



ENVIRONMENTAL WORKING GROUP

TERMS OF REFERENCE

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Background

The Lower Mattagami River Project (the “Project”) has received approval pursuant to the *Environmental Assessment Act* (Ontario) (the “Provincial EA Approval”) and the *Canadian Environmental Assessment Act* (the “Federal EA Approval”) (collectively the “EA Approvals”). The Project is obligated to comply with the EA Approvals, including the environmental commitments of the Provincial EA Terms and Conditions of Approval, and other environmental approvals and permits (collectively “Environmental Approvals”).

The Project has over 25 years of environmental documentation history. A significant amount of detailed project-related information exists, requiring coordination among Moose Cree First Nation (MCFN), Taykwa Tagamou Nation (TTN), the Ministry of the Environment (the “MOE”), the Ministry of Natural Resources (the “MNR”), Fisheries and Oceans Canada, municipalities, Ontario Power Generation (OPG) (including the Owner’s Engineer, Hatch and Design Build Contractor Kiewit-Alarie Partnership [KAP]) and potentially others to ensure the successful and timely completion of the Project.

In 1994, the MCFN and TTN were significantly involved in negotiating and establishing the Provincial EA Terms and Conditions of Approval. This warranted establishing a working group comprised of OPG, MCFN and TTN representatives to review and provide input to the Environmental Approvals. This group will also be required to provide technical advice regarding interpretation, changes in anticipated impacts and historical context and to the plan for compliance that would provide a basis for meeting the Provincial EA Terms and Conditions of Approval.

An “Environmental Working Group” (EWG) was initially formed in 2007 by OPG and MCFN to establish a collaborative approach to planning, coordination, and communication of environmental issues between the First Nations with the Project area and OPG.

One of the mandates of the EWG is to provide a collaborative forum for open dialogue between the members of the EWG regarding all matters pertaining to the implementation of the EA Approvals and the environmental aspects of the Project. The group is intended to engage, collaborate and work constructively, in a timely way to ensure that any concerns raised by the MCFN, TTN and/or OPG are understood and addressed in a reasonable manner. Furthermore, the parties shall also seek to acknowledge and incorporate both indigenous knowledge and western scientific knowledge in any reviews, research, data collection, or reports that may be required of the project.

The concept of the EWG has been formally defined in the Agreements between MCFN, TTN and OPG. MCFN and TTN Environmental Coordinators have been selected in addition to other environmental expertise by their respective First Nation as their representatives to facilitate consultation and discussion of interests in aspects of the project that have implications on their use of traditional lands. In addition, the EWG will work cooperatively with the Mattagami Extensions Co-ordinating Committee (MECC), including preparing such written reports or materials on matters of interest to the MECC as the MECC determines is reasonably necessary from time to time.

The Environmental Coordinators will also act as liaisons between the EWG and their communities to ensure the communities are provided relevant and timely information on the Project.

Objectives

The objectives of the EWG are to:

- Facilitate the successful implementation of the Project;
- Engage and coordinate with government authorities to acquire and comply with Environmental Approvals for the Project;
- Provide a collaborative technical resource that is capable of providing advice and recommendations for the implementation of the environmental commitments of the EA Approvals;
- Collaborate on the Federal EA process;
- Collaborate on a process for review of construction and operational permits;
- Provide updates to interested First Nations members and stakeholders on the Project progress as it pertains to the EWG mandate;
- Review reports and other materials for comments prior to submission to MECC; and,
- Work cooperatively with the MECC.

Member Duties and Responsibilities

The scope for the EWG will consist of the following activities:

1. Support the Project during the execution phase.
2. Participate in regular EWG meetings by providing input and advice environmental requirements, including permit and approval applications.
3. Provide updates to interested First Nations members and stakeholders on the following:
 - a. Project progress as it pertains to the mandate of the EWG
 - b. Environmental program progress
 - c. Identified issues and risks.
4. Identify communication requirements for members of the EWG.
5. Facilitate communications and input within each member's organization to:
 - a. develop an understanding of current project priorities and schedules to allow efficient coordination of resources
 - b. integrate work efforts.
6. Share information, reports, studies, and other materials (except items of a commercially sensitive nature or confidential nature such as MCC archaeological reports).
7. Form technical teams as reasonably required to resolve issues or examine opportunities.
8. Form sub-teams as reasonably required to coordinate/expedite EA Approvals.
9. Participate in scoping workshop to develop the framework for an environmental effects monitoring program.
10. Document lessons learned with respect to conflicting issues that did or may not have been addressed to the satisfaction of all parties.

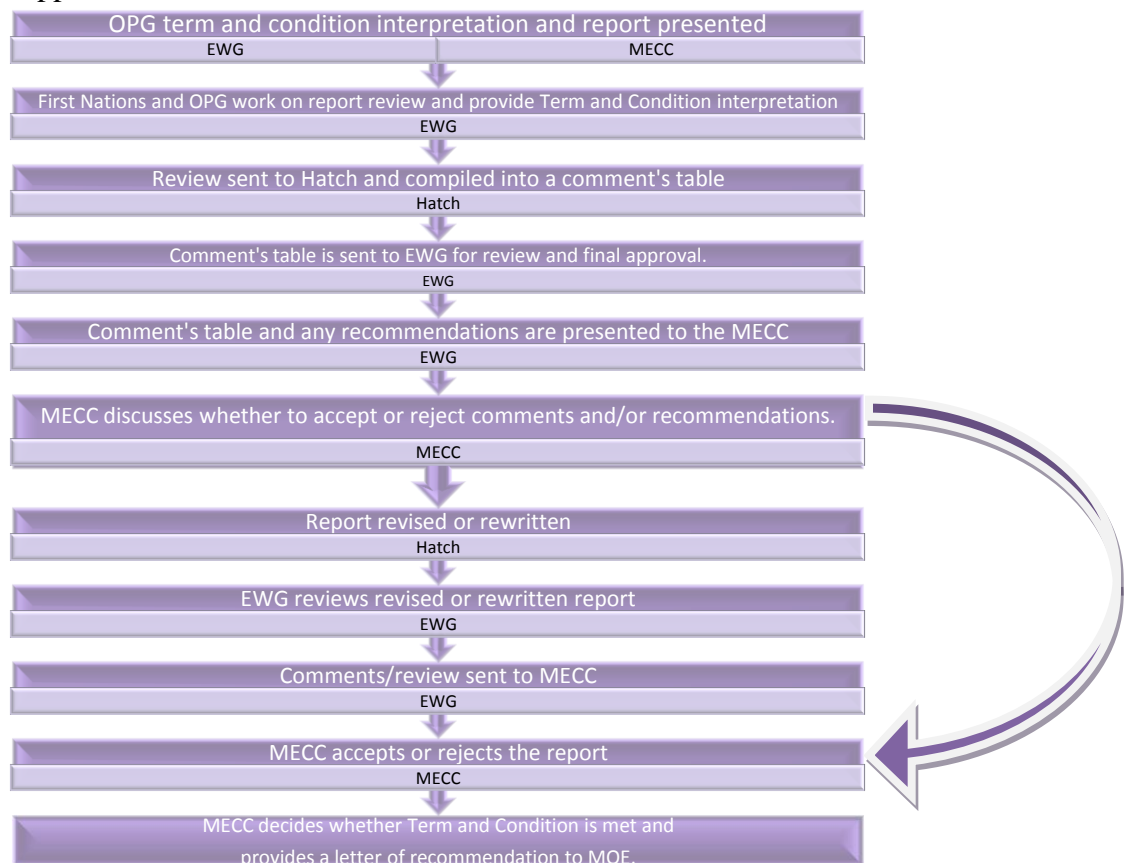
Hatch Inc. (Hatch) is OPG's Owners Engineer for the Project. Hatch interfaces with the EWG by organizing and providing document control support on all aspects of the project such as

permit applications, KAP submittals, action item lists, terms and conditions reports, meeting notices, deliverable deadlines, and all other relevant studies or documentation for EWG membership review. Hatch is the Chair of the weekly EWG teleconferences. In addition to chairing the EWG meetings, Hatch provides advice and support to all of EWG members on items that are discussed.

Collaborative Process for Provincial EA Terms and Conditions Compliance Plan

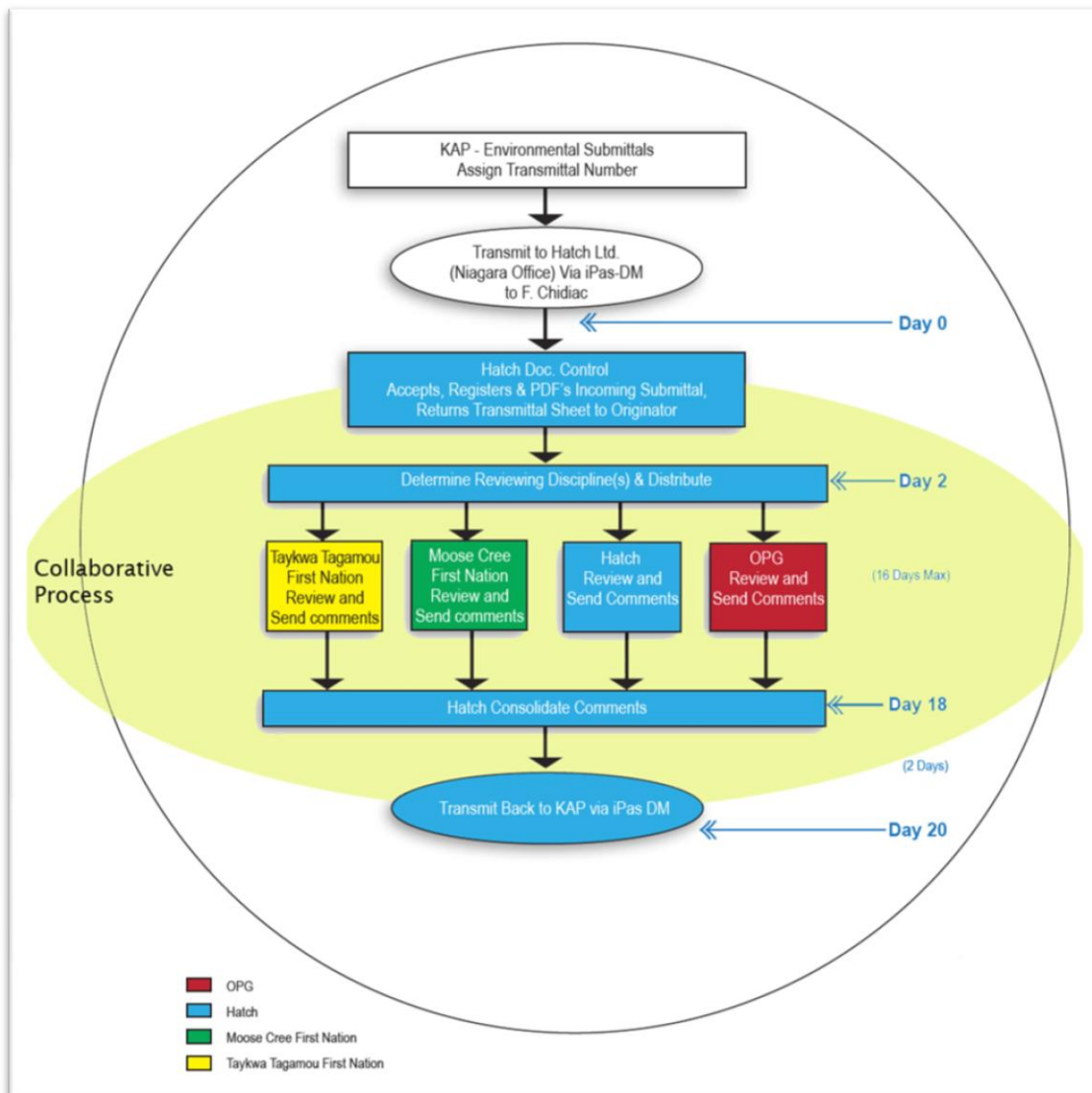
OPG is obligated to comply with the Provincial EA Terms and Conditions of Approval and will submit its compliance plan to the MECC for acceptance. It is intended that a collaborative process for engaging MCFN and TTN in the development and implementation of OPG's compliance plan be undertaken. Once completed, the compliance plan will include a collaborative process to review information, studies or other activities to be undertaken by OPG in fulfilling the Provincial EA Terms and Conditions of Approval.

Hatch conducts studies and prepares reports intended to fulfill EA commitments and Terms and Conditions of Approval. The methodology, conclusions, and recommendations of these reports is reviewed by the EWG and the MECC before the reports are finalized. During this review MCFN and TTN will provide all available information and shall facilitate access to all available resources including the MCFN Cultural Working Group and the MECC Custodial Body or MCFN Elders Advisory Group or other Elders for the purpose of any study required in compliance to the EA commitments. Below is the collaborative process the EWG will undertake in providing technical reviews of reports, associated with fulfilling the Provincial EA Terms and Conditions of Approval, for the MECC.



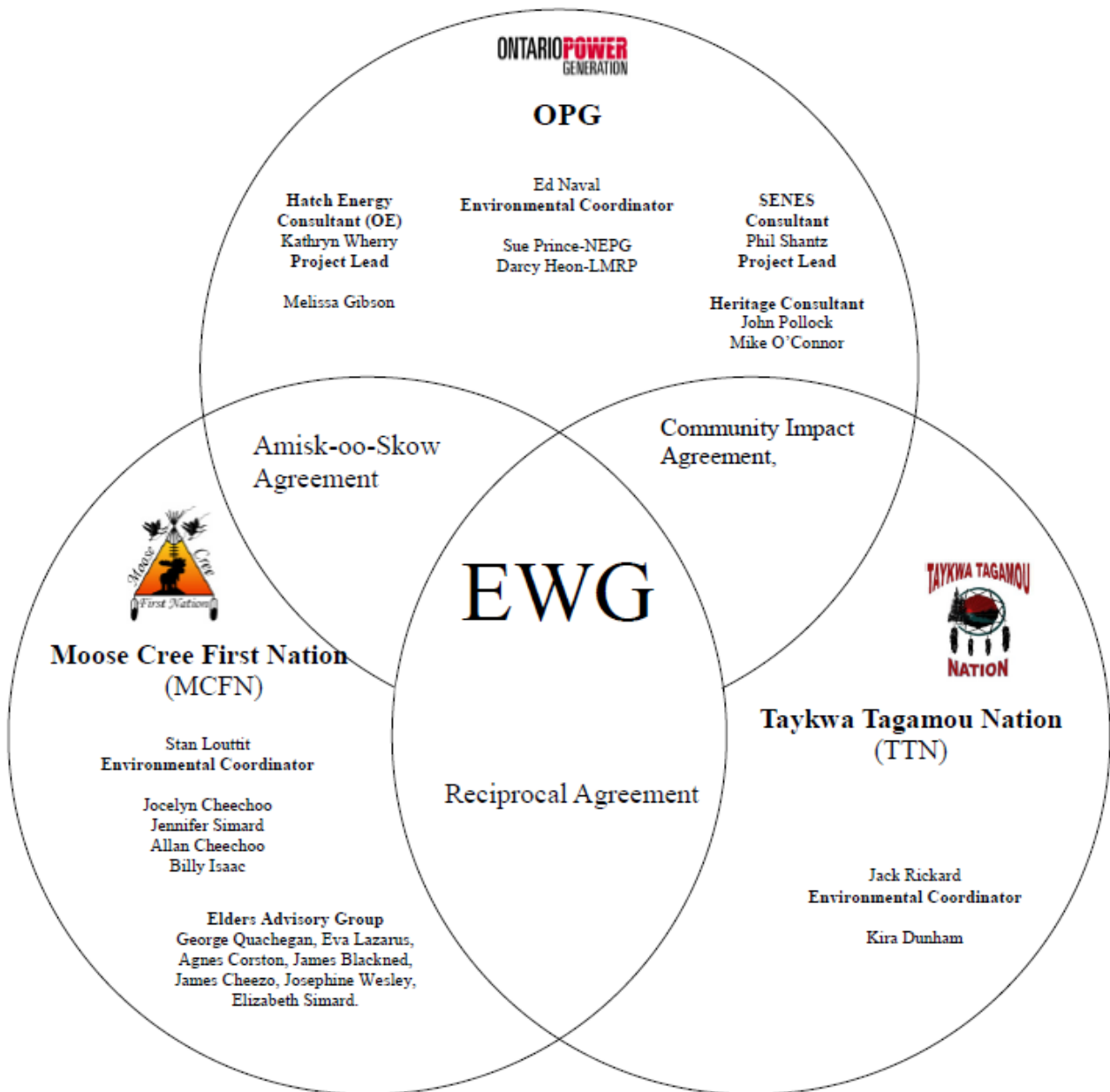
Collaborative Process for Construction and Operational Permits

Permits and approvals are required for construction of the project. Some of these have implications or interest to First Nations affected and therefore requires further consideration. The EWG plays a role in reviewing government agency permit packages submitted in advance of construction by KAP. Hatch coordinates the permit review process and communication with KAP for the Project as OPG owner's representative. EWG permit reviews are posted on Hatch's IPAS document management system and submitted to KAP for review. KAP returns responses to EWG questions and comments that are finalized and accepted by the EWG allowing KAP to submit to government agencies. When government agencies receive the permit applications, including any comments submitted by the EWG, the agencies can determine whether the consultation requirements for those permits have been satisfied. Once the Project is completed, additional permits and/or amendments to permits may be required, at that time the EWG will also work with OPG's Northeast Plant Group on any of these operational permits.



Implementation Roles and Responsibilities

An organization chart below provides information on roles and relationships. Stan Louttit is the MCFN's Environmental Coordinator. Jack Rickard is the Environmental Coordinator for TTN and Ed Naval is the Environmental Coordinator for OPG and the Project. Each Environmental Coordinator is further supported by its team members.



The Mattagami Extensions Co-ordinating Committee

The MECC is formed as a result of the Term and Condition 1 of the Provincial EA Terms and Conditions of Approval for the Hydroelectric Generating Station Extensions Mattagami River, dated December 15, 1994.

The MECC is intended to be a review and advisory body to assist in ensuring that the Terms and Conditions of the EA Approval for the Project are adequately addressed. The Ministry of the Environment has legislative authority and oversight regarding compliance with the Terms and Conditions of the EA Approval.

The EWG will work together on interpreting and understanding the Provincial EA Terms and Conditions of Approval. The EWG as a technical working group will review reports submitted by the Proponent as required by the Environmental Compliance Plan to the MECC. The Environmental Compliance Plan was developed as a tool for the MECC to identify how the Proponent plans to comply with the terms and conditions of the Provincial EA Approval for the Project. This Environmental Compliance Plan is subject to MECC review and concurrence.

The EWG is anticipated to be technical advisors for the MECC.

Compliance with the Provincial EA Terms and Conditions of Approval

OPG with its owner representative Hatch, TTN, MCFN and SENES Consulting (which is handling the Heritage Resources Term and Condition) have reviewed the Provincial EA Terms and Conditions of Approval and have provided input to OPG's compliance plan to meet those terms and condition in a manner that is intended to be transparent and auditable. The plan known as the "Environmental Compliance Plan", proposes to address actions required to satisfy compliance with all the EA Terms and Conditions of Approval. It is intended as a basis from which MECC can review, evaluate and assess the adequacy of measures in meeting the intent of the EA Terms and Conditions.

Adequate Consultation and Accommodation

The Reciprocal Agreement dated June 20, 2010 between TTN, MCFN and OPG provides that adequate accommodation and consultation with MCFN and TTN is considered and/or be met through the agreements and the processes established by the Agreement including the EWG. This is further ensured through communications by EWG members back to their respective Chiefs, Councils and management organizations as required.

Traditional Ecological Knowledge

Provincial EA Term and Condition 13 requires consideration in studies, monitoring, and other activities in relation to the undertaking, accord to Traditional Ecological Knowledge (TEK) a status equal to that of other forms of knowing, understanding, and predicting.

Collaborative efforts have been made to include TEK in the Federal EA and permitting and approvals review process, however a more comprehensive description needs to be elaborated for the purpose of this project to describe what TEK is and how it will be integrated in the context of the project. Integration of TEK must include a process to consider input from the MECC Custodial Body and the MCFN Elders advisory group.

Traditional Ecological Knowledge will be expected to contribute in advising the MECC with respect of potential effects on First Nations hunting, fishing, and trapping including its relation to changes in eco-system components, such as wildlife, plants, and water; potential disruptions to harvesting of plants for traditional medicine; and archaeological findings, burial sites, and artefacts that are of significance to the First Nations. A clear understanding of TEK for the purpose of the project needs to be established as part of ongoing activities.