

ALGONQUIN NEGOTIATION REPRESENTATIVES AIP/TREATY NEGOTIATIONS WITH THE GOVERNMENTS OF CANADA AND ONTARIO JULY 2012

Dear Voter,

In my role as the Principal Negotiator for the Algonquins of Ontario ("AOO"), I am pleased to provide you with a further update on the progress of the negotiations. In early September, meetings will be held to present to you the essential elements of a proposed Agreement in Principle ("AIP") for your consideration and comment as well as to report to you on the status of the Voter Enrolment process that has been ongoing over the past few months in anticipation of the ratification vote on the draft AIP.

Voter Enrolment and Pending Protests

The "initial" Voter Enrolment process resulted in the posting of Preliminary List of Voters in March 2011 and a supplementary Voters List in April of last year. This initiative was undertaken in 2011 in the expectation that a draft AIP would be negotiated in time to be submitted to the Algonquin Voters later that year for their consideration. Regrettably, due to a number of factors, including a series of elections involving all the Parties to the negotiations, including Canada, Ontario, ANR and Pikwàkanagàn Chief and Council, those expectations were not realized.

Over the past several months, however, progress has been made in our negotiations with Canada and Ontario to the point that all three Parties determined that the Voter Enrolment process should be reinstated in the expectation of a vote on a draft AIP in 2013. That further enrolment initiative has resulted in the posting of a more comprehensive 2012 Preliminary List of Voters (Updated) numbering 8773.

Following the posting of the 2012 Preliminary Voters List (Updated), there have been some protests filed challenging Voters that have been enrolled as well as by applicants who were denied enrolment. Those protests, along with four other protests filed in the initial 2011 phase of enrolment that were adjourned by the Parties, are now being processed by the Review Committee, or where appropriate, by former Superior Court Justice James Chadwick, all in accordance with the ratification process procedure contained in Chapter 15 of the draft AIP, at http://www.blaneyalgonquin.com/voter-enrolment.html.

At the request of the Review Committee, Ontario, Canada and the AOO have jointly extended the time for the protests to be resolved by mid-October.

Following the processing of the protests the 2012 Final List of Voters (Updated) eligible to vote on the draft AIP will be posted. We anticipate that will be done in or about November of this year.

Progress Towards Finalizing a Draft Agreement in Principle

I am pleased to report that substantial progress has been made towards arriving at a draft AIP for consideration by the Voters. The negotiating teams for Canada and Ontario have been working diligently with the ANRs over the past number of months to negotiate the terms of that document. We are at a point in those negotiations that we can provide a general overview of the proposed draft AIP with some specifics of the draft AIP language where that is ready. This will be done by means of a series of meetings where I, accompanied by the Technical Advisory Group and ANRs, will be available to present the proposed package, highlight some of the draft terms of the proposed draft AIP and respond to questions by enrolled Voters.

These very important initial meetings will be held throughout the Algonquin Territory on the following dates, locations and times:

| Tuesday, September 4, 2012 | Odawa Friendship Centre 12 Stirling Avenue Ottawa, ON | 7:00 p.m. |
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| Wednesday, September 5, 2012 | Makwa Community Centre 83A Kagagimin Inamo Pikwàkanagàn, ON | 7:00 p.m. |
| Thursday, September 6, 2012 | Royal Canadian Legion Br No 72 202 Pembroke E Pembroke, ON | 7:00 p.m. |
| Friday, September 7, 2012 | St. James Major Catholic School Hall 14608 Road 38 Sharbot Lake, ON | 7:00 p.m. |
| Monday, September 10, 2012 | St. Ignatius Parish Hall 51 Highway 127 Maynooth, ON | 7:00 p.m. |
| Wednesday, September 12, 2012 | Mike Rodden Arena 450 Hurdman Street Mattawa, ON | Session 1: 4:00 p.m. Session 2: 7:00 p.m. |

These meetings will be open to all enrolled Algonquin Voters.

Further work on the draft AIP will be completed following these meetings and following similar meetings that the Governments are having with their stakeholders and constituents.

Additional meetings will be held over the following months with a view to finalizing the draft AIP that we expect will be released to the public later this year or early next.

Following that, another series of meetings will be held in various venues to discuss and explain the terms of the draft AIP to enrolled Voters in the context of a formal ratification vote by Voters which is expected to take place in 2013.

The results of that ratification vote will determine whether negotiations continue towards the development of a formal Treaty between the Algonquins of Ontario and the Governments of Ontario and Canada.

We very much look forward to meeting with you as we move closer to reconciling past grievances and clarifying Algonquin rights through a Treaty, and in doing so, rebuilding the Algonquin Nation in Ontario.

Thank you again for permitting me the honour of working with you and your ANRs towards achieving this goal and for your ongoing interest and support for this historic process.

I look forward to meeting with you in September.

Yours very truly,

Robert J. Potts Principal Negotiator and Senior Legal Counsel Algonquin Treaty Negotiations

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