are also the only Aboriginal Nation that has an income security program for those who want to continue to live in the bush.

Our Cree leaders at the nation and local levels have made wise decisions. They have worked hard to ensure the integrity of the Cree Nation is a top priority in all negotiations with governments. These Agreements have brought us the means to build the communities, something that all Crees can be proud of today.

There is still more to be done to make sure that the future remains prosperous for the Cree Nation.

Our agreements bring benefits to all

Paix des Braves — A new relationship with Quebec

In 2002, the Crees of Quebec and the government of Quebec signed the New Agreement Concerning a New Relationship – Paix des Braves. This landmark deal has impacted all ways of life in the Cree Nation. From protecting our heritage and traditions to environmental concerns, the new agreement has opened a new path to the future.

The results of this new agreement are visible throughout the Cree Nation. We have benefited from community development through the expansion of infrastructure, more housing, the construction of community centres, more health services and expanded opportunities in education.

One of the main impacts of this agreement is that the Cree Nation now shares in the revenues created from resource development on Cree territory. There will be more benefits as the agreement unfolds and impacts our nation in the years to come.

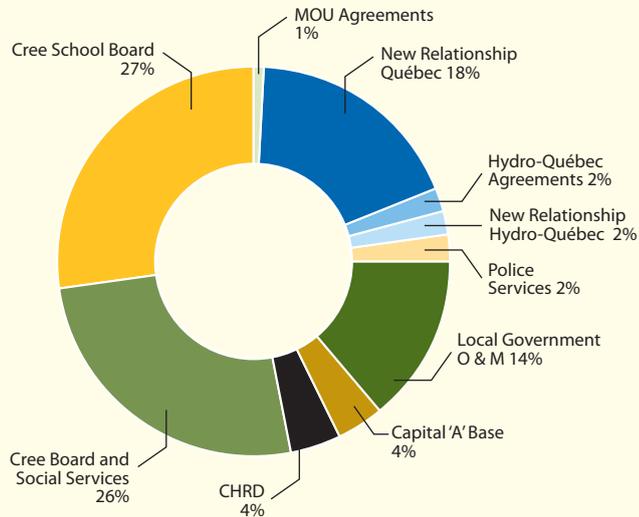
Highlights of the Paix des Braves

- Recognition of a nation-to-nation relationship, characterized by cooperation, partnership and mutual respect.
- Sustainable resource, economic and community development compatible with the Cree way of life.
- Resource revenue sharing – hydro-electric, mining, forestry
- Environmental and social impact review of the proposed EM1A/Rupert Diversion Project
- Cree Development Corporation
- Resolution of legal disputes
- Terms for the cancellation of the 6000 sq km NBR project
- Resolution of outstanding issues

Improved health care

An immediate and direct benefit of the Paix des Braves is health care. We have seen the budget for health care increase dramatically from 2004 under a new funding agreement with the Quebec government. It will produce consistent increases in base funding as well as sufficient new money to build and upgrade medical facilities and to acquire new professionals, such as doctors and dentists, to serve Cree health needs.

Cree Nation Funding Profile 2005/2006 Certain Sectors



The funding package provides for a base grant of \$69 million in 2004-2005, increasing \$40 million over the next five years, bringing base funding up to \$109 million annually by the fifth year of the agreement.

Funding will also allow for the expansion of services to include areas such as psychological counselling, health and nutrition support, as well as more resources to deal with issues at the community level, including related health concerns such as diabetes. There will also be new support for elderly and disabled people, with money to build and operate new centres, providing services to all Cree people.

Apatissiiwin means work

To improve opportunities for work within Hydro Quebec, the Apatissiiwin agreement signed in 2002 focuses on supporting Cree people to achieve technical skills needed to work in hydro operations management.

Hydro-Québec is committed to employ full-time up to 150 James Bay Cree who meet its hiring requirements by March 31, 2017. Positions to be filled include:

- Automation Electronics Technicians
- Telecommunications Technicians
- Apparatus Electricians
- Apparatus Mechanics

To accomplish this goal, Hydro-Québec will make available to the Apatisiwin Corporation each financial year from April 1, 2002 to March 31, 2017 inclusively, a yearly financial contribution composed as follows:

- A yearly basic financial contribution equal to the annual interest on a capital amount of \$30 million
- A yearly additional contribution amount of \$5 million

The first class of 10 graduated and there are about 50 additional Cree students that are in various phases of the program.

Another portion of this project is to build infrastructure to improve animal habitats and to create work for Crees in carrying out these projects.

The Nadoshtin Agreement

Purpose of the Agreement

This agreement, signed in 2002, provides for Cree remedial works and other measures in respect to the EM1 Project. At present, the dam is about 70% completed and is slated to produce electricity in late 2007.

The terms of the agreement provided for:

- Construction, operation and maintenance of the project
- Increases in the annual funding from the New Agreement
- Environmental, remedial and mitigating measures
- Implementation of the Nadoshtin Agreement
- Contract, employment and training opportunities to the Crees



Obligations of Parties

The Nadoshtin Agreement includes:

- A study on the use of the fishery in the Eastmain 1 Reservoir
- Environmental monitoring program for the Eastmain 1 project
- Lake Sturgeon study and management program
- Remedial action on the proposed 315 –kV line: Eastmain 1 Powerhouse to Nemiscau Substation
- \$1.5 million Training Fund for training costs, tuition fees, living expenses, transportation, partial reimbursement of salaries to contractors who train Crees on-the-job
- Archaeology and cultural heritage program
- Wildlife management plan to:
 - Conserve wildlife and ecosystems as defined by the JBNQA
 - Control access to wildlife and harvesting
 - Provide Crees with outfitting opportunities
 - Ensure Cree, Hydro-Quebec and FAPAQ cooperation
 - Enforcement of access restrictions

The agreement also provides an additional \$3 million as the EM 1 Mercury Fund. With a 20-year duration, it will be used for measures such as:

- Access to alternative fishing sites
- Fishing and hunting subsidies
- Fish and wildlife habitat enhancement
- Development of waterfowl hunting ponds

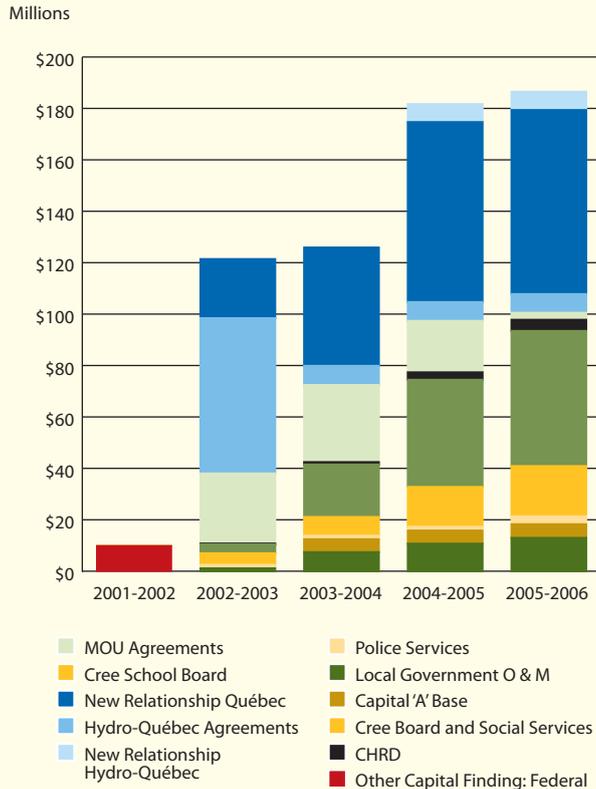
Many contracts with the Crees have been negotiated and their total value will exceed the value set out in the Agreement. These employment and contract opportunities shall in be in addition to those set out in the remedial works measures already planned.

Boumhounan Agreement

The Boumhounan sets aside certain funds for remedial works that the Crees will undertake related to the EM1A/ Rupert Diversion Project if the project is approved for construction. So far, trappers working with Hydro-Québec have examined the impacts of the proposed project. If the project is approved, public hearings will be held possibly next year and construction could follow the year after.

The agreement provides for all related remedial and mitigating works, with a guarantee that Crees will share in the economic benefits of all facets related to the project. Hydro-Québec will provide \$32 million to enable the continuance of Cree activities, alleviate negative impacts of the project and assist in the regeneration of habitats.

Historical Incremental Cree Nation Funding – Certain Sectors



Note: Figures are stated on the basis of agreements. In certain cases, monies have not been expended but remain available.

Dispute Resolution Agreement

Also signed in 2002, the Dispute Resolution Agreement created the GCC(EI)-CRA/HQ-SEBJ Dispute Resolution Committee. The mandate of the Committee is to attempt to resolve all outstanding disputes between the GCC(EI), the CRA, the Crees of Québec and the Cree communities.

The Dispute Resolution Agreement will help to ensure future harmony and effective implementation of projects.

The New Relationship Agreement with Hydro Quebec

This Agreement, signed in 2004, resolved settled court proceedings and establishes a relationship of mutual respect, good faith, reconciliation, partnership, meaningful participation and mutually beneficial economic and social arrangements.

It also:

- Establishes certain public safety measures
- Sets up a long-term funding starting at \$7 million indexed for as long as the La Grande Project continues, to address impacts of the La Grande Complex of interest to the Crees
- Over time it will increase access to contracts for Cree Enterprises on the La Grande Complex
- Sets up a permanent exchange forum and dispute resolution mechanisms

Mineral Resources Development Agreement

There is considerable potential to create revenue from mining in Eeyou Istchee. To ensure Crees benefit from such activity on our lands, we signed the Mineral Resources Development Agreement in 2002. The agreement seeks to develop and support Cree mineral prospecting and exploration activities, to bring about and encourage activities related to the assessment of the region's mineral potential, as well as develop regional Cree organizations involved with mineral resources.

The agreement also will:

- Encourage the Cree communities to become more involved in mineral development
- Encourage and develop the out coming of Cree prospectors
- Foster the training of a specialized Cree workforce
- Develop within the Cree communities reputable expertise
- Promote the emergence of Cree entrepreneurship
- Integrate Crees into the various mineral exploration activities carried out in the territory
- Promote over a medium term the creation of Cree enterprises involved in mineral exploration and related fields
- Promote a more thorough assessment of the region's mineral potential through geological research and mapping activities.

Since the agreement was signed, exploration has uncovered large deposits of valuable gold, silver and copper ore. Many Crees are employed in exploration and also at the Troilus Mine.



Mercury Agreement

Mercury is a cause of major concern in the James Bay Region in respect to its implications for the health of both human beings and wildlife. Under this agreement, the Crees and Quebec will work collaboratively, to address both the human health and environmental issues raised by the presence of mercury in the environment.

The agreement is to “restore and strengthen Cree fisheries in ways that respond to Cree needs, but also adequately take into account the health risks associated with human exposure to mercury and other contaminants.” It allows Crees to search for alternative fishing sites to provide fish to the communities.

The agreement outlines way to deal in a responsible and reasonable manner with the management and conservation of fish resources in the James Bay Region. The Mercury Funds are composed of the Nameess Fund, the EM 1 Mercury Fund, the Eastmain 1-A/Rupert Mercury Fund. The \$24 million Nameess Fund is used to fund the Monitoring and Research Programs and the Fisheries Restoration and Development Programs.

“Demantelement” Agreement

Past exploration and engineering research on Cree lands has led to the need to dismantle former work sites. To ensure a safe and appropriate clean up, the “Demantelement” Agreement was signed in 2002.

The exercise of decommissioning Hydro-Québec and La Société d’énergie de la Baie James sites or installations no longer in service shall continue so long as such sites or installations are identified by Crees or Hydro-Québec.

Under the terms of the agreement, the parties will do all things reasonable to implement recommendations made by the neutral third party. In every instance where the Parties are in disagreement as to further action to be taken in accordance with the ‘Decommissioning Plan’ and the ‘Environmental Action Plan’, the matter shall be referred to a neutral third party, such as a professional of the École polytechnique, chosen jointly by the Parties for review and recommendations. Hydro-Quebec and La Société d’énergie de la Baie James pay the cost of the services.

Waskaganish Transmission Line Agreement

Starting next year, Hydro-Québec will begin construction of a transmission line to bring Waskaganish on to the hydro grid. This will eventually lead to full hydro services in the community.

The transmission line will run from the Nemiscau substation, generally following the course of the existing access road from the James Bay Highway to Waskaganish. Subject to all required permits and authorizations being granted, the transmission line should be fully in service by December 31, 2006.

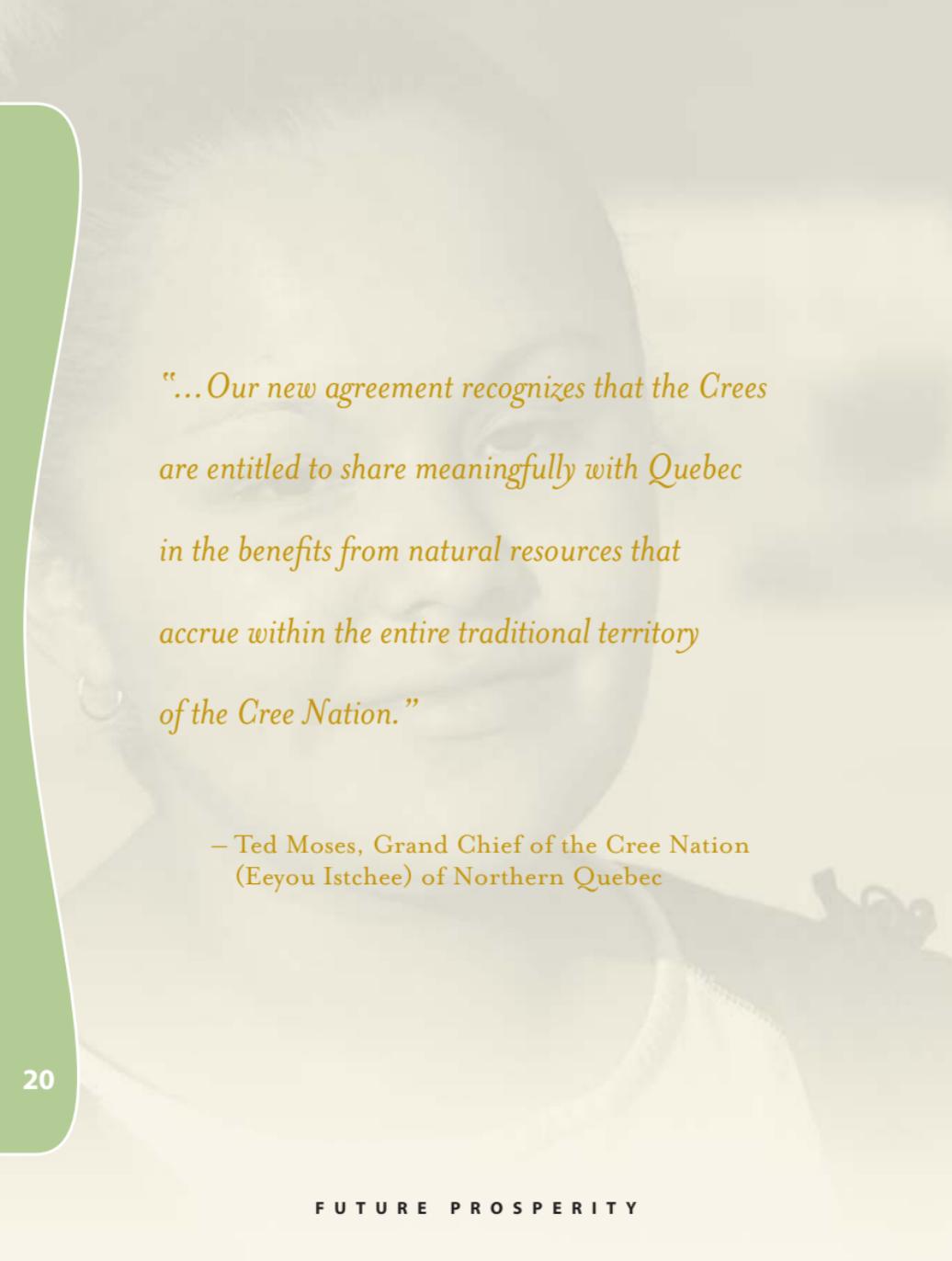
Whapmagoostui Transmission Line Agreement

A study is now being undertaken to determine the feasibility of a transmission line to connect the community of Whapmagoostui to the Hydro-Québec electricity transmission network. This would allow Hydro-Québec to adequately supply the electricity needs of this community (including electric heating).

The transmission line would be constructed by Hydro-Québec or SEBJ as soon as the Whapmagoostui First Nation and Hydro-Québec determine it is appropriate to proceed with the line. It shall be constructed, operated and maintained by Hydro-Québec or SEBJ in accordance with Hydro-Québec standards and all other applicable government standards.

In the event a road is built to link the community of Whapmagoostui to the Quebec road network, Hydro-Québec or SEBJ will then proceed to construct the transmission line as soon as the road is completed.





“...Our new agreement recognizes that the Crees are entitled to share meaningfully with Quebec in the benefits from natural resources that accrue within the entire traditional territory of the Cree Nation.”

– Ted Moses, Grand Chief of the Cree Nation (Eeyou Istchee) of Northern Quebec