



2012 ANNUAL REPORT



PEGUIS FIRST NATION

TLE IMPLEMENTATION

As long as the sun shines, the grass grows and the waters flow...



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Table of Contents

Message from Executive Director, Nathan McCorrister..... Page 4

Backgrounder on Treaty Land Entitlement..... Page 6

TLE Implementation Unit Structure and Mandate Page 7

TLE Implementation Unit Staff and Internal Operations Page 9

Implementation Initiatives and Update..... Page 11

Consultation and Accommodation..... Page 15

Lands Acquired & Selected Page 18

Kapyong Matter: Page 20

Reference Maps Page 31

Appendix's Page 33



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2012 ANNUAL REPORT

Message From Executive Director, Nathan McCorrister

Greetings elders, youth and fellow members of Peguis. The following is our Annual Report for 2012 to the community and is a report we will continue provide on an annual basis. The following report will outline much our work and initiatives from this past year, to bring you up to date on what we've been working on and where we are going. Further information can always be obtained by contacting myself or our staff directly at our TLE Implementation office in Selkirk or in Peguis; our contact information is included here in the report.

The past year we have continued our ongoing work towards the completion of the following initiatives and TLE Implementation work:

1. *TLE Land Selection Study;*
2. *TLE Land Acquisition Strategy;*
3. Selection of Crown Lands;
4. Acquisition of Private Lands;
5. Reserve Creation Process;
6. Crown Consultation.

The TLE Land Selection Study is focused on setting goals of our community for Selecting Crown Land and researching the Crown Land available; both in our Traditional Territory and Treaty areas. As Peguis originally had 9 years to Select land up to its Crown Land Amount of 55,038 acres, now 4 years remaining, some of our focus this past year has been on completing the study and identifying Crown Land for Peguis. We have now completed a Draft Phase 1 Report of the study of which makes recommendations on some Crown Lands and Phase 2 of the study is now underway.

As part of the Land Selection Study, Priority Selections were identified by LSAAC in the Phase 1 Report and make up approximately 6,258 acres of Crown Land located near Peguis and in the Selkirk area. The Priority Selections are lands the LSAAC committee felt Peguis can start to move forward with the reserve creation process. At least every two months we meet with Manitoba and Canada to review Selections and the steps that need to occur to move the Selections through the process. The Priority Selections are all in the initial stages of the reserve creation process and many steps need to occur before its converted to reserve status.

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2012 ANNUAL REPORT

The federal governments Additions to Reserve Policy (ATR) is the policy in which lands that are Selected or Acquired by any First Nation must follow to the transfer the land to reserve land as defined in the Indian Act. Unfortunately, as outlined by the Auditor General and as experience by many other TLE First Nations, the process is a long and cumbersome, sometimes taking up to 7 years to convert a parcel of land to reserve. I was invited to be part of national joint working group currently reviewing the process by the Assembly of First Nations. The working group is made up of representatives from Canada and various First Nations representatives across Canada. The main goal of the review is to try simplify or make the process more clear in hopes of expediting the process. A report and possible draft of the new policy maybe shared later in 2013, any improvement and reducing the length of the process would assist Peguis in converting lands to reserve in a more timely manner. In early 2012, Councillor Mike Sutherland and myself were also invited by the Senate of Canada to provide a presentation on our experience with the ATR Policy and to share our concerns and some recommendations. The Senate also has since reviewed the ATR Policy and produced a report.

The other main initiative was the TLE Land Acquisition Strategy, the strategy is the development of a sustainable long term land purchase plan that will assist Peguis to reach its goal of acquiring up to 111,756 acres of private land. Phase 2 of the land acquisition strategy was undertaken by the University of Winnipeg Community Renewal Corporation; Phase 2 focused on the development of guidelines and planning criteria, it was a participatory approach that included facilitated meetings with LSAAC Committee and other staff. A first draft was completed at end of 2012 and the final draft is to be presented to the community in early 2013.

This past year we made two significant private land Acquisition's, given the location in close proximity to the community; Chief and Council, along with recommendation of the TLE lands advisory committee, agreed to acquire agricultural land with the intent for future residential and economic development opportunities. The two properties are outlined in more detail in this report.

Peguis is notified and in some cases briefed on certain Crown Land activities that the Province of Manitoba (Manitoba) is responsible for and has a duty to undertake Crown consultation with our First Nation. This past year, Peguis was notified and engaged as a part of a consultation process for potential peat mining activities, moose hunting and Manitoba's proposed Bi-Pole 3 hydro line. Further details of the consultation activities are outlined in this report.

I would like to conclude by sharing with you that this past year we have committed much of our time to planning and at the same time pursuing some private land acquisition opportunities for Peguis. Much of our work is out lined in this report and again I encourage members to contact me directly if they have questions or want to learn more about TLE implementation.

Miigwetch!

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Backgrounder on Treaty Land Entitlement

Mis-Koo-Kinew (Henry Prince), the son of Chief Peguis, was the Chief to sign Treaty 1 on August 3, 1871. He signed Treaty on behalf of the “St. Peter’s Band” as the Peguis First Nation was then called. Under the written terms of Treaty 1, Peguis was entitled to 160 acres of reserve land for each family of 5 persons to be held in common by the band. In addition, all Chiefs signing Treaty 1 had been orally assured by the Treaty Commissioners that the amount of land already occupied by Band members would not be included in the calculation of the amount of common Reserve to be set aside for the First Nation under Treaty 1. Peguis did not at that time receive all of the Reserve to which it was entitled under Treaty 1. This shortfall in land amount is called an outstanding “Treaty land entitlement” or TLE.

On June 29, 1998, Canada acknowledged that Peguis First Nation (PFN) had not received sufficient land to fulfill the requirements of the Per Capita Provision of Treaty Number 1. On September 7, 2007 after years of negotiation the Peguis First Nation, Manitoba and Canada signed the Treaty Entitlement Agreement (TEA) providing to Peguis 55,038 acres of Crown Land for Selection and 111,756 acres of Other Land (or private land) for Acquisition. The TEA also provides guidelines on the process and principals in which land will be Selected and Acquired. Peguis will have up to 9 years to select its Crown Land Amount and up to 25 years to purchase Other Land as required in the TEA.

The TEA also provided Peguis with a land purchase fund of \$56,372,215.00 to be used for purchasing land and related administration expenses. The purchase fund is administered through the Peguis First Nation Trust (TLE) by the Financial Trustees. Peguis was also provided with a \$5,000,000.00 Community Fund of which is to be used for community purposes as defined in the TLE Trust and of which the fund expenditures are controlled by the Community Fund Trustees.

The Trust and TEA set out that monies of settlement in the land purchase fund will be provided for implementation purposes, including the establishment and ongoing funding to the TLE Implementation Unit. Each year the TLE Trust provides for up to \$350,000.00, subject to inflation, to be set aside each year for the TLE Implementation Unit.

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TLE Implementation Unit Structure and Mandate

Roles and Responsibilities:

The Peguis First Nation TLE Implementation Unit will provide leadership and management in implementing the Peguis First Nation Treaty Entitlement Agreement (TEA). Our main mandate is to ensure the successful purchase, and selection, of up to 166,794 acres of land and to ensure its converted to Reserve. The following is a brief summary of our unit's responsibilities:

- Develop an operational plan on implementation of the Treaty Entitlement Agreement;
- Ensure land Selection and Acquisition procedures and principals are met;
- Monitor the conversion of land to Reserve status;
- Develop Organizational and Management Plans;
- Ensure Peguis First Nation meets responsibilities and obligations as per the Treaty Entitlement Agreement.

As mentioned, our main mandate is to ensure Peguis First Nation fulfills its responsibilities and obligations according to the TEA. The TEA is legal agreement with Canada and Manitoba and thus the provisions contained in it continue until implementation is completed. These responsibilities and obligations are provided for in provision 28.04 of the TEA and are as follows:

“28.04 Best Efforts of Peguis:

Peguis will use it best efforts:

- a) to ensure that appropriate personnel are assigned to fully and effectively discharge Peguis' obligations under this Agreement;
- b) to provide promptly to Canada and Manitoba relevant information and materials required to facilitate the fulfillment of the terms of this Agreement, the release of which is not prohibited by law;
- c) to complete the Land Selection Study;
- d) to physically inspect land to be Selected or Acquired;
- e) to Select or Acquire land in accordance with the Principles up to its Total Land Amount;
- f) to negotiate and conclude legal arrangements for the purchase of Other Land to be Acquired;

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2012 ANNUAL REPORT

- g) to expedite the timely preparation of the transfer of title to Other Land Acquired to Canada upon notice from Canada;
- h) to identify and resolve Third Party Interests;
- i) to negotiate a Municipal Development and Services Agreement with a Municipality where required if land has been Selected or Acquired in a Municipality;
- j) to provide ongoing orientation of Peguis personnel to the requirements of this Agreement to encourage and foster a positive and productive working relationship between and among its personnel, Canada and Manitoba;
- k) to report to the Members on the implementation of this Agreement on a timely basis; and
- l) to participate in the Peguis Implementation Committee and dispute resolution processes as required.”

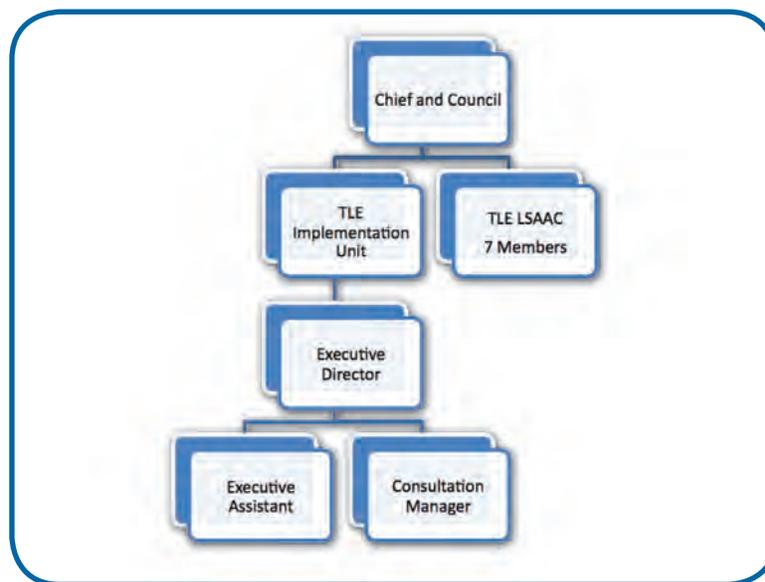
The TLE Implementation Unit’s mission statement is as follows:

Mission Statement:

“The TLE Implementation Unit will: strive to protect the Treaty and Aboriginal Rights; and fulfill the Treaty Land obligations for the Peguis First Nation as set out in the Treaty Entitlement Agreement”.

The TLE Implementation Unit is responsible to and for reporting directly to Chief and Council on all of its activities and management. The TLE Implementation Unit is financially funded through the Peguis First Nation TLE Trust and must request funds from the Financial Trustees each year for its Annual Budget of which is provided for under the Peguis First Nation TLE Trust Agreement. The TLE Implementation Unit must also prepare financial statements and conduct an Annual Audit for all of its expenditures each calendar year.

The following is an organizational chart of the current structure for the TLE Implementation Unit:



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TLE Implementation Unit Staff and Internal Operations

The TLE Implementation Unit previously presented a number of “Challenges and Issues” with respect to implementation of the Treaty Entitlement Agreement and as such requested additional resources to increase our staffing capacity. The following is the Challenges and Issues that was previously presented:

1. Planning – The TLE Implementation Unit undertook a “made in Peguis” approach, which utilizes existing resources and to increase the capacity of the unit, to complete the TLE Land Selection Study. The other initiative, the Land Acquisition Strategy, is a partnership with the University of Winnipeg and it too will look to increase the capacity and involvement of Peguis members;
2. Policy Development – There is a need to develop policies in the following areas: Land Purchase, Property Management and Administration, Implementation, Organizational and Consultation;
3. Land Purchasing and Selection – There is a need to increase capacity to ensure experienced and trained personal are available to address and meet the needs of Acquiring and Selecting of up to 166,794 acres of land;
4. Consultation with Respect to TLE Right to Land – As many Crown “consultation” issues are being brought to the attention of the TLE Implementation Unit, it was identified there was a need to address consultation issues and to ensure possible land Selections and Acquisitions were identified in relation to the Crown consultation process;
5. Implementation Issues – It has been recognized a number of TLE Implementation issues and disputes already exist, and will continue to grow, as more Selections and as Acquisitions are identified. For example lands identified in Municipalities, Cities, Northern Affairs Areas and close to other First Nations may create disputes that will need to be addressed and it will take time;
6. TPI’s – Third Party Interests (TPI’s) are interests that exist on both Crown Land and Private Land. An example of a common Third Party Interest is a Quarry Lease on Crown Land. Third Party Interests are contemplated in the TEA and must be addressed accordingly. Currently, the Initial Selection and Preliminary Selections (4) each have approximately 24 TPI’s and 25 TPI’s respectively (total 49).





2012 ANNUAL REPORT

7. Legal – There exists, and will continue to arise, legal issues that will need to be resolved in relation to TLE implementation issues. An example of one these legal issues are the Kapyong Barracks of which is Surplus Federal Land. Currently this issue is in court as there is a disagreement with Canada both in terms of them having the obligation to undertake Crown consultation with Peguis on the property and also with respect to it being Surplus Federal Land as defined in our TEA.
8. Implementation Monitoring – Reserve creation and ensuring the land is converted to reserve in timely manner is also an important part of our work. It must be noted the Reserve creation is a complex and lengthy process.
9. Communication – The TLE Implementation Unit would like to ensure and work towards improving communications with Peguis members and other stake holders. There is work needed to establish a communications policy and plans to improve communication.

The TLE Implementation Unit will be meeting and working with the TLE Trustees to review and to discuss ways to address the Challenges and Issues and to look at ways to increase our human resource capacity shortages within the rules of the TLE Trust Agreement.

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The Implementation Initiatives and Update



The TLE Land Selection and Acquisition Advisory Committee (LSAAC):

The purpose of the TLE Land Selection and Acquisition Advisory Committee is to make recommendations to Chief and Council on potential TLE Crown Land Selections and private land Acquisitions and to assist with the TLE land planning. LSAAC meet monthly and are actively involved with the two planning initiatives.

The following members are appointed to this committee:

1. Wallace Stevenson (resides in Peguis)
2. Ruth Christie (resides in Selkirk)
3. Dennis Bear (resides in Peguis)
4. Jim Sinclair (resides in Winnipeg/Selkirk)
5. Don Wilson (resides in Winnipeg)
6. Wayne Stranger (resides in Peguis)
7. Vacant



The TLE Advisory Committee's mission statement is:

“To be responsible for providing advice and recommendations on TLE land Selections and Acquisitions, the Committee will identify land that will strive to meet the requirements of the Peguis Treaty Entitlement Agreement and more importantly, to meet the goals and objectives of the community with respect to the Treaty right to land. As stewards of the land and as signatory to Treaty No.1, the Committee will identify land that will ensure and respect, the sustainability of the land and respect all Treaty rights. The Committee will be mindful of the borrowing of the land from generations to come.”

The TLE Land Selection and Acquisition Study:

This past year the TLE Implementation Unit, working with LSAAC, has continued our work with the TLE Land Selection Study that will assist with planning, developing a strategy, criteria and identification of potential TLE Crown Land Selections.

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2012 ANNUAL REPORT

Purpose of Study:

- (1) Determine Peguis' land Selection and Acquisition goals and objectives, criteria for Selecting and Acquiring land and developing a Treaty Land Entitlement Action Plan (TLE Action Plan);
- (2) Review the status of existing Selections and complete analysis where necessary;
- (3) Identify potential Crown Land Selections and potential Other (private) Land Acquisition areas which fit the goals and objectives of the community;
- (4) Complete an analysis of additional sites being considered, and confirm the land Selection parcels, which best meet the plan and or the community goals and objectives.

The next step of the Advisory Committee will be to identify and review new preliminary Crown Land Selections. A Draft Phase 1 Report is now complete. The final report is expected to be completed by December 2013. An important part of the study is community engagement; including community meetings with members. This past year we completed a round of open house meetings to share progress on the study and to receive further feedback from community members on existing and potential Crown Land Selections.

As part of the Land Selection Study, Priority Selections were identified by LSAAC in the Phase 1 Report and make up approximately 6,258 acres of Crown Land located near Peguis and in the Selkirk area, the Selections are as follows:

Priority Selections in Phase 1 Report:

1. Horseshoe Ridge:	3,625.95	Acres
2. Initial Selection - Phase 1:	2255	Acres
3. Parcel 'C' Wavey Creek:	140	Acres
4. Clandeboye Pits:	238	Acres
Total Priority Acres:	6,258.98	Acres

The Advisory Committee has taken a different approach to Phase 2, in that we will be undertaking additional research, and looking to make strategic economic development Crown land Selections, based on the various resource "sectors" such as mining, forestry, tourism, oil and gas, etc. This coming year, another round of open house meetings is being planned for the summer of 2013

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Open House Community Meetings:

In June 2012, TLE Implementation office and the TLE Advisory Committee hosted community open house meetings in Peguis, Selkirk and Winnipeg for members to provide an update on TLE Implementation activities and a report on the TLE Land Selection and Acquisition Study and Crown Land Selections to date and other TLE activities.

It is important for members to attend future open house meetings to have your input into the study and other activities as this is important endeavor for our community to benefit our community for generations to come.

TLE Land Acquisition Strategy:

In 2011, Peguis and the University of Winnipeg announced a partnership to jointly develop a Land Acquisition Strategy. The Land Acquisition Strategy is a long term plan for purchasing land for TLE purposes.

The development of a TLE Land Acquisition and Development Strategy is a unique, comprehensive and strategic approach for acquiring land for TLE purposes. The strategy is one that Peguis hopes can be used by not only for Peguis but to be used as a model for other TLE First Nations and as well other First Nations in general that would like to get into land and or real estate development. The strategy is one that Peguis hopes will allow us to meet our community's economic development goals and objectives for now and into the future.

In August 2011, the University of Winnipeg completed a Phase 1 "Background Report" of the strategy. The Background Report provides an in-depth review of community objectives and goals, literature review and a look at successful case studies of First Nation economic development models. An important aspect to the review was to take into consideration the Peguis First Nation Comprehensive Community Plan (CCP) and how potential TLE lands will have a role in assisting to reach the goals identified in the CCP.

The TLE Implementation Unit, along with the Peguis Development Corporation, Chief Peguis Investment Corporation and the TLE advisory committee, worked closely with the University of Winnipeg Community Renewal Corporation staff over the last year to develop and complete the Phase 2 of the strategy. Next steps for the land acquisition strategy is now to begin implementation of the plans and follow through with the recommendations. A first draft was completed at end of 2012 and the final draft is be presented to the community in early 2013 at information meetings.



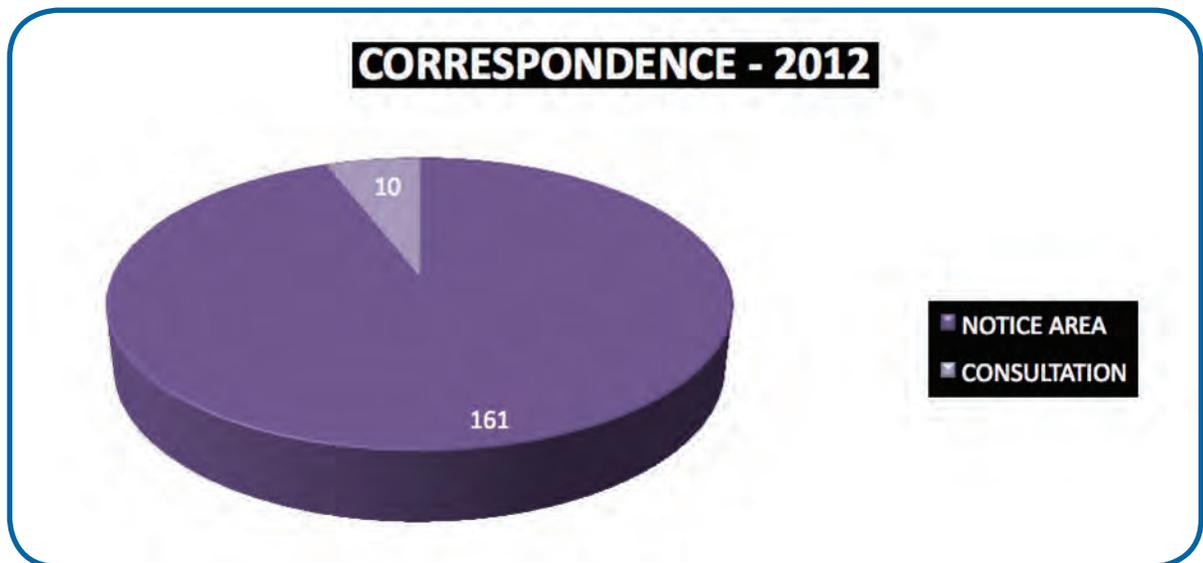
2012 ANNUAL REPORT

TLE Notice Area

As set out in our TLE Treaty Entitlement Agreement (TEA) the Province of Manitoba is obligated to notify Peguis of any proposed dispositions of Crown Land with the TLE Notice Area (See Map of Area). A disposition can be any type of interest that is proposed by an outside third party for either; a sale, lease and or permit for access to Crown Land. Before the Province of Manitoba can issue an interest in Crown Land to the outside third party they must first notify Peguis to determine if there is an interest by Peguis to Select the land for TLE purposes.

To date there has been numerous proposed dispositions, and or other actions, brought to the attention of Peguis and as such we have to review all dispositions and have responded to certain dispositions. Dispositions that are long term in nature (e.g. sale of land or long term leases), Peguis has either expressed an interest and or Selected the Crown Land for TLE purposes as Preliminary Selections. The Preliminary Selections are mainly to put “hold” on the land until such time Peguis can determine if the Selections fit within its planning process and more importantly meets the needs of the community. See Appendix “A” for the Notice Area Map.

TLE Notice Area & Consultation Related Correspondence Received			
	NOTICE AREA	CONSULTATION	GRAND TOTAL
TOTAL	161	10	171



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Consultation And Accommodation By Lloyd Stevenson, Consultation Manager

Whenever the Province or a proponent contemplates an activity that may occur on First Nation Traditional Territories the Province (Crown) has a duty to consult and accommodate that First Nation or Nations if other First Nations are involved. In “Haida” the Supreme Court of Canada case, the court stated that the Crown’s duty to consult with First Nations is engaged (triggered) ‘when the Crown has knowledge, real or constructive, of the potential existence of the Aboriginal Right or Title and contemplates conduct that may adversely impact it’. The honour of the Crown both Federal and Provincial must be upheld as stated by various Supreme Court decisions. It is these Supreme Court decisions that provide the foundation and cornerstone of the Peguis consultation policy and indeed the Peguis consultation work plan.

Peguis engaged the services of Whelan Enns and Associates to assist in the procurement of consultation funding and to provide expertise in consultation matters arising out of the Bi-Pole 3 hearings, Section 35 consultation on Bi-Pole 3 and peat mining on the Sun-Gro and Berger operations. Funding for the Sunterra peat mining operation is still being considered by the Province.

In the summer of 2012, Cheyenne Parisian was hired as the community coordinator to arrange community consultation meetings for the peat and Section 35 matters.

BI-POLE 3 & SECTION 35 CONSULTATION

A major problem with the Provincial consultations on various projects is the timing of these consultations. Most consultations occur after the project has begun or after the Environmental Impact Statement (EIS) has been issued thus denying any input from the First Nation. In the Mikisew Supreme Court case, the court stated, the concerns of a treaty nation must be seriously considered by the Crown and “whenever possible, demonstrably integrated into the proposed plan of action.” The EIS for Bi-Pole 3 was issued before any real discussion on consultation was considered. As a result of the ill-timing it can be argued that late consultations are not meaningful or inadequate.



2012 ANNUAL REPORT

Funding for Section 35 consultation on the Bi-Pole 3 project was finally received after protracted negotiations in the amount of \$79,300.00. On October 24, 2012 there was a community meeting at the community hall in Peguis and on October 26, 2012 there was a meeting in Selkirk to receive input from community members both on and off Reserve. Further to this, there were two round table discussion workshops on November 27, 2012 in Selkirk and on November 29, 2012 in Peguis. The findings of Section 35 consultations on Bi-Pole 3 will be forwarded to the Province in early 2013.

BI-POLE 111 HEARINGS

Participants in the Bi-Pole 3 hearings were requested to submit applications for funding to fully participate in the hearing process. Peguis submitted an application for funding and was awarded a nominal amount of \$35,000.00 while other participants were awarded amounts over \$200,000.00. Peguis considered this funding offer to be very insulting and lacking respect and accordingly, Peguis rejected this funding offer. Peguis considered this funding offer to be a form of discrimination and subsequently filed a complaint with the Provincial Human Rights Commission and this complaint is still outstanding.

Peguis approached the Illegal Surrender Trust to fund the Bi-Pole 3 hearings related work and the trust was able to provide funds in the amount of \$189,000.00. Robert Dawson a lawyer who specializes in administrative law was retained by Peguis to represent Peguis in the hearings. The hearings continued until late December and were adjourned to March 2013 where closing arguments and comments are to be made.

MOOSE MANAGEMENT

The Province had one meeting with Peguis in the fall of 2012 to discuss moose management strategies in the Province. The Province indicated that it will close all hunting in the Swan River district as well as all hunting in the area east of Little Black River. This closure will affect the aboriginal and treaty rights of all First Nations. Provincial studies indicate that the main cause of the decline of moose populations is by predators such as wolves. Peguis did indicate that it is not in favour of an inclusive ban on moose hunting as this would abrogate the treaty rights of First Nation hunters. As well, Peguis questioned the jurisdiction of the Province to curtail aboriginal and treaty rights. The Province and Peguis did not agree on any method or measure and this matter will be pursued in 2013 to consider ways of preserving the moose populations including areas that are on Peguis traditional territories.

PEAT MINING CONSULTATIONS

There are three peat mining companies that have licences to harvest peat in the Washow Bay peninsula, namely, Sun-Gro, Berger and Sunterra. Peguis was never consulted prior to the licences being issued to these companies. In June 2011, the Province issued a moratorium on peat licences in the Interlake but a month later on July 2011, it issued licences to Sun-Gro and to Berger. The Province materially failed to consult with Peguis and in hind sight decided to engage in a consultative forum after the licences were issued.

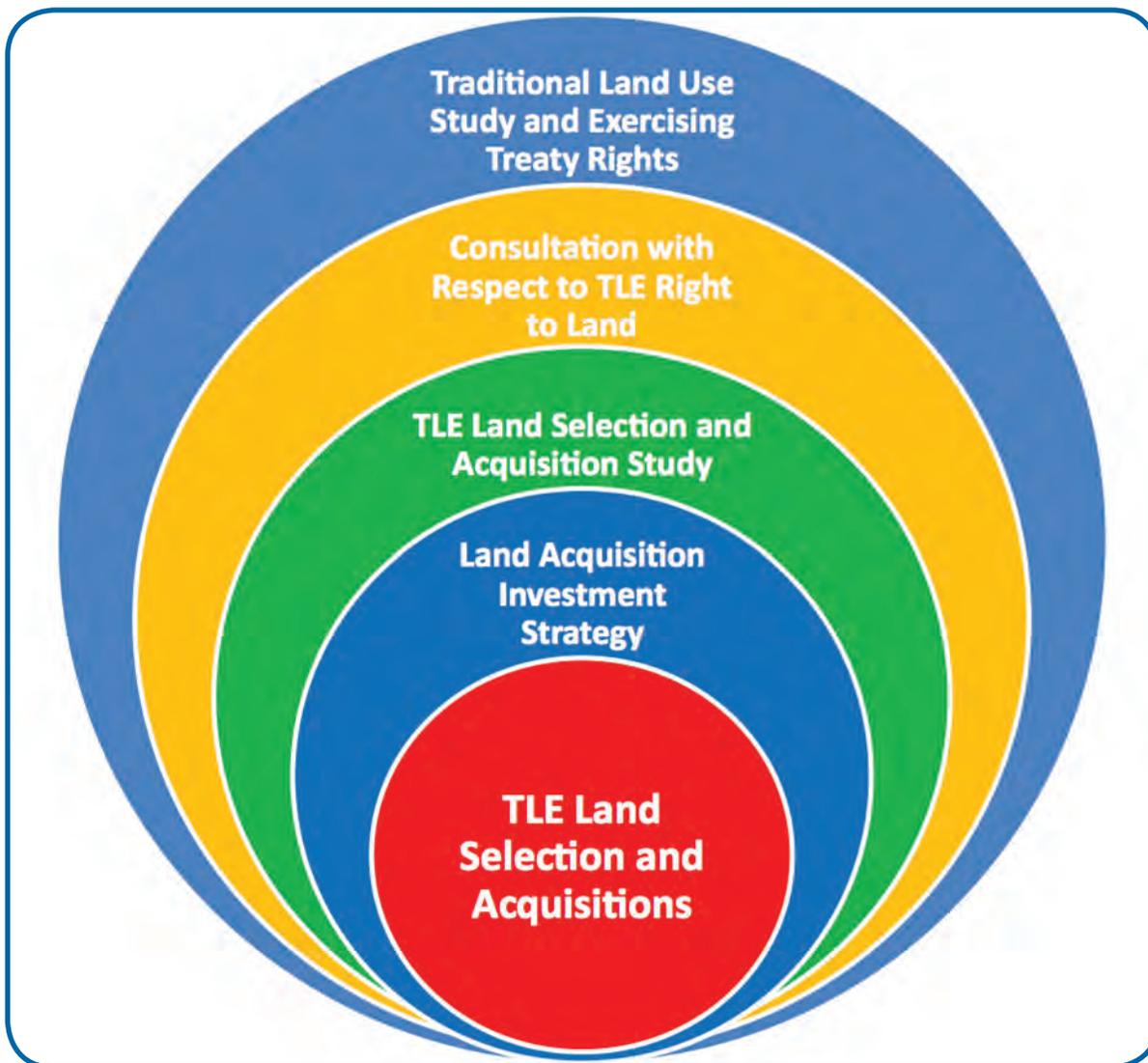
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The Province funded Peguis with a \$106,900.00 grant to engage the Peguis public on peat concerns over the Sun-Go and Berger mining operations. The first community meeting was held at the Peguis new school on July 24, 2012 and a site visit was conducted on August 7, 2012. A second community meeting was held at the Peguis community hall on August 22, 2012 and was well attended with 196 members in attendance. The report was completed by Whelan Enns and Associates and was forwarded to the Province in November 2012. See Appendix's B and C for maps of all Consultation activities.

The following is a diagram of the all of the activities outlined here in the report of the TLE Implementation Unit and how it all “works” collectively:



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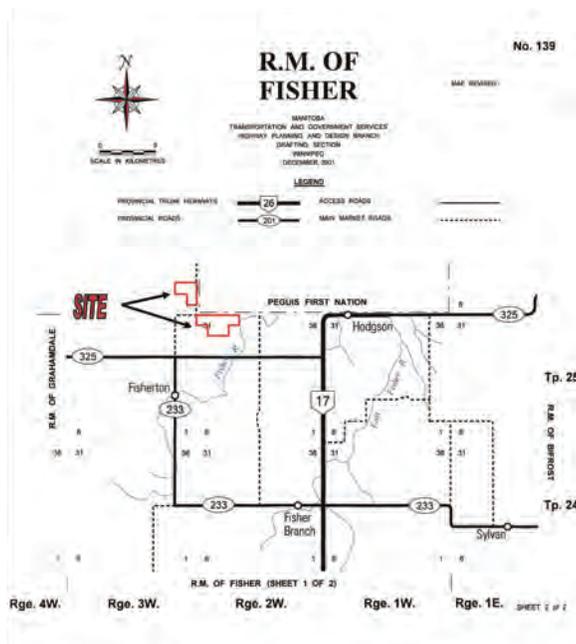


2012 ANNUAL REPORT

Lands Acquired and Selected

Private Land Acquisitions

Grouch Land: In May 2012, Peguis TLE purchased land known as the former “Grouch Land”. The land is approximately 1,382 acres, or 9 quarter sections, of land located across the road on the south west side of the main Peguis Reserve 1B. The property was acquired given its location in close proximity to the main reserve, the large amount of acres of land and the opportunity for possible use for housing and economic development opportunities. The property included a house, garage and a number of agricultural improvements including fencing, older barns and sheds. The property was leased out in 2012 for cattle and haying purposes on annual basis; the TLE Implementation Unit will be looking to lease or allow for use to local member farmers on annual basis in 2013. The house is currently under administration by the Peguis First Nation Housing Board and is being rented out on an annual basis.

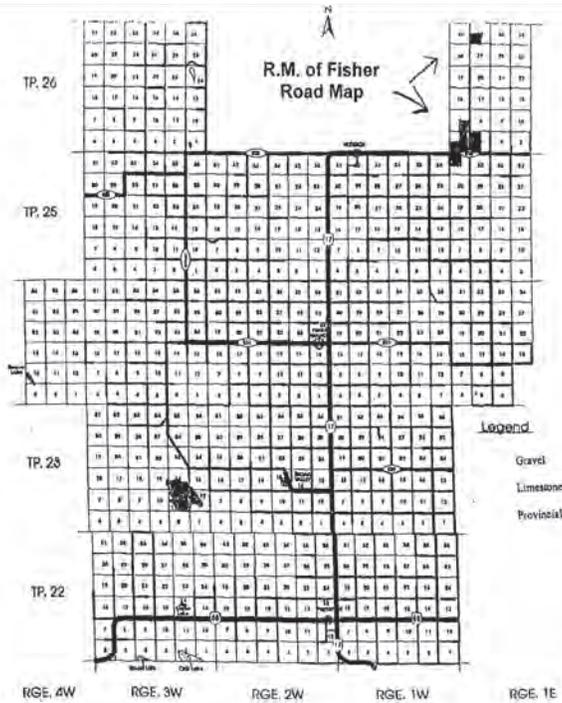


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Abas Land: In November 2012, Peguis TLE purchased land known as the former “Abas Land”. The land is approximately 2,720 acres, or 17 quarter sections, of land located across the road on the south east side of the main Peguis Reserve 1B. The property was acquired given its location in close proximity to the main reserve, the large amount of acres of land and the opportunity for possible use for housing and economic development opportunities. The property included a house, a number of garages and agricultural improvements including fencing, older barns and sheds. The house is currently under administration by the Peguis First Nation Housing Board and is being rented out on an annual basis. The TLE Implementation Unit will be looking to lease or allow for use to local member farmers on annual basis in 2013.



Due Diligence

The TLE Implementation Unit developed a due diligence summary form that requires a certain amount of due diligence to occur before a final land purchase is completed. Included in the due diligence is normally a land appraisal, an environmental assessment and a building or house inspection. Depending on the type of property, additional due diligence may be required such as certified business valuation, an engineering building report and additional financial analysis. This type of additional due diligence would be required if it's a developed commercial or other business type property. Common farm properties would require a land appraisal, an environmental assessment and a building or house inspection if any building's exist on the land, this was completed for both the Abas Land and Grouch Land. If members would like to know what was paid for any properties purchased through the TLE Unit feel free contact us directly.

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Kapyong Matter: by Jeff Rath

I have been asked by Nathan McCorrister to provide an update to the TLE Board on the Kapyong litigation.

As you are aware, our office was entirely successful on your behalf in front of Justice Hughes in December of 2012, in obtaining a Court Order preventing Canada from disposing of lands at Kapyong Barracks to Canada Lands Corporation. As you are aware, the government of Canada has appealed that successful judgment.

In that regard, we have been engaged on behalf of Peguis First Nation in responding to Canada's appeal which on the circumstances and facts of this case, we believe to be an extremely weak Appeal given that Canada did not consult with Peguis AT ALL with regard to any matters at Kapyong either under the Peguis TLE Agreement or otherwise.

In reviewing the Crown's Factum in the Court of Appeal in this regard, it is again evident that Canada has not made any reference to Peguis First Nation or the Peguis TLE Agreement in its Factum to the Federal Court of Appeal. In that regard, we are of the view that Peguis has a very high chance of success at the Court of Appeal with regard to this matter.

At the instruction of Chief and Council through December and into January 2013, correspondence was sent by our office to the government of Canada with a view towards having Canada fulfill its obligations to Peguis First Nation under the terms of the Peguis TLE Agreement. Canada refused to consult or engage with Peguis First Nation in this regard claiming that any consideration of Peguis' attempts to have its TLE Agreement recognized in the context of the lands at Kapyong would offend the Order of Justice Hughes.

On the instructions of the Chief and Council, we properly filed a Judicial Review with regard to Canada's failure to engage in consultation under s. 18 of the Federal Court Act which includes the ability of a party to obtain relief in a circumstance where a Minister or Crown decision maker either fails, refuses or omits to make a decision.

This matter is now under Appeal. We believe that we have a very strong appeal which is what we wanted. Our position is to join the Crown Appeal of Justice Hughes' decision so that both of these matters can be heard together. I believe that this is strongly to Peguis' benefit as it was always our plan to have the appeal of the Peguis' Judicial Review heard at the same time as the Crown Appeal of Justice Hughes' decision in order that a complete record with regard to Peguis would be before the Court of Appeal with respect to these matters.

2012 ANNUAL REPORT



The following is a complete list, along with acres, of all land Acquisitions and Selections by legal description, and or name, and followed by corresponding maps:

	LEGAL DESCRIPTION	CROWN LAND - USE TYPE	ACRES	DATE SELECTED	SITE No.
INITIAL SELECTION: 2004					
1	Former St. Peters Reserve		15,000.00	Aug 16/04 INAC BCR 269-1196	
ORIGINAL SELECTIONS: 2000 - 2004					
2	Parcel A - North Side Hwy 9 (Selkirk Mental Health) Pt. Sec 18-14-5E Southern Portion Pt. Sec. 07-14-5 EPM (PFB BCR#77)	Crown Land Selection	650.00	2000 - 2002 Apr 23/13	A
3	Parcel B - South Bank of Netley Creek Pt. Sec. 23-15-4E (PFN BCR #77)	Crown Land	90.00	2000 - 2002 Apr 23/13	B
4	Parcel C - Wavey Creek NW 1/4 11-14-4E (PFN BCR #77)	Crown Land	140.00	2000 - 2002 Apr 23/13	C
5	Parcel D - West Shore of Fisher Bay N 1/2 Sec. 6&7 18,19,30,31 TP 30 R2E Secs. 1,2,&3, 11,12,13,14,23 TP 31 R1E Secs. 6,7,8,17,18,19,20,28,29,30, 32,33 TP31 R2E (PFN BCR#77)	Crown Land	9,205.00	2000 - 2002 Apr 23/13	D
6	Parcel E - High Rock Lake Area Sec. 3, pt 4, pt 9,10,15, pt 16, pt 21, 22, 27, pt 28, pt 29, pt 32, pt 33, pt 34 Sec. pt. 4, 5, 8, pt 9, pt 16 & 17 TP29 R2W (PFN BCR#77)	Crown Land	7,900.00	2000 - 2002 Apr 23/13	E

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Peguis First Nation - TLE Crown Land Selections:

7	Parcel F - Hnausa Harbour Pt. Sec. 21 TP 22 R 4E (PFN BCR#77)	Crown Land	6.75	2000 - 2002 Apr 23/13	F
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**2000-2004
TOTAL 17,991.75**

NEW SELECTIONS: 2009

8	Hecla Island Survey 45615 WLTO (PFN BCR 52)	Crown Land Selection within a Prov. Park	4.00	Oct 20/09 BCR 269-1334	1 10
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2009 TOTAL 4.00

2010

9	NE 21-23-04E RR 1 East of Sewage Lagoon Site (PFN BCR 5)	Crown Land Selection (Agricultural Use)	76.81	Apr 9/10 BCR 269- 1345	2 10
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10	NE 15-11-04E Parcel 6 Plan No 10283 N of CPR Surplus RR 1 (PFN BCR 4)	Crown Land Selection (Agricultural Use)	20.53	Apr 9/10 BCR 269-1346	3 10
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11	SW 06-29-01W (PFN BCR 6)	Crown Land Selection (Agricultural Use)	163.77	Apr 9/10 BCR 269- 1347	4 10
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12	NE 35-28-02W; NW 35-28- 02W Pt. LS 13 & 14; SE 35- 28-02W (PFN BCR 7)	Crown Land Selection (Agricultural Use)	474.31	Apr 9/10 BCR 269-1348	5 10
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13	SW 01-29-02W; NE 02-29- 02W; SE 02-29-02W (PFN BCR 8)	Crown Land Selection (Agricultural Use)	479.39	Apr 9/10 BCR 269-1349	6 10
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14	NW 16-25-03W (PFN BCR 9)	Crown Land Selection (Agricultural Use)	160.00	Apr 9/09 BCR 269- 1350	7 10
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15	NW 06-14-04E (PFN BCR 20)	Crown Land Selection (Agricultural Use)	110.00	Apr 28/10 BCR 269- 1351	8 10
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16	W 1/2 of LS 14-23-25-2W (PFN BCR 17)	Crown Land Selection (Agricultural Use)	20.00	Apr 28/10 BCR 269-1352	9 10
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17	W 1/2 of LS 4 & S 1/2 of the W 1/2 of LS 5 of 20-24-2E (PFN BCR 18)	Crown Land Selection (Agricultural Use)	30.00	Apr 28/10 BCR 269-1353	10 10
18	NW 06-26-01E (Sale 60045) & SW 07-26-01E (Sale 60043) (PFN BCR 19)	Crown Land Selection (Agricultural Use)	326.00	Apr 28/10 BCR 269-1354	11 10
19	W 1/2 of N 1/2 of LS 11, N 1/2 of S 1/2 of W 1/2 of LS 11, S 1/2 of LS 13, S 1/2 of W 1/2 of LS 14 of 30 – 22 – 1 WPM (PFN BCR 49)	Crown Land Selection (Quarry Lease 2238)	TBD	Aug 23/10 BCR 269-1365	
20	E 1/2 of LS's 9 & 16 of 18 – 24 – 2 EPM (PFN BCR 48)	Crown Land Selection (Quarry Lease 2283)	TBD	Aug 23/10 BCR 269-1366	
21	N 1/2 of W 1/2 of LS 8, W 1/2 of LS 9 and S 1/2 of LS 16 of 22 – 23 – 2 WPM (PFN BCR 50)	Crown Land Selection (Quarry Lease 2239)	50.00	Aug 23/10 BCR 269-1367	12 10
22	N 1/2 of LS's 1 & 2, N 1/2 of S 1/2 of LS's 1 & 2 of 5 – 22 – 1 WPM (PFN BCR 51)	Crown Land Selection (Quarry Lease 2240)	60.00	Aug 23/10 BCR 269-1368	13 10
23	Clandeboye Pits: NE & E 1/2 of NW 5-15-4E (PFN BCR 55)	Crown Land Selection	238.00	Aug 23/10 BCR 269-1369	14 10
24	Lockport: River Lots 170-184 & N 1/2 River Lot 185 Plan 2470 WLTO (pt. SW 6-13-4E & Pt. SE 1-13-4E) Parish of St. Andrews in the RM of St. Clements (PFN BCR 56)	Crown Land Selection	177.00	Aug 23/10 BCR 269-1370	15 10
25	SE 1/4 20-30-01 EPM (PFN BCR 57)	Crown Land Selection (Casual Quarry Permit)	158.00	Aug 23/10 BCR 269-1371	16 10
			2010 TOTAL	2,543.81	

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2012 ANNUAL REPORT

2011

26	SW 31-25-02W PFN BCR 33	Agricultural Crown Land	158.00	Mar 11/11 BCR 269- 1377	1 11
27	SE 36-25-03 W PFN BCR 32	Agricultural Crown Land	160.00	Mar 11/11 BCR 269- 1378	2 11
28	SE 23-10-07 E PFN BCR 31	Agricultural Crown Land	160.00	Mar 11/11 BCR 269- 1379	3 11
29	NW 30-25-02 W PFN BCR 30	Agricultural Crown Land	158.00	Mar 11/11 BCR 269- 1380	4 11
30	LS 5 & LS 12 07-25-02 W PFN BCR 38	Crown Land Selection (Quarry Lease 2459)	80.00	Mar 11/11 INAC BCR 269-1381	
31	NE 23-10-07 E PFN BCR 27	Agricultural Crown Land	160.00	Mar 11/11 BCR 269- 1382	5 11
32	NE 30-25-02 W PFN BCR 28	Agricultural Crown Land	160.00	Mar 11/11 BCR 269- 1383	6 11
33	NW 29-25-02 W PFN BCR 29	Agricultural Crown Land	160.00	Mar 11/11 BCR 269- 1384	7 11
34	NE 1/4 13-25-2 WPM Sale 63261 PFN BCR 46	Agricultural Crown Land	160.00	Apr 12/11 BCR 269- 1388	8 11
35	Part RL 56 to 67 Parish of St Clements Special Survey Plan 5214 PFN BCR 45	Crown Land	25.00	Apr 12/11 BCR 269- 1387	9 11
36	Horseshoe Ridge Sec's 3,10,11 W 1/2 12, W 1/2 13,14,15 26-01 E PFN BCR 47	Agriculture/Qu arry/Forestry	3140.61	Apr 21/11 BCR 269- 1389	10 11
37	NE 34-28-01 W PFN BCR 76	Forage Lease	159.00	Sep 16/11 BCR 269- 1393	11 11

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38	SW 05-29-01 W FR PFN BCR 77	Forage Lease	161.00	Sep 16/11 BCR 269- 1394	12 11
39	NE 06-29-01 W PFN BCR 78	Forage Lease	162.00	Sep 16/11 BCR 269-1395	13 11
40	SE 06-29-01 W PFN BCR 78	Forage Lease	162.00	Sep 16/11 BCR 269-1395	14 11
41	NE 35-26-03 W PFN BCR 79	Forage Lease	166.00	Sep 16/11 BCR 269-1396	15 11
42	NW 35-26-03 W PFN BCR 79	Forage Lease	166.00	Sep 16/11 BCR 269-1396	16 11
43	NW 36-26-03 W PFN BCR 79	Forage Lease	163.00	Sep 16/11 BCR 269-1396	17 11
44	NE 11-27-03 W FR PFN BCR 80	Forage Lease	12.00	Sep 16/11 BCR 269-1397	18 11
45	NW 11-27-03 W FR PFN BCR 80	Forage Lease	13.00	Sep 16/11 BCR 269-1397	19 11
46	NW 12-27-03 W FR PFN BCR 81	Forage Lease	13.00	Sep 16/11 BCR 269-1398	20 11
47	SW 14-27-03 W PFN BCR 82	Forage Lease	160.00	Sep 16/11 BCR 269-1399	21 11

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48	NE 17-22-01 E EX Road Plan No. 8558 WLTO & LS 15 & W 1/2 LS 16 PFN BCR 83	Forage Lease	100.00	Oct 7/11 BCR 269-1400	22 11
49	SE 17-22-01 E EX N 1/2 of LS 7 PFN BCR 83	Forage Lease	142.00	Oct 7/11 BCR 269-1400	23 11
50	SW 17-22-01 E EX Road Plan No. 8859 WLTO & N 1/2 of LS 6 PFN BCR 83	Forage Lease	138.00	Oct 7/11 BCR 269-1400	24 11
51	NE 08-24-02 E PFN BCR 84	Forage Lease	157.00	Oct 7/11 BCR 269-1401	25 11
52	SE 17-24-02 E PFN BCR 84	Forage Lease	158.00	Oct 7/11 BCR 269-1401	26 11
53	NW 31-25-03 E PFN BCR 85	Renewable Hay Permit	174.00	Oct 7/11 BCR 269-1402	27 11
54	NE 03-21-03 W PFN BCR 86	Renewable Hay Permit	160.00	Oct 7/11 BCR 269-1403	28 11
55	NE 09-21-03 W PFN BCR 87	Renewable Hay Permit	160.00	Oct 7/11 BCR 269-1404	29 11
56	SE 10-21-03 W PFN BCR 90	Renewable Hay Permit	160.00	Oct 7/11 BCR 269-1405	30 11
57	SW 10-21-03 W PFN BCR 90	Renewable Hay Permit	159.00	Oct 7/11 BCR 269-1405	31 11

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58	SW 11-21-03 W Pt. south & West of Lake PFN BCR 92	Renewable Hay Permit	74.00	Oct 7/11 BCR 269-1406	32 11
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2011 TOTAL 7,440.61

2013

59	NE 25-24-03 03E BCR 51	PFN	Forage Lease	160.00	Apr 24/13 to AANDC
60	NW 30-24-04 E BCR 51	PFN	Forage Lease	160.00	Apr 24/13 to AANDC
61	NW 31-24-04 E BCR 51	PFN	Forage Lease	160.00	Apr 24/13 to AANDC
62	SE 06-25-04 E BCR 51	PFN	Forage Lease	160.00	Apr 24/13 to AANDC
63	SE 36-24-03 E BCR 51	PFN	Forage Lease	160.00	Apr 24/13 to AANDC
64	NW 01-22-01E BCR 52	PFN	Forage Lease	160.00	Apr 24/13 to AANDC
65	NW 25-25-03 E BCR 78	PFN	Crown Land	160.00	Apr 24/13 to AANDC
66	SE 12-26-03 W BCR 79	PFN	Crown Land	160.00	Apr 24/13 to AANDC
67	N 1/2 32-26-01 E BCR 80	PFN	Crown Land	320.00	Apr 25/13 to AANDC
68	W 1/2 08-27-01 E BCR 80	PFN	Crown Land	40.00	Apr 25/13 to AANDC
69	SW 17-27-01 E BCR 80	PFN	Crown Land	160.00	Apr 25/13 to AANDC
70	NW 04-26-01 E 81	PFN BCR	Crown Land	160.00	Apr 25/13 to AANDC
71	NE 05-26-01 E 81	PFN BCR	Crown Land	160.00	Apr 25/13 to AANDC
72	Section 08-26-01 E BCR 81	PFN	Crown Land	640.00	Apr 25/13 to AANDC
73	S 1/2 09-26-01 E BCR 81	PFN	Crown Land	320.00	Apr 25/13 to AANDC

2013 TOTAL 3,080.00

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**GRAND
TOTAL
CROWN
LANDS***

31,060.17

*does not include 15,000
Initial Selection

ACQUISITIONS:		PRIVATE LAND - USE TYPE	ACRES	DATE SELECTED		
2011						
74	Selkirk Marine Railway Property Lot 2, Blk 1, Plan 24842 WLTO in RL 58 to 62 Parish of St Clements & Parcel D, Plan 40306 WLTO in RL 54 to 62 in Parish of St Clements & part of Bed of Red River PFN BCR 100	Federal - Surplus	2.69	Oct 29/11 BCR 269-1408 Date of Acquisition: Nov 7/11	33	11
		2011 TOTAL	2.69			
2012						
75	Grouch Property: LS 2 & LS 7S1/2 LS 1, W1/2 of N1/2 LS 1 in 12-26-3 WPM PFN BCR 79	Private - Agricultural	110.00	Acquisition Date: May 15/12	1	12
76	Grouch Property: SW 12-26-3 WPM PFN BCR 79	Private - Agricultural	160.00	Acquisition Date: May 15/12	2	12
77	Grouch Property: NE 1-26-3 WPM PFN BCR 79	Private - Agricultural	160.00	Acquisition Date: May 15/12	3	12
78	Grouch Property: SE 31-25-2 WPM PFN BCR 79	Private - Agricultural	160.00	Acquisition Date: May 15/12	4	12
79	Grouch Property: NW 31-25-2 WPM PFN BCR 79	Private - Agricultural	157.00	Acquisition Date: May 15/12	5	12

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80	Grouch Property: NE 31-25-2 WPM PFN BCR 79	Private - Agricultural	159.00	Acquisition Date: May 15/12	6	12
81	Grouch Property: NW 32-25-2 WPM PFN BCR 79	Private - Agricultural	158.00	Acquisition Date: May 15/12	7	12
82	Grouch Property: SW 32-25-2 WPM PFN BCR 79	Private - Agricultural	160.00	Acquisition Date: May 15/12	8	12
83	Grouch Property: NE 32-25-2 WPM PFN BCR 79	Private - Agricultural	158.00	Acquisition Date: May 15/12	9	12

TOTAL - 1,382.00

PRIVATE GROUCH

84	Abas Property: PFN BCR 25 *Includes some Crown Lands	Private - Agricultural		Acquisition Date: Nov 8/12		
85	SW 1/4 32-26-1 EPM	Private - Agricultural	160.00	Acquisition Date: Nov 8/12		
86	SW 1/4 5 and SE 1/4 6-26-1 EPM	Private - Agricultural	160.00	Acquisition Date: Nov 8/12		
87	SW 1/4 6-26-1 EPM	Private - Agricultural	160.00	Acquisition Date: Nov 8/12		
88	NE 1/4 6-26-1 EPM	Private - Agricultural	160.00	Acquisition Date: Nov 8/12		
89	SE 1/4 7-26-1 EPM	Private - Agricultural	160.00	Acquisition Date: Nov 8/12		
90	NW 1/4 31-25-1 EPM	Private - Agricultural	160.00	Acquisition Date: Nov 8/12		
91	NW 1/4 5-26-1	Private - Agricultural	160.00	Acquisition Date: Nov 8/12		
92	NE 05-26-01 E	Private - Agricultural	160.00	Acquisition Date: Nov 8/12		
93	SW 09-26-01 E	Private - Agricultural	160.00	Acquisition Date: Nov 8/12		

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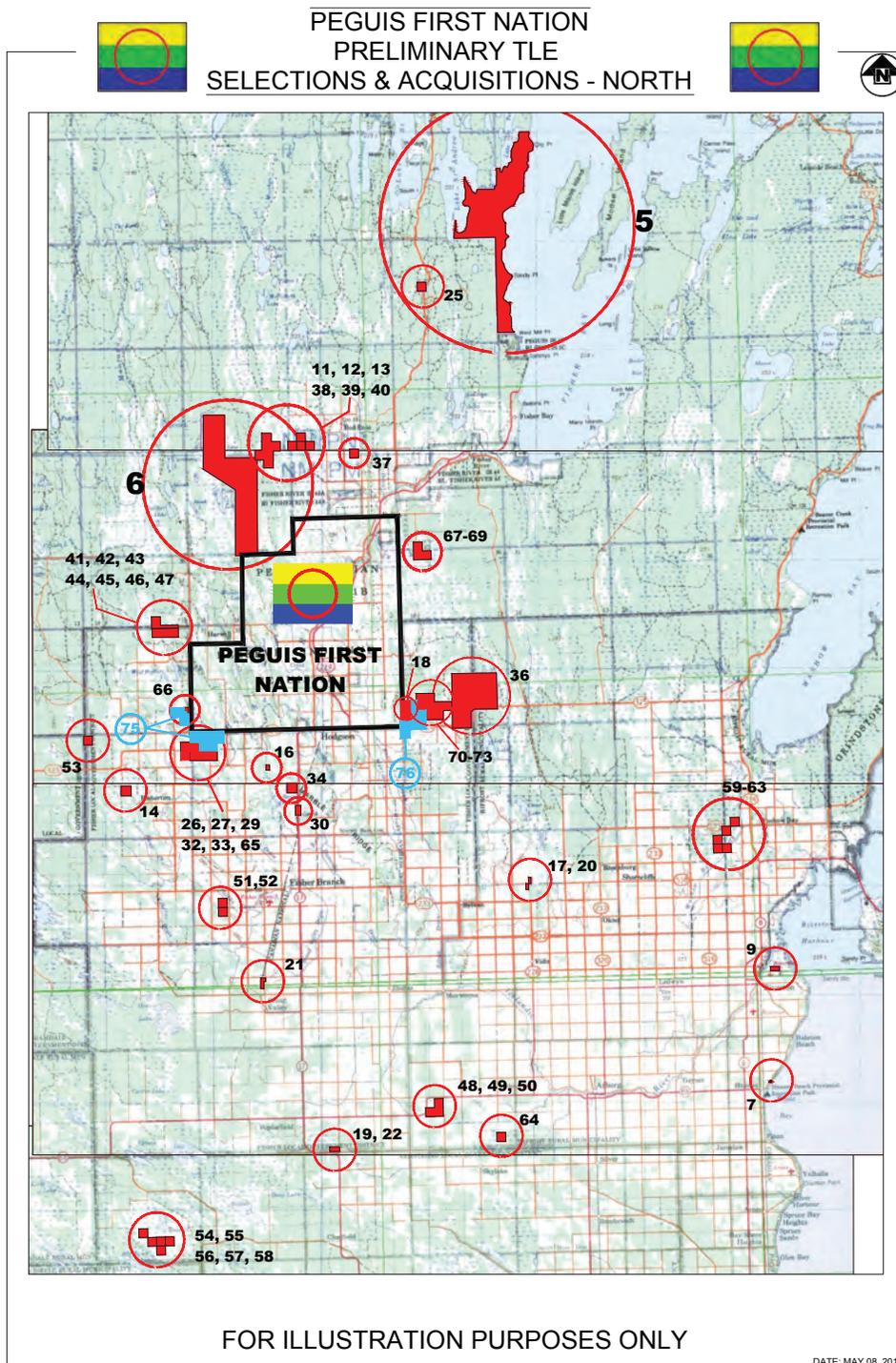
94	W1/2 08-27-01 E	Private - Agricultural	160.00	Acquisition Date: Nov 8/12
95	NW 32-28-01 E	Private - Agricultural	160.00	Acquisition Date: Nov 8/12
96	Sw 17-27-01 E	Private - Agricultural	160.00	Acquisition Date: Nov 8/12
97	NW 04-26-01 E	Private - Agricultural	160.00	Acquisition Date: Nov 8/12
98	NW 08-26-01 E	Private - Agricultural	160.00	Acquisition Date: Nov 8/12
99	SE 08-26-01 E	Private - Agricultural	160.00	Acquisition Date: Nov 8/12
100	SW 08-26-01 E	Private - Agricultural	160.00	Acquisition Date: Nov 8/12
101	NE 08-26-01 E	Private - Agricultural	160.00	Acquisition Date: Nov 8/12
		TOTAL - PRIVATE ABAS	2,720.00	
		GRAND TOTAL PRIVATE LANDS	4,104.69	

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Reference Maps

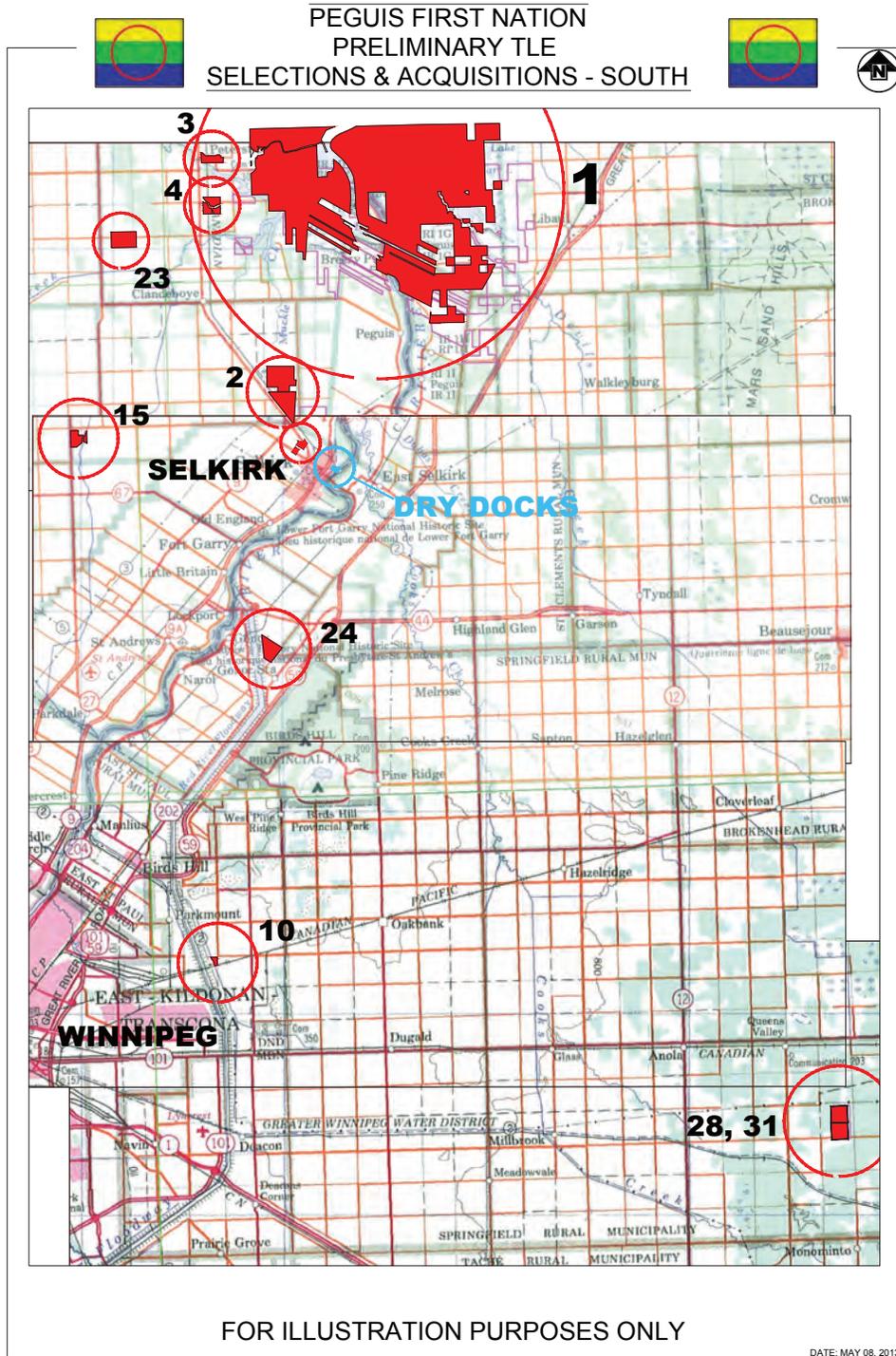


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Reference Maps



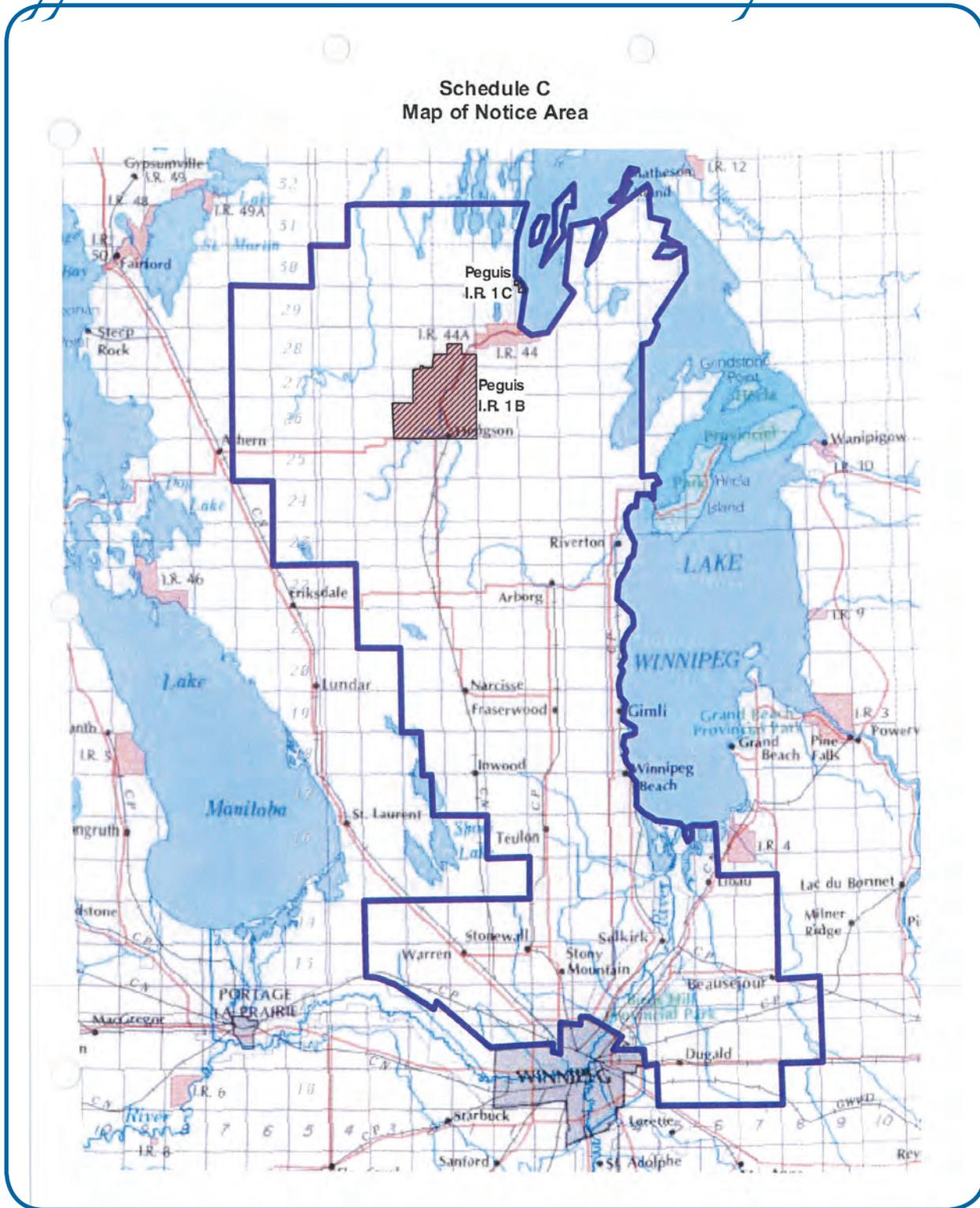
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Appendix 'A' - Notice Area Map

Schedule C
Map of Notice Area

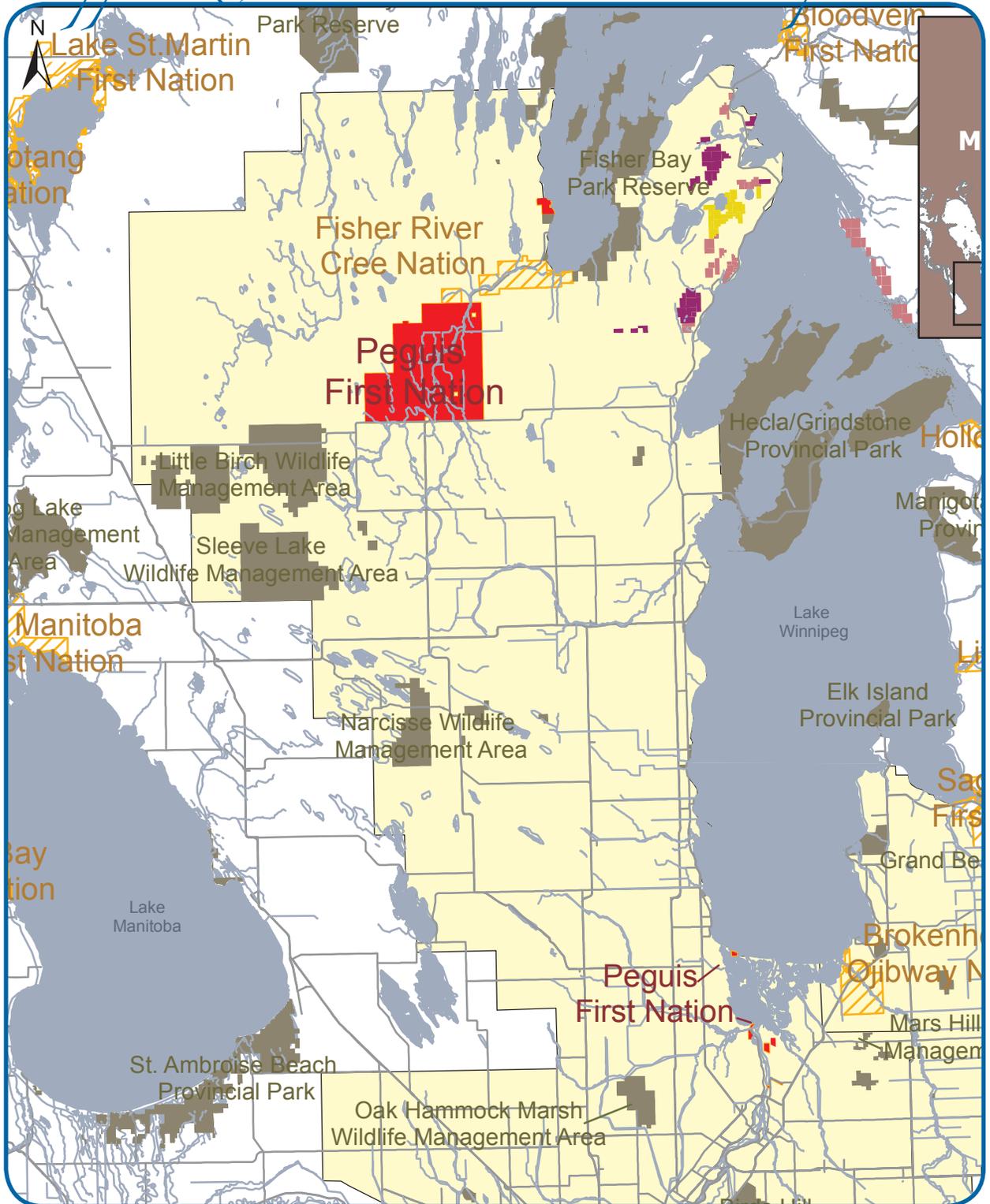


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Appendix 'B' - Consultation Maps

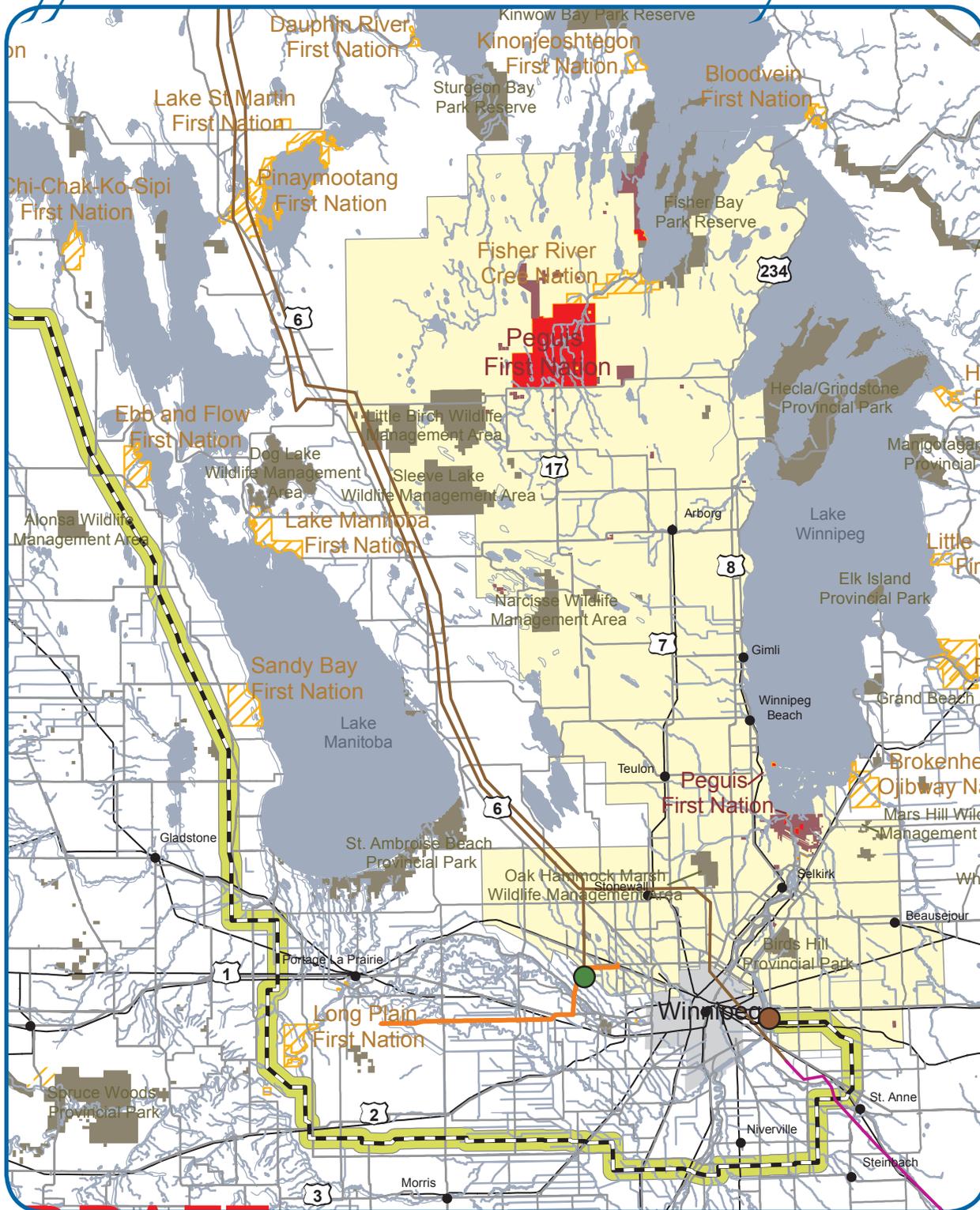


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Appendix 'C' - Consultation Maps



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Peguis First Nation TLE Implementation

339 B Main Street

Selkirk, MB. R1A 1T3

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