

Ministry of
Northern Development
and Mines

Ministère du
Développement du Nord
et des Mines

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Mineral Development and Lands Branch

February 2, 2008

Co-Chief Robert Lovelace
Ardoch Algonquin First Nation

Dear Co-Chief Lovelace

Re: Frontenac Mediation and Consultation

As pointed out in the February 1st message from mediator Richard Moore, it appears that the mediation process has reached an impasse and is now at an end. The Ministry of Northern Development and Mines is disappointed that a mutually agreeable proposal to undertake further consultation with your communities was not reached in the mediation process. However, we believe that the mediation was useful in allowing the parties present to gain a better understanding of each other's views in respect of some of the issues raised in the litigation.

Ontario has been committed and it remains committed to engaging in consultation efforts in respect of Frontenac's proposed exploratory drilling campaign. As the mediation process concludes, we understand that Frontenac Ventures Corporation intends to proceed with the Phase One exploration on the property specifically authorized in the September 27, 2007 order of Justice Cunningham.

Ontario's objective remains to identify and address, through accommodation if appropriate, Algonquin rights associated with the Frontenac tract that may be put at risk by the proposed campaign. Ontario would like to meet with you early next week before any drilling proceeds to have a discussion on the appropriate location of any initial strategic drilling sites. In addition, we would like to continue to discuss the remainder of Frontenac's proposed initial exploration plan including the identification of any impacts, required archaeological or other studies and any mitigation measures identified from these discussions.

Such an exchange would provide the foundation to assist in ongoing consultation with respect to the initial phase of exploration and any additional stages of the exploration sequence if the Frontenac project were to proceed further. In addition, MNDM remains open to both the negotiation of a consultation protocol on a broader range of mineral exploration issues and to the identification of specific sites of importance to Algonquin communities which could be withdrawn from staking under the Mining Act.

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Please get in touch with me as soon as possible to arrange a meeting at the beginning of next week to discuss Frontenac's plan for strategic drilling sites. If you are agreeable, we feel it would be very important for Frontenac to participate in this meeting. I would also appreciate learning of your availability for on-going consultation in relation to this project.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Ferguson', with a long horizontal flourish extending to the right.

Rob Ferguson
Mineral Development Coordinator

Cc. Neil Smitheman, Fasken Martin