

**ECONOMIC AND COMMUNITY
DEVELOPMENT AGREEMENT**

ECONOMIC AND COMMUNITY DEVELOPMENT AGREEMENT

This Agreement is dated the 31st day of March, 2020.

BETWEEN:

?ESDILAGH FIRST NATION, on behalf of itself and its Members, as
represented by Chief and Council
("Esdilagh")

AND

HER MAJESTY THE QUEEN
IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA
as represented by the Minister of Indigenous Relations and Reconciliation
("British Columbia")

(each a "Party", together referred to as the "Parties")

Whereas:

- A. The Parties have a shared commitment to align and strengthen their relationship, on a government-to-government basis, consistent with the *Declaration on the Rights of Indigenous Peoples Act*, S.B.C. 2019 c. 44, and relevant case law;
- B. The Parties recognize and affirm a mutual commitment to social, community and economic development;
- C. The Parties wish to enter into this Agreement to establish terms regarding revenue;
- D. Esdilagh is part of the Tsilhqot'in Nation; and
- E. The Parties acknowledge that the arrangements set out in this Agreement are a step towards reconciliation.

Now, therefore, the Parties agree as follows:

Section 1 Definitions

1.1 In this Agreement:

"Aboriginal Rights" means the asserted or determined Aboriginal Rights, including Aboriginal title, recognized and affirmed by section 35(1) of the *Constitution Act, 1982*, and held by the Tsilhqot'in Nation, which Esdilagh and its Members are part of;

“Agreement” means this Economic and Community Development Agreement in relation to the Project, including all of its appendices, annexes and schedules;

“Band Council Resolution” means a resolution made by a “council of the Band” within the meaning of the *Indian Act*, R.S.C. 1985, c. 1-5;

“BC Fiscal Year” means a period beginning on April 1 of a calendar year and ending on March 31 of the next calendar year;

“Canada” means Her Majesty the Queen in right of Canada;

“Consultation Process” means the processes established by Section 11 [Consultation on Government Actions];

“Dispute” means any disagreement regarding the interpretation or implementation of this Agreement for which a written Notice of Dispute is given in accordance with subsection 13.5, but does not include a disagreement that relates to consultations regarding Government Actions or to the calculation of Revenue Sharing Payments;

“Effective Date of the Agreement” means the date upon which this Agreement has been signed by the Parties’ duly authorized representatives;

“Freedom of Information and Protection of Privacy Act” means the *Freedom of Information and Protection of Privacy Act*, R.S.B.C. 1996, c. 164;

“Government Actions” means all authorizations, permits, licences, approvals, Crown land dispositions, whatsoever entered into or otherwise taken by British Columbia, in relation to the Project;

“Member” means an individual who is a member of the ?Esdilagh First Nation as shown in its band list, as that term is defined under the *Indian Act*;

“Mine Fiscal Year” means a “fiscal year of a mine” as defined in the *Mineral Tax Act*;

“Mineral Tax Act” means the *Mineral Tax Act*, R.S.B.C. 1996, c. 291, as amended from time to time;

“Net Mineral Tax Revenue” means the total amount of tax, penalty and interest paid by the Operator under the *Mineral Tax Act* in respect of the Project, less the total amount of tax, penalty and interest refunded and interest paid to the Operator under the *Mineral Tax Act* in respect of the Project, but does not in either case include a Post-Closure Reclamation Amount;

“Notice of a Dispute” means a written notice provided by a Party in accordance with subsection 13.5;

“Notice to Arbitrate” means a notice provided by a Party in accordance with subsection

13.10;

"Notice to Mediate" means a notice provided by a Party in accordance with subsection 13.9;

"Notice to Terminate" means a written notice to terminate this Agreement provided by a Party in accordance with subsection 10.4;

"Operator" means the "operator", as defined in the *Mineral Tax Act*, of the Project;

"Payment Account" means the account established pursuant to subsection 1.12 of Schedule 2 to receive Revenue Sharing Payments under this Agreement;

"Payment Statement" means the statement in respect of the Project containing the tax information that British Columbia will provide to ?Esdilagh under subsection 1.3 of Schedule 2;

"Project" means the Gibraltar Mine project described in Section 1 of Schedule 1;

"Project Area" means the Gibraltar Mine Project Area referenced in the map legend and shown on the map that forms part of Schedule 1;

"Provincial Agency" means British Columbia, including any minister, public official or employee of British Columbia, or person acting on behalf of, or as an agent for British Columbia;

"Revenue Sharing Payments" means the payments to be made by British Columbia to ?Esdilagh pursuant to Section 2 [Purpose] and in accordance with Schedule 2, and
"Revenue Sharing Payment" means any one such payment;

"Term" has the meaning given to that term in Section 9 [Term];

"Tsilhqot'in Nation", for the purposes of this agreement, means the Xeni Gwet'in First Nations Government, Alexis Creek Indian Band (Tâideldel First Nation), Tl'etinqox Government, ?Esdilagh First Nation, Yunesit'in Government and Toosey Indian Band (Tl'esqox);

"Tsilhqot'in National Government" means a federally incorporated company (registration no. 3234584) that works on behalf of the Tsilhqot'in Nation; and

"Tsilhqot'in Stewardship Agreement" means the Strategic Engagement Agreement for Shared Decision Making Respecting Land and Resource Management between British Columbia, the Tsilhqot'in Nation and the Tsilhqot'in National Government, as amended March 31, 2017, and includes any amendments, or successor agreement, to it, as may be agreed to by the Parties.

Section 2 Purpose

2.1 The purpose of this agreement is to:

- a. strengthen the government-to-government relationship between the Parties;
- b. support ?Esdilagh's community priorities;
- c. create greater certainty for the Project and for the Parties;
- d. confirm the processes that the Parties will follow to fulfil their respective legal obligations regarding consultation associated with the Project; and
- e. set out the basis by which mineral tax revenue derived from the Project will be shared by British Columbia with ?Esdilagh.

Section 3 Confidential Information

3.1 Confidential information

- a. ?Esdilagh will keep confidential any information that British Columbia marks as "confidential", including Payment Statements and any information that relates to tax payments under the *Mineral Tax Act*, and will not disclose such information to any other person unless compelled to do otherwise by law.
- b. Notwithstanding subsection 3.1(a), ?Esdilagh may disclose confidential information to their advisors, including legal, financial, tax and other professional advisors, provided that those advisors agree in writing to keep the information confidential.
- c. Notwithstanding any other provision of this Agreement, ?Esdilagh may disclose the amount of actual and projected Revenue Sharing Payments to Members.
- d. ?Esdilagh acknowledges that British Columbia has informed them of the confidentiality requirements under the *Mineral Tax Act*.
- e. Where ?Esdilagh shares knowledge or information with British Columbia for the purposes of this Agreement and that knowledge or information is identified in writing as confidential or sensitive:
 - i. British Columbia will make all reasonable efforts to prevent the disclosure of that information to the public, subject to the *Freedom of Information and Protection of Privacy Act*, or as otherwise required by law; and
 - ii. Where British Columbia receives a request under the *Freedom of Information and Protection of Privacy Act*, for disclosure of confidential information received from the ?Esdilagh, British Columbia will provide ?Esdilagh with a notice of the

request and the opportunity to express their views regarding the disclosure.

Section 4 Reports

- 4.1** If requested by British Columbia, ?Esdilagh will provide a summary report once per fiscal year, substantially in the form set out in Schedule 3 or in the form provided to the Members, regarding the projects or initiatives to which Revenue Sharing Payments may have been allocated in the previous fiscal year.
- 4.2** The Parties agree that British Columbia has no liability to ?Esdilagh or the Members for the management of the Payment Account established under subsection 1.12 of Schedule 2, or the allocation or use of monies in the Payment Account.

Section 5 Certainty

- 5.1** The Parties agree that the Revenue Sharing Payments provided under this Agreement are an economic accommodation and constitute a component of any accommodation or compensation that may be required for any impacts or infringements to Aboriginal Rights resulting from Government Actions.
- 5.2** If ?Esdilagh impedes or effectively stops the operation of the Project either directly or indirectly by:
- a. challenging or impeding access by British Columbia or the Operator, or any of their respective employees, contractors, agents, representatives or invitees, to the Project to carry out activities associated with the development and operations of the Project; or
 - b. bringing, continuing or supporting a court action or proceeding to challenge or oppose the granting or validity of Government Actions

British Columbia may exercise its right to suspend Revenue Sharing Payments or to terminate this Agreement pursuant to Section 10 [Suspension of Revenue Sharing Payments and Termination].

- 5.3** ?Esdilagh and British Columbia will work together collaboratively in seeking to resolve any actions that challenge or impede access by British Columbia or an Operator, or any of their respective employees, contractors, agents, representatives or invitees, to the Project to carry out activities associated with the development and operations of the Project.
- 5.4** The Parties acknowledge that nothing in this Agreement precludes or limits a court action or proceeding by ?Esdilagh or the Tsilhqot'in Nation or Tsilhqot'in National Government arising from a Project accident or malfunction that results in a severe and

lasting environmental impact on Aboriginal Rights.

Section 6 Further Revenue Sharing

- 6.1** If after the Effective Date British Columbia changes its mineral tax revenue sharing policy to increase the maximum percentage of mineral tax revenue that may be shared by British Columbia in this Agreement or with first nations with existing mineral tax revenue sharing agreements, British Columbia will provide written notice as soon as practicable after the change and the Parties will negotiate in good faith an amendment to this Agreement to reflect that policy change, in accordance with the policy.

Section 7 Continuing Obligations

- 7.1** The Parties' covenants, rights and obligations, as set out in subsections 3.1 [Confidential Information], 5.1 [component of accommodation] and this Section 7 are intended to survive and to remain fully binding on the Parties and enforceable, despite the expiration of the Term or termination of this Agreement.

Section 8 Assignment

- 8.1** ?Esdilagh will not assign, either directly or indirectly, this Agreement or any right of ?Esdilagh Nation under this Agreement without the prior written consent of British Columbia, such consent not to be unreasonably withheld.

Section 9 Term

- 9.1** The Term of this Agreement will commence on the Effective Date and will continue for as long as the tax, interest and penalties payable by an Operator in respect of the Project are subject to payment or reassessment under the applicable legislation.
- 9.2** Despite subsection 9.1, the Parties may:
- a. agree in writing to terminate this Agreement in its entirety on an earlier date; or
 - b. exercise their respective rights to terminate this Agreement pursuant to Section 10 [Suspension of Revenue Sharing Payments and Termination].

Section 10 Suspension of Revenue Sharing Payments and Termination

- 10.1** British Columbia may suspend the Revenue Sharing Payments to ?Esdilagh where:
- a. ?Esdilagh directly or indirectly impedes or effectively stops operation of the Project as per subsection 5.2; or

- b. any representation or warranty made by ?Esdilagh in this Agreement is untrue or incorrect.
- 10.2** British Columbia will:
- a. provide written notice to ?Esdilagh of the issue or non-compliance giving rise to any suspended Revenue Sharing Payment under subsection 10.1 prior to suspending the payment; and
 - b. make any Revenue Sharing Payments it would otherwise have been required to make within sixty (60) days of the day the cause for the suspension is remedied.
- 10.3** If the Revenue Sharing Payments are suspended under subsection 10.1 and this Agreement is terminated under subsection 10.4, ?Esdilagh will be deemed to have fully released and discharged British Columbia from all of its obligations in respect of the suspended Revenue Sharing Payments.
- 10.4** This Agreement may be terminated prior to the end of the Term:
- a. by ?Esdilagh on the grounds set out in subsection 10.8;
 - b. by British Columbia on the grounds set out in subsection 10.9;
 - c. by mutual agreement of the Parties; or
 - d. by a Party providing 90 days' notice.
- 10.5** Where a Party intends to terminate under subsection 10.4, 10.8 or 10.9 that Party must issue a Notice to Terminate to each other Party that provides:
- a. ninety (90) days notice of the intent to terminate; and
 - b. the reasons for terminating.
- 10.6** A Party may rescind a Notice to Terminate at any time prior to expiration of the ninety (90) day period.
- 10.7** If a Party issues a Notice to Terminate under subsection 10.8 or 10.9 the other Party will have ninety (90) days to cure any actual breach. The Party issuing the written Notice to Terminate, and the other Party will, within fifteen (15) days of the Notice to Terminate having been delivered, make every reasonable effort to meet to discuss the circumstances which gave rise to the written Notice to Terminate in order to determine whether there is a basis for rescinding the Notice including, upon request of one or both of the Parties, by a meeting between the Chief of ?Esdilagh First Nation, and a Deputy Minister or senior provincial official.
- 10.8** ?Esdilagh may terminate this Agreement where:
- a. British Columbia is not in compliance with its obligations under this

Agreement; or

- b. any representation or warranty made by British Columbia in this Agreement is untrue or incorrect.

10.9 British Columbia may terminate this agreement where:

- a. ?Esdilagh is not in compliance with their obligations under this Agreement;
- b. ?Esdilagh directly or indirectly impedes or effectively stops operation of the Project as per subsection 5.2; or
- c. any representation or warranty made by ?Esdilagh in this Agreement is untrue or incorrect.

10.10 Except as provided in Section 7 [Continuing Obligations], where a Notice to Terminate is not withdrawn within ninety (90) days, the Parties will be released and discharged from their obligations under this Agreement.

Section 11 Consultation on Government Actions

11.1 The Parties will negotiate in good faith and seek to reach agreement within twelve (12) months of the Effective Date on a process by which British Columbia will consult on proposed Government Actions relating to the Project during the operational life of the mine and, where appropriate, the means by which British Columbia will identify potential measures to accommodate any potential adverse impacts to Aboriginal Rights resulting from the proposed Government Action.

11.2 ?Esdilagh agrees that if Consultation Process is followed, British Columbia has consulted, and where appropriate, has identified potential measures to accommodate potential adverse impacts of Government Actions on Aboriginal Rights.

11.3 The Parties recognize that while the Parties are negotiating a Consultation Process:

- a. the obligation on the part of British Columbia to consult with and accommodate ?Esdilagh continues to apply with respect to contemplated conduct that has the potential to impact Aboriginal Rights;
- b. the Parties agree that any consultation required in respect of any Government Actions relating to the Project will be carried out through Tsilhqot'in Stewardship Agreement with specific consideration to be given to the appropriate level of engagement; and
- c. the Parties acknowledge that nothing in this Agreement will preclude ?Esdilagh from *bona fide* participation in any consultation process relating to the manner in which the Project is to be developed or operated.

Section 12 Representations and Warranties

12.1 ?Esdilagh represents and warrants to British Columbia, on which British Columbia will rely in entering into this Agreement, the following:

- a. it has the legal power, capacity and authority to enter into this Agreement and to make the covenants, acknowledgements and representations in this Agreement on its own behalf and on behalf of its Members;
- b. it has obtained or had the opportunity to obtain the advice of its own financial, legal, tax and other professional advisors with respect to this Agreement;
- c. it enters into this Agreement for, and on behalf of, all of its Members, and that the Agreement is a valid and binding obligation of ?Esdilagh and its Members;
- d. it has received all authorizations and approvals that may be required from the Tsilhqot'in National Government to enter into this Agreement and make the covenants, acknowledgements and representations in this Agreement, and will expeditiously upon execution of this Agreement and prior to the first Revenue Sharing Payment provide British Columbia with a true copy of the applicable Tsilhqot'in National Government resolution; and
- e. the applicable resolutions by ?Esdilagh and by the Tsilhqot'in National Government have not been varied, amended, repealed or replaced.

12.2 British Columbia represents and warrants to ?Esdilagh, on which ?Esdilagh will rely on entering into this Agreement, the following:

- a. it has taken all necessary actions and obtained all necessary approvals to enter into this Agreement;
- b. it has the legal power, capacity and authority to carry out its obligations in accordance with the terms of this Agreement; and
- c. this Agreement is a valid and binding obligation of British Columbia.

Section 13 Dispute Resolution

13.1 The Parties will endeavour to resolve any Disputes in a co-operative, effective and timely manner.

13.2 The Parties may agree to vary a procedural requirement contained in this section as it applies to a particular Dispute.

- 13.3** The Parties agree to use the processes set out in this section to attempt to resolve all Disputes, including any Dispute that may give rise to a right to terminate pursuant to subsection 10.4 prior to a Notice of Termination being issued.
- 13.4** For greater certainty, the processes set out in this section will not be used:
- a. once a Notice to Terminate has been issued;
 - b. to resolve a disagreement relating to consultation and accommodation in respect of Government Actions under Section 11 [Consultation on Government Actions]; or
 - c. to resolve a disagreement regarding the calculation of Revenue Sharing Payments.
- 13.5** Any Party may give a written Notice of Dispute to the other Party which includes a summary of the particulars of the dispute.
- 13.6** The Parties will meet and will attempt to resolve the Dispute through the following unassisted collaborative process:
- a. first, within fifteen (15) working days, or within a longer agreed to timeframe agreed to by the Parties subject to the Notice of Dispute, the authorized representatives of the Parties will make every reasonable effort to meet and attempt to resolve the Dispute; and
 - b. if the Dispute remains unresolved, and upon request by one or both of the Parties, the Chief of the ?Esdilagh First Nation, and a Deputy Minister or senior provincial official will make every reasonable effort to meet within fifteen (15) working days or within the timeframe agreed to by the Parties and attempt to resolve the Dispute.
- 13.7** No Party may commence a court proceeding concerning a Dispute prior to completion of the unassisted collaborative negotiation pursuant to subsection 13.6, except:
- a. to prevent the loss of a right of action due to the expiration of a limitation period;
 - b. to obtain interlocutory or interim relief; or
 - c. if the matter is considered by the Party to be of an urgent nature.
- 13.8** Where a Dispute is not resolved through unassisted collaborative negotiation pursuant to subsection 13.6, the Parties may:
- a. exercise their respective rights, including any right to issue a Notice to Terminate; or

- b. by agreement of the Parties, undertake further efforts to resolve the Dispute through one or both of mediation or arbitration, as set out below.

13.9 The following will apply to any mediation that the Parties agree to pursue:

- a. the Party that issued the Notice of Dispute will prepare a Notice to Mediate that states the issue that the Parties have agreed to put to mediation;
- b. the Parties subject to the Notice of Dispute will appoint a mediator who is neutral, objective and experienced in mediation within thirty (30) days of the issuance of the Notice to Mediate. If the Parties cannot agree on the appointment, the Mediate BC Society, or its successor organization, will appoint the mediator from a roster maintained by that organization;
- c. the mediator's role is to facilitate discussion, understanding and dispute resolution between the Parties subject to the Notice of Dispute. The mediator will not have any authority to impose a solution on the Parties;
- d. the mediation is terminated at the earliest of:
 - i. the expiration of thirty (30) days after the appointment of the mediator or any longer period agreed to by the Parties subject to the Notice of Dispute,
 - ii. the withdrawal from the mediation of a Party subject to the Notice of Dispute by notice in writing to the mediator, provided that no such Party may withdraw until after the first meeting with the mediator,
 - iii. the date on which the Parties subject to the Notice of Dispute agree in writing to terminate the mediation, or
 - iv. the date on which the Parties subject to the Notice of Dispute sign a written agreement resolving the Dispute;
- e. the Parties subject to the Notice of Dispute will:
 - i. on request of the other Party, provide timely disclosure of sufficient information and documents to enable a full examination of the subject matter being negotiated, with the exception of privileged documents and subject to applicable information and privacy legislation and other laws imposing confidentiality requirements,
 - ii. make every reasonable effort to appoint negotiating representatives with sufficient authority to reach an agreement, or with ready access to such authority, and
 - iii. negotiate in good faith;
- f. the mediation process and all its related proceedings will be and will remain confidential, unless the Parties subject to the Notice of Dispute agree otherwise;

- g. a Party may withdraw from mediation at any time by providing written notice of its intent to the mediator, subject to subsection 13.9(d)(ii);
- h. the mediation will not restrict in any way the positions that each of the Parties may take in any dispute, arbitration or court proceeding;
- i. the mediator will not issue a report or make any recommendations unless requested to do so in writing by the Parties subject to the Notice of Dispute;
- j. any agreement reached through mediation will be recorded in writing, signed by authorized representatives of the Parties subject to the Notice of Dispute and delivered to the Parties subject to the Notice of Dispute; and
- k. the Parties will each bear the costs of their own participation, representation and appointments in the mediation. The Parties subject to a Notice of Dispute will share equally all common costs of the mediation, including fees of the mediator, costs of meeting rooms, actual and reasonable disbursements incurred by the mediator and fees of the British Columbia Mediator Roster Society.

13.10 The following will apply to any arbitration that the Parties agree to pursue:

- a. the Party that issued the Notice of Dispute will prepare a Notice to Arbitrate that states the issue the Parties subject to the Notice of Dispute have agreed to put to arbitration;
- b. the Parties subject to the Notice of Dispute will appoint an arbitrator who is neutral, objective and experienced in arbitration within thirty (30) days of the issuance of the Notice to Arbitrate. If the Parties cannot agree on the appointment, the British Columbia International Commercial Arbitration Centre, or its successor organization, will appoint the arbitrator from a roster maintained by that organization;
- c. the arbitration process and all its related proceedings will be and will remain confidential, unless the Parties subject to the Notice of Dispute agree otherwise;
- d. subject to the exceptions in applicable arbitration legislation, the decision of the arbitrator is final and binding on the Parties subject to the Notice of Dispute for the term of this Agreement; and
- e. except as otherwise ordered by the arbitrator:
 - i. the Parties will each bear the costs of their own participation, representation and appointments in the arbitration, and
 - ii. the Parties subject to the Notice of Dispute will share equally all common costs of the arbitration, including fees of the arbitrator, costs of hearing and meeting rooms, actual and reasonable disbursements incurred by the arbitrator and administration fees of the British Columbia Commercial

Arbitration Centre or other appointing authority.

13.11 The Parties may agree to alternative approaches to assist in reaching resolution of the Dispute.

13.12 Nothing in this Section 13 creates a cause of action where none otherwise exists.

Section 14 Notice and Delivery

14.1 Where in this Agreement any notice or other communication is required to be given by any of the Parties, it will be made in writing. It will be effectively given:

- a. by personal delivery to the address of the Party set out below, on the date of delivery;
- b. by pre-paid registered mail to the address of the Party mentioned in this Agreement, on the date the registered mail is delivered; or
- c. by facsimile, to the facsimile number of the Party set out in this Agreement, on the date the facsimile is received, or
- d. Electronic mail (email) to the email address of the individual identified by each Party, with the subject line to state "ECDA – (topic)", to receive email notices under this Agreement, on the date the email is sent.

14.2 The address and facsimile numbers of the Parties are:

- a. ?Esdilagh First Nation:

Box 4615
Station Main
Williams Lake, BC V2G 2V6
Attention: Chief

- b. British Columbia:

Ministry of Indigenous Relations and Reconciliation
2957 Jutland Road
Victoria, BC V8T 5J9
Fax: (250) 387-6073
Attention: Assistant Deputy Minister,
Negotiations and Regional Operations Division

14.3 Any Party may at any time give notice to the other Party of any change of address or facsimile number in accordance with subsection 14.1.

Section 15 General Provisions

- 15.1** This Agreement is not a treaty or land claim agreement within the meaning of sections 25 and 35 of the *Constitution Act, 1982*.
- 15.2** This Agreement does not create, expand, amend, define, affirm, recognize, limit, deny, abrogate, extinguish, replace or derogate from any Aboriginal Rights.
- 15.3** This Agreement does not change or affect the position any Party has, or may have, regarding its jurisdiction, responsibilities and decision-making authority.
- 15.4** This Agreement is not intended to be interpreted in a manner that would affect or fetter the discretion of any decision-making authority.
- 15.5** No partnership, joint venture, agency, fiduciary or employment relationship will be deemed to be created by this Agreement or by any actions of the Parties under this Agreement.
- 15.6** Except as contemplated herein, this Agreement does not limit the position any Party may take in any legal or administrative proceedings or in any discussions or negotiations between the Parties.
- 15.7** Nothing in this Agreement is to be construed as an acceptance of or admission by any Party of the position of any other Party or as an admission of liability and without limiting the foregoing, this Agreement is not to be construed as an admission of:
- a. the validity of, or any fact or liability in relation to, any claims for compensation for alleged past or future infringements of Aboriginal Rights of any kind whatsoever or whensoever arising in relation to such assertions; or
 - b. an obligation to provide financial or economic benefits, as provided in this Agreement, as part of British Columbia's obligation to consult and, as appropriate, accommodate in relation to Government Action relating to the Project.
- 15.8** Nothing in this Agreement precludes ?Esdilagh, or the Tsilhqot'in Nation or Tsilhqot'in National Government from:
- a. continuing to negotiate, implement and take steps to enforce any revenue and benefits-sharing agreements with the Operator, proponents and other governments;
 - b. accessing economic opportunities and benefits, which may be available other than those expressly set out in this Agreement; or
 - c. participating in government programs for which they may be eligible.

- 15.9** The Parties recognize that any obligation on the part of Canada to consult with and, where required, accommodate ?Esdilagh continues to apply with respect to contemplated conduct that has the potential to impact Aboriginal Rights and the Parties acknowledge that nothing in this Agreement precludes ?Esdilagh from *bona fide* participation in any consultation process with Canada in relation to the Project.
- 15.10** This Agreement and any amendment to it constitute the entire Agreement between the Parties with respect to the subject matter of this Agreement, unless otherwise agreed in writing by the Parties.
- 15.11** This Agreement may be amended by written agreement duly executed by the Parties.
- 15.12** The funds received under this Agreement are not, and are not intended to be, considered as own source revenue for any purpose related to federal funding arrangements, either in a treaty or non-treaty agreements.
- 15.13** Notwithstanding any other provision of this Agreement, Revenue Sharing Payments to be provided by British Columbia to ?Esdilagh are subject to:
- a. there being sufficient monies available in an appropriation, as defined in the *Financial Administration Act*, to enable British Columbia in any BC Fiscal Year or part thereof when such payment is required, to make such payment; and
 - b. Treasury Board, as defined in the *Financial Administration Act*, not having controlled or limited expenditure under any appropriation necessary in order to make such payment.

Section 16 Interpretation

- 16.1** This Agreement is to be interpreted so that all the provisions are given as full effect as possible.
- 16.2** This Agreement will be governed by and construed in accordance with the applicable laws of British Columbia and Canada.
- 16.3** If any part of this Agreement is void or unenforceable at law, it shall be severed from this Agreement and the rest of the Agreement shall remain in effect and fully enforceable.
- 16.4** 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 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. The Parties

may agree to refer the matter to the dispute resolution process set out in Section 13 [Dispute Resolution].

- 16.5** All headings in this Agreement are for convenience only and do not form a part of this Agreement and are not intended to interpret, define, limit, enlarge, modify or explain the scope, extent or intent of this Agreement or any of its provisions.
- 16.6** 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.
- 16.7** The use of the word “including” is to be read as not limiting the generality of the preceding term or phrase.
- 16.8** In this Agreement, any reference made to a statute includes all regulations made under that statute and any amendments or replacements.
- 16.9** No term, condition, covenant or other provision of this Agreement will be considered to have been waived by the Parties unless such waiver is expressed in writing by the Parties.
- 16.10** All references in this Agreement to a designated section or other subdivision or to an appendix or schedule are to the designated section or other subdivision of, or appendix or schedule to, this Agreement.
- 16.11** Any reference to a corporate entity includes and is also a reference to any corporate entity that was a predecessor to, or that is a successor to, such entity.
- 16.12** This Agreement may be executed in counterparts and by facsimile by the Parties.

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

IN WITNESS WHEREOF the Parties have executed this Agreement as set out below:

**HER MAJESTY THE QUEEN IN
RIGHT OF THE PROVINCE OF BRITISH COLUMBIA,**
as represented by the
Minister of Indigenous Relations and Reconciliation



Honourable Minister Scott Fraser

March 31, 2020

Date

?ESDILAGH FIRST NATION, as represented by



Chief Victor Roy Stump

March 31/2020

Date

SCHEDULE 1

Gibraltar Mine Project Description

Section 1 Project Description

1.1 The "Project" means:

- a. all works, undertakings, facilities and activities identified in the Mines Act Permit M-40 issued by the Chief Inspector of Mines to the Operator and located in the area depicted as the "Project Area" in the map in Section 2 of this Schedule 1;
- b. all access roads and transmission line right of ways associated with the Project for which the Operator holds a permit, authorization or other form of tenure and all associated infrastructure, operating sites, pit and dump areas and facilities;
- c. any changes, modifications or alterations to the works, undertakings and facilities set out in subsections 1.1 (a) and (b), so long as such changes, modifications or alterations occur within the Project Area or the area subject to a permit, authorization or other form of tenure held by the Operator; and
- d. all matters relating to the exploration, planning, permitting, construction, maintenance, repair, operation and reclamation of the Project described in subsections 1.1 (a) to (c).

1.2 The Parties recognize that the Operator may propose a change, modification or alteration to the Project that will expand the mine and revise the Project Area and agree that:

- a. any Government Actions required to approve such proposals will be the subject of consultation with and, where appropriate, accommodation;
- b. nothing in this Schedule or the Agreement is to be interpreted or deemed as providing Esdilagh's support for any Government Actions required to approve such proposal; and
- c. where the Project is changed by Government Actions, the Parties may agree to amend the Project Area map that forms part of Schedule to reflect the new Project Area boundaries.

1.3 Unless the Parties otherwise agree in writing, this Agreement will not apply to:

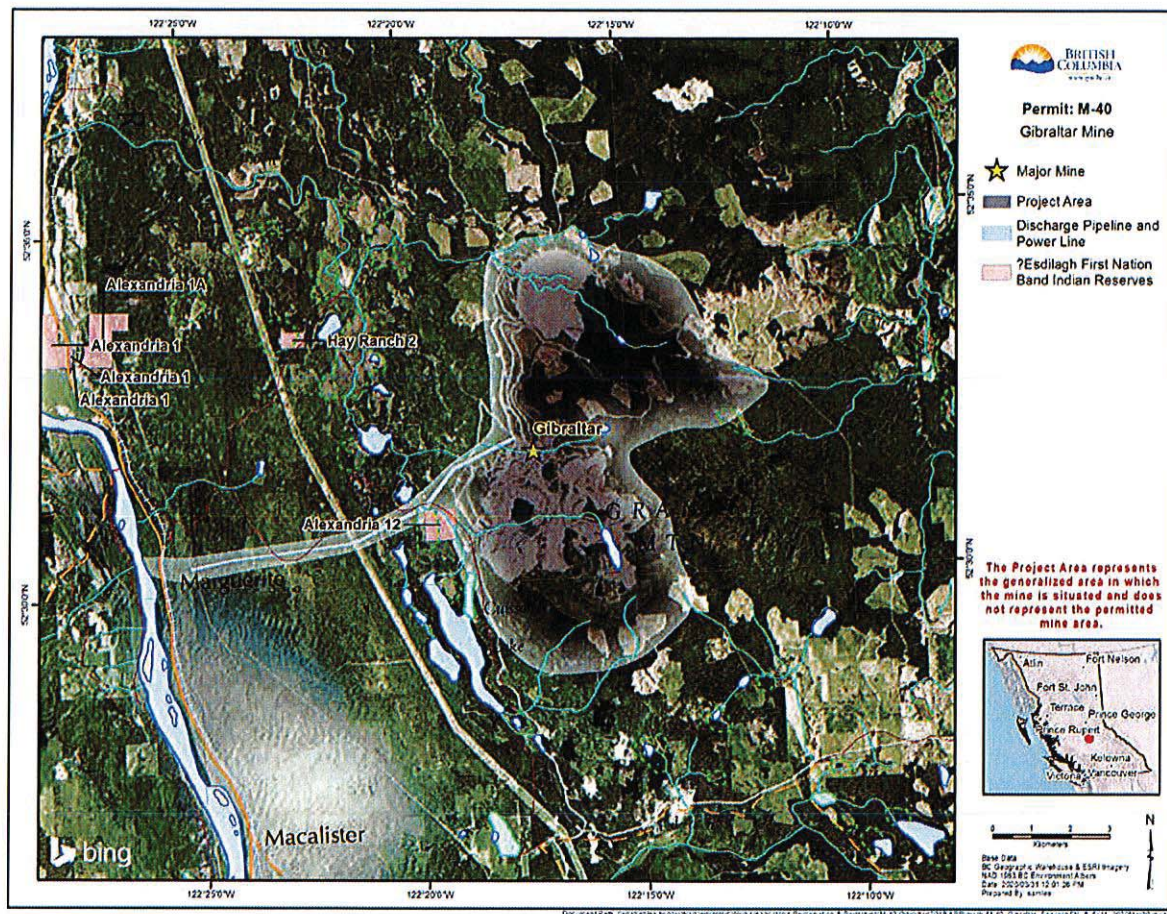
- a. exploration, construction or mining activities located or undertaken by the Operator outside of the Project Area; or
- b. any expansion of the Project within the Project Area that triggers a new and separate environmental assessment to be conducted for the proposed expansion under the relevant environmental assessment legislation and regulations.

1.4 The Parties will meet within twelve (12) months of the Effective Date or as agreed, to:

- a. review the Project Area map in Section 2 of this Schedule 1;
- b. consider any updates to that map necessary to more accurately depict the permitted mine area of Mines Act Permit M-40; and
- c. consider whether an amendment to the map is required to improve this Agreement.

Intentional Page Break – See map below

2.0 Project Area Map Gibraltar Mine



SCHEDULE 2 – Payment Provisions

Section 1 Definitions

1.1 In this Schedule:

“Net Mineral Tax Revenue” has the meaning set out in Section 1 [Definitions] of this Agreement;

“Overpayment” means an amount paid by British Columbia under this Schedule that exceeds the amount ?Esdilagh was entitled to receive, which may occur if an Operator has paid more tax than required in a previous BC Fiscal Year or British Columbia has shared more tax than required in a previous BC Fiscal Year; and

“Underpayment” means a Revenue Sharing Payment that was less than the amount ?Esdilagh was entitled to receive due to the inclusion of any tax, interest, or penalties paid by the Operator that was less than the amount required in a previous BC Fiscal Year, or any other adjustments.

1.2 **Revenue Sharing Payment.** British Columbia will provide Revenue Sharing Payments to ?Esdilagh calculated as follows:

- a. 11.55 % of the Net Mineral Tax Revenue; and
- b. any adjustment for Overpayments or Underpayments pertaining to any previous BC Fiscal Year(s).

1.3 **Payment Statements.** Within one hundred and fifty (150) days after the end of each BC Fiscal Year during the term of this Agreement, British Columbia will provide ?Esdilagh with a Payment Statement containing the following information:

- a. the Net Mineral Tax Revenue received in the BC Fiscal Year;
- b. the amount of any Overpayment or Underpayment if applicable; and
- c. the amount of the Revenue Sharing Payment

1.4 **Timing of Revenue Sharing Payments.** If the Revenue Sharing Payment for a BC Fiscal Year is a positive amount, British Columbia will, within one hundred and eighty (180) days after the end of the BC Fiscal Year for which the Revenue Sharing Payment is calculated, pay ?Esdilagh by depositing the Revenue Sharing Payment into ?Esdilagh's Payment Account established under subsection 1.12.

- 1.5 Recovery of Overpayment.** If, in a BC Fiscal Year, the payment amount is negative due to an Overpayment exceeding the Net Mineral Tax Revenue, British Columbia may pay up to fifty (50) percent of the amount that would have been paid in the absence of the Overpayment amount to ?Esdilagh and apply the remaining amount to the Overpayment balance until the Overpayment amount is recovered.
- 1.6 No Further Operator Payments.** If the Operator is no longer responsible for making payments under the *Mineral Tax Act* such that there will be no subsequent Revenue Sharing Payments to ?Esdilagh, British Columbia will notify ?Esdilagh of:
- a. any Underpayment and will pay the Underpayment within one hundred and eighty days (180) of the end of the BC Fiscal Year; and
 - b. any Overpayment that remains outstanding and may deduct the Overpayment from any amounts that may be payable to ?Esdilagh under any other agreement with British Columbia.
- 1.7 End of Term.** If the term of this Agreement ends other than on the last day of a BC Fiscal Year, no payment will be payable to ?Esdilagh in relation to that portion of the BC Fiscal Year after the date on which the term of this Agreement ends.
- 1.8 Fluctuations in Revenues.** ?Esdilagh acknowledges that revenues under the *Mineral Tax Act* may fluctuate and that the Project Payments may vary over time.
- 1.9 Changes to Act.** If, during the term of this Agreement, British Columbia makes changes to the *Mineral Tax Act* tax regime that will have the effect of reducing the Revenue Sharing Payments, British Columbia shall promptly notify ?Esdilagh and the Parties will discuss potential alternative revenue sharing opportunities.
- 1.10 Reliance on Operator Information.** ?Esdilagh acknowledges that British Columbia is entitled to rely on information provided by the Operator and that, while British Columbia will use reasonable efforts to ensure the accuracy of the information, the determination of the Net Mineral Tax Revenue is based on approximations and are therefore subject to imprecision.
- 1.11 Disclaimer.** British Columbia makes no representation or warranty as to the accuracy of the information provided by the Operator and no proceeding lies against it in relation to any claim that the information provided by the Operator was inaccurate.
- 1.12 Bank Account.** ?Esdilagh will:
- a. establish and maintain in their name a bank account at a Canadian financial institution for the purpose of receiving Revenue Sharing Payments;

- b. provide British Columbia with the information under subsection 1.12 (a) to enable British Columbia to directly deposit the Revenue Sharing Payments;
- c. notify British Columbia of any change under subsection 1.12(a), which will be evidenced by band council resolution which British Columbia will be entitled to rely on; and
- d. maintain the bank account under subsection 1.12(a) until twelve (12) months after the receipt of the last Revenue Sharing Payment.

1.13 Delivery of Payments

- a. British Columbia will make Revenue Sharing Payments to ?Esdilagh by depositing the payments directly into the bank account established under subsection 1.12(a).
- b. ?Esdilagh may designate an entity under subsection 1.14 to receive Revenue Sharing Payments under subsection 1.13(a) and, if such a designation is made, ?Esdilagh will notify British Columbia.
- c. All payments which British Columbia is obliged to make pursuant to the Agreement are to be remitted to the bank account established under subsection 1.12(a).
- d. For greater certainty, British Columbia will not be obligated to make any payments under this Agreement until ?Esdilagh has complied with subsection 1.12 to the reasonable satisfaction of British Columbia.

1.14 ?Esdilagh may settle a trust to receive the Revenue Sharing Payments, and will provide to British Columbia a legal opinion stating that:

- a. the trust is validly settled and consistent with the terms of this Agreement
- b. the trust has been settled for the purpose of benefitting ?Esdilagh and its Members to provide for the professional management and investment of the trust property;
- c. the trust provides for an annual audit; and
- d. the trust requires that the trustees notify British Columbia in the event that there is a change to:
 - i. the beneficiaries of the trust, or
 - ii. the primary purpose of the trust as identified in subsection 1.14(b) above.

1.15 The trustees of a trust settled in accordance with subsection 1.14 are required to be legally capable of accepting the rights granted and obligations imposed under subsection 1.14.

- 1.16** If settling a trust in accordance with subsection 1.14, ?Esdilagh will provide to British Columbia a copy of the trust indenture and full name, address and account information respecting the trust.
- 1.17** British Columbia will not be obligated to make any payments to a trust established by ?Esdilagh until subsection 1.14 has been complied with to the reasonable satisfaction of British Columbia.
- 1.18** If the trust identified in subsection 1.14 is terminated pursuant to its terms and there remains undistributed trust property upon termination, ?Esdilagh agrees to cause that trust property to be settled on a successor trust with terms and objectives consistent with those of the original trust described in subsection 1.14, or settled in a bank account as described in subsection 1.12.
- 1.19** If there is any disagreement about the amount of a Revenue Sharing Payment, ?Esdilagh may give notice to British Columbia and on such notice the Parties will meet as soon as practicable to discuss the matter of concern and British Columbia will review the matter and take any remedial actions required.
- 1.20** The Parties acknowledge the Province has current fiscal management policies that relate to mineral tax revenue which could be triggered through the Revenue Sharing Payments under this Agreement, or considered cumulatively with mineral tax revenue sharing payments under other agreements between the Parties. If such a policy is triggered, the Province will notify ?Esdilagh and the Parties will discuss potential implications that may be considered in relation to this Agreement.

SCHEDULE 3

Revenue Sharing Payments Summary Report Example

Community Priorities	2020/2021 Planned Expenditures	2020/2021 Actual Expenditures	Outcomes Achieved

