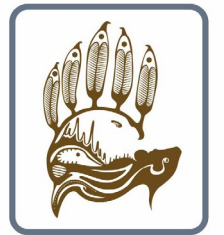


Resource Revenue Sharing (RRS) Agreement

Mike Molyneaux

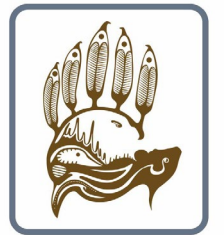
Acting Lands and Resources Director



Temagami First Nation
Lands and Resources

What is Resource Revenue Sharing (RRS):

- Resource Revenue Sharing is the practice of sharing the economic benefits of resource extraction.
- The province proposes to share revenues from the forestry, mining and aggregate activities which occur within n'Daki Menan.



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TFN Participated in RRS Pilot Project

- While TFN participated and was a key contributor to the development of the pilot project in 2017 which led to the formalization of agreements, and despite the fact that TFN has repeatedly indicated that it was in agreement to being a party to an RRS Agreement, it has been excluded to date.
- Previously, the Ministry indicated that TFN would need to sign on to this agreement via association with the Wabun Tribal Council. This did not take place.



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Expanding RRS Agreements:

- On September 13, 2021, Minister Rickford wrote to Political Territorial Organizations inviting them to enter discussions to expand RRS to other First Nations by building on the approach from the three existing Agreements.
- Lands & Resources department met with Ontario on February 9, 2022 to explore the option of an agreement as an Independent First Nation (and not part of the Wabun Tribal Council agreement). As a result, Ontario accepted our request to move forward with an independent agreement.
- February 18, 2022 Ontario required a BCR by February 25, 2022 to move forward with an agreement. Timelines were tight due to the upcoming Ontario election.



Temagami First Nation
Lands and Resources

TFN BCR to enter into negotiations with Ontario

(Feb 24, 2022) – BCR #2022-010:

Do hereby resolve:

WHEREAS Temagami First Nation (TFN) participated in the development of a pilot project with the Ministry of Natural Resources and Forestry (now called Ministry of Northern Development, Mines, Natural Resources and Forestry and hereafter referred to as **MNDMNR** or “**the Ministry**”) related to Resource Revenue Sharing (RRS), and;

WHEREAS MNDMNR entered into RRS agreements with Wabun Tribal Council and other parties effective April 30, 2018 that excluded the Temagami First Nation, and;

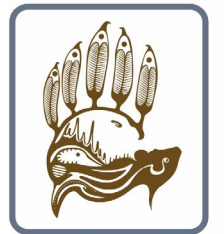
WHEREAS TFN has repeatedly expressed its aspiration to enter into a Resource Revenue Sharing agreement, and;

WHEREAS By way of email correspondence as attached from Priya Tandon, (Director, Strategic and Indigenous Policy Branch, MNDMNR) dated February 18, 2022, the Ministry has indicated that a Resource Revenue Sharing agreement could be put in place with the Temagami First Nation as per “Option Two” that would enable sharing of Provincial revenues beginning with the 2021-22 fiscal year subject to the receipt of a Band Council Resolution “as soon as possible to conclude a draft RRS Agreement by February 25th, 2022), and;

WHEREAS TFN recognizes the significant loss of revenue as a result of exclusion from the agreement for the fiscal years commencing April 1, 2018 and concluding March 31, 2021 and will continue to communicate with the Ministry related to appropriate compensation, and:

WHEREAS Temagami First Nation (TFN) and Teme Augama Anishinabai (TAA) work jointly on matters pertaining to defending and exercising our inherent rights throughout n’ Daki Menan.

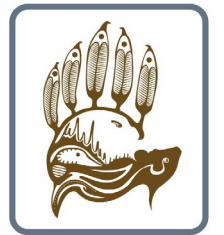
THEREFORE: Temagami First Nation agrees to enter into negotiations with MNDMNR with the objective of concluding a Resource Revenue Sharing Agreement effective April 1, 2021.



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TFN/TAA Working Group for Negotiations of Agreement with Ontario:

- TFN Chief Shelly Moore-Frappier
- TFN 2nd Chief John McKenzie
- TFN Councillor Mike Paul
- TAA Chief Leanna Farr
- TAA 2nd Chief John Turner
- TAA Councillor Mary Laronde
- Nico McKay, First Peoples Law
- Guy Ginter, Negotiator
- Mike Molyneaux, Acting Lands & Resources Director
- Victoria Winsor, GIS Lands Technician



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Lands and Resources

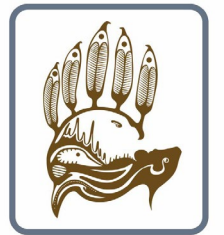
Agreement Approval Process:

- On March 15, 2022 TFN/TAA agreed in principle, pending community approval processes.
- Agreement is now in the Minister's office undergoing final approvals.
- “Temagami First Nation Chief and Council and the Teme-Augama Anishinabai Chief and Council are agreeing in principle to move forward with the Forestry, Mining and Aggregates Resource Revenue Sharing Agreement with Her Majesty the Queen in right of Ontario as represented by the Minister of Northern Development, Mines, Natural Resources and Forestry.”



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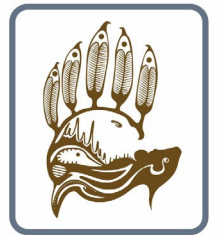
What do we know about Resource Revenue Sharing (RRS)?



Temagami First Nation
Lands and Resources

Expanding RRS

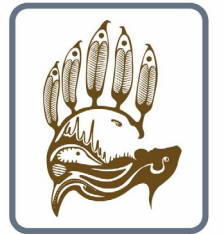
- Ontario made a commitment to explore options that advance RRS opportunities with First Nations, including in the mining, forestry, and aggregates sectors.
- The ministry currently has 3 RRS agreements with Grand Council Treaty #3, Wabun Tribal Council and Mushkegowuk Council, representing 35 First Nation communities.
- On September 13, 2021, Minister Rickford wrote to First Nation organizations inviting them to enter discussions to expand RRS to other First Nations by building on the approach from the three existing Agreements.



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Ontario's Key Principles of Current RRS Agreements:

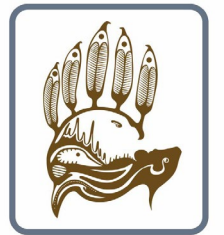
- Advance reconciliation between Ontario and Indigenous peoples and communities.
- Improve socio-economic outcomes for Indigenous peoples and communities.
- Provide a direct link and benefit between local resource operations and Indigenous communities.
- Policy-based: RRS Agreements are not based on Aboriginal or Treaty Rights, or Title.
- Not intended to inhibit Impact Benefit Agreements or other agreements signed directly between industry and communities.



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Existing First Nation RRS Agreements:

- Five-year, renewable agreement with streamlined reporting.
- Whereas clauses can be used to acknowledge Indigenous and Ontario perspectives.
- Allow for eligible communities to 'opt-in' or 'opt-out' at a future date after the agreement is in place.



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Existing First Nation RRS Agreements: Use of RRS Funds:

- Communities/organizations decide how funds are used within five broad spending categories:
 - Economic Development
 - Community Development
 - Cultural Development
 - Education
 - Health
- Funds may also be used to support administration of the Agreement or be deferred to future years. However, the Agreements do not allow for cash payments to individuals.

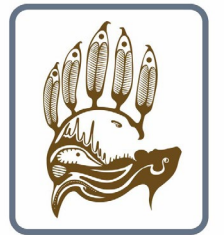


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RRS Agreements:

- **Ontario will Share:** – because this is policy there was no negotiation of the formula:
 - 40 % of the annual mining tax and royalties as published in Public Accounts from mines active at the time the agreements were signed.
 - 45% of the annual mining tax and royalties from future mines.
 - 45% of government revenues from forestry stumpage.
 - 45% of government revenues from aggregate royalties.

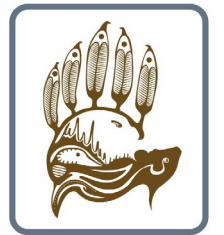
Note: RRS Formula Overview of how revenues are calculated is in a separate document and available upon request.



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RRS Agreements:

- **Other Notable Aspects of the Agreements:**
- There is no minimum or maximum payment amount.
- Clause that Impact Benefit Agreements are not affected.
- Agree to discuss any 'on the ground conflict' related to mining, forestry, aggregates.
- Eligibility for RRS is primarily based on the proximity of a First Nation to resource extraction and development.
- Agreement extension discussed after year four.



Temagami First Nation
Lands and Resources

Agreement:

The purpose of this Agreement is to set out the terms under which the Parties will share specified Crown forestry charges, mining tax and royalty revenues, and aggregates royalty revenues (the “**Revenues**”) received by the Province for the fiscal years 2021-2022, 2022-2023, 2023-2024, 2024-2025, and 2025-2026 (each a “**Fiscal Year**”). For greater certainty each Fiscal Year commences on April 1 of a year and concludes on March 31 of the following year.

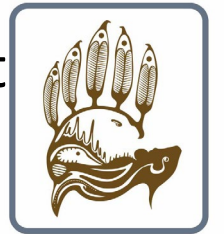
Fiscal Year	Year-Year	Date-Date
1	2021-2022	April 1, 2021-March 31, 2022
2	2022-2023	April 1, 2022-March 31, 2023
3	2023-2024	April 1, 2023-March 31, 2024
4	2024-2025	April 1, 2024-March 31, 2025
5	2025-2026	April 1, 2025-March 31, 2026



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Payments:

- RRS payments are provided each year by December 31st.
- The payments are based on the previous fiscal year Mining Tax and Forestry Stumpage.
- For example, the payment provided in December 2020 was based on the 2019-20 year. So, if a new agreement is signed by March 2022, funds will flow in December 2022.
- The first payment for aggregate royalties will be made in December 2022, based on revenues received during fiscal 2021-2022.
- When Ontario provides the payments, it will also include a reviewable report explaining the payments.
- Payments are made through the Transfer Payment Ontario system.



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Why Resource Revenue Sharing – Ontario's Perspective?

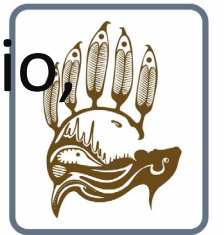
- Facilitate greater participation by First Nations in the forest economy
- Create a positive climate for investment and business partnerships
- Build stronger and more collaborative relationships with First Nations in Ontario
- Direct economic benefits to First Nations from forestry, mining and aggregates
- Ontario Political Accord: *“work together to address common priorities including resource revenue sharing”*



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Why Resource Revenue Sharing from TFN/TAA Perspective?

- We see this as an incremental measure as a means to create a revenue stream to support our land stewardship objectives.
- Create a more positive environment for a broader revenue sharing program and the advancement of long-term revenue streams.
- Despite the tight timeline and imposed policy, the TFN/TAA Joint Council is responsible to bring this proposal, from Ontario, to the community for a decision.



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Objectives of use of Funds:

#	MATTER	DESCRIPTION
1	ECONOMIC DEVELOPMENT	Economic Development , which could include providing TFN with direct economic benefits from forestry, mining and aggregates and creating a more positive climate for investment and business partnerships, and enhancing TFN's involvement and readiness in regard to resource planning and development;
2	Community Development	Community Development , which could include building governance structures including strengthening land and environmental management;
3	Cultural Development	Cultural Development , which could include the preservation, promotion and development of TFN's culture and language;
4	Education	Education , which could include creating greater capacity and more meaningful and longer term participation by TFN in the forestry, mining and aggregates economies, including readying TFN's youth for participation in these economies; and
5	Health	Health , which could include assisting with restoring TFN's health and prosperity and supporting activities that enhance the community's health indicators over time.

In the agreement, TFN/TAA shall not use any portion of the Funds for:

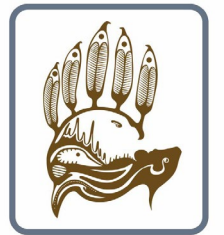
- per capita distributions, but without limiting TFN's ability to distribute funds for the purposes of educational bursaries, artistic/cultural funding, nutritional support, or other payments to specific community members it may identify for one or more of the purposes stipulated in the Objectives;
- distribution to any other Indigenous community;
- the costs of litigation; or
- investing the Funds with a view to preserving or seeking a return on them without advancing initiatives benefiting Temagami citizens as determined by the TFN Council and the Teme-Augama Anishnabai Council, and falling within any of the matters set out in the objectives.



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TFN/TAA's VIEW OF THE AGREEMENT

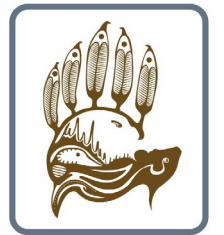
- Revenues from resource extraction will be collected by the Crown regardless of a resource revenue sharing agreement between TFN and the Crown. The Resource Revenue Sharing agreement is an opportunity for TFN/TAA to receive a portion of the revenues generated by resource extraction on n'Daki Menan.
- **Entering into a Resource Revenue Sharing agreement does not mean that TFN/TAA supports natural resource extraction on n'Daki Menan.**
- TFN/TAA does not agree with limitations imposed by the Crown that dictate how revenues received by TFN through this agreement are utilized.



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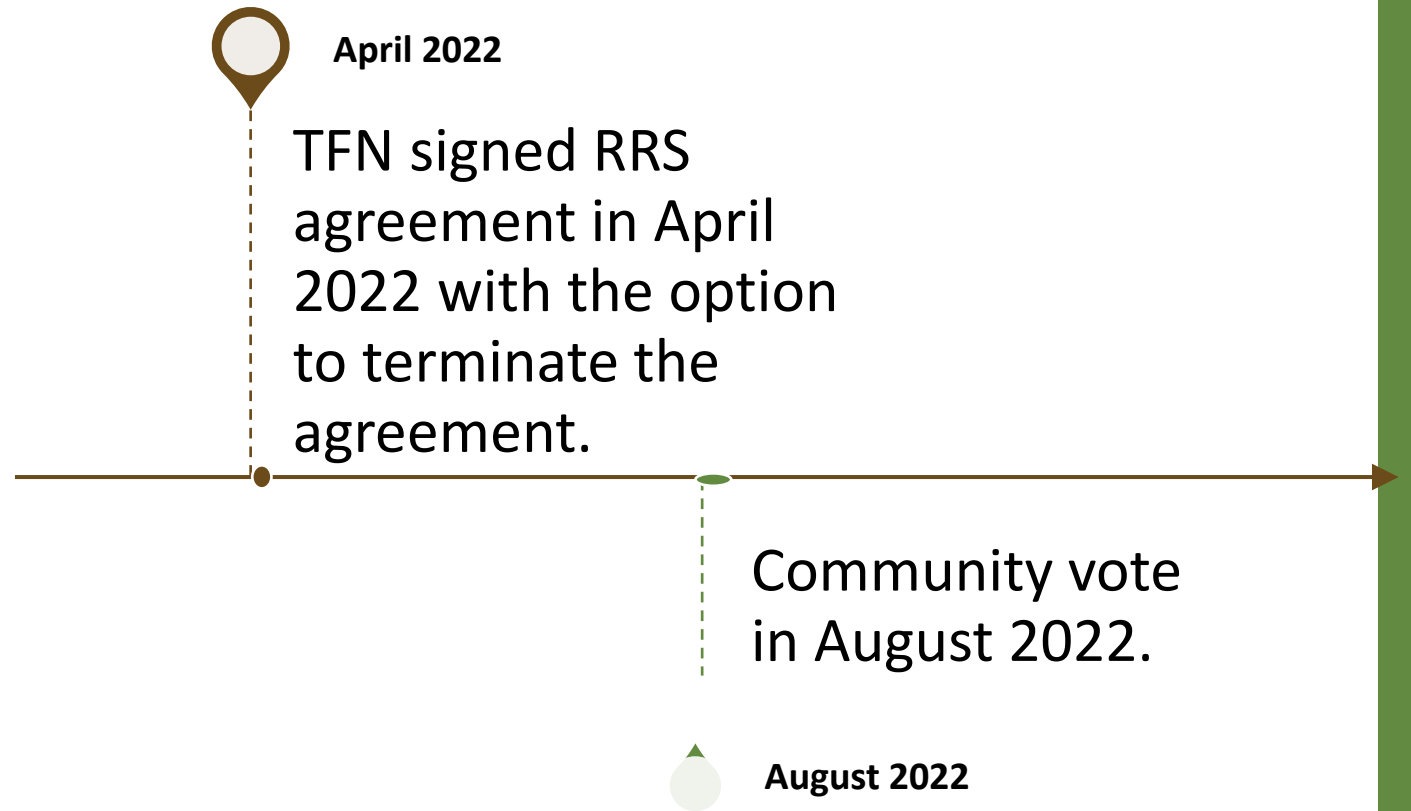
TFN/TAA's VIEW OF THE AGREEMENT *(continued...)*

- TFN is an Independent First Nation and wants to continue to be recognized as an Independent First Nation with regards to Resource Revenue Sharing; TFN does not wish to be represented by a collective of First Nations (ie. Wabun Tribal Council).
- TFN is furthering negotiations with entering into a Resource Revenue Sharing Agreement with the Crown as an Independent First Nation, representing ourselves; and not as a member of a collective.



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Next Steps:



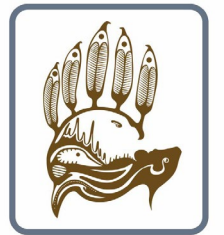
Questions?

For more information please contact:

Mike Molyneaux, Acting Lands & Resources Director

705-237-8943 ext 205

assistantlandsdirector@temagamifirstnation.ca



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