

Engagement Plan Fort Liard South, NWT

Version 1

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1.0 INTRODUCTION

Paramount Resources Ltd. (Paramount) is a leading, independent Canadian energy company that is focused on responsibly developing its world-class portfolio of diverse resource plays while consistently building value for shareholders. Paramount develops, produces and markets natural gas, oil and natural gas liquids in Alberta, British Columbia, Saskatchewan and the Northwest Territories. With daily production now nearing 100,000 Boe/d since the acquisition of Apache Canada Ltd. (ACL) and merger with Trilogy Energy Corp

Paramount holds mineral rights in the Liard area under several Significant Discovery Licences and Production Licences. These rights were acquired through several different corporate transactions, including but not limited to, oil and gas rights sales, farm-ins and purchases from other oil and gas companies. Most recently, through the acquisition of ACL, Paramount became the operator of Pointed Mountain and has recently transferred approvals related to those properties into Paramount's name.

As a result of the acquisition of these various rights, and numerous subsequent regulatory approvals, Paramount is an operator of oil and gas activity in the Liard Area of the Northwest Territories. Paramount divides the Liard area into four project areas: Liard West, Liard South, Liard East and Pointed Mountain. In appendix A of this document is an area overview map, along with a project specific map and below is an overview of the project area.

LIARD SOUTH

Paramount Resources Ltd. (Paramount) is the operator of the Liard South Project, which encompasses winter access roads; well sites, decommissioned pipeline, barge landing, camp and decking sites; and various borrow pits, sumps and other clearings. Three wells (F-36, O-35 and N-01) were tied-in to the pipeline system, the main stem of which runs 26km from well site F-36 to a compressor station in British Columbia (Maxhamish d-36-I) and is known as the Shiha Pipeline (see Appendix A for Fort Liard South As-built June 2017 map). This trans-border pipeline is operated by Shiha Energy Transmission Ltd., a partnership between the Acho Dene Koe Band and Paramount.

Poor economic conditions (*i.e.* low gas production rates and market value) prompted Paramount to suspend production late in 2007 and then to formally deactivate the project in April 2008 (according to National Energy Board (NEB) miscellaneous order MO-09-2008, which allows the deactivation of the pipeline until such time as the NEB approves its abandonment). In the 2016-2017 Paramount abandoned and decommissioned numerous sites. At this time, the Liard South Project is not operating except for on-going surveillance and environmental monitoring.

2.0 REGULATORY FRAMEWORK

In the Liard project area Paramount receives oil and gas approvals from the Office of the Regulator of Oil and Gas Operations (OROGO), except for the Shiha Pipelijne which is regulated by the National Energy

Board. The Mackenzie Valley Land and Water Board (MVLWB) regulates the use of land and water and the deposit of waste through the issuance of Land Use Permits (LUPs) and Water Licences (WLs).

On June 1, 2013 the MVWLWB released its *Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits*, this engagement plan is designed based upon the requirements of those guidelines and the regulatory mandate of the MVLWB.

2.1 ASSESSMENT PROCESSES

The Liard South project area has been the subject of an Environmental Assessment processes and preliminary screening prior to licencing and permitting of activity. In 1998 an Environmental Impact Assessment (EIA) focusing on two exploratory wells (F-36 and I-03); using existing cut lines for access and locating work camps/staging area was conducted. Also, in 1998 an Environmental Impact Assessment (EIA) focusing on four exploratory wells (A-01, K-46, C-02 and P-57); it included winter access roads, all on existing cut lines; siting four temporary work camps and using borrow pits. In 1999 an Environmental Impact Assessment (EIA) focusing on ten exploratory wells (O-35, G-35, E-37, M-25, I-46, G-47, I-23, L-24, C-58, C-02 and I-02); the barge landing, nine camp sites; 34.6km access plus 3.3km winter road; a water well; surface water withdrawal and borrow pits. A Heritage Resources Impact Assessment was conducted by Paramount for Fort Liard Drilling Project and NWT Portion of the Shiha Pipeline Project NWT Archaeologist's Permit 99-890 in 2000. It is important to note that several of the components that were assessed were never permitted, licenced or built.

In support and as outcomes of the above-mentioned assessment processes several engagement studies were conducted by Paramount and previous operators, an example is listed in Table 1 below.

Table 1: Engagement Studies

Kotchea, J. and Sawicki, O. 1999. Report on Traditional Knowledge of Natural and Cultural Resources Within the Porposed Access Road/Well Site Corridor Between Fort Liard, NWT and Maxhamish Lake, B.C.	This traditional knowledge project was developed to assess impact resulting from development proposed by Paramount Resources Ltd.	Liard South
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2.2 LICENCES AND PERMITS

The Liard South area has had activity pre-dating the creation of the MVLWB under the Mackenzie Valley Resource Management Act. Permits and licences from the MVLWB to Paramount date back to the year 2000. Permitting and licencing activities have continued through the life of the project area at South Liard and is in the third permit and licence cycle, soon to be fourth. These historical permits and licences had a much larger scope of activities associated with them then is approved currently. In the Table below is a listing of Paramount's previous LUPs and WLs in the Liard area.

Table 2: Historical LUPs and WLs

MV2002A0038
MV2002L1-0004
MV2009A0017
MV2009L1-0006

The above LUPs and WLs are publicly available via the MVLWB Public Registry (<http://www.mvlwb.ca/Boards/mv/SitePages/registry.aspx>), including the engagement work associated with each LUP and WL. Examples of the consultation logs submitted in support of LUP and WL applications are in Appendix B.

Table 3 below lists Paramount's current LUPs and WLs for the Liard South Project Area. Given the current state of the project (built and in some instances decommissioned and/or suspended) the scope of the LUPs and WLs are very limited. Activities contemplated include camps, access, suspensions and abandonments, reclamation and remediation. It is important to note that OROGO is the regulator for the down-hole activities of suspension and abandonment (except the Shiha pipeline): however, surface use, waste disposal and water use for these activities is within the jurisdiction of the MVLWB.

Table 3: Current LUP and WL

Liard South	Public Registry Link
MV2016A0010	https://mvlwb.com/registry/MV2016A0010
MV2016L1-0002	https://mvlwb.com/registry/MV2016L1-0002

3.0 AFFECTED PARTIES ENGAGEMENT

An affected party is defined as *"a party that is predicted to be affected by a proposed Project, such as an Aboriginal organization/government, an individual occupying land for traditional purposes, a private landowner, or lease holder (e.g., for a lodge)."*¹ As previously stated and is evident on the public registries

¹ Engagement and Consultation Policy

of the MVLWB, Paramount's Liard South Project has a long and extensive engagement history. Paramount's level of engagement with affected parties has been and will continue to be reflective of its activity level in the area. Prior to and during construction and development activities engagement activities were more frequent and intense and included studies, community meetings, open houses, meetings with Chief and Councils, telephone calls and both written and electronically notifications. As the activity in the Project areas have declined the frequency and magnitude of engagement has followed suit.

3.1 LIST OF IDENTIFIED AFFECTED PARTIES

In Table 4 below is a list of identified affected parties for the Liard South project area:

Table 4: Affected Parties for the Liard South Project Area

Affected Party	Contact Person(s)	Contact Information
Acho Dene Koe First Nation	Chief Gene Hope	General Delivery, Fort Liard, NT X0G 0A0 867-770-4571 chief@adkfirstnation.ca
Acho Dene Koe First Nation Land Services c/o Shared Value Solutions	Director: Scott Mackay Manager: Meghan Buckham	62 Baker Street Guelph, Ontario N1H 4G1 226-706-888 (ext. 102 and 108) lands@adkfirstnation.ca
Acho Dene Koe Corporate Group	Tom Wezelman	General Delivery, Fort Liard, NT X0G 0A0 867-770-4571 TomWezelman@adkcorporate.ca
ADK Holdings Ltd.	Jodi Carlow	General Delivery, Fort Liard, NT X0G 0A0 (250) 727-5903 JCarlow@jbts.ca
Dehcho First Nations	Grand Chief Gladys Norwegian and Regional Technical Coordinator Nicole Hardisty	PO BOX 89 Fort Simpson, NT X0E 0N0 867-695-2610 Nicole_Hardisty@dehcho.org
		PO BOX 958 High Level, AB

Dene Tha First Nation	Chief James Ahnassay	T0H 1Z0 780-926-2422 James.Ahnassay@denetha.ca
Dene Tha First Nation	Fred Didzena Director of Lands Department	PO Box 120 Chateh, AB T0H 0S0 780-321-3774 Fred.Didzena@denetha.ca
Hamlet of Fort Liard	Mayor Hilary Deneron and Senior Administrative Officer John McKee	General Delivery Fort Liard, NT X0G 0A0 867-770-4104 web@fortliard.com sao@fortliard.com
Sambaa K'e First Nation	Chief Dolphus Jumbo	PO Box 10 Trout Lake, NT X0E 1Z0 Tel: (867) 206-2800 chief@sambaakefn.com
Sambaa K'e First Nation	Jessica Jumbo Environmental Coordinator	PO Box 10 Trout Lake, NT X0E 1Z0 Tel: (867) 206-2800 environment@sambaakefn.com
Sambaa K'e First Nation	Ruby Jumbo Executive Director	PO Box 10 Trout Lake, NT X0E 1Z0 Tel: (867) 206-2800 manager@sambaakefn.com
Sambaa K'e First Nation (Planit North Inc.)	Christine Wenman Lands, Resources and Environment Advisor	1st Floor, 4501 – 50th Avenue Yellowknife, NT Tel: (867) 445-4127 christine@planitnorth.ca
Sambaa K'e Development Corporation	Brenda Jumbo Manager	PO Box 10 Trout Lake, NT X0E 1Z0 Tel: (867) 206-2800 sdcorp@yahoo.ca

3.2 ONGOING ENGAGEMENT

Paramount plans on closing the Liard South project area in the near term, as a result, ongoing engagement activities are expected to be focused on those activities. As a result, engagement activities for MVLWB regulated activities are expected to focus on closure and reclamation over the course of the

current LUPs and WLs terms. Contemplated activities and the associated engagement are outlined in Table 5 below. The ordering of Table 5 is sequential from the most likely to least likely activity.

Table 5: Activities Requiring Engagement

Activity	Potential Issue(s)	Planned Engagement	Planned Engagement Follow-up
LUP Replacement Application	Paramount's short and long-term plan for the project area. Effectiveness of current conditions and plans	Written Notification	Telephone Calls and Electronic correspondence
WL Replacement Application	Paramount's short and long-term plan for the project area. Effectiveness of current conditions and plans	Written Notification	Telephone Calls and Electronic correspondence
Reclamation and remediation planning and activities	Timing, techniques, technology and contracting opportunities	Written Notification, electronic correspondence, MVLWB regulatory process. 60 days notification prior to site activities.	Telephone Calls and in person (face to face and virtual) meetings
OROGO Authorized Oil and Gas Activities	Timing and Contracting opportunities	Written Notification 60 days prior to activity	Telephone Calls and Electronic correspondence
Spill (Acho Dene Koe)	Location, size and response actions	Written Notification	Telephone calls and electronic correspondence

Ongoing engagement is expected to continue with all the affected parties identified in Table 4.

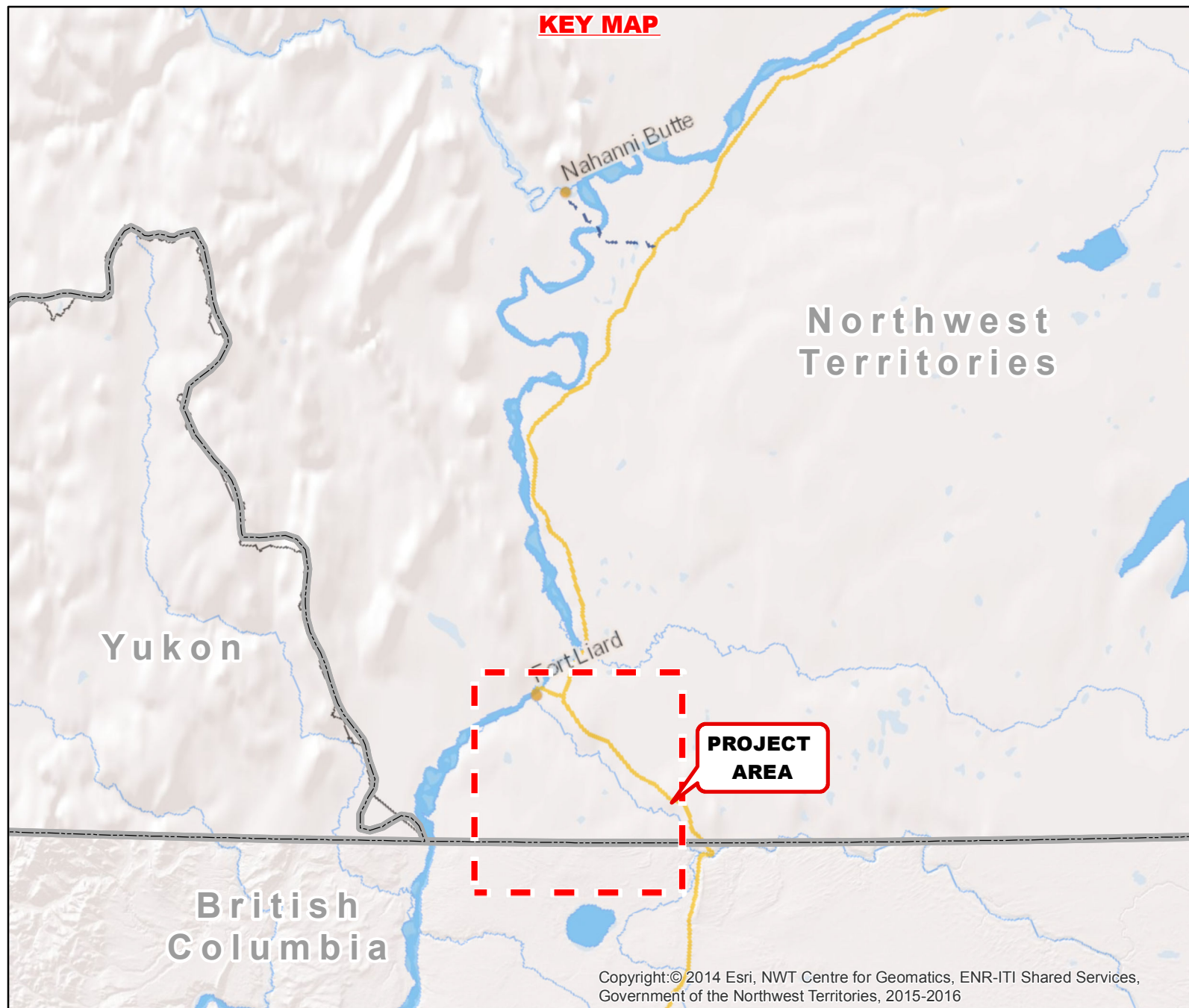
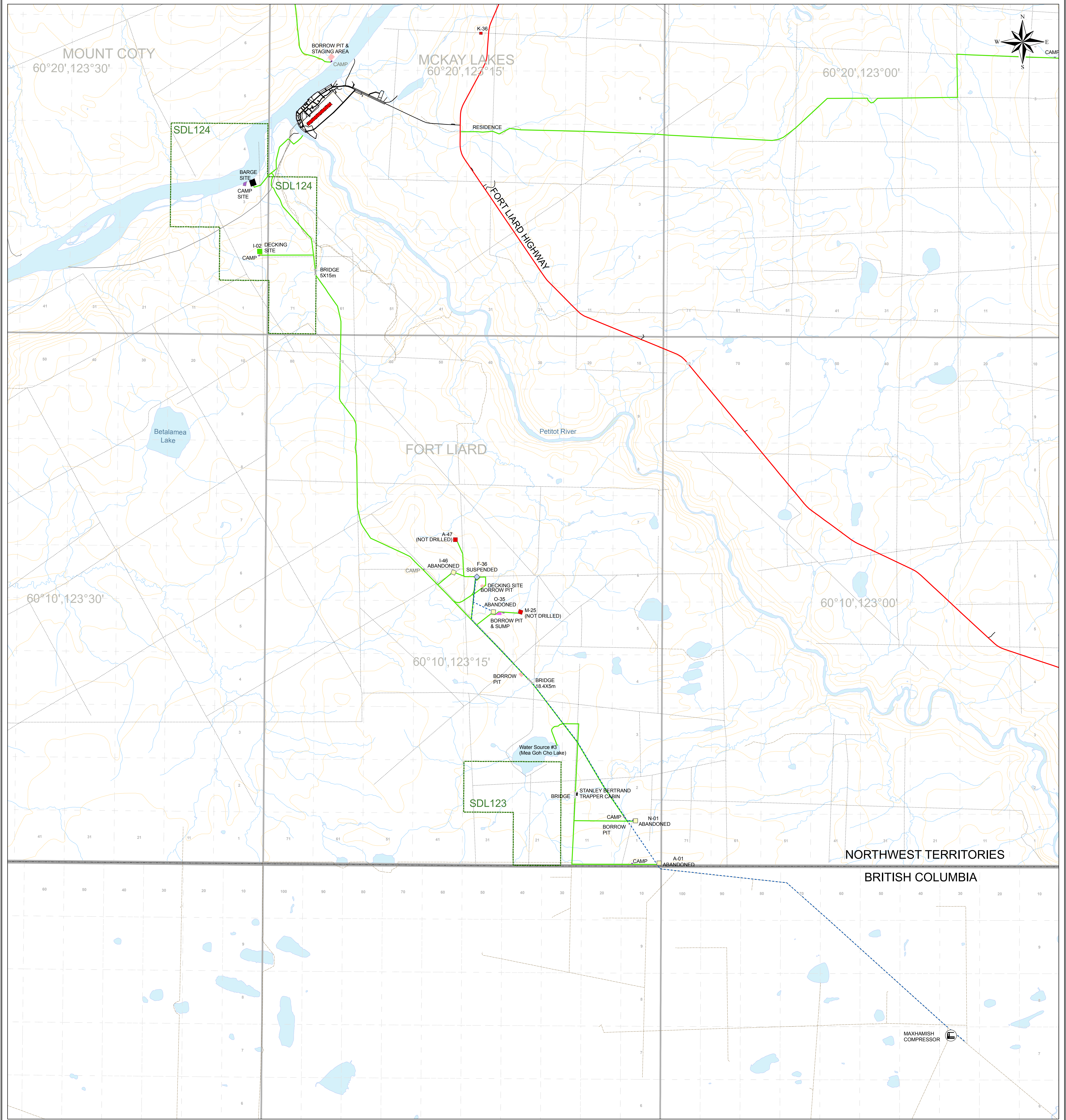
4.0 CONCLUSION

Paramount will continue to engage affected parties through the remaining life of its current LUPs and WLs and throughout the remaining life of the Liard South project area. In support of regulatory

FORT LIARD SOUTH, NWT: ENAGEMENT PLAN
PARAMOUNT RESOURCES LTD.

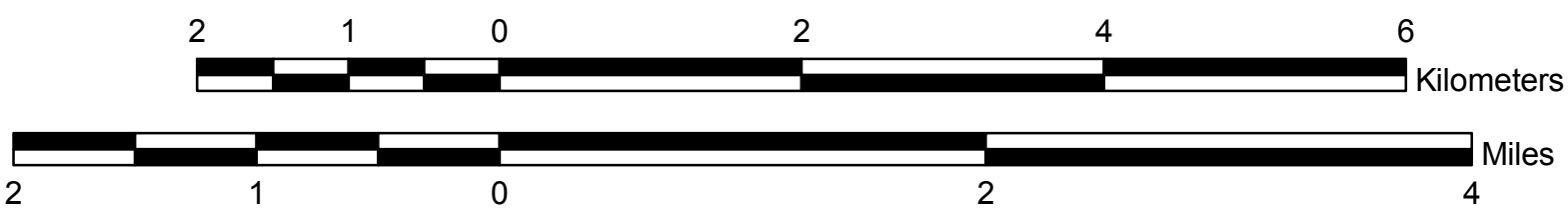
submissions to the MVLWB Paramount will continue to provide documentation of Paramount's engagement activities relating to the MVWLB regulatory authority.

5.0 APPENDIX A: AS BUILT MAPS



FORT LIARD SOUTH

As-Build June 2017
60°20', 123°30" to 60°10', 123°00'
NORTHWEST TERRITORIES



Scale: 1:50,000

- Leases**

 - Abandoned
 - Built
 - Built - Tied-in
 - Foreign
 - Reclaimed
 - Suspended
- Facilities**

 - Camp - Built
 - Camp - Foreign
 - Battery - Built
 - Sump - Built
 - Borrow Pit - Built
 - Decking Site - Built
- Gathering System**

 - Built
 - Not Used
 - Not Built
 - Foreign
- Access Roads**

 - Access Built
 - Access Foreign
- Boundaries**

 - SDL Lands
 - Provincial Boundaries
 - Contours
- Hydrography**

 - Waterbody
 - Watercourse
- Transportation**

 - Highway
 - Old Paramount Ice Road
 - Road
 - Trail
 - Cut Line
- Legend**

 - Road
 - Built
 - Foreign
 - Bridge
 - Gas Plant / Compressor
 - Cabins

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Job No.: 170347C		MXD No.: 170347-OM-02.mxd		Coordinate System: NAD 1983 UTM Zone 10N	
REVISION	DESCRIPTION			DRAWN BY	DATE
00	Original Map Created			KDG	2017-06-27



6.0 APPENDIX B: CONSULTATION LOGS

Liard South Engagement Plan Consultation Log			
Contact	Contact Method	Date	Summary of Discussion
List of Affected Parties identified in the Liard South Engagement Plan	Email	January 15, 2021	Paramount Resources Ltd. ("Paramount") sent out a cover email and a project specific updated engagement plan via email to affected parties
Boyd Clark, Advisor (Acting Band Manager) on behalf of Acho Dene Koe First Nation	Email	February 8, 2021	Acho Dene Koe First Nation is not a stakeholder in this process, we are rights holders and have a special relationship with the Crown owing to Treaty and inherent rights enshrined in the Constitution and should be identified as such consistently in the plan. In Section 2.1-Table 1 Engagement Studies, Acho Dene Koe First Nation requests that Paramount support and provide capacity for updated Traditional Knowledge and Land Use (TKLU) activities as required to support assessment of potential impacts. In Section 3.1-Table 4, Acho Dene Koe First Nation requests that engagement with our economic development corporation, be directed at ADK Holdings Ltd. ADK Holdings Ltd. – Jodi Carlow, General Delivery, Fort Liard, NT, X0G 0A0 (250) 727-5903 JCarlow@jbts.ca. In Section 3.2 -Table 5, under the potential issues' column for the Land Use Plan and Water License applications, please include an assessment of the effectiveness of existing permit conditions and monitoring plans in mitigating impacts to Treaty and Aboriginal rights and interests.
Chief Gene Hope, Acho Dene Koe First Nation	Email	February 18, 2021	Paramount provided a response to ADKFN via email and made some alterations to the Engagement Plan as a result of the feedback prior to submitting to the MVLWB. Paramount updated the heading on Table 4, added the additional contact for ADK holdings Ltd. to Table 4 and added wording to Table 5. Paramount suggested pursuing funding with the GNWT and Canada. Paramount also provided information regarding the Guidelines it was working under and the associated definitions.
List of Affected Parties identified in the Liard South Engagement Plan	Email	January 15, 2021	Paramount sent out a notification letter and a updated project specific updated engagement plan via email to affected parties to inform them of the intention to apply for a new Land Use Permit and Water Licence in the coming weeks.

Boyd Clark, Advisor (Acting Band Manager) on behalf of Acho Dene Koe First Nation	Email	February 8, 2021	<p>ADK sent Paramojunt an email with a letter that stated, "to support a meaningful consultation and fully informed decision-making process, we request the following amendments to the Engagement Plan:</p> <ul style="list-style-type: none">• Acho Dene Koe First Nation is not a stakeholder in this process, we are rights holders and have a special relationship with the Crown owing to Treaty and inherent rights enshrined in the Constitution and should be identified as such consistently in the plan.• In Section 2.1-Table 1 Engagement Studies, we require of Paramount to support and provide capacity for updated Traditional Knowledge and Land Use (TKLU) activities as required to support assessment of potential impacts.• In Section 3.1-Table 4, Acho Dene Koe First Nation require an engagement with our economic development corporation, be directed at ADK Holdings Ltd.<ul style="list-style-type: none">o ADK Holdings Ltd. – Jodi Carlow, General Delivery, Fort Liard, NT, X0G 0A0 (250) 727-5903 JCarlow@jbts.ca• In Section 3.2 -Table 5, under the potential issues’ column for the LUP and WL applications include effectiveness of existing permit conditions and monitoring plans in mitigating impacts to Treaty and Aboriginal rights and interests."
Boyd Clark, Advisor (Acting Band Manager) on behalf of Acho Dene Koe First Nation	Email	February 18, 2021	<p>Paramount responded to the correspondence from ADK of February 8th with a letter sent via email. Paramount has included ADK as an “Affected Party”, defined in the Guidelines as “a party that is predicted to be affected by a proposed Project, such as an Aboriginal organization/government, an individual occupying land for traditional purposes, a private landowner, or lease holder (e.g., for a lodge).” Paramount has used this definition and term throughout the Engagement Plan. Paramount has removed the reference to stakeholder in Table 4 of each of the plans. Paramount suggests that ADKFN pursue TKLU funding requests relating to reclamation and remediation in ADKFN’s traditional territory with both the Government of the Northwest Territories and the Government of Canada. Paramount will add the additional contact to Table 4. In response to the comment regarding an assessment of permit conditions and monitoring plans, please refer to the processes and opportunities that the MVLWB provides for ADKFN input on the effectiveness of existing permit conditions and monitoring plans. Through annual reports, plan updates, permit extensions, permit renewals and licence renewals, ADKFN can provide comments both to Paramount and the MVLWB on the effectiveness of the current plans, licences and permits. We have also added this specifically to Engagement Plan Table 5.</p>
List of Affected Parties identified in the Liard South Engagement Plan	Email	February 26, 2021	<p>Paramount distributed an updated Engagement Plan for Liard South that incorporated feedback from ADK.</p>