

Engagement Plan Pointed Mountain, NWT

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1.0 INTRODUCTION

Paramount Resources Ltd. is an independent, publicly traded, liquids-focused Canadian energy company that explores for and develops both conventional and unconventional petroleum and natural gas reserves and resources. The Company also pursues longer-term strategic exploration and pre-development plays and holds a portfolio of investments in other entities. Paramount's principal properties are located in Alberta and British Columbia. The Company's Class A common shares are listed on the Toronto Stock Exchange under the symbol "POU". In 2017 Paramount completed the acquisition of Apache Canada Ltd. (ACL) and a merger with Trilogy Energy Corp.

As a result of the acquisition of ACL, Paramount is the operator of the former Pointed Mountain oil and gas development. In appendix A of this document is a map of the project area, below is an overview of the project area.

The Former Pointed Mountain Gas Field (the Site) is located west of the Liard River within the Liard Range of the Franklin Mountains, approximately 30 km northwest of Fort Liard, NWT (Figure 1). The Site is located on Crown land and is an area of interest to the Acho Dene Koe First Nation (ADK). It includes former Plant Site, Airstrip, six abandoned gas well sites (A-1, A-2, A-3, A-4, B-1, and B-2), a disposal well, five water supply wells, numerous groundwater monitoring wells, pipelines and associated rights of way, and roads which provide access to the various locations. Equipment and material are transported to the Site via the barge landing on the north side of the Liard River (Figures 1 through 9). The Field was developed by Pan American (Amoco), which merged with BP Canada Energy (BP) in 1998; the assets were acquired from BP by ACL in 2010 and subsequently by Paramount from ACL in 2017.

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). However, Pointed Mountain has been abandoned and no further authorizations from OROGO are required.

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 MVLWB 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.

Licences and Permits

The Pointed Mountain area has had activity pre-dating the creation of the MVLWB under the Mackenzie Valley Resource Management Act. ACL applied for and received MV2014X0011 on June 3, 2014. ON January 30, 2018 the MVLWB approved the change of name to Paramount Resources Ltd. as holder of

MV2014X0011. On February 11, 2019 Paramount sought a 2 year extension to the term of MV2014X0011, the extension was granted on May 16, 2019. Prior to the MV2014X0011 LUP the project area was subject to two other LUP's, both applied for and received by BP. The LUP history and links to where they can be found via the MVLWB Public Registry are in Table 1 below.

Table 1

Original Applicant	Final or Current Permit Holder	Link to Permit and Associated Documentation
BP	BP	https://mvlwb.com/registry/MV2002X0017
BP	ACL	https://mvlwb.com/registry/MV2007X0007
ACL	Paramount	https://mvlwb.com/registry/MV2014X0011

The project is not currently covered by a WL, historically ACL held a one year WL MV2014L1-0010, which is on the Public Registry at <https://mvlwb.com/registry/MV2014L1-0010> . At the end of 2019 Paramount applied for a WL to cover the site, MV2020L1-0001, but after numerous correspondence with the MVLWB it was determined to move forward with a WL and LUP application that would match in scope and term.

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 Paramount’s level of engagement with affected parties has been and will continue to be reflective of its activity level in the area. Depending on the proposed level of activities engagement could include community meetings, open houses, meetings with Chief and Councils, telephone calls along with both written and electronically notifications.

List of Identified Affected Parties

In Table 2 below is a list of identified affected parties for the Liard project areas:

Table 2: Affected Parties for the Liard Project Area

Stakeholder	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
		62 Baker Street Guelph, Ontario

¹ Engagement and Consultation Policy
June 5, 2018 https://glwb.com/sites/default/files/mvlwb_engagement_and_consultation_policy_-_nov_25_19.pdf

Acho Dene Koe First Nation Land Services c/o Shared Value Solutions	Director: Scott Mackay Manager: Meghan Buckham	N1H 4G1 226-706-888 (ext. 102 and 108) lands@adkfirstnation.ca
ADK Holdings Ltd.	Tom Weaselman	General Delivery, Fort Liard, NT X0G 0A0 867-770-4571
Dehcho First Nations	Grand Chief Gladys Norwegian and Resource Mangement Coordinator Dahti Tseto	PO BOX 89 Fort Simpson, NT X0E 0N0 867-695-2610 dahti_tetso@dehcho.org
Dene Tha First Nation	Chief James Ahnassay	PO BOX 958 High Level, AB 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	1st Floor, 4501 – 50th Avenue Yellowknife, NT

	Lands, Resources and Environment Advisor	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 sdkcorp@yahoo.ca

Ongoing Engagement

Engagement activities in the next 5 years at Pointed Mountain are expected to support applications for a new LUP and WL, environmental monitoring/investigations and reclamation work. As a result, engagement activities for MVLWB regulated activities are expected to vary over the course of the near future. 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 3: Activities Requiring Engagement

Activity	Potential Issue(s)	Planned Engagement	Planned Engagement Follow-up
LUP(s) Extension Request and Replacement Applications	Paramount's short and long-term plan for the project area(s)	Written Notification	Telephone Calls and Electronic correspondence
WL(s) Applications, Extension Requests and Replacement Applications	Paramount's short and long-term plan for the project area(s)	Written Notification	Telephone Calls and Electronic correspondence
Maintenance Activities	Timing and Contracting opportunities	Written Notification	Telephone Calls and Electronic correspondence
OROGO Authorized Oil and Gas Activities	Timing and Contracting opportunities	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	Telephone Calls and in person (face to face and virtual) meetings

Ongoing engagement is expected to continue with all the affected parties identified in Table 2.

4.0 CONCLUSION

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

6.0 APPENDIX B: CONSULTATION LOGS