

MINISTRY OF ENERGY AND MINES

BRIEFING NOTE FOR INFORMATION

I PREPARED FOR: Honourable Bill Bennett, Minister of Energy and Mines

II ISSUE: Meeting with Byron Mallott, Lieutenant Governor of Alaska, at Round-up 2016

III BACKGROUND:

The tailings storage facility (TSF) failure that occurred at the Mount Polley mine on August 4, 2014, heightened long-standing concerns in Alaska about British Columbia mine development along the border, and that a similar failure could happen there. It is believed that such an event would affect recreational and commercial salmon stocks managed under the bilateral Pacific Salmon Treaty in the vicinity of the Alsek, Stikine, Taku and Unuk watersheds. Due to these concerns, Lieutenant Governor Byron Mallott visited British Columbia in May 2015 to better understand British Columbia's provincial permitting and environmental assessment processes, and how the approval, development and reclamation of British Columbia mines are regulated. In August 2015, Minister Bennett and staff from the Ministry of Energy and Mines (MEM) and the Environmental Assessment Office visited Alaska to meet with concerned Tribes and other stakeholders and to discuss a better participatory process. These reciprocal visits supported the finalization of a "Memorandum of Understanding and Cooperation Between The State of Alaska and The Province of British Columbia" (MOU), signed by Premier Christy Clark and State of Alaska Governor Bill Walker on November 25, 2015.

The language of the MOU is broad s.16
s.16

Peter Robb, Acting Assistant Deputy Minister, Mines and Mineral Resources Division, Ministry of Energy and Mines, and Kyle Moselle, Large Mine Project Manager, Alaska Department of Natural Resources, will both be presenting on this British Columbia-Alaska co-operation at Round-up 2016.

IV DISCUSSION:

The MOU s.16 build on the cooperative relationship between Alaska Lieutenant Governor Byron Mallott and Minister Bill Bennett. British Columbia currently allows informal participation by Alaska in EA reviews for major projects, including mines that have the potential for transboundary impacts. For example, Alaska has been involved in the approvals of the Brucejack, Galore Creek, KSM, Tulsequah Chief and Schaft Creek mine projects. The MOU s.16 would formalize this existing cooperation by defining the Alaskan Government's involvement in the permitting processes for British Columbia projects, and the involvement of British Columbia First Nations and Alaska Indian Tribes in each jurisdiction's environmental review processes. Although there will be no formal role for Alaska citizens or Indian Tribes in provincial EA processes, s.16 s.16

British Columbia has a similar MOU with the State of Montana addressing transboundary water concerns related the Province's southeast coal mines, signed in 2010. To date, this agreement works very well. Other agencies, such as Environment Canada and the Canadian Environmental Assessment Agency are interested in the work that is coming out of the current agreement, as they are already partners with British Columbia in a number of monitoring programs for transboundary rivers and regularly participate in joint federal-provincial EAs.

V CONCLUSION:

British Columbia's EA process involves a rigorous, thorough review that provides for significant opportunities for First Nations, government agencies and the public to provide input on the potential for environmental, economic, social, heritage and health effects from a proposed project. The MOU s.16 would formalize opportunities for input from our Alaskan neighbours, where appropriate, thereby building upon and improving the cooperative relationship that currently exists between the two jurisdictions.

ATTACHMENTS:

1. BC-Alaska MOU s.16
3. Map of NW BC border mines

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APPROVED BY:

Guy Gensey, CIB ✓
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MINISTRY OF ENERGY AND MINES

BRIEFING NOTE FOR INFORMATION

- I PREPARED FOR:** Honourable Bill Bennett, Minister of Energy and Mines
- II ISSUE:** Meeting with the Honourable Michael Gravelle, Ontario Minister of Northern Development and Mines, to discuss the mineral exploration sector and common challenges at Roundup 2016.

III BACKGROUND:

Ontario

Mineral Development Strategy (MDS): Ontario launched a new MDS in December 2015, an update to its original 2006 version. The strategy provides a blueprint for Ontario mining over the next 10 years and has three overarching goals: to promote 1) a competitive and innovative industry; 2) a safe and environmentally responsible industry; and, 3) an industry that is efficiently and effectively regulated. The MDS sets out multiple actions to achieve these goals, many of which are similar to current BC initiatives.

Junior Exploration Assistance Program: announced at the same time as the new MDS, the program will invest \$ 5 million to rebate companies up to 30 percent of what they spend on mineral exploration within the province.

The MDS and Assistance Program both respond to a recognized need to support Ontario's mineral resource industry. In May 2015, the Fraser Institute reported Ontario's slip from ninth most attractive jurisdiction in the world for mining investment in 2011, down to 23rd in 2014. In its 2015 annual report, Ontario's Office of the Auditor General was critical of the government's failure to do more to promote the province's mineral resources.

British Columbia

Access to the Land Base for Mineral Exploration: Increasing population and activity on the land base has resulted in growing restrictions on the use of BC Crown land. When deciding whether a given area should be protected, policy and decision makers must balance competing interests and consider economic, social and environmental factors, as well as First Nations input. Support of the mineral exploration community remains a priority for government, and its interests, along with others, are given full consideration when making access decisions.

Financing Mineral Exploration: Minister Bennett has recently written to the federal government in support the Prospectors and Developers Association of Canada's (PDAC) recommendation to increase the federal Mineral Exploration Tax Credit (METC) from 15 to 30 percent over a 3 year period. BC's mining Flow-through Share Tax Credit and Mining Exploration Tax Credit have been well received by industry. In March 2015, the Government provided a \$ 5 million grant to Geoscience BC to fund public mineral and oil and gas geoscience projects.

Streamlining Security Rules for Smaller Exploration Companies: Over the past 2 years, the BC Securities Commission (BCSC) has led several projects with other Canadian securities regulators, including Ontario's, to implement more flexible capital raising rules. These are changes that could make it easier for junior exploration companies to attract investment (Attachment #1). Among them are a project to streamline and tailor disclosure obligations for venture issuers without compromising investor protection; developing a security holder exemption that allows public companies to raise money from existing retail shareholders without a prospectus; a crowdfunding exemption that allows companies to raise capital through crowdfunding; and, an investment dealer prospectus exemption.

Establishing a National Securities Regulatory System: Along with Ontario and Canada, BC is leading the initiative to create the Cooperative Capital Markets Regulatory System (Attachment #2). The goal is to establish a cooperative regulator to provide leadership and expertise that reflects and serves the needs of all the participating Canadian jurisdictions. This includes BC's venture capital markets where many mineral exploration companies turn for investment.

IV DISCUSSION:

Mineral exploration and development are important for both the economies of BC and Ontario. The industry is currently suffering a significant downturn in both provinces, and junior mining companies are facing serious challenges in raising capital. Causes of the downturn go far beyond any government regulatory process, and include factors such as slow economic growth, global financial issues, depressed commodity prices and changing investor demographics. BC is committed to continually improving the investment climate for mineral exploration and reducing any unnecessary regulatory barriers to raising capital. The Flow-Through Share Tax Credit and Mining Exploration Tax Credit are both well-established programs that are well received by industry. Along with Ontario and Canada, BC is taking a leadership role in reviewing and revising investor regulations, and taking steps to establish a national securities regulator.

V CONCLUSION:

BC and Ontario continue to work together in leadership roles both to support and promote their own respective mining industries, and the industry as a whole across Canada, in a challenging economic climate.

ATTACHMENTS:

1. August 2015 Note - Response to Venture Capital Market Association Open Letter
2. September 2015 Note – Update on Cooperative Capital Markets Regulatory System

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MINISTRY OF ENERGY AND MINES

BRIEFING NOTE FOR INFORMATION

I PREPARED FOR: Honourable Bill Bennett, Minister of Energy and Mines

II ISSUE: Meeting with the Honourable Scott Kent, Yukon Minister of Energy, Mines and Resources, to discuss the mineral exploration sector and common challenges at Roundup 2016.

II BACKGROUND:

Yukon

Mineral exploration and development activities are an important element of Yukon's economy. Yukon is placed 9th most attractive jurisdiction in the world for mining investment (by comparison, BC ranks second after first-ranked Australia). In the current economic downturn, lower revenues and opportunities for Yukoners has led the government to initiate the development of a Mineral Development Strategy aimed at attracting investment and ensuring responsible mineral development over the long-term. The Strategy, which is expected to be released in 2016, will build on work already underway and will cover business climate, regulatory streamlining, infrastructure, First Nation engagement, environmental stewardship and workforce training.

Yukon also recently committed a \$1.4 million contribution to the Yukon Mineral Exploration Program (YMEP) for the 2015/16 fiscal year. YMEP is the oldest continuing prospectors' assistance program in Canada. For the 2014/15 year, the \$1.4 million program will support 62 placer and hard rock exploration projects and is leveraging an estimated \$4.2 million in industry investment.

The Yukon government is also working on the Mine Licensing Improvement Initiative, which will improve Yukon's regulatory process by reducing overlap and duplication during the mine licensing process. When complete, this initiative is expected to provide more certainty for companies doing business in Yukon.

British Columbia

BC's ideas on keeping mines operating in challenging economic climates: The Province is currently developing a proposal to provide temporary assistance to BC mining companies to defer payment of up to 75 per cent of their monthly BC Hydro electricity bills. Repayment with interest would commence when copper and coal prices recover and companies begin to generate positive cash flows. This proposal was developed through extensive consultation with the mining sector. The program, if approved, would be capped to a maximum accumulated deferral of up to 75 per cent of the value of two years of BC Hydro electricity bills. The Province will ensure that the program does not impact the Fiscal Plan or BC Hydro's existing schedule of rate increases.

Access to the Land Base for Mineral Exploration: Increasing population and activity on the land base has resulted in growing restrictions on the use of BC Crown land. When deciding whether a given area should be protected, policy and decision makers must balance competing interests and consider economic, social and environmental factors, as well as First Nations input. Support of the mineral exploration community remains a priority for government, and its interests, along with others, are given full consideration when making access decisions.

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BC-Alaska: In November 2015, BC Premier Christy Clark and Alaska Governor Bill Walker signed a Memorandum of Understanding and Cooperation (MOU) with the goal of protecting waterways along the BC-Alaska border. The MOU stems from long-standing concerns raised by many different levels of both governments and other interested parties, including: Alaskan Tribes, fishing, commercial and environmental groups about the impacts of mine development along the BC-Alaska border. ^{s.16}

s.16

III DISCUSSION:

BC is interested in discussing the common challenges we face with the Yukon in the mining sector, including encouraging mineral exploration and finding ways to help existing mines stay operational. Causes of the current downturn for the mining sector go far beyond government regulatory frameworks, and include factors such as slow economic growth, global financial issues and depressed commodity prices.

Premier Christy Clark is planning to meet with Yukon Premier, Hon. Darrell Pasloski, on Monday January 25. It is likely that a formal revitalization of the BC-Yukon relationship will be proposed in the form of a Memorandum of Understanding (MOU), and could include areas for cooperation in energy and mining. BC's Intergovernmental Relations Secretariat is working across government to identify potential areas of co-operation for the premiers to discuss.

IV CONCLUSION:

BC looks forward to the outcome of the meeting between the Premiers and welcomes the opportunity to discuss ways we can cooperate to keep our mining sectors healthy and competitive.

Attachment: List of other issues the Yukon Minister may raise.

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MINISTRY OF ENERGY AND MINES

BRIEFING NOTE FOR INFORMATION

- I PREPARED FOR:** Honourable Bill Bennett, Minister of Energy and Mines
- II ISSUE:** Meeting with Stefania Omassoli, Director of The Carbon Trust, to discuss energy efficiency, carbon reduction and low carbon technology development and deployment

III BACKGROUND:

The Carbon Trust (Trust) was established and funded by the Government of the United Kingdom (UK) in 2001 to provide energy efficiency and policy advice to the business sector. Since then, it has evolved from an instrument of government to an independent for-profit organization. Its mandate has also expanded to include research, development and investment in low carbon technologies, and the certification of consumer products. There is an ongoing effort by the Trust to expand internationally, and it now has offices in China and Mexico. In April 2015, a representative of the Trust met with staff from the Ministry of Energy and Mines (MEM), the Ministry of Environment, and the Ministry of Innovation, Technology and Citizens' Services, at the UK Consulate in Vancouver. The purpose was to discuss BC's climate actions and identify overlap with the Trust's areas of interest. The Trust continues to seek opportunities to provide its services to BC, and the following initiatives are likely to be of interest to its representatives.

BC's Climate Leadership Plan

In April 2015, the Government of BC announced its Climate Leadership Plan (CLP). This continues the work of moving the Province towards a lower carbon economy, beginning with the setting of carbon reduction goals in 2007 and the launching of the Climate Action Plan in 2008. In May 2015, a Climate Leadership Team was formed, consisting of representatives from businesses, First Nations, local governments, academia, and the environmental sector. The team's draft recommendations were published in October 2015, and ministries are currently consulting on them. Final recommendations are expected to be presented to Cabinet for approval later in 2016. ^{s.1}

s.12

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BC is also committed to working collaboratively with Canada's federal government to meet its commitments made at the UN Conference on Climate Change in Paris, France ("COP21") in December 2015. Canada's commitments included developing a strong national clean energy technology sector. BC's is supporting Canada in meeting its commitments and this overlaps with, and complements, work that the Province is already doing.

The Innovative Clean Energy Fund (ICE Fund)

The Innovative Clean Energy (ICE) Fund is a Special Account, funded through a levy on certain energy sales and administered by MEM. It is designed to support the Province's energy, economic, environmental and greenhouse gas reduction priorities, and to advance BC's clean energy sector. From 2008-2014, the ICE Fund primarily supported the advancement of pre-commercial clean energy technologies, by acting as a critical bridge to overcome financial barriers to commercialization.

Under its current spending plan, the ICE Fund has widened its scope to support initiatives that broadly accelerate the adoption of clean energy technology, including programs such as the Clean Energy Vehicle Program, the Community Energy Leadership Program, the Post-Secondary Clean Energy Program, and the Oil to Heat Pump Incentive Program.

In 2015, BC dedicated \$2.25 million from the ICE Fund to energy efficiency and conservation initiatives to strengthen the home energy performance industry, advance technology options for net-zero/Passive House equivalent buildings, and accelerate adoption of improved energy management practices in the industrial sector.

IV DISCUSSION:

s.13,s.16

V CONCLUSION:

It is recommended that Carbon Trust representatives continue to remain in communication with BC representatives as the CLP is fully developed and implemented.

ATTACHMENT: Climate Action in BC

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MINISTRY OF ENERGY AND MINES

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NEWS RELEASE

For Immediate Release
2015MEM0027-001963
Nov. 25, 2015

Office of the Premier
Office of the Governor of Alaska

MOU strengthens Alaska and B.C. commitment to protect shared environment

VICTORIA – A memorandum of understanding (MOU) signed today by Premier Christy Clark and State of Alaska Governor Bill Walker strengthens cross-border partnerships between British Columbia and Alaska in many areas of common interest including mining and environmental matters.

The MOU recognizes and formalizes the mutual commitment of Alaska and British Columbia to protect and enhance the shared environment, including trans-boundary rivers, watersheds and fisheries – for the benefit of both jurisdictions. It provides for greater involvement and collaboration on proposed major mine development in either jurisdiction.

This MOU builds on the work done by State of Alaska Lt. Governor Byron Mallot and Minister of Energy and Mines Bill Bennett during their respective visits to British Columbia and Alaska.

Recognizing the importance of protecting and monitoring shared waterways, Alaska and British Columbia will establish a bilateral working group on the protection of trans-boundary waters. This group will work together to develop and implement a joint water quality monitoring program for trans-boundary waters and ensure this data is made publicly available.

Additionally, the bilateral working group will build on existing collaboration between Alaska and British Columbia on mining and other development projects in or affecting trans-boundary watersheds by:

- Creating more opportunities and establishing a framework to enable government representatives and scientists to be involved in each jurisdiction's environmental assessment and permitting processes for these types of projects.
- Developing ways for interested Tribes, First Nations, and stakeholders to access information and provide input for such trans-boundary developments.

Under the MOU Alaska and British Columbia also agree to share best practices on workforce development and training, advance marine reliability and safety, and foster continued growth of existing and increased transportation links.

Recognizing the strong partnership between Alaska and British Columbia, the MOU reinforces the existing emergency management mutual aid response agreement between both jurisdictions. Both governments will also continue their long-standing cooperation on the joint visitor industry marketing program that promotes travel to the Alaska and Western Canada region and also look for other areas where Alaska and British Columbia might work together.

Quotes:

Premier Christy Clark –

“British Columbia and Alaska share a lot of common interests that transcend borders, and a long history of working together. This MOU provides for more collaboration and cooperation to ensure the protection, conservation and enhancement of our shared environment – and a better future for people on both sides of our border.”

State of Alaska Governor Bill Walker –

“As our next-door neighbor, Canada plays a significant role in many Alaska industries, including trade, transportation, and tourism. This MOU underscores that connection, and I thank British Columbia Premier Clark for her support and cooperation in advancing this important relationship.”

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Connect with the Province of B.C. at: www.gov.bc.ca/connect

BACKGROUNDER

For Immediate Release
2015MEM0027-001963
Nov. 25, 2015

Office of the Premier
Office of the Governor of Alaska

B.C. and Alaska sign MOU to protect and enhance the shared environment

Today, British Columbia Premier Christy Clark and State of Alaska Governor Bill Walker signed a memorandum of understanding (MOU) to protect and enhance the shared environment for the benefit of both jurisdictions.

A copy of the MOU is provided below:

Memorandum of Understanding and Cooperation

Between

The State of Alaska

and

The Province of British Columbia

THE STATE OF ALASKA AND THE PROVINCE OF BRITISH COLUMBIA,

Sharing a common border and desiring to renew and deepen our longstanding relationship of friendship and trust;

Recalling previous memoranda of cooperation between the State of Alaska and the Province of British Columbia, and other multi-jurisdictional memoranda of cooperation;

Recognizing the mutual commitment of Alaska and British Columbia to sustaining our environment for the benefit of all, including our valuable transboundary rivers, watersheds, and fisheries;

Desiring to promote marine transportation reliability and safety, economic development, workforce training, and job creation in each jurisdiction, and to explore specific opportunities for enhanced trade and investment between Alaska and British Columbia;

Committed to sharing information and communicating regularly to improve understanding and reach mutually beneficial outcomes;

Agreed that the full engagement of our provincial and state governments with our respective federal, First Nations and Alaska Native Tribes and organizations, local governments, and the support of local residents and citizens, is crucial;

NOW THEREFORE DESIRE TO ENTER INTO THIS MEMORANDUM OF UNDERSTANDING AND COOPERATION AND HEREBY AGREE AS FOLLOWS:

I. Responsible Parties

1. The Governor of Alaska and the Premier of British Columbia are responsible for oversight and implementation of this Memorandum of Understanding and Cooperation.
 - The Governor's Office is designated the lead entity for Alaska. The Governor's Office will act as the lead and coordinating entity, and will call upon the appropriate state agencies for implementation.
 - The Intergovernmental Relations Secretariat, a branch of the Office of the Premier, is designated lead entity for British Columbia. The Secretariat will act as the lead and coordinating entity, and will call upon the appropriate provincial agencies for implementation.
2. Officials appointed by the Governor and the Premier may negotiate jointly, and, with the permission of their respective Governor or Premier, may execute cooperative arrangements in the implementation of this Memorandum of Understanding and Cooperation. Such agreements shall be incorporated as appendices to this Memorandum.

II. Cooperation

Alaska and British Columbia commit to work together collaboratively to:

1) Establish a Bilateral Working Group on the Protection of Transboundary Waters

Alaska and British Columbia will establish a Bilateral Working Group on the Protection of Transboundary Waters consisting of officials from state and provincial agencies that will report to and be overseen by the State of Alaska's Lieutenant Governor, as Chair of the Alaska Transboundary Waters Working Group, and British Columbia's Minister of Environment and Minister of Energy and Mines.

The state and provincial agencies will be directed to further develop a cooperative arrangement that will describe the Working Group's member agencies, structure, responsibilities, reporting and communication plans, with the following terms of reference with respect to any development in the Alaska and British Columbia transboundary area which holds potential to cause significant degradation of water quality or of the fisheries they support:

- establish and oversee a joint process to develop and implement a joint water quality monitoring program for transboundary waters ensuring that data are publicly available;
- establish reciprocal procedures that facilitate the invitation and on-going involvement of interested governmental representatives and their designated scientists in environmental assessments triggered under provincial or state law or regulation, and work to facilitate their participation in those processes undertaken under federal laws;
- establish reciprocal procedures that facilitate the invitation and on-going involvement of interested governmental representatives and their designated scientists in permitting processes triggered under provincial or state law or regulation, and work to facilitate their participation in those processes undertaken under federal laws;
- develop opportunities for interested Tribes, First Nations, and stakeholders to better access information about mining and other development projects, in or affecting transboundary watersheds and to have meaningful opportunities to provide input into the authorization processes before they are completed;
- otherwise develop means to communicate and share information about: the ongoing

operation and closure of mines in the transboundary waters area; best practices and other means to reduce the risk of pollution of transboundary waters; and other topics of agreed mutual interest relating to such risks; and

- seek alternate public or private sector funding of costs and other needed resources that are in addition to those normally covered by existing state or provincial operating budgets.

2) Share Best Practices on Workforce Development and Training

Recognizing the importance of local hire and ongoing efforts to develop trained workforces in each jurisdiction, Alaska and British Columbia will direct their relevant agencies to share best practices on training and workforce development.

3) Advance Marine Transportation Reliability and Safety

Alaska and British Columbia will collaborate to promote marine transportation reliability and safety. Areas of collaboration include measures to prevent accidents and spills and to reduce the consequences of accidents and spills should they occur.

4) Reinforce Emergency Management Mutual Aid Response

Alaska and British Columbia will continue to collaborate and cooperate on planning, training, exercising and information sharing efforts concerning search and rescue, and emergency management mutual aid.

Alaska and British Columbia agree to continue this spirit of cooperation and partnership through the Pacific Northwest Emergency Management Arrangement (PNEMA).

5) Foster Continued Growth of Existing and Increased Transportation Links

Alaska and British Columbia will direct their relevant Departments and Ministries to share information about infrastructure development and transportation services that would encourage increased and more efficient travel and shipping in the region.

6) Continue Joint Visitor Industry Promotion

Alaska and British Columbia will continue their long standing cooperation on the joint visitor industry marketing program that promotes travel to the Alaska and Western Canada region.

7) Explore Other Areas for Cooperative Action

Alaska and British Columbia will also direct their relevant agencies to explore other areas that would benefit from cooperation, including natural resource development; fisheries, including ocean acidification; border management, trade and investment; and climate change adaptation.

III. Limitations

This Memorandum of Understanding and Cooperation shall have no legal effect; impose no legally binding obligation enforceable in any court of law or other tribunal of any sort, nor create any funding expectation; nor shall our jurisdictions be responsible for the actions of third parties or associates.

IV. Term and Amendment

This Memorandum of Understanding and Cooperation is effective when signed by both the Governor and the Premier and as otherwise specifically provided for under its provisions. It may be amended at any time by agreement between the signatories and may be terminated by either upon written notice to the other.

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s.16;s.13

Attachment

Additional Topics of Discussion with Lt. Governor Byron Mallott

1. Examples of Successful First Nations Relationships with BC's Mining Industry

a. Red Chris Copper-Gold Mine

The Red Chris Copper-Gold mine is owned and operated by Imperial Metals. It is located in Northwest BC, approximately 18 km southeast of Iskut Village and 80 km south of Dease Lake. Commercial production from the mine began in July 2015.

In August 2014, during the mine's construction, Imperial Metals signed an agreement with the Tahltan Central Council to have Klohn Krippen Berger (KKB), an outside engineering firm chosen by the Council, review the proposed tailings storage facility design. This study was completed in November 2014, and the proponent implemented all recommendations made by KKB during the construction of the tailings facility.

In July 2015, a Revenue Sharing Agreement between the Province and the Tahltan was concluded. Under this agreement, the Tahltan will receive a portion of mineral taxes from the Red Chris Mine. The province is also completing a Red Chris specific agreement related to ongoing permitting and environmental compliance and monitoring. In addition, the proponent has also completed a Benefits Agreement with the Tahltan.

b. Southeast BC Coal Mines and the Ktunaxa Nation Council

Teck operates five coal mines in Southeast BC. The Elk River watershed, located downstream of Teck's coal mines, has shown significantly elevated levels of selenium and other contaminants, primarily due to runoff from waste rock from decades of open-pit coal mining.

In 2013, responding to concerns about the downstream impacts from previous and current mine operations, BC required Teck to submit a plan to address selenium and other contaminants in the Elk Valley watershed. In November 2014 after 15 months of intensive engagement with provincial agencies, local First Nations, Montana, the Federal Government and independent scientists, the Minister of Environment approved the Elk Valley Area Based Management Plan. The Ktunaxa Nation Council (KNC) was an integral collaborator in the development and approval of the Plan. The KNC jointly endorsed the final draft of the Area Based Management Plan and the accompanying Valley wide *Environmental Management Act* permit.

The Area Based Management Plan presents an innovative and comprehensive approach that sets out stringent and legally enforceable water quality standards that not only address potential impacts from proposed new developments but also mitigate cumulative impacts from historic mining in the area. The Area Based Management Plan is endorsed by all relevant provincial government agencies and supported by KNC.

In addition, the Province has a revenue sharing agreement and a long term strategic consultation agreement with the KNC covering all aspects of Coal development in the region. The proponent is also in the final stages of completing a long term Impact Management and Benefits Agreement with the KNC.

2. Transboundary Waters and the International Joint Commission (IJC)

On January 20, 2016, a letter was sent to Alaska Governor Bill Walker copying Premier Christy Clark, Minister Bill Bennett, Minister Mary Polak, and a long list of other Canadian and US politicians. The letter was signed by numerous environmental non-governmental organizations (ENGOS), including the Sierra Club, David Suzuki Foundation and Greenpeace. The letter requests that the US formally ask Canada for a reference with the IJC to invoke the Boundary Waters Treaty (Treaty) relating to BC's mining program along the BC-Alaska transboundary region. Formalizing the SoC prior to Alaska invoking the Treaty, they argue, would lessen the chances of both federal governments working together to increase environmental protections.

A similar argument calling for invocation of the Treaty had been made in a letter dated April 10, 2015, written from the American Fisheries Society to US Secretary of State John Kerry and Premier Christy Clark.

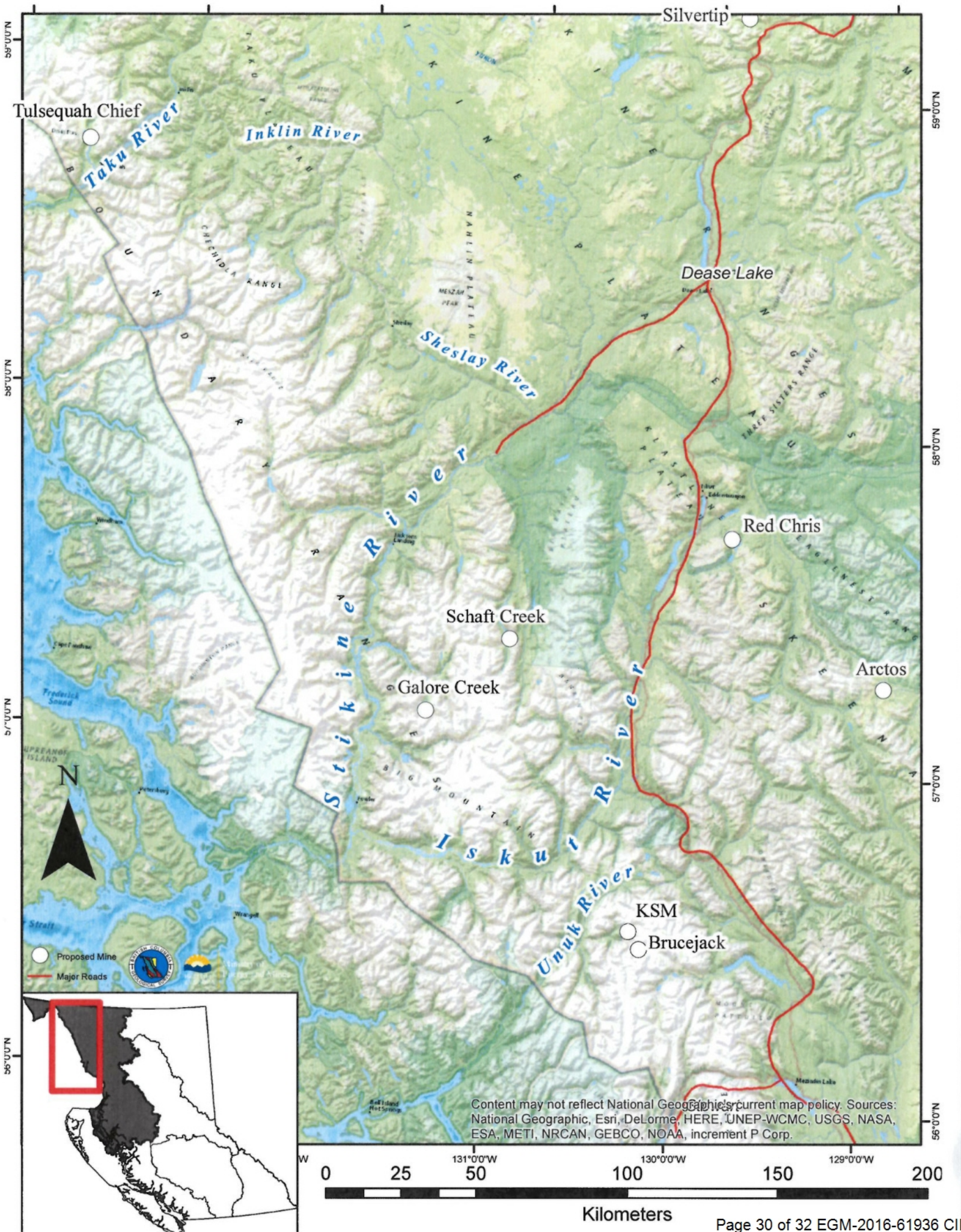
The Boundary Waters Treaty of 1909 established the International Joint Commission to ensure that "waters flowing across the boundary shall not be polluted on either side to the injury of health or property on the other."

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s.16;s.13



MINISTRY OF ENERGY AND MINES

BRIEFING NOTE FOR INFORMATION

I PREPARED FOR: Honourable Bill Bennett, Minister of Energy and Mines

II ISSUE: Implementing the Alaska-BC Memorandum of Understanding with respect to
Protecting Transboundary Waters

III BACKGROUND:

On November 25, 2015 Premier Christy Clark and Alaska Governor Bill Walker signed the *Memorandum of Understanding and Cooperation Between The State of Alaska and The Province of British Columbia* (MOU). The goals of the MOU are to strengthen cooperation between the two jurisdictions; to protect the environment, transboundary rivers and watersheds; and promote general economic development. s.13,s.16
s.13,s.16

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IV DISCUSSION:

s.13,s.16

s.13,s.16

V CONCLUSION:

s.13,s.16

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MINISTRY OF ENERGY AND MINES

BRIEFING NOTE FOR INFORMATION

I PREPARED FOR: Honourable Christy Clark, Premier

II ISSUE: Meeting with Federal Minister, the Honourable Hunter Tootoo, Fisheries and Oceans Canada, regarding Site C Clean Energy Project

III BACKGROUND:

The Site C Clean Energy Project (Site C) near Fort St. John will be a source of affordable, reliable and clean electricity for more than 100 years, providing 1,100 megawatts (MW) of capacity, and will produce about 5,100 gigawatt hours of electricity each year (GWh/yr) – an 8 percent increase in energy supply to BC Hydro's system and enough to power the equivalent of about 450,000 homes.

The total Site C budget is \$8.335 billion, with a \$440 million project reserve held by Treasury Board. It is the single largest capital investment in the history of the Province. BC Hydro has spent over \$500 million to date.

As the third project on the Peace River, Site C will gain significant efficiencies by taking advantage of water already stored in the Williston Reservoir. This means that Site C will generate approximately 35 percent of the energy produced at the W.A.C. Bennett Dam, with only 5 percent of the reservoir area.

BC Hydro electricity rates are currently among the most competitively priced in North America largely because of British Columbia's heritage hydroelectric projects, the costs of which have been depreciated and now produce electricity at a very low cost to ratepayers. Furthermore, this hydroelectric heritage helps provide an electricity supply in the Province that exceeds the legislated 93 percent clean or renewable requirement — an achievement that few jurisdictions in the world can claim.

In order to support the Province's Final Investment Decision, an alternative portfolio of Independent Power Projects, such as wind and run-of-river backed up by natural gas was assessed in order to understand the best option for ratepayers that would maintain British Columbia's clean electricity mandate. The alternative portfolio would have cost ratepayers about \$600 million to \$900 million more per year.

IV DISCUSSION:

Meeting British Columbia's electricity demand

The demand for electricity is forecast to increase by 40 percent in the next 20 years, due to economic growth and a projected population increase of more than one million people, as well as electrification in the transportation and resource sectors. BC Hydro is responsible

for developing a portfolio approach to meet the increase in demand and is planning to meet the needs through three key approaches:

- **Conservation First:** Over the last 25 years, BC Hydro's demand side management programs have supported the development of a culture of conservation. BC Hydro will continue to build on this culture and is committed to meet or exceed the *Clean Energy Act* target of meeting at least 66 percent of demand growth to 2020 through conservation and efficiency measures.
- **Optimizing Existing Generation:** Retrofitting existing assets and optimizing system resources through projects such as the capacity additions at the Mica Dam, John Hart Dam Replacement and Ruskin Dam Upgrade; and
- **New Generation:** In addition to Site C, the Standing Offer Program acquires up to 150 GWh/year for clean or renewable projects under 15 MW of capacity

Environmental Assessment

Federal and provincial environment approvals were received on October 14, 2014. In providing environmental certification, the Provincial and Federal Governments concluded that the impacts of the project are justified by the benefits the project provides. The federal and provincial environmental approval decisions come with 157 conditions altogether (77 from British Columbia and 80 from the Federal Government) that BC Hydro must meet to build and operate the project. Provincial permits and federal authorizations are also required to construct the project.

Consultation with First Nations

The Government of British Columbia places extremely high importance on the meeting of its constitutional and Treaty obligations to First Nations for the Site C Project.

The Federal and Provincial Governments and BC Hydro have been engaged in consultation with the Treaty 8 First Nations from the early stages of the review of the Site C Project. Since 2007, BC Hydro has been consulting and engaging with Aboriginal groups on Site C, focusing on those most affected by the project. BC Hydro has provided over \$14 million in capacity funding to Aboriginal groups to support general engagement and consultation activities, traditional land use studies and baseline reports, and information used to inform the environmental assessment process.

The September 7, 2014, Federal/Provincial Consultation and Accommodation Report (Accommodation Report) written by the British Columbia Environmental Assessment Office (EAO) and the Canadian Environmental Assessment Agency documented the Aboriginal consultation conducted with respect to the responsible provincial Ministers and the Government of Canada's respective Environmental Assessment decisions on the proposed Project.

The Accommodation Report concluded "that consultation has been carried out in good faith and that the process was appropriate and reasonable in the circumstances."

Impact benefits agreement (IBA) offers have been made to all Treaty 8 First Nations significantly affected by the project, specifically: Saulteau First Nations, McLeod Lake Indian Band, Doig River First Nation, Halfway River First Nation, Blueberry River First Nations, West Moberly First Nations, and Prophet River First Nation.

Simple accommodation offers have also been made to Duncan's First Nation, Dene Tha' First Nation and Horse Lake First Nation (all Alberta Treaty 8 First Nations).

Project Benefits

BC Hydro has been working to optimize the benefits to those affected by the Project, in particular First Nations, in order to mitigate, and if not possible, compensate for those impacts.

Construction began on the Site C Project in July 2015. Shortly thereafter, BC Hydro and Saulteau First Nations agreed on terms for an IBA that will provide economic development opportunities and other benefits related to the construction and operation of Site C. The terms that were endorsed in a community vote include lump sum payments, an annual payment stream, contracting opportunities, Crown land transfers and protection of land areas of importance to Saulteau First Nations. Additional agreements are under negotiation between First Nations, BC Hydro and the Province and are progressing.

In addition to mitigation measures required by the Site C Project's regulatory authorizations, BC Hydro has proposed to work with the Province to designate certain BC Hydro-owned lands as ungulate winter range, and to create a compensation fund with a total value of \$10 million for initiatives to address impacts to current use of lands and resources for traditional purposes for the benefit of all Aboriginal groups affected by the Project.

BC Hydro has been working with Aboriginal community groups, contractors, employers, educational institutions and other organizations to advance initiatives to secure a supply of local workers. For example, BC Hydro has provided \$1 million to support trades and skills training at Northern Lights College, 50 percent of which is dedicated to Aboriginal students.

Construction Update and Procurement Opportunities

Significant site preparation work has taken place with public road improvements, clearing of the site, access roads and a temporary construction bridge underway. Construction of a 1,600-person worker accommodation camp is half complete under a \$470 million contract with ATCO Two Rivers Lodging Group for the construction and operations of the camp. As of October, there were approximately 600 people working on the construction of the project.

A preferred proponent for the Main Civil Works Contract was recently announced, which represents the largest single contract for the project at more than a \$1.5 billion contract value, and the contractor will be on site for the duration of the nine year construction period. The preferred proponent, Peace River Hydro Partners, is required by BC Hydro to provide opportunities for Aboriginal groups. Proponent team member, Petrowest, has worked with Aboriginal groups in the project area on previous projects and will be working with Aboriginal groups to provide training, employment and contracting opportunities.

Aboriginal businesses are already seeing benefits from Site C. For example, Paul Paquette and Sons Contracting – an Aboriginal business owned by Saulteau First Nation member Paul Paquette, was awarded a competitively bid contract for clearing work. BC Hydro has awarded or intends to award a number of contracts for site preparation and site services directly to Aboriginal businesses or joint ventures involving Aboriginal businesses. Recent examples include a clearing contract to Duz Cho (owned by the McLeod Lake Indian Band) and a First Nations joint venture with a local company for the construction of a temporary construction bridge.

The Province and BC Hydro are committed to working with First Nations to address their concerns and identify opportunities for them to benefit from the project. Offers of accommodation have been made to all First Nations significantly affected by the project.

Site C Ecosystem and Impacts to Fish

The construction and operation of Site C would transform the current river ecosystem to a reservoir. This would result in a new, but still productive, aquatic ecosystem; however, the composition of fish species would change.

Species such as kokanee, lake whitefish, lake trout, burbot, peamouth and rainbow trout that can adapt to the new ecosystem will likely benefit from the new reservoir. Other species that rely on riverine habitats in the project area may decline in the reservoir environment. Arctic grayling, bull trout and mountain whitefish would continue to be present in Peace River tributaries and downstream of the reservoir and may persist in the reservoir. However, as a result of the potential loss of these distinct groups of fish in the reservoir area, a Joint Review Panel concluded that Site C will result in significant adverse effects on fish and fish habitat.

The Joint Review Panel determined that the effects of the project on the harvest of fish by non-Aboriginal people would not be significant. The project is, however, likely to cause a significant adverse effect on fishing opportunities and practices for the First Nations represented by Treaty 8 Tribal Association, Saulteau First Nations, and Blueberry River First Nations. Accommodation discussions are underway with these First Nations.

Federal Authorizations

BC Hydro has been working with the Department of Fisheries and Oceans (DFO) on a staged approach to *Fisheries Act* Authorizations (FAAs) for Site C. To date, BC Hydro has received FAAs for site preparation activities taking place this year and early 2016. BC Hydro has also worked with DFO through their official review process and are about to submit a FAA application for the balance of the project. Provincial fisheries agency staff have been engaged in this process.

Throughout the environmental assessment process and the *Fisheries Act* authorizations, Aboriginal groups have been consulted with respect to fish and aquatic issues and many have provided input that BC Hydro has taken into account.

Construction of the Site C project requires that certain Federal Fisheries and Transport Canada authorizations are in place for work under the main civil works contract next year.

These authorizations are expected in April 2016. A meaningful delay in receiving the required permits and authorizations would result in significant impacts to project schedule and costs. Ultimately, federal authorizations are required to complete construction of the Site C project.

Legal Challenges

Judicial Reviews of the Site C Environmental Approvals

To date, four judicial reviews of the environmental approvals of Site C have been dismissed (two in Federal Court, and two in BC Supreme Court). Two groups have been involved in the litigation: the Peace Valley Landowners Association (PVLA) and two of the eight BC Treaty 8 First Nations (Prophet River First Nation and West Moberly First Nations). McLeod Lake Indian Band and Doig River First Nation withdrew from their respective participation in the Prophet River/West Moberly legal proceedings. Specific details on these judicial reviews include:

- On July 2, 2015, the BC Supreme Court dismissed a petition by the PVLA challenging environmental approval of Site C by the Provincial Government. An appeal has been filed.
- On August 28, 2015, the Federal Court dismissed an application by the PVLA challenging environmental approval of Site C by the Federal Government.
- On August 28, 2015, the Federal Court dismissed an application by Prophet River First Nation and West Moberly First Nations challenging environmental approval of Site C by the Federal Government. An appeal has been filed.
- On September 18, 2015, the BC Supreme Court dismissed a petition by the Prophet River First Nation and West Moberly First Nations challenging environmental approval of Site C by the Provincial Government. An appeal has been filed.

Judicial Review of the Joint Review Panel Report and Federal Environmental Approval

In July 2015, the Mikisew Cree and Athabasca Chipewyan First Nations of Alberta discontinued their federal judicial reviews of the Joint Review Panel report and the federal environmental approval of Site C.

Judicial Review of Provincial Permits

A judicial review of provincial permits issued in July 2015 in relation to Site C's construction took place in BC Supreme Court in November 2015 on the applications of Prophet River First Nation and West Moberly First Nations. The Court determined it needed more time to hear the facts of the case and decided to add an additional day to the proceedings, which will likely be held in January or February 2016.

Application for a Temporary Injunction

On August 28, 2015, the BC Supreme Court dismissed an application by Prophet River First Nation and West Moberly First Nations for an interlocutory (temporary) injunction against Site C pending the hearing of the judicial review in November 2015.

V CONCLUSION:

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The

Province and BC Hydro look forward to continued collaboration in demonstrating leadership in the area of clean energy and economic development, while working with First Nations to address their concerns and identify opportunities for them to benefit.

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**MINISTRY OF ENERGY AND MINES
BRIEFING NOTE FOR INFORMATION**

- I PREPARED FOR:** Honourable Bill Bennett, Minister of Energy and Mines
- II ISSUE:** Meeting with Jock Finlayson, Executive Vice President and Chief Policy Officer of the Business Council of British Columbia (BCBC), regarding the Climate Leadership Team's (CLT) carbon tax recommendations to government.
- III BACKGROUND:**

BCBC is a non-partisan organization whose mission is to produce public-policy research and advice on issues to enhance British Columbia's competitiveness and prosperity. BCBC strives to provide informed, pertinent insight and advice to British Columbia's top decision makers through evidence-based research and interactive input from its members and policy leaders.

The formation of the CLT was announced in May 2015. It was made up of leaders from the business, academic and environmental communities, as well as First Nations and local government representatives. They were tasked with providing advice and recommendations on actions government can undertake to meet the legislated greenhouse gas emissions targets for a new Climate Leadership Plan.

BCBC was active in providing input and analysis to the CLT's deliberations, suggesting that the Province should be pragmatic and modest in further climate action in the next few years including increases to the carbon tax. Jock Finlayson was designated a CLT special advisor.

On November 27, 2015, the CLT recommendations were released for government consideration. The CLT developed 32 recommendations including advice on fiscal policy and the carbon tax, greenhouse gas reduction targets, industry policy, transportation, buildings, communities and First Nations.

Government is in the process of considering the CLT's recommendations, and is engaging the public and industrial sectors in a second round of consultations that will close on March 25, 2016. Government has also created a Cabinet Working Group on Climate Leadership and a related Deputy Minister's Committee to oversee government's climate action strategy.

Government is committed to releasing the Climate Leadership Plan in spring 2016.

IV DISCUSSION:

In BCBC's phase one input on the Climate Leadership Plan, they recommend that government keep the \$30/tonne carbon tax in place up until 2020. After 2020, BCBC suggests that government review the carbon tax taking into consideration actions in other jurisdictions to put a price on carbon.

BCBC's analysis suggests that the Province has taken significantly more action with respect to carbon pricing than any other North American jurisdiction, and no other jurisdiction has a pricing mechanism that covers as many economic sectors. BCBC argues that three-quarters of BC's merchandise exports, including wood products, coal, pulp and paper, metallic minerals, fabricated metals, agricultural products and natural gas, are trade-exposed sectors

that are price-takers from markets external to BC. While the carbon tax is revenue neutral to government, it is not revenue neutral for all companies. Some companies benefit from the overall tax incidence reduction; however, particularly companies that are not able to benefit from British Columbia's low corporate income tax with a relatively high carbon tax, have a higher overall tax incidence. For these latter companies, increasing the carbon tax would diminish competitiveness in the absence of other jurisdictions implementing similar carbon price-signals in their economies.

The CLT recommendations released in November included an increase in the carbon tax by \$10 per tonne per year starting in July 2018, while maintaining and expanding current tax reductions to include reducing the PST rate and eliminating PST on non-residential electricity consumption, and providing some of the incremental carbon tax revenue to vulnerable British Columbians. In recognition of potential competitiveness issues, the CLT also advised that government establish mechanisms to mitigate carbon tax impacts for emissions-intensive, trade-exposed sectors (EITE) provided that the mechanisms do not adversely impact the price signal to reduce emissions. In the CLT's analysis, over 30 percent of the tax relief would be targeted towards the EITE sectors. Agriculture, forestry, mining, manufacturing and the electricity sectors would see higher growth rates, while natural gas and refining would face lower growth rates.

Government responded to the CLT's carbon tax recommendation by committing that it would only consider an increase in the carbon tax under a regime where emission-intensive, trade-exposed industries are fully protected from any carbon tax increase.

As part of the second phase of government's Climate Leadership Plan consultation, Ministries will be consulting with industry associations and selected companies in the sectors they are responsible for. An Assistant Deputy Minister's committee has been created to coordinate government's consultation on the CLT's report to minimize overlaps and gaps.

Ministry of Finance staff has indicated that they are in the process of considering BCBC's analysis of the CLT's recommendations.

V KEY MESSAGES:

- Government will only consider a carbon tax increase where emissions-intensive, trade-exposed industries are fully protected.
- The Ministry of Finance is considering BCBC's analysis of Climate Leadership Team's recommendations and analysis.
- The second phase of the Climate Leadership Plan consultation is underway which will include Ministry consultation with industry associations and selected companies in the sectors they are responsible for.
- Given government's long history of engagement with BCBC there will likely be other Ministries, in addition to BCBC's current engagement with the Ministry of Finance on the carbon tax, that will seek the BCBC's input.

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**MINISTRY OF ENERGY AND MINES
BRIEFING NOTE FOR INFORMATION**

- I PREPARED FOR:** Honourable Bill Bennett, Minister of Energy and Mines
- II ISSUE:** Meeting with representatives of Enbridge, Roxanna Benoit, VP Government and Public Affairs and Mike Gladstone, Senior Manager Government and Public Affairs.
- III BACKGROUND:**

Enbridge is an energy delivery company based in Calgary, Alberta. It focuses on the transportation, distribution and generation of energy, primarily in North America. Enbridge operates, in Canada and the United States, the longest crude oil and liquid hydrocarbons transportation system in the world. Enbridge also owns and operates Canada's largest natural gas distribution network, providing distribution services in Ontario, Quebec, New Brunswick and New York State.

Enbridge Renewable Energy

Since 2002, Enbridge has invested approximately \$5 billion in wind, solar, geothermal, power transmission, waste heat recovery, and a host of other emerging technology projects. These projects (operating, planned or under construction) have the capacity to generate more than 2,700 megawatts (MW). Enbridge claims to be one of the largest renewable energy companies in Canada.

Enbridge has invested in:

- 1437 MW installed in Canada (Ontario, Alberta, Quebec and Saskatchewan). Most of this capacity is wind power.
- 438 MW installed in the US comprising wind and some smaller geothermal installations.
- 400 MW wind facility in the UK.

IV DISCUSSION:

Enbridge does not have any renewable energy assets in British Columbia, but was considering some projects in 2013 as part of its planning for the Northern Gateway Pipeline.

BC Hydro does not recommend any new calls for power in its Integrated Resource Plan (IRP) that was approved by Government in November 2013. With Government's approval of Site C in December 2014, BC Hydro will likely not need to acquire electricity from IPPs until the latter part of the 2020s unless the load/resource balance changes due to higher than forecast load growth or lower than forecast performance on demand side management.

The IRP estimates that BC Hydro has adequate energy supply to meet the initial electricity requirements of proposed liquefied natural gas facilities -about 3,000 gigawatt-hours a year (GWh/yr) through 2021. BC Hydro has indicated that contingency plans are in place to meet

demand should current forecasts underestimate future needs. This includes being prepared to undertake a procurement process for new supply.

The Standing Offer Program (SOP) continues to accept applications for smaller projects (less than 15 MW) targeting the acquisition of 150 GWh/yr from developers, as established in the Clean Energy Strategy included in BC Hydro's IRP. It is anticipated that the SOP will meet this target for 2016 and 2017.

V CONCLUSION:

This meeting is expected to be an introductory meeting with the Minister to provide an overview of Enbridge's corporate activities and to discuss potential interests in British Columbia's renewable energy sector.

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Elaine McKnight, DM ✓

Attachment

MINISTRY OF ENERGY AND MINES

BRIEFING NOTE FOR INFORMATION

I PREPARED FOR: Honourable Todd Stone, Minister of Transportation and Infrastructure

II ISSUE: The use of natural gas in transportation. Needed for December 10, 2015 meeting.

III BACKGROUND:

British Columbia has a long history of clean energy leadership, and Government is examining ways to grow the market for natural gas as a transportation fuel. Natural gas can replace diesel fuel in heavy duty fleets and other vehicles, helping to lower greenhouse gas (GHG) emissions from the transportation sector. A natural gas vehicle produces 20 to 30% fewer GHG emissions compared to a gasoline or diesel vehicle.

Developing a market for natural gas transportation in British Columbia using our abundant natural gas reserves makes good economic sense for the Province. Natural gas can result in 30 to 40% cost savings for transportation customers, helping to reduce transportation costs and make British Columbia more competitive.

In May 2012, under the authority of sections 18 and 35 of the *Clean Energy Act*, Government passed the Greenhouse Gas Reduction Regulation (GGRR) to provide a time and cost limited program to kick start the domestic market for natural gas in transportation.

The GGRR allows public utilities to make investments in transportation and infrastructure to reduce GHG emissions and help diversify and increase the market for natural gas in British Columbia's transportation sector. Over the last three years, the compressed natural gas (CNG) and liquefied natural gas (LNG) for transportation fuel market has grown, bringing new opportunities for other industry partners to participate.

IV DISCUSSION:

The GGRR allows public utilities to make expenditures under the prescribed undertakings, and utilities are allowed to collect sufficient revenue in each fiscal year to recover program costs. Allowable expenditures under prescribed undertakings include:

- Incentives (grants or zero-interest loans) for the purchase of eligible natural gas vehicles;
- Incentives for fleets to upgrade their maintenance facilities to be natural-gas-safe; and

- Expenditures to build, own and operate CNG or LNG fuelling stations.

The Province does not contribute any funding.

To date, the GGRR has resulted in commitments for more than 500 natural gas vehicles and vessels that will displace approximately 36 million litres per year of diesel fuel consumption and reduce carbon dioxide emissions by 42,000 tonnes per year. The GGRR has succeeded in transitioning fleets and vehicles to use natural gas, including:

- Fleet of fifty class-8 LNG fuelled trucks;
- Fleet of 15 tractor-trailers;
- Five marine vessels including three domestic ferries;
- Five CNG fueling stations and four LNG fueling stations;
- Six LNG mine haul vehicles;
- School bus fleet in Kelowna;
- Transit fleets in Nanaimo and Kamloops; and
- Waste collection and management services in the Lower Mainland.

The Ministry of Energy and Mines (MEM) is considering amendments to extend the GGRR program until 2022 to allow utilities more flexibility in identifying and incenting new and emerging markets. The Ministry of Transportation and Infrastructure (MTI) responded to MEM's consultation paper in the fall of 2015 regarding extension of the program and was very supportive. MTI stated that it supports any actions that will create flexibility and promote innovation in the transportation sector to develop new and emerging markets.

V CONCLUSION

The amount of uptake in the program has shown that there is a market for natural gas as a fuel in the transportation sector. The expanded use of natural gas as a transportation fuel will strengthen our transportation system and the economy while protecting the environment.

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MINISTRY OF ENERGY AND MINES

BRIEFING NOTE FOR INFORMATION

PREPARED FOR: Honourable Bill Bennett, Minister of Energy and Mines

ISSUE: Concerns have been expressed by the City of Abbotsford, the Fraser Valley Regional District, the Sumas First Nation as well as area residents regarding a mining lease application on Sumas Mountain.

BACKGROUND:

- On January 7, 2014 the Ministry of Energy and Mines received an application to convert two mineral claims on Sumas Mountain to a mining lease. The mineral claims are owned by a British Columbia numbered company, 266531 BC Ltd. (the applicant).
- The issuance of a mining lease is a statutory decision of the Chief Gold Commissioner under Section 42 of the *Mineral Tenure Act*.
- A mining lease does not authorize mining activity, but if an owner of a mining lease wants to conduct mechanized mining, they must apply for a *Mines Act* permit.
- There has been local opposition to proposed mining activity from the application area since an aggregate quarry operation for the same area was first proposed in 2011 by the applicant. The applicant withdrew this 2011 *Land Act* crown land use application after deciding not to pursue an aggregate quarry operation.
- The applicant is no longer proposing an aggregate quarry operation, but is instead proposing to produce decorative stone. The applicant has indicated they will proceed with a *Mines Act* permit application in order to produce decorative stone if a decision is made to issue the mining lease.
- The applicant has been keeping the two mineral claims that comprise the lease application in good standing by paying cash since 2002 and has completed some exploration work.
- The lease application area is 310 acres of provincial crown land on Sumas Mountain just east of Abbotsford city limits. It is in Electoral Area G of the Fraser Valley Regional District.
- One of the mineral claims overlaps part of Sumas Mountain Inter-Regional Park and the applicant is aware that if a lease were issued it would not extend into the park as the park is alienated land, and no mineral rights were acquired in the claim overlap area.

DISCUSSION:

- The City of Abbotsford and the Fraser Valley Regional District have expressed their opposition to the issuance of the lease. The concerns expressed include the additional volume of heavy truck traffic on Sumas Mountain Road, and the location of the application area outside the city would mean that no tax is collected toward road maintenance. Other concerns expressed are the adjacency of the application areas to Sumas Mountain Inter-Regional Park and a number of un-managed recreation trails traversing the application area, some of which extend into the park.

- The Sumas First Nation is opposed to the issuance of the lease. They assert a claim to aboriginal rights and title over the application area. The Province's assessment of this claim is that the Sumas First Nation has a strong strength of claim to Aboriginal title over the application area.
- Sumas Mountain Inter-Regional Park contains a number of non-adjoining parcels of land on Sumas Mountain and is jointly managed by Metro Vancouver (on the Abbotsford side) and the Fraser Valley Regional District (on the east side). The two districts hope to eventually connect the parcels into one contiguous park area; however, this would require the transfer of additional crown and/or privately owned land.
- There are currently 49 aggregate and quarry operations permitted under the *Mines Act* in the lower mainland area. It is not known how many of these produce decorative stone, but it is likely that the majority produce aggregate products and some industrial minerals.

CONCLUSION:

- Ministry staff are still reviewing the mining lease application and no decisions have been made.
- Once the applicant has completed all the application requirements and the Chief Gold Commissioner is satisfied that consultation with First Nations is complete, a decision on the lease application will be made.
- A mining lease does not authorize mining activity, and if the recorded holder of a claim or a lease wants to conduct mechanized mining activity, they must apply for a *Mines Act* permit.

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**MINISTRY OF ENERGY AND MINES
BRIEFING NOTE FOR INFORMATION**

I PREPARED FOR: Honourable Bill Bennett, Minister of Energy and Mines

II ISSUE: The Province and the Tsilhqot'in Nation will be entering into a framework agreement to strengthen their government-to-government relationship.

III BACKGROUND:

The agreement (attached) is scheduled to be signed on February 11, 2016. The purpose of the agreement is to establish the shared vision, principles and structures for the parties to negotiate one or more agreements to effect a comprehensive and lasting reconciliation between the Tsilhqot'in Nation and British Columbia. The agreement is for a term of five years.

The Ministry of Aboriginal Relations and Reconciliation (MARR) has prepared a draft Stakeholder engagement plan. It proposes communicating with existing tenure holders with the Declared Title Area as well as Amarc Resources Ltd. (Amarc) after the signing of the agreement. The Ministry of Aboriginal Relations and Reconciliation executive have been in contact with Amarc regarding the Ike project and will reach out directly to them following signing of the agreement.

IV DISCUSSION:

Declared Title Area

One of government's first priorities is to transfer the title land to Tsilhqot'in management and control.

s.16

The agreement commits to further negotiation regarding the title lands and does not specify a time when the title lands will be under the control of the Tsilhqot'in.

Within the Declared Title Area, there are seven mineral claims. The four mineral claims, held by s.22 advanced their good to dates to February 2017 by the application of physical work that was done in September 2013. The three mineral claims held by Taseko Mines Limited advanced their good to dates to December 2018 by applying work that was done in 2014 on adjoining claims outside of the Declared Title Area.

The Province has not yet contacted any of the existing tenure holders with the Declared Title Area.

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Since July 2014, the Declared Title Area has been removed from Mineral Titles Online, BC's internet-based claim registration system.

those conversations. The agreement will set the stage to have

Wider Tsilhqot'in Territory

The Province is also committed to discussions on the wider Tsilhqot'in Territory which includes:

- Category 'A' Lands are new areas that will eventually come under the nation's ownership, management and control. Which lands will be included are subject to further negotiations between the Province and the Tsilhqot'in.
- Category 'B' Lands are all lands in Tsilhqot'in territory except for the declared title area, Category 'A' Lands and Indian Reserves. The framework agreement commits the parties to further negotiations around planning and management of these lands.
- Tsilhqot'in territory is the larger area that Tsilhqot'in assert Aboriginal rights over, in addition to the title lands.

Amarc's Ike property is not located within the proven title area or the proven rights area, however, it is within the wider Tsilhqot'in traditional territory. Therefore, future agreements on Category 'A' or 'B' lands could affect this project.

V CONCLUSION:

The land management implications of the framework agreement, both inside and outside of the title area, are not entirely clear and the Province is committed to five years of negotiation with the Tsilhqot'in to address these matters.

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Attachment: TSILHQOT'IN RECONCILIATION AGREEMENT

TSILHQOT'IN RECONCILIATION AGREEMENT

(the "Agreement")

Dated for reference X date, 2016

BETWEEN

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIAas represented by the Minister of Aboriginal Relations and Reconciliation
and the Premier of British Columbia

("British Columbia")

AND

THE TSILHQOT'IN NATION as represented by:Xeni Gwet'in First Nations Government,
Yunesit'in Government,
Tl'etinqox Government,
?Esdilagh First Nation,
Tsi Deldel First Nation,
Toosey Indian Band, and
The Tsilhqot'in National Government ("TNG")

(the "Tsilhqot'in Parties")

(British Columbia and the Tsilhqot'in Parties are collectively referred to as the "Parties")

WHEREAS:

- A. On June 26, 2014, the Supreme Court of Canada rendered its unanimous judgment in *Tsilhqot'in Nation*, recognizing Aboriginal title for the first time in Canadian history, in the homeland of the Tsilhqot'in peoples;
- B. The *Tsilhqot'in Nation* judgment offers a profound opportunity for British Columbia, the Tsilhqot'in Nation, and all First Nations, to renew and strengthen a shared vision of First Nations as true partners in the economic, political and social future of this Province;
- C. On November 20, 2012, Canada issued a statement of support for the *United Nations Declaration on the Rights of Indigenous Peoples*. On November 13, 2015, the Federal

This draft agreement is confidential and is tabled for discussion purposes only. Each Party may request any additions and/or deletions, from time to time, until the final draft is signed by all Parties. This draft agreement contains no admissions and is without prejudice to any positions that any Party may take in any forum, in the future.

Government mandated that the Minister of Indigenous and Northern Affairs support the work of reconciliation and implement the recommendations of the Truth and Reconciliation Commission, starting with implementation of the *United Nations Declaration on the Rights of Indigenous Peoples*;

- D. The Tsilhqot'in Nation is committed to advancing its right to self-determination and the other rights and interests of the Tsilhqot'in peoples under constitutional and international law;
- E. The Parties signed a Letter of Understanding on September 10, 2014, committing to strengthen their government-to-government relationship and to undertake negotiations in good faith towards a lasting reconciliation agreement between the Tsilhqot'in people and the Province of British Columbia;
- F. As directed by the Letter of Understanding, the Parties wish to embrace this historic opportunity and lead the way forward with new and innovative approaches to Crown-First Nations reconciliation;
- G. In this spirit, the Parties have developed this comprehensive framework for longer-term negotiations to reconcile the rights, interests and goals of the Tsilhqot'in Nation and British Columbia in Tsilhqot'in Territory;
- H. As the Tsilhqot'in Nation has governed itself from time immemorial, the Parties wish to reconcile their respective jurisdictions, governance, laws and responsibilities; and
- I. The Parties share the goal of establishing relationships and processes that reduce conflict, foster mutual understanding and respect, and promote outcomes that reflect consensus and consent.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1.0 DEFINITIONS IN THIS AGREEMENT

- 1.1 **"Caretaker Areas"** means the areas within Tsilhqot'in Territory in which each Tsilhqot'in Community is recognized by the Tsilhqot'in Nation as holding special rights and responsibilities under Tsilhqot'in law and governance;
- 1.2 **"Category 'A' Lands"** means areas within Tsilhqot'in Territory that are agreed by the Parties to be under the ownership, control and management of the Tsilhqot'in Nation, as set out in sections 12.15 to 12.20 of this Agreement, excluding Indian Reserves;

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- 1.3 **“Category ‘B’ Lands”** means all lands in Tsilhqot’in Territory except for the Declared Title Area, Category ‘A’ Lands and Indian Reserves;
- 1.4 **“Declared Title Area”** means the area subject to the declaration of Aboriginal title granted by the Supreme Court of Canada in *Tsilhqot’in Nation v British Columbia*, 2014 SCC 44;
- 1.5 **“Effective Date”** is the date on which this Agreement has been signed by all Parties;
- 1.6 **“First Nations Woodland Licence”** means a long-term, area-based, First Nations woodland licence entered into between the Ministry of Forests, Lands and Natural Resource Operations and a First Nation or its designated representative, and confers upon the holder an exclusive right to harvest timber on a defined licence area, and also allows for management of non-timber forest resources, as set out in the *Woodland Statutes Amendment Act*;
- 1.7 **“Land Based Investment Strategy”** means the Land Based Investment Strategy program delivered through the Ministry of Forests, Lands and Natural Resource Operations that guides ongoing resource investments and short-term targeted investments in British Columbia’s natural resources sector, to realize environmental sustainability and economic prosperity;
- 1.8 **“Leadership Table”** means the elected Chiefs of the Tsilhqot’in Communities and the British Columbia Ministers assigned, from time to time, to lead implementation of this Agreement and negotiation of further agreements that will effect a comprehensive and lasting reconciliation between the Parties, and to help to resolve disputes in accordance with section 18.2 of the Agreement;
- 1.9 **“Parties”** means British Columbia and the Tsilhqot’in Parties and ‘Party’ means any one of them;
- 1.10 **“Pillars”** means the pillars of reconciliation set out in section 3.1, as described in sections 6.0 – 13.0;
- 1.11 **“Tsilhqot’in Citizens”** means individuals who are members of the Tsilhqot’in Nation;
- 1.12 **“Tsilhqot’in Communities”** means the residential communities of Xeni Gwet’in, Yunesit’in, Tl’etinqox, ?Esdilagh, Tsi Deldel, and Toosey;

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- 1.13 **“Tsilhqot’in Governance Agreement”** means the governance agreement negotiated by the Parties pursuant to section 6.3 of this Agreement;
- 1.14 **“Tsilhqot’in Stewardship Agreement”** means the extension of the strategic engagement agreement between British Columbia, the Tsilhqot’in Nation and the TNG, dated for reference June 10, 2014, and any further extension of or successor to this agreement;
- 1.15 **“Tsilhqot’in Territory”** for the purpose of this Agreement is identified in the map attached as Schedule “A”;
- 1.16 **“Wildlife Panel”** means the Wildlife Panel under the *Tsilhqot’in Stewardship Agreement*; and
- 1.17 **“Working Group”** means the representatives of the Tsilhqot’in Nation and British Columbia assigned, from time to time, to implement this Agreement and support negotiation of further agreements that will effect a comprehensive and lasting reconciliation between the Parties, and to help to resolve disputes in accordance with section 18.1 of the Agreement.

2.0 PURPOSE

- 2.1 The purpose of this Agreement is to establish the shared vision, principles and structures for the Parties to negotiate one or more agreements to effect a comprehensive and lasting reconciliation between the Tsilhqot’in Nation and British Columbia.
- 2.2 This Agreement is also intended to foster immediate and ongoing action by the Parties to:
- a. improve the social, cultural and economic well-being of the Tsilhqot’in Communities;
 - b. build and align the capacities of the Parties to negotiate lasting reconciliation agreements and to implement those agreements once concluded;
 - c. effect the practical transition of the Declared Title Area to Tsilhqot’in management, benefit and control, while respectfully engaging with third parties and attempting to address their interests within the Declared Title Area;
 - d. reduce conflict and encourage collaboration in respect of land and resource management decisions in Tsilhqot’in Territory;

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- e. promote economic development and investment in Tsilhqot'in Territory and the broader region that reflects the values, goals and priorities of the Parties; and
- f. promote mutual understanding between the Parties and encourage relationships based on respect, recognition and reconciliation.

3.0 THE PILLARS OF RECONCILIATION

3.1 The Parties commit to work together to achieve the shared vision for each of the following "pillars of reconciliation", as described in sections 6.0 – 13.0:

- a. Tsilhqot'in Governance;
- b. Strong Tsilhqot'in Culture and Language;
- c. Healthy Children and Families;
- d. Healthy Communities;
- e. Justice;
- f. Education and Training;
- g. Tsilhqot'in Management Role for Lands and Resources in Tsilhqot'in Territory; and
- h. Sustainable Economic Base.

3.2 The Parties will address each of the Pillars in accordance with the Guiding Principles.

4.0 GUIDING PRINCIPLES

4.1 The Parties commit to immediate and sustained progress to achieve the shared vision for each of the Pillars, in accordance with the guiding principles set out in this section ("Guiding Principles").

4.2 Collaboration: To the fullest extent possible, the Parties will avoid adversarial positions in their engagement with each other and jointly address challenges and achieve progress through respectful engagement, mutual understanding and a spirit of collaboration.

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- 4.3 Decision-making and Mandates: The Parties will structure their teams, negotiation tables and process to ensure quick access to individuals best positioned to provide the required mandate, decision or direction.
- 4.4 Sustained Progress: The Parties commit to sustained, step-by-step progress towards each of the Pillars, and will work together to define short, mid and long-term objectives. The Parties will jointly prepare and review annual work plans to develop and refine this “road map” to achieve reconciliation and the agreed outcomes.
- 4.5 Measurable Progress: The Parties’ progress towards each goal will be objectively measurable and regularly evaluated. The Parties will agree on the targets and metrics of progress for each goal. If progress is below expectations, the Parties will jointly develop a response.
- 4.6 Dedicated Time and Expertise: The Parties will dedicate the time, expertise, staff, key decision-makers and technical support required to achieve progress towards the shared vision for each of the Pillars. This includes working together to build capacity and maximize use of training opportunities.
- 4.7 Holistic Approach: The Parties recognize that the goals of the Agreement are inter-related and must be approached holistically. In particular, the success of all other goals depends on a strong foundation of Tsilhqot’in culture and language. The Parties acknowledge that there is a strong linkage between social and economic progress and effective progress will require parallel, ongoing work on each of the Pillars.
- 4.8 Flexible and Innovative Arrangements: The Parties will consider any arrangements to achieve the goals of the Agreement, including interim agreements, comprehensive agreements, memoranda of understanding, protocols, legislation, policy changes, revenue sharing, amendments to the Tsilhqot’in Stewardship Agreement, or any combination thereof.

The Parties will use a flexible and creative approach to develop opportunities and arrangements as required to achieve the goals set out in the Agreement, even if they are different from the *status quo* or do not fit easily into existing regimes, laws, programs, policies or structures.

- 4.9 Role of Canada: The Parties acknowledge the participation and commitment of the Government of Canada is required to fully achieve the shared vision and reach final reconciliation, including the full and lasting reconciliation of Tsilhqot’in Aboriginal rights under section 35 of the *Constitution Act, 1982*. The Parties will work diligently to get

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meaningful participation from the Government of Canada while maintaining their shared commitment to progress towards the shared vision for each of the Pillars.

5.0 IMPLEMENTATION TABLES

- 5.1 The Leadership Table and Working Group established under the Letter of Understanding will be continued to implement the Agreement and provide oversight and co-ordination to sub-tables, for the duration of this Agreement. The Leadership Table will continue to meet regularly and not less than quarterly unless otherwise agreed by the Parties.
- 5.2 Additional sub-tables will be established as soon as possible and no later than 6 months after the Effective Date, with responsibility to guide progress under this Agreement in specific areas and report to the Working Group as follows (the “Sub-Tables”):
- a. Governance Sub-Table
 - b. Economic Development Sub-Table
 - c. Social, Cultural, Education and Justice Sub-Table
 - d. Lands and Resources Sub-Table
 - e. Declared Title Area Implementation Sub-Table
- 5.3 The Sub-Tables will be comprised of senior staff from the relevant Ministries and Tsilhqot’in Nation. Each Sub-Table will prepare its own terms of reference for approval by the Working Group, establish its process, and hold regular meetings to implement the direction of the Working Group and Leadership Table.
- 5.4 Each Sub-Table will be accountable for achieving meaningful progress in advancing the shared vision for their respective Pillar(s). Each Sub-Table will establish the metrics for assessing progress, regularly evaluate and report annually on progress, and undertake action planning for sustained progress from year to year.
- 5.5 The Working Group will report to the Leadership Table on an annual basis on or before February 1 of each year with a brief summary of the implementation of the Agreement. The summary will incorporate the annual reporting requirements identified in sections 5.4 and 12.49 and where appropriate include recommendations for improving outcomes.

6.0 TSILHQOT’IN GOVERNANCE

- 6.1 The Parties commit to work together to achieve the following shared vision for this Governance Pillar, in accordance with sections 6.2 – 6.6:

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- a. British Columbia and the Tsilhqot'in Nation recognize and reconcile their respective jurisdictions, governance, laws and responsibilities;
 - b. The Tsilhqot'in Nation governs itself, its communities and Tsilhqot'in Citizens pursuant to Tsilhqot'in governance structures, laws and values;
 - c. The Tsilhqot'in Nation exercises law-making powers and provides autonomous governance and government programs for Tsilhqot'in Citizens and Tsilhqot'in Communities, including matters of Tsilhqot'in culture, heritage, identity, language and institutions; and
 - d. The Tsilhqot'in Nation exercises governance and law-making powers with respect to lands and resources.
- 6.2 Without limiting the steps that the Parties may take to achieve this shared vision, the Parties have identified and commit to the specific priorities set out below.
- 6.3 The Parties will negotiate and seek to reach agreement on a Tsilhqot'in Governance Agreement that recognizes the Tsilhqot'in Nation as a government within Canada, with law-making jurisdiction.
- 6.4 British Columbia will work with the Tsilhqot'in Parties, in the manner outlined in section 6.5, to prepare for the development of provincial legislation, and will encourage Canada to develop compatible federal legislation, that recognizes the Tsilhqot'in Nation as a government within Canada and which implements the Tsilhqot'in Governance Agreement.
- 6.5 To ensure proposed provincial legislation meets the intent of agreements reached under this section, British Columbia will work with the Tsilhqot'in Parties in the development of the foundation for the legislative request and will work with the Tsilhqot'in Parties to reach agreement on an appropriate approach to consultation on the draft legislation.
- 6.6 The Parties will work to establish an intergovernmental framework to further the harmonious relationship of federal, Tsilhqot'in and provincial laws, programs and services.

7.0 STRONG TSILHQOT'IN CULTURE AND LANGUAGE

- 7.1 The Parties commit to work together to achieve the following shared vision for this Pillar:

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- a. Tsilhqot'in Citizens fluent in, and proud of, their language and culture;
- b. public awareness, appreciation and understanding of Tsilhqot'in culture, history and heritage; and
- c. recording and preservation of Tsilhqot'in language, beliefs, oral histories including legends, and cultural knowledge for the benefit of future generations.

8.0 HEALTHY CHILDREN AND FAMILIES

8.1 The Parties commit to work together to achieve the following shared vision for this Pillar:

- a. health indicators for Tsilhqot'in children and families on par with or exceeding standards for non-Aboriginal children and families; and
- b. adequate support for Tsilhqot'in children and families, delivered and managed by Tsilhqot'in Communities, in accordance with Tsilhqot'in laws and values as implemented through section 6 of this Agreement.

9.0 HEALTHY COMMUNITIES

9.1 The Parties commit to work together to achieve the following shared vision for this Pillar:

- a. standards of living for Tsilhqot'in Communities on par with or exceeding non-Aboriginal communities, including housing, infrastructure, roads and access to clean water; and
- b. Tsilhqot'in Communities supporting their own well-being and healthy standards of living through economic self-sufficiency, to the extent practicable.

10.0 JUSTICE

10.1 The Parties commit to work together to achieve the following shared vision for this Pillar:

- a. representation of Tsilhqot'in Citizens in process at each stage of the criminal justice system is equal to or below the representation of non-Aboriginal peoples, proportionally to their respective populations;

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- b. Tsilhqot'in Citizens have access to appropriate education and support in relation to the criminal justice system, including innovative preventative and restorative strategies and alternatives that are consistent with Tsilhqot'in laws and values, as implemented through section 6 of this Agreement.

10.2 Without limiting the steps that the Parties may take to achieve the shared vision for this Justice Pillar:

- a. British Columbia recognizes that the Tsilhqot'in Nation has expressed a strong interest in having an effective and culturally appropriate First Nation Court established (i.e. a "Gladue" sentencing process) for the region, associated with the Provincial Court in Williams Lake;
- b. British Columbia and the TNG will cooperate in conducting a needs assessment addressing the criminal justice issues of concern to the Tsilhqot'in Nation and, after considering such factors as effectiveness and efficiency, recommend potential options to address these issues;
- c. in conducting the needs assessment, the Parties will assess the feasibility of developing and maintaining a system to inform the TNG, to the extent possible, about the status of Tsilhqot'in Citizens in the criminal justice system, subject to any restrictions imposed by the *Freedom of Information and Protection of Privacy Act* or other applicable legislation;
- d. the Parties will seek to engage Canada and other stakeholders, as required, to develop this needs assessment and potential options; and
- e. depending upon the options identified, the Parties will explore opportunities to support and fund the preferred options, including potential funding by Canada.

10.3 The Parties will seek to engage Canada and examine options to improve policing in the Tsilhqot'in Communities, including a review of funding options for education and job-training in criminal justice, law enforcement and security-related fields for Tsilhqot'in Citizens.

10.4 The Parties will seek to engage Canada and explore options to respond to issues of gang violence in Tsilhqot'in Communities, including continued engagement between the RCMP and the Tsilhqot'in Parties on this issue, and consideration of preventative measures, education, employment opportunities, recreation and cultural programs targeted at youth.

11.0 EDUCATION AND TRAINING

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11.1 The Parties commit to work together to achieve the following shared vision for this Pillar:

- a. education funding and outcomes in Tsilhqot'in Communities are on par with or exceeding those in non-Aboriginal communities;
- b. education programs are developed and delivered by the Tsilhqot'in Communities, with strong language and cultural components;
- c. public schools provide a safe and welcoming place for Tsilhqot'in Citizens, with appropriate First Nations culture and history components, developed with the Tsilhqot'in; and
- d. Tsilhqot'in Citizens have meaningful opportunities for post-secondary education and training.

12.0 TSILHQOT'IN MANAGEMENT ROLE FOR LANDS AND RESOURCES

12.1 The Parties will jointly develop an efficient and effective management framework, through this Agreement, for lands and resources in Tsilhqot'in Territory, that:

- a. fully recognizes the right of the Tsilhqot'in Nation, as set out in *Tsilhqot'in Nation v British Columbia*, 2014 SCC 44, to the ownership of lands and resources in the Declared Title Area and the right to proactively manage, enact laws, and decide the uses of the lands and resources in the Declared Title Area;
- b. recognizes the right of the Tsilhqot'in Nation to ownership of lands and resources in Category 'A' Lands and the right to proactively manage, enact laws, and decide the uses of the lands and resources in the Category 'A' Lands, in accordance with sections 12.13 to 12.24 of this Agreement;
- c. recognizes and reflects the unique Tsilhqot'in culture, values, economy and management goals and priorities for lands and resources in Tsilhqot'in Territory, including the wildlife, fish and clean water that have supported Tsilhqot'in culture and economies for countless generations and which must continue to support the Tsilhqot'in Nation and other British Columbians into the future;
- d. supports truly collaborative and efficient decision-making between the Parties about lands and resources on Category 'B' Lands in a manner that strives to achieve, to the fullest extent possible, consensus between the Parties, with a particular focus

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- on projects, decisions and activities that may have significant impacts, as jointly defined by the Parties;
- e. integrates the knowledge and experience of Tsilhqot'in traditional knowledge and western science in the making of resource decisions;
 - f. ensures that land and resource management within Tsilhqot'in Territory supports the goal of preserving, enhancing and sustaining Tsilhqot'in cultural practices and the meaningful exercise of Tsilhqot'in Aboriginal rights, while fostering the strategic social, economic and environmental objectives of the Province;
 - g. seeks to co-ordinate the management of wildlife, lands and resources across the Declared Title Area, Category 'A' Lands and the Tsilhqot'in Territory;
 - h. within the above framework, supports a resource economy that is focused on sustainability, benefits the Tsilhqot'in Nation and British Columbia, and is fair to the rights and interests of other stakeholders;
 - i. reconciles Tsilhqot'in rights, culture, values, economy, management goals and priorities for lands and resources with the culture, values, economic aspirations, goals and priorities of all British Columbians; and
 - j. fully respects the duty British Columbia has to consult and, if appropriate, seek to accommodate other First Nations.
- 12.2 Without limiting the steps that the Parties may take to achieve this shared vision, the Parties have identified and commit to the specific priorities set out below. The Parties may also consider and may jointly implement responses to the critical issues respecting land and resource management in Tsilhqot'in Territory that arise while the initiatives set out in this section are in progress.
- 12.3 The Parties will promptly take the appropriate steps to amend the Tsilhqot'in Stewardship Agreement, pursuant to the procedures set out in section 8 of the Tsilhqot'in Stewardship Agreement, to provide:
- a. that, as a guiding principle, in a manner that is also consistent with sections 12.3 (b) and (c) of this Agreement, the Parties will strive to reach consensus for decisions made under the Tsilhqot'in Stewardship Agreement, utilizing the Engagement Processes and maintaining the focus under the Tsilhqot'in Stewardship Agreement on working together to make efficient and effective decisions;

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- b. where consensus cannot be reached under the Tsilhqot'in Stewardship Agreement, British Columbia or the Tsilhqot'in Parties may request the support of the Working Group, prior to the decision and within agreed timelines, to attempt to resolve the conflict; and
- c. where a decision is rendered under the Tsilhqot'in Stewardship Agreement that does not reflect a consensus outcome, British Columbia or the Tsilhqot'in Parties may request a review and written report, led by the Responsible Officials, detailing the areas of disagreement, options for addressing these areas and recommendations to achieve consensus in future decisions.

12.4 For each of the initiatives set out below, British Columbia will assist the Tsilhqot'in Parties, upon request and to the extent that it is able, with appropriate technical support and the best available data required to support these processes and planning.

Strategic Planning

- 12.5 As a priority, the Parties will engage in collaborative strategic planning for Category 'B' Lands ("Strategic Planning"). The Parties will make all reasonable efforts to establish, by consensus, a shared strategic management framework that supports their Strategic Planning for the lands and resources on Category 'B' Lands in accordance with the shared vision set out in section 12.1.
- 12.6 In carrying out Strategic Planning, the Parties will jointly identify geographic, issue and/or sector based priorities to begin the process. The Parties will then explore opportunities for collaboration and mutual technical learning to assist with Tsilhqot'in strategic planning, while respecting the autonomy of the Tsilhqot'in Parties in carrying out their own planning initiatives in the Tsilhqot'in Communities.
- 12.7 The Parties acknowledge that Strategic Planning may occur incrementally, but the Parties commit to make progress towards achieving a strategic management framework over Category 'B' Lands in a timely manner.
- 12.8 British Columbia will work with the Tsilhqot'in Nation in carrying out Strategic Planning for Category 'B' Lands, to:
 - a. document Tsilhqot'in values, objectives and vision for land and resource management;
 - b. seek to address access management issues and cumulative effects assessment and management;

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- c. inform decision-making about land and resource management;
- d. provide operational guidance on how resource management and development activities should be carried out on Category 'B' Lands;
- e. support a sustainable economy that benefits the Tsilhqot'in Nation and British Columbia; and
- f. support, where possible, strategic-level agreement between the Parties concerning land and resource management.

12.9 The Parties agree it is important to be inclusive and, to meet the goal of reflecting the interests of Tsilhqot'in Citizens and other British Columbians, they will seek to engage others as required to build the envisioned strategic management framework.

Update of the South Chilcotin Stewardship Plan

12.10 Consistent with the joint commitment to the South Chilcotin Stewardship Plan as a living document, the Parties will undertake an immediate review and make every reasonable effort to update this strategic plan by May 1, 2016 by consensus, to fully reflect the shared vision set out in section 12.1 of this Agreement. This review will include strategies and options to:

- a. provide long-term maintenance of sensitive areas including winter moose habitat and wildlife corridors through such measures as the Government Actions Regulation, ATV restrictions and Visual Quality Objectives;
- b. maximize the retention of green timber;
- c. ensure effective access management;
- d. implement a comprehensive approach to recovery of moose populations; and
- e. review the opportunity for a Tsilhqot'in forest tenure in the area.

12.11 Where existing permit conditions or operational plans are inconsistent with the updated South Chilcotin Stewardship Plan, the Parties will strongly encourage permit holders to conduct their permitted activities in a manner consistent with the updated plan.

12.12 In order to allow the South Chilcotin Stewardship Planning process to be completed:

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- a. British Columbia Timber Sales will defer advertising additional timber sales in the South Chilcotin until May 1, 2016;
- b. the Parties will strongly encourage forest licensees to limit submission of new cutting permit applications during the review period, so that the South Chilcotin Stewardship Planning process may be completed before licensees submit applications for new cutting permits; and
- c. statutory decision-makers will be made aware of the South Chilcotin Stewardship Planning process and values at risk and consider these in processing of new cutting permits or timber sales in the South Chilcotin.

Category 'A' Lands

- 12.13 British Columbia recognizes the important spiritual and cultural relationship between the Tsilhqot'in and the land, both within the Declared Title Area and throughout Tsilhqot'in Territory.
- 12.14 The Tsilhqot'in Nation asserts Aboriginal title to the entire Tsilhqot'in Territory. British Columbia holds a different view on the extent and location of Aboriginal title. Despite these different perspectives, the Parties are committed to establishing Tsilhqot'in ownership, management and control over additional areas of Tsilhqot'in Territory, through timely negotiations, without recourse to further litigation and conflict.
- 12.15 The Parties will jointly establish a process for the Tsilhqot'in Parties to select additional areas in Tsilhqot'in Territory, for each Tsilhqot'in Community, that will be recognized as under the ownership, control and management of the Tsilhqot'in Nation (Category 'A' Lands).
- 12.16 British Columbia acknowledges that the quantum and nature of Category 'A' Lands for each Tsilhqot'in Community will be guided by the principles recognized in *Tsilhqot'in Nation v. British Columbia*, 2014 SCC 44 and not confined to specific sites of settlement or intensive use. The Parties will utilize a collaborative and interest-based approach to the negotiation of Category 'A' Lands, and will not be limited to or rely strictly on a strength of claim or evidentiary approach.
- 12.17 For greater certainty, each Tsilhqot'in Community will have the option of establishing its Category 'A' Lands within its Caretaker Area of Tsilhqot'in Territory through negotiations with British Columbia.

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- 12.18 The legal status of lands within Category 'A' Lands [for example, fee simple, s.91(24), etc.] will be determined by the Parties through further negotiations.
- 12.19 The Parties acknowledge that British Columbia has the duty to consult and, if appropriate, accommodate other First Nations in the establishment of Category 'A' Lands.
- 12.20 The Parties will make every reasonable effort to select and legally establish the Category 'A' Lands by February 1, 2020.
- 12.21 The Parties will make every reasonable effort, on an expedited basis, to mutually identify areas for each Tsilhqot'in Community that have high potential to eventually become Category 'A' Lands (herein "Provisional Category 'A' Lands").
- 12.22 The Parties will develop a collaborative structure for the efficient and practical management of lands and resources on Provisional Category 'A' Lands that requires, to the fullest extent possible, approval and authorization by both British Columbia and the Tsilhqot'in Nation for any activities or development that require provincial authorization ("Collaborative Decision-Making").
- 12.23 The Parties intend to engage in Collaborative Decision-Making on Provisional Category 'A' Lands until such time as Category 'A' Lands are conclusively identified and legally established.
- 12.24 The Parties will make best efforts to identify Provisional Category 'A' Lands for each Tsilhqot'in Community, and jointly design and implement Collaborative Decision-Making for Provisional Category 'A' Lands, by February 1, 2018 or as soon as possible thereafter.

Fish and Wildlife Panel

- 12.25 The Tsilhqot'in Nation and British Columbia have a shared goal of sustainable provincial fisheries and wildlife populations ("Fish and Wildlife") and recognize there are many other parties who share this goal.
- 12.26 The Parties agree to empower the Wildlife Panel as the primary source of joint strategic recommendations respecting Fish and Wildlife management and harvest allocation to government statutory decision-makers, third party delivery agencies and the Tsilhqot'in Nation leadership. The work of the Wildlife Panel will provide the framework for collaborative management of Fish and Wildlife within Tsilhqot'in Territory. Within this framework the Province will work to engage and represent others with an interest in wildlife and fisheries. In recognition of this expanded role, the Parties will take steps

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through the Tsilhqot'in Stewardship Agreement to rename the Wildlife Panel as the "Fish and Wildlife Panel" (hereafter, the "Panel").

- 12.27 The Parties will promptly take the appropriate steps to amend the Tsilhqot'in Stewardship Agreement, pursuant to the procedures set out in section 8 of that agreement, to make the appropriate changes to reflect the expanded role and responsibilities outlined in this Agreement.
- 12.28 The Panel will establish collaborative processes to provide joint recommendations and advice to statutory decision-makers, third-party delivery agencies and the Tsilhqot'in Parties with respect to:
- a. reviewing available wildlife inventory information, identifying information gaps including the significance of those gaps, and in order of priority, providing recommendations to British Columbia and the Tsilhqot'in Parties on how these gaps may be addressed, the resources required to fulfill information needs and how available regionally-allocated provincial funding should be allocated to fish and wildlife management priorities;
 - b. as a key input to provincial/Tsilhqot'in planning processes, making recommendations on habitat management and measures to facilitate effective use of habitat supply, including legal protection through legislative mechanisms including the Government Actions Regulation and *Land Act* designations;
 - c. developing, by March 1, 2017, a monitoring program to track the population status and use of key provincial/Tsilhqot'in fisheries and wildlife values;
 - d. leading the implementation of access management, cumulative effects assessment and the application of assessment outcomes to statutory decisions;
 - e. making recommendations to the Parties respecting research requirements including wildlife population dynamics, wildlife and landscape ecology, and human dimensions in fish and wildlife management;
 - f. providing recommendations to statutory decision-makers responsible for fish and wildlife harvest regulation and allocation decisions;
 - g. developing species-specific recovery/management plans that will include operational guidance for all pertinent resource development activities, and guidance for Forest Stewardship Plans and operational plans and activities under

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those Forest Stewardship Plans. Development of a Moose Management Plan will be the priority task of the Panel (see sections 12.33 to 12.41);

- h. education and outreach; and
- i. other matters as agreed to by the Parties.

12.29 The Parties will jointly design and implement collaborative processes and structures that accord British Columbia and the Tsilhqot'in equal influence, through the Panel, in providing recommendations to direct the annual allowable harvest and allocation of species on Category 'B' Lands by November, 1, 2016.

12.30 Where British Columbia has a duty to consult and, if appropriate, accommodate other First Nations about a decision, British Columbia will discharge this duty as part of the decision-making process. The Panel will strive to resolve any conflicts between its preferred direction and the Crown's duties of consultation and accommodation to other First Nations; however, the Parties acknowledge that statutory decisions must accord with the Crown's duties of consultation owed to all First Nations.

12.31 The Parties will adopt a collaborative approach to provincial wildlife research and studies in Tsilhqot'in Territory, including the collaborative design, implementation and analysis of such research and studies and the participation, where possible, of Tsilhqot'in Citizens.

12.32 The Parties will design and implement a joint wildlife monitoring and enforcement regime by March 1, 2017 that provides a direct role for British Columbia and the Tsilhqot'in Parties.

Immediate Commitment to Moose Recovery

12.33 The Parties are committed to the recovery and responsible management of moose populations in Tsilhqot'in Territory.

12.34 The Panel will lead the development of a moose management plan (the "Moose Management Plan").

12.35 The Panel will continue to assemble the most current information and data on moose population trends based on survey and monitoring results, and input from the Tsilhqot'in Nation. The analysis will indicate changes in population levels, identify pressures affecting moose population viability and sustainability, and confirm the relative influence of identified causal factors that drive population trends.

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- 12.36 The Panel will identify information gaps in the current information and data, provide recommendations on how these gaps may be addressed, and the resources required to fulfill information needs.
- 12.37 The Panel will prepare a summary of the analysis and causal factors underlying moose population trends. The analysis will provide a basis for exploring strategies to support recovery, including population trends, recovery thresholds and management measures to support the achievement of population targets.
- 12.38 The results from the evaluation and mitigation stage will be used to confirm population targets, management objectives, mitigation actions to accompany implementation, and monitoring procedures as components of a draft Moose Management Plan.
- 12.39 The draft Moose Management Plan will be submitted to the Ministry of Forests, Lands and Natural Resource Operations and the TNG for endorsement by Dec. 31, 2016.
- 12.40 The Panel will have an ongoing role in monitoring and implementation of the Moose Management Plan, including:
- a. monitoring and reporting on all hunting activity;
 - b. scheduling and carrying out population surveys;
 - c. undertaking mortality assessment and related technical reporting;
 - d. seeking out and undertaking measures for predator control; and
 - e. facilitating habitat enhancement and restoration, including measures for management of active road density.
- 12.41 Within thirty (30) days of the Effective Date, the Panel will meet and identify interim measures for moose recovery that will be immediately implemented.

Environmental Assessment

- 12.42 The Parties will explore opportunities to improve the provincial environmental assessment and the pre-assessment process, including opportunities to:
- a. enhance the role of First Nations at every stage of environmental assessment;

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- b. better incorporate Aboriginal culture, values, worldviews, economies and priorities into environmental assessment and pre-assessment;
- c. more fully address Aboriginal rights, Aboriginal title and socio-economic issues in a manner that implements best practices and respects the Aboriginal perspective; and
- d. increase participation by First Nations in regulatory and environmental oversight and monitoring.

Tsilhqot'in Place Names

- 12.43 At the request of the Tsilhqot'in Nation, British Columbia will name, dual name or rename a set of key geographical features within the Declared Title Area and Category 'A' Lands with Tsilhqot'in place names, in accordance with existing provincial policy and procedures. Adopted place names will be identified in the BC Geographical Names database.
- 12.44 By February 1, 2017, the Parties will jointly develop an initial list of the key geographical features to be named, dual named, or renamed with Tsilhqot'in place names, in accordance with section 12.43.
- 12.45 The Tsilhqot'in Nation may propose that British Columbia name, dual name or rename other geographic features within Tsilhqot'in Territory with Tsilhqot'in place names, and British Columbia will consider those proposals in accordance with existing provincial law, policy and procedures.
- 12.46 At the request of the Tsilhqot'in Nation, British Columbia will record Tsilhqot'in place names and historical background submitted by the TNG, for geographical features, in accordance with provincial law, policy and procedures. Recorded place names will be identified in the BC Geographical Names database.
- 12.47 British Columbia will implement bilingual Tsilhqot'in-English highway signage stating the distances to the respective Tsilhqot'in Communities.
- 12.48 The Parties will consider further opportunities for public displays of Tsilhqot'in culture and history, and seek additional funding opportunities together to create roadside kiosks and enhance the current signage.

Annual Review and Progressive Improvement

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- 12.49 The Parties will annually review the progress of the collaborative strategic planning under section 12.5, the negotiation of Category 'A' Lands and Provisional Category 'A' Lands under sections 12.15 and 12.21, and the Panel under section 12.26, and jointly decide and implement any changes or initiatives required to advance the shared vision set out in section 12.1.
- 12.50 In accordance with section 6, the Parties are committed, in due course, to jointly design and implement collaborative processes and structures that guide additional strategic planning initiatives and statutory decisions, as prioritized and agreed by the Parties.
- 12.51 If, during the Term of this Agreement, British Columbia and another First Nation enter into a consent-based or joint decision-making initiative, through delegation, agreement or through enabling legislation, British Columbia will promptly advise the Tsilhqot'in Nation of that initiative and will review and negotiate with the Tsilhqot'in Nation in good faith on the potential provision and implementation of a similar consent-based or joint decision-making initiative. The expectation of the Parties is that every reasonable effort will be made to negotiate and implement similar consent-based or joint decision-making initiatives as appropriate to the circumstances.
- 12.52 The Parties commit to revisit the Timber Supply Review and the Annual Allowable Cut for the Williams Lake Timber Supply Area, as required to take into account new strategic planning direction, and the establishment of Category 'A' Lands.

13.0 SUSTAINABLE ECONOMIC BASE

Economic Action Plan

- 13.1 The Parties have a common interest in improving Tsilhqot'in participation in the economy and establishing a secure climate for economic and resource development. The Economic Sub-Table will produce an Economic Action Plan by April 1, 2017.
- 13.2 The Economic Development Sub-Table will identify opportunities to support economic development for the Tsilhqot'in Communities and seek ways to support a positive contribution to the economies of the region and British Columbia.
- 13.3 As part of Strategic Planning and economic development planning, the Parties will explore identification of specific areas of land suitable for the promotion of appropriate development, including forestry, alternative energy, tourism and eco-tourism, responsible mining development, ranching, agriculture and food systems, and other economic initiatives.

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- 13.4 Every effort will be made to advance economic opportunities deemed actionable by the Economic Development Sub-Table, as they are identified.
- 13.5 The Economic Development Sub-Table will promote the voluntary engagement of third parties, as required, to advance specific economic opportunities.
- 13.6 The Parties will take all reasonable steps to enhance participation by Tsilhqot'in Citizens and Tsilhqot'in businesses in government procurement contracts and opportunities.

River West Mill

- 13.7 The Parties recognize the potential value of restarting the River West Forest Products Mill as a key driver of employment and other direct and indirect economic benefits for the Tsilhqot'in Communities and British Columbia.
- 13.8 British Columbia will support the Tsilhqot'in Nation's efforts to increase involvement of Tsilhqot'in Parties in the forest industry and to bring River West Mill back into operation, taking into account all relevant considerations, by:
 - a. facilitating the engagement of the forest industry, BC Timber Sales, the Ministry of Jobs, Tourism and Skills Training, and BC Hydro;
 - b. seeking ways to fulfill expired offers of uplift volumes;
 - c. exploring additional opportunities to provide economically viable volume and tenure; and
 - d. exploring innovative ways to bring marginal fibre into production in a way that benefits the Tsilhqot'in Communities.

Resource Revenue Sharing

- 13.9 The Parties will negotiate enduring, innovative agreements to share benefits from resource development on Category 'B' Lands by March 31, 2017.
- 13.10 The Parties will continue the interim financial arrangements established under section 6(c) of the *Letter of Understanding* until the Parties have negotiated more enduring agreements under section 13.9.

Targeted Rural and Economic Development

- 13.11 The Parties recognize that large-scale timber harvesting in response to the mountain pine beetle epidemic has, to date, resulted in very little long-term benefit to the

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Tsilhqot'in Communities. For decades to come, the level of timber harvesting is expected to be significantly reduced.

- 13.12 The Parties recognize the ability of Tsilhqot'in Nation, Tsilhqot'in Communities and Tsilhqot'in Citizens to develop strong economies, and capitalize on emerging economic opportunities depends, in part, on regional collaboration, tailored economic approaches, access to investment capital, and business development support.
- 13.13 The Parties will work together to take advantage of, leverage, and enhance benefits from existing and emerging rural and economic development programs and initiatives. This includes exploring the possibility of establishing specific access to economic development capital through establishment of a legacy fund and other means.

Alternative Energy & Infrastructure Plan

- 13.14 The Tsilhqot'in Parties have identified a number of energy related aspirations, including development of clean energy, upgrades to the Highway 20 distribution line and electrification of Xenigwet'in. Some of these items have already been the subject of extensive study and work involving the Tsilhqot'in Nation and BC Hydro. BC Hydro and the Tsilhqot'in Nation are meeting directly to review the energy-related studies that have already been done in the area to understand the Tsilhqot'in Nation's current proposals, which differ in some cases from what was proposed and studied earlier.
- 13.15 Once the new proposals are understood, British Columbia, supported by BC Hydro, is committed to working collaboratively with the Tsilhqot'in Nation to identify and assess opportunities and determine their technical and financial viability taking into account such factors as BC Hydro's rate plan, and the challenges identified in previous studies.
- 13.16 The Parties will undertake a review of existing studies and proposals for clean energy development and initiate new reviews based on pre-feasibility and feasibility studies including, but not limited to, solar, bio-energy, hydro, wind and geothermal. Clean energy proposals will be evaluated based on the opportunities available under BC Hydro's Standing Offer Program or any other applicable programs. In addition, BC Hydro remains open to considering innovative opportunities, where such opportunities are supported by a positive financial business case, that provides net benefit to ratepayers and that advances the shared vision of this Agreement. This review will also include proposals for electrification of Xenigwet'in and upgrades to the Highway 20 distribution line.
- 13.17 The Parties will complete their review on a priority basis and prepare a report outlining short-term opportunities (e.g. projects that can move beyond the feasibility stage) by April 1, 2017, or as soon as practicable depending on the nature of the proposals that

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are presented by the Tsilhqot'in Nation. As part of this report, British Columbia will examine, and clearly communicate, any options at its disposal to support short and long-term opportunities.

- 13.18 The Parties acknowledge that upgrades to the electrical infrastructure described in Section 13 are required to create additional economic opportunities for the Tsilhqot'in Nation, and fully achieve the economic vision described in this Agreement.

Land Based Investment Commitments

- 13.19 The Parties will jointly review the Land Based Investment Strategy to ensure provincial funds that are allocated to the Tsilhqot'in Territory are commensurate with the reforestation and stand tending requirements to support the Type IV silviculture strategy. The Parties will jointly establish priority of works to occur and, where possible, maximize Tsilhqot'in Nation participation in carrying out these works.

Acquisitions Fund

- 13.20 The Parties will explore options to establish a fund to enable the acquisition by the Tsilhqot'in Nation of key private properties, licenses, tenures or other interests that come available for sale in Tsilhqot'in Territory, if such a purchase supports the collaborative vision and goals of this Agreement.

First Nations Woodland Licenses

- 13.21 British Columbia will process the applications by the Tsilhqot'in Communities for First Nations Woodland Licenses on a priority basis. The target date for completion of Tsilhqot'in woodland licenses or bridging replaceable licenses will be September 30, 2016.
- 13.22 British Columbia will, at the request of any Tsilhqot'in Party, discuss alternative or interim tenures (e.g. replaceable volume-based forest licenses) and support their timely implementation, including making volume available, where such tenures support the vision of this Agreement.

14.0 ACTION PLAN FOR SOCIAL, CULTURAL, EDUCATION & JUSTICE PILLARS

- 14.1 The Parties will establish the necessary processes and structures to enable collaborative action between their respective leadership, organizations, ministries and staff, and assure that measurable progress is made to strengthen the socio-cultural well-being of Tsilhqot'in Citizens, families, communities and organizations, beginning with a focus on

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the strategic priorities identified in the shared vision for the following Socio-Cultural Pillars:

- a. Strong Tsilhqot'in Culture and Language;
 - b. Healthy Children and Families;
 - c. Healthy Communities;
 - d. Justice; and
 - e. Education and Training.
- 14.2 The Parties acknowledge the dedication and effort of such social service agencies as Denisiqi Services Society, Punky Lake Wilderness Camp Society and Nenqayni Treatment Centre, while also acknowledging that substantial progress and change is required to achieve the shared vision set out for the Socio-Cultural Pillars.
- 14.3 The Social, Cultural, Education and Justice Sub-Table will produce a Social and Cultural Action Plan by February 28, 2017.
- 14.4 The following principles will guide the Parties in developing the Social and Cultural Action Plan and achieving the shared vision for these Pillars:
- a. the Parties recognize that progress may be made towards the shared vision for these Pillars if British Columbia prioritizes existing resources and programs in a focused manner for the Tsilhqot'in Communities;
 - b. however, the Parties acknowledge that the Tsilhqot'in Communities face considerable socio-economic gaps relative to non-Aboriginal communities, as well as substantial barriers to addressing these gaps;
 - c. accordingly, the Parties recognize that resources are required, particularly in the initial stages, for the Parties to successfully develop and implement the Social and Cultural Action Plan;
 - d. the Parties are committed to the goal of developing self-sustaining Tsilhqot'in Communities with the expectation that the Tsilhqot'in Parties will eventually be in a position to contribute financially to social and cultural programs and initiatives for the Tsilhqot'in Communities;

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- e. at the same time, the Parties recognize that sustained focus and commitment from the Parties will be required to close the socio-economic gaps facing the Tsilhqot'in Communities; and
- f. accordingly, the financial contribution of the Tsilhqot'in Parties to these efforts will commence only when, and to the extent that the Parties agree, it does not compromise sustained progress towards achieving the shared vision set out for the Pillars, and an agreed level of progress has been achieved towards closing the socio-economic gaps with non-Aboriginal communities.

14.5 The Tsilhqot'in Parties will:

- a. identify and confirm community-defined strategic priorities and targets for strengthening the social and cultural well-being of its Tsilhqot'in Citizens, families, communities and organizations and achieving the outcomes for each of the identified Pillars; and
- b. establish structures and processes within the Tsilhqot'in Nation for governing, administering, planning, and implementing activities to progress Tsilhqot'in social and cultural priorities.

14.6 The Parties will:

- a. engage the active participation of key partners to assist the Parties in their understanding of and approaches to addressing the complex issues related to social and cultural well-being;
- b. identify shared priorities to advance Tsilhqot'in Citizens social and cultural well-being and related joint accountabilities;
- c. identify and address barriers and gaps in policy and the social service delivery models that are inhibiting progress towards Tsilhqot'in Nation priorities for each Pillar;
- d. as a priority, work to engage Canada, and develop an action plan to significantly improve housing in the Tsilhqot'in Communities;
- e. develop and resource joint strategic plans to align with and advance progress on Tsilhqot'in Nation priorities;
- f. enter into research and data-sharing arrangements, in compliance with the *Freedom of Information and Protection of Privacy Act*, to assist Tsilhqot'in decision making, planning and governance of social and cultural well-being;

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- g. work together to develop and maintain a system to notify, inform and update the Tsilhqot'in Nation, to the extent possible, about the status of Tsilhqot'in children and youth in the provincial child and family system, subject to any restrictions imposed by the *Freedom of Information and Protection of Privacy Act* or other applicable legislation; and
- h. identify opportunities to structure provincial and Tsilhqot'in investments in ways that will leverage financial contributions to advance Tsilhqot'in priorities; and seek to achieve administrative and service delivery efficiencies where possible.

14.7 British Columbia will:

- a. through provincial strategic leadership, focus provincial resources to advance implementation of shared strategic priorities and achieve measureable progress on short, medium and long-term goals; and
- b. review and, if necessary, refine and advance new policies and approaches to ensure that they facilitate and are compatible with advancing the shared vision for each Pillar.

15.0 DECLARED TITLE AREA

- 15.1 The Parties will promptly establish the Declared Title Area Implementation Sub-Table in accordance with section 5.2, to address practical issues in the Declared Title Area, with the mandate to foster a stable transition to full management, benefit and control of the Declared Title Area by the Tsilhqot'in Nation while respectfully engaging third parties and attempting to address their interests within the Declared Title Area.

16.0 PAST BREACHES OF CROWN'S DUTIES IN DECLARED TITLE AREA

- 16.1 The Parties will make every reasonable effort, by May 1, 2016, to negotiate appropriate remedies for the breach of British Columbia's duties to the Tsilhqot'in Nation identified by the Supreme Court of British Columbia in *Tsilhqot'in Nation v British Columbia*, 2007 BCSC 1700 and affirmed by the Supreme Court of Canada in *Tsilhqot'in Nation v British Columbia*, 2014 SCC 44.

17.0 FIRST NATIONS CONSULTATION

- 17.1 The Parties enter this Agreement as a high-level framework to foster and support future negotiations between the Parties. The Parties do not intend, by taking this first step of signing the Agreement and establishing a high-level framework for discussions, to affect or impact in any way the asserted or established rights of other First Nations under section 35 of the *Constitution Act, 1982*.

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- 17.2 The Parties agree that this Agreement will be implemented in a manner consistent with the established rights of other First Nations under section 35 of the *Constitution Act 1982*, as well as British Columbia's ongoing duty to consult with First Nations and seek to accommodate potential adverse impacts on asserted Aboriginal rights and title claims, as appropriate, in accordance with the common law and the provisions of applicable First Nations' treaties and engagement agreements.
- 17.3 The Parties recognize and acknowledge that other First Nations assert rights and interests under section 35 of the *Constitution Act, 1982* in the area subject to this Agreement, and are committed to engaging with other First Nations in an open and positive manner to attempt to resolve differences, reconcile interests and find mutually agreeable solutions.

18.0 DISPUTE RESOLUTION

- 18.1 If a dispute arises relating to the interpretation or implementation of this Agreement (a "Dispute"), British Columbia or the Tsilhqot'in Parties may bring the Dispute to the attention of the Working Group by written notice. The Working Group will discuss and attempt to resolve the Dispute, with direction from the Parties' respective principals, where required.
- 18.2 If the Working Group cannot resolve the Dispute, the Leadership Table will be convened to discuss and attempt to resolve the Dispute or provide further direction to the Working Group.
- 18.3 Additionally, the Parties will utilize any dispute resolution mechanisms agreed to by the Parties in relation to a specific Dispute, including facilitated discussions or mediation.
- 18.4 For clarity, nothing in this section prevents or limits the ability of any Party to seek relief in court relating to a Dispute after exhausting the dispute resolution processes set out in sections 18.1 and 18.2 or if a Party still considers the Dispute unresolved more than 60 days after the Dispute was brought to the attention of the Working Group under section 18.1.
- 18.5 Notwithstanding section 18.4, any Party may bring judicial proceedings relating to a Dispute at any time:
- a. to prevent the loss of a right to commence proceedings due to the expiration of a limitation period; or
 - b. to obtain interlocutory or other interim relief.

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19.0 IMPLEMENTATION FUNDING

- 19.1 To implement this Agreement, British Columbia will provide the Tsilhqot'in National Government with:
- a. \$4,200,000 within thirty (30) days of the Effective Date;
 - b. \$3,000,000 on or before March 1, 2017;
 - c. \$3,000,000 on or before March 1, 2018; and
 - d. amounts agreed to pursuant to section 19.5, the first due March 1, 2019 and the second, and final amount, due March 1, 2020.
- 19.2 Annual payments described in section 19.1(b), (c) and (d) will be released by British Columbia following receipt of an annual report in each fiscal year that provides a high level summary of expenditures and achievements from the previous year's implementation funding. The form and manner of that report will be agreed to by the Parties.
- 19.3 The TNG will ensure that the annual report referred to in section 19.2 of this Agreement is submitted to British Columbia at least thirty (30) days prior to the next scheduled payment.
- 19.4 The TNG will ensure that the reports referred to in section 19.2 of this Agreement are posted in a manner making them reasonably available to Tsilhqot'in Citizens and the public. If, due to technical limitations, the Tsilhqot'in National Government is unable to make the reports available in this manner, British Columbia may assist in the public dissemination of the reports.
- 19.5 The Parties agree that stable, predictable funding is desirable to implement the Agreement and commit to a rolling model of funding for years four (4) and five (5) of the Agreement. Specifically, British Columbia will identify funding for those years, two (2) years before the money is due.
- 19.6 The Parties agree that this Agreement is of benefit to all Parties and that as a principle, the Parties agree to discuss and pursue supplemental funding sources that may contribute to the implementation of this Agreement.
- 19.7 The Parties agree that they will work together to engage the Government of Canada, with one of the goals being federal allocation of secure funding for the Tsilhqot'in

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Nation, to support the negotiations necessary for the implementation of this Agreement.

- 19.8 British Columbia's obligation to pay money under this Agreement is subject to the *Financial Administration Act*, which makes that obligation subject to an appropriation being available in the fiscal year during which payment is due.

20.0 OTHER AGREEMENTS

- 20.1 Other written agreements between British Columbia and the Tsilhqot'in Parties, including the Tsilhqot'in Stewardship Agreement, continue in accordance with their provisions but from time to time may be amended, in writing, by British Columbia and the Tsilhqot'in Parties to those other agreements, to address progress under this Agreement.

21.0 TERM AND TERMINATION

- 21.1 This Agreement remains in effect for five (5) years from the Effective Date or until it is terminated pursuant to section 21.4 below (the "Term").
- 21.2 This Agreement is without prejudice to the right of the Tsilhqot'in Parties to commence or engage in litigation, including litigation asserting Aboriginal rights under section 35 of the *Constitution Act, 1982*, in response to a conflict arising from provincial or federal government actions or authorizations that cannot otherwise be resolved by the Parties.
- 21.3 In the spirit of this Agreement:
- a. the Tsilhqot'in Parties each agree and covenant that none of the Tsilhqot'in Parties will initiate or advance any litigation involving British Columbia seeking a declaration of Aboriginal title during the Term of the Agreement, other than in response to a conflict arising from government actions or authorizations that the Parties cannot otherwise resolve to the satisfaction of the Tsilhqot'in Parties. Where such an unresolved conflict arises, the Parties acknowledge that the Tsilhqot'in Parties may seek a declaration of Aboriginal title to the area that is reasonably required to respond effectively to the government action or authorization at issue.
 - b. Nothing in section 21.3(a) constitutes an admission by British Columbia that the seeking of a declaration of Aboriginal title in response to an unresolved conflict is an appropriate remedy.

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- c. Should the Tsilhqot'in Parties pursue a declaration of Aboriginal title pursuant to section 21.3(a), nothing in this Agreement will prevent British Columbia from raising any defence it may choose to any petition or action or other litigation in which such a declaration of Aboriginal title is sought.
- 21.4 If any Tsilhqot'in Party commences litigation that is contrary to section 21.3, British Columbia may terminate this Agreement upon the expiry of ninety (90) days' advance written notice to all Tsilhqot'in Parties.
- 21.5 British Columbia will withdraw any termination notice previously given if, prior to the expiry of the 90 day notice period in section 21.4:
- a. a notice of discontinuance of the entire proceeding as against all named parties is filed in court in respect of any litigation commenced contrary to section 21.3; or
 - b. British Columbia and all Tsilhqot'in Parties enter into an abeyance agreement, placing all litigation, court proceedings or court actions commenced contrary to section 21.3 into abeyance as against all named parties.
- 21.6 For greater certainty, section 21.3 does not limit the rights of the Tsilhqot'in Parties or Tsilhqot'in Citizens to defend any action or proceeding, civil or criminal, in which any Tsilhqot'in Party or Tsilhqot'in Citizen is named, joined or added as a defendant or a respondent, and in which their rights under section 35 of the *Constitution Act, 1982*, are placed in question.
- 21.7 The Parties acknowledge that this Agreement is a transition step to support the negotiation of more enduring arrangements between the Parties. The Parties will make every reasonable effort to negotiate a comprehensive and lasting reconciliation agreement, or agreements, before the expiry of this Agreement.
- 21.8 The Parties are jointly committed to achieving the shared vision for the Pillars set out in section 3, pursuant to the Guiding Principles set out in section 4. Prior to the expiry of this Agreement, the Parties will negotiate in good faith and attempt to reach agreement to renew, replace or supersede this Agreement, as required to advance and achieve the commitments set out in this Agreement, and in particular sections 3 and 4.
- 21.9 The Tsilhqot'in Parties will not authorize or support claims brought by Tsilhqot'in Citizens that contravene section 21.3(a).
- 21.10 British Columbia agrees and covenants that it will not count or rely on the period of time while this Agreement is in effect in support of a defence based on laches, acquiescence, limitation periods or any other statutory or equitable bar to court proceedings that may

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be brought by the Tsilhqot'in Parties, or any of them, seeking a declaration of Aboriginal rights, including Aboriginal title.

22.0 GENERAL PROVISIONS

22.1 This Agreement may be amended by agreement of the Parties, in writing.

22.2 Nothing in this Agreement precludes the Tsilhqot'in Parties from:

- a. negotiating or implementing benefit-sharing or other agreements with proponents, third parties, or governments;
- b. accessing any economic benefits or opportunities that might be available to the Tsilhqot'in Parties;
- c. obtaining funding under the Tsilhqot'in Stewardship Agreement; or
- d. participating in government programs for which the Tsilhqot'in Parties may be eligible.

22.3 Subject to section 21.10 this Agreement will not limit any position that British Columbia or the Tsilhqot'in Parties may take in future negotiations or legal proceedings.

22.4 While the Parties recognize and affirm the declaration of Aboriginal title granted by the Supreme Court of Canada in *Tsilhqot'in Nation v British Columbia*, 2014 SCC 44, this Agreement does not otherwise create, amend, define, affirm, recognize, abrogate or derogate from any Aboriginal rights or Aboriginal title of the Tsilhqot'in Nation.

22.5 This Agreement is not a treaty or a lands claims agreement within the meaning of sections 25 and 35 of the *Constitution Act, 1982*.

22.6 This Agreement does not:

- a. fetter or limit, and shall not be deemed to fetter or limit, the decision-making authority of any Party or their authorized representatives; or
- b. constitute any admission of fact or liability.

22.7 There will be no presumption that any ambiguity in any of the terms of this Agreement should be interpreted in favour of any Party.

22.8 If any part of this Agreement is void or unenforceable at law, the Parties agree to negotiate and attempt to reach agreement, to the extent reasonably possible and as

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their respective interests may require, on a replacement for the severed part with a view to achieving the intent of the Parties as expressed in this Agreement.

- 22.9 All headings in this Agreement are for convenience only and do not form a part of this Agreement and are not intended to interpret, or explain the scope, extent or intent of this Agreement or any of its provisions.
- 22.10 In this Agreement, words in the singular include the plural, and words in the plural include the singular unless the context or any specific definition otherwise requires.
- 22.11 The use of the word "including" is to be read as not limiting the generality of the preceding term or phrase.
- 22.12 The following Schedules are attached to and form part of this Agreement: *Schedule A – Map of the Tsilhqot'in Territory*.
- 22.13 This Agreement may be executed in counterparts and by facsimile by the Parties.

23.0 REPRESENTATIONS AND WARRANTIES

- 23.1 Tsilhqot'in Nation representations: Each of the Tsilhqot'in Parties represents and warrants to British Columbia, with the intent and understanding that British Columbia will rely on them in entering into this Agreement that:
 - a. it has the legal power, capacity and authority to enter into this Agreement on its own behalf and on behalf of its Citizens; and
 - b. this Agreement is a valid and binding obligation upon it.
- 23.2 British Columbia representations: British Columbia represents and warrants to the Tsilhqot'in Parties, with the intent and understanding that the Tsilhqot'in Parties will rely on them in entering into this Agreement, that it has the authority to enter into this Agreement and that this Agreement is a valid and binding obligation upon British Columbia.

IN WITNESS WHEREOF the Parties hereby execute this Agreement as of the date first written above.

On behalf of the Tsilhqot'in Nation and the Tsilhqot'in Parties:

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February 4, 2015

Nits'il?in (Chief) Joe Alphonse
Tribal Chairman – Tsilhqot'in National Government
Tl'etinqox Government

Nits'il?in Roger William
Vice Chairman – Tsilhqot'in National Government
Xeni Gwet'in First Nations Government

Nits'il?in Francis Laceese
Toosey Indian Band

Nits'il?in Ervin Charleyboy
Tsi Deldel First Nation

Nits'il?in Bernie Mack
?Esdilagh First Nation

Nits'il?in Russell Myers Ross
Yunesit'in First Nations Government

On behalf of the Province of British Columbia:

Hon. Christy Clark, Premier

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Hon. John Rustad

Minister of Aboriginal Relations and Reconciliation

DRAFT

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