

HIGHLAND VALLEY COPPER MINE REVENUE SHARING AGREEMENT

BETWEEN:

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

AND:

LOWER NICOLA INDIAN BAND
as represented by Chief and Council
(**"Lower Nicola"**)

(Each referred to as a **"Party"** and together referred to as the **"Parties"**)

WHEREAS:

- A. The Parties have a shared commitment to align and strengthen their relationship including finding ways to work collaboratively with respect to the use of lands and resources within Nlaka'pamux Territory and any revenue and benefits derived from those lands and resources;
- B. The Parties have a mutual commitment to social, community and economic development and to taking tangible steps together to implement the New Relationship Vision and *Transformative Change Accord*;
- C. The Supreme Court of Canada in *Tsilhqot'in Nation v. British Columbia*, 2014 SCC 44, found that Tsilhqot'in Nation had established Aboriginal title in British Columbia;
- D. The Parties wish to enter into this Agreement to establish terms regarding revenue-sharing for the Highland Valley Copper Mine and processes for consultation in the Mine Area; and
- E. The Parties acknowledge that the arrangements set out in this Agreement are a further step towards reconciliation.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

SECTION 1 Definitions

In this Agreement:

"Aboriginal Rights" means asserted Aboriginal rights (including Aboriginal title) or determined

Aboriginal rights (including Aboriginal title) which are recognized and affirmed by section 35(1) of the *Constitution Act, 1982*;

“Agreement” means this Highland Valley Copper Mine Revenue Sharing Agreement in relation to the HVC Mine, 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;

“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 12.5, but does not include a disagreement that relates to consultations regarding Government Actions or the calculation of Incremental Ore Production;

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

“Engagement Process” means the process the Parties will use to consult on proposed Government Actions set out in Schedule 3;

“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 any authorization, permit, licence, approval, land disposition and any other action granted or otherwise taken by British Columbia after March 31, 2013 in relation to the HVC Mine that may potentially impact Aboriginal Rights, but does not include environmental assessment processes, approvals or certificates by British Columbia or Canada;

“HVC Mine” means the Highland Valley Copper Mine in the Mine Area;

“Incremental Ore Production” means the portion of total ore mined and produced within the Mine Area which would not have been mined and produced in the absence of the Permit Amendments or any Government Actions;

“Lower Nicola Account” means the bank account established by Lower Nicola under Schedule 1 to receive Revenue Sharing Payments under this Agreement;

“Lower Nicola” means the Lower Nicola Indian Band;

“Mine Fiscal Year” means a “fiscal year of a mine” as defined in the *Mineral Tax Act*, R.S.B.C. 1996, c. 291;

“Member” means a member of the Lower Nicola Indian Band as shown on its band list, as that

term is defined in the Indian Act;

"Mine Area" means, for the purposes of this Agreement, the identified (shaded) tenure area shown at Schedule 2, which represents a composite of mining leases, Crown Grants and mineral claims relating to the HVC Mine as of the Effective Date of this Agreement but for greater certainty excludes Indian Reserves as defined in the Indian Act;

"Mineral Tax Act" means the *Mineral Tax Act*, R.S.B.C. 1996, c. 291, as amended from time to time, and legislation in addition to or in substitution thereof which assesses a tax in favour of British Columbia similar to the tax presently assessed under the *Mineral Tax Act*;

"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 HVC Mine, 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 HVC Mine, 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 12.5;

"Notice to Arbitrate" means a notice provided by a Party in accordance with subsection 12.10;

"Notice to Mediate" means a notice provided by either Party in accordance with subsection 12.9;

"Notice to Terminate" means a written notice to terminate this Agreement provided by Lower Nicola or British Columbia in accordance with subsection 10.5;

"Operator" has the same meaning as the *Mineral Tax Act* and in this Agreement refers to the operator of the HVC Mine;

"Payment Statement" means the financial statement in respect of the HVC Mine containing the tax information that British Columbia will provide to Lower Nicola under Schedule 1;

"Permit Amendment" means amendments to Permit M-11 approved by British Columbia on June 5, 2009, October 6, 2009 and October 31, 2011;

"Post Closure Reclamation Amount" means an amount paid by an Operator or refunded to an Operator in respect of a reclamation tax credit for a Mine Fiscal Year commencing after production at the HVC Mine has ceased;

"Revenue Sharing Payments" means the payments to be made by British Columbia to Lower Nicola each year for the HVC Mine under section 2 and in accordance with Schedule 1 and

"Revenue Sharing Payment" means any one such payment;

"Nlaka'pamux People" means all those persons who are collectively entitled to exercise

Aboriginal Rights in the Nlaka'pamux Territory;

"Nlaka'pamux Territory" means the traditional territory of Nlaka'pamux People; and

"Term" has the meaning given to that term in section 9.

SECTION 2 Revenue Sharing Payments

2.1 Payments

- a. British Columbia will provide Revenue Sharing Payments to Lower Nicola in accordance with Schedule 1.

SECTION 3 Confidential Information

3.1 Confidential information

- a. Lower Nicola will keep any confidential 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 paragraph 3.1 (a), British Columbia's obligation to provide any information that is confidential is subject to it obtaining written consent to sharing such information from the Operator. Lower Nicola acknowledges that British Columbia has informed them of these requirements.
- c. Notwithstanding paragraph 3.1 (a), Lower Nicola 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.
- d. Notwithstanding any other provision of this Agreement, Lower Nicola may disclose the amount of Revenue Sharing Payments to its Members.
- e. Where Lower Nicola 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 Lower Nicola, British Columbia will provide Lower Nicola with

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

SECTION 4 Reports and Records

- 4.1 If requested by British Columbia, Lower Nicola will provide a summary report once per fiscal year substantially in the form set out in Schedule 4 regarding the HVC Mine 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 Lower Nicola or its Members for the management of the Lower Nicola Account established under Schedule 1, subsection 6.5, or the allocation or use of monies in the Lower Nicola 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 Lower Nicola Aboriginal Rights as a result of Government Actions.
- 5.2 If Lower Nicola impedes, or effectively stops, the operation of the HVC Mine by way of:
 - a. challenging or impeding access by British Columbia or the Operator, or any of their respective employees, contractors, agents, representatives or invitees, to the HVC Mine to carry out activities associated with the development and operations of the HVC Mine, or
 - b. obtaining relief in an application or legal proceeding,British Columbia's right to suspend Revenue Sharing Payments or to terminate this Agreement pursuant to section 10 applies.
- 5.3 Lower Nicola will respond promptly to any discussions sought by British Columbia in relation to any actions by its Members that challenge or impede access by British Columbia or an Operator, or any of their respective employees, contractors, agents, representatives or invitees, to the HVC Mine to carry out activities associated with government authorized activities related to the development and operations of the HVC Mine and will work co-operatively with British Columbia to assist in resolving any such matters.

SECTION 6 Further Revenue Sharing

- 6.1 Where British Columbia:
 - a. increases the total annual Net Mineral Tax Revenue available to First Nations from

HVC Mine; or

- b. increases the share of mining revenue, or includes additional forms of revenues, available to First Nations from HVC Mine,

British Columbia will provide notice to Lower Nicola and the Parties will meet to discuss potential revenue sharing opportunities for Lower Nicola.

SECTION 7 Consultation on Government Actions

- 7.1 The Parties agree that the Engagement Process will be the means by which British Columbia will consult on proposed Government Actions and, where appropriate, is the means by which British Columbia will identify potential measures to accommodate any potential adverse impacts to Lower Nicola Aboriginal Rights resulting from the proposed Government Action.
- 7.2 Lower Nicola agrees that if the consultation process set out in Schedule 3 is followed, British Columbia has consulted, and where appropriate, has identified potential measures to accommodate potential adverse impacts of Government Actions on Lower Nicola Aboriginal Rights.

SECTION 8 Continuing Obligations

- 8.1 The Parties' covenants, rights and obligations, as set out in section 3, section 5.1 and this section 8.1 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 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 HVC Mine are subject to payment or reassessment under the applicable legislation.
- 9.2 Despite subsection 9.1, both 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.

SECTION 10 Suspension of Revenue Sharing Payments and Termination

- 10.1 British Columbia may suspend the Revenue Sharing Payments where:
 - a. Lower Nicola impedes or effectively stops operation of the HVC Mine; or
 - b. any representation or warranty made by Lower Nicola in this Agreement is untrue or incorrect.

10.2 British Columbia will:

- a. provide written notice to Lower Nicola of the issue or non-compliance giving rise to any suspended Revenue Sharing Payment under section 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 section 10.1 and this Agreement is terminated under section 10.4, Lower Nicola 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 either Party where the other Party is not in compliance with its obligations under the Agreement or where any representation or warranty made by the other Party is untrue or incorrect;
- b. by British Columbia in accordance with section 5.2;
- c. by mutual agreement of the Parties; or
- d. by either Party providing ninety (90) days notice.

10.5 Where a Party intends to terminate under subsection 10.4, that Party must issue a Notice to Terminate to the 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 During the ninety (90) day period, representatives of the Parties may meet in order to discuss the circumstances which gave rise to the written Notice to Terminate and in order to determine whether there is a basis for rescinding the Notice.

10.8 Except as provided in section 8 and subject to Schedule 1 section 6.3, 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 Representations and Warranties

11.1 Lower Nicola represents and warrants to the Province, on which the Province has relied

in entering into this Agreement, that:

- a. its band council is a duly constituted band council under the *Indian Act*;
- b. it has the legal authority, as represented by the chief and councillors to enter into this Agreement on behalf of its Members and to make the covenants, acknowledgments and representations in this Agreement on behalf of its Members;
- c. it has obtained or had the opportunity to obtain the advice of financial, legal, tax and other professional advisors with respect to this Agreement;
- d. it enters into this Agreement for and on behalf of its Members and that this Agreement is binding upon its Members; and
- e. Lower Nicola has provided a true or certified copy of a band council resolution approving the terms of this Agreement and authorizing the "Authorized Signatories" (as such term is defined in such band council resolution) to enter into this Agreement and to make the covenants, acknowledgements and representations included therein on behalf of Lower Nicola and its Members, and such resolution has not been varied, amended, repealed or replaced.

11.2 British Columbia represents and warrants to Lower Nicola that it has the authority to enter into this Agreement and to carry out its obligations in accordance with the terms of this Agreement and this Agreement is a valid and binding obligation of British Columbia.

SECTION 12 Dispute Resolution

- 12.1 The Parties will endeavour to resolve any Disputes in a co-operative, effective and timely manner.
- 12.2 The Parties may agree to vary a procedural requirement contained in this section as it applies to a particular Dispute.
- 12.3 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.
- 12.4 For greater certainty the processes set out in this section will not be used:
- a. once a Notice to Terminate has been issued; or
 - b. to resolve a disagreement relating to Government Actions or the calculation of Incremental Ore Production.

12.5 Any Party may give a written Notice of Dispute to the other Party which includes a

summary of the particulars of the dispute.

- 12.6 Within fifteen (15) working days, the Parties will meet and will attempt to resolve the Dispute through unassisted collaborative negotiation.
- 12.7 No Party may commence a court proceeding concerning a Dispute prior to completion of the unassisted collaborative negotiation pursuant to subsection 12.6, 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.
- 12.8 Where a Dispute is not resolved through unassisted collaborative negotiation pursuant to subsection 12.6, 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.
- 12.9 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 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. 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,
 - ii. the withdrawal from the mediation of a Party 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 agree in writing to terminate the mediation,

or

- iv. the date on which the Parties sign a written agreement resolving the Dispute;
- e. the Parties 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 agree otherwise;
- g. a Party may withdraw from mediation at any time by providing written notice of its intent to the mediator, subject to subparagraph 12.9(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;
- j. any agreement reached through mediation will be recorded in writing, signed by authorized representatives of the Parties and delivered to the Parties; and
- k. the Parties will each bear the costs of their own participation, representation and appointments in the mediation. The Parties 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.

12.10 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 have agreed to put to arbitration;
- b. the Parties 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 agree otherwise;
- d. subject to the exceptions in applicable arbitration legislation, the decision of the arbitrator is final and binding on the Parties 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 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.

12.11 The Parties may also choose other appropriate approaches to assist in reaching resolution of the Dispute.

12.12 Nothing in this section 12 creates a cause of action where none otherwise exists.

SECTION 13 Notice and Delivery

13.1 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.

13.2 The address and facsimile numbers of the Parties are:

British Columbia

Assistant Deputy Minister – Negotiations and Regional Operations
Ministry of Aboriginal Relations and Reconciliation

P.O. Box 9100 STN PROV GOVT
Victoria B.C. V8W 9B1

Telephone: (250) 356-1394
Fax: (250) 387-6594

Lower Nicola Indian Band
Chief
Lower Nicola Indian Band
181 Nawishaskin Lane
Merritt, BC V1K 0A7

Telephone (250) 378-5157
Fax (250) 378-6188

- 13.3 Any Party may at any time give notice to the other Party of any change of address or facsimile number in accordance with subsection 13.1.

SECTION 14 General Provisions

- 14.1 This Agreement is not a treaty or land claim agreement within the meaning of sections 25 and 35 of the *Constitution Act, 1982*.
- 14.2 This Agreement does not establish, create, expand, amend, define, affirm, recognize, limit, deny, abrogate, extinguish, replace or derogate from any Aboriginal Rights.
- 14.3 British Columbia acknowledges and enters into this Agreement on the basis that Lower Nicola has Aboriginal Rights within Nlaka'pamux Territory but that further processes are required to establish the scope, nature and geographic extent of those rights.
- 14.4 This Agreement does not change or affect the position either Party has, or may have, regarding its jurisdiction, responsibilities and decision-making authority.
- 14.5 This Agreement is not intended to be interpreted in a manner that would affect or fetter the discretion of any decision-making authority.
- 14.6 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.
- 14.7 Except as contemplated herein, this Agreement does not limit the position either Party may take in any legal or administrative proceedings or in any discussions or negotiations between the Parties.
- 14.8 Nothing in this Agreement is to be construed as an acceptance of or admission by a Party of the position of the 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 Actions relating to the HVC Mine.

14.9 Nothing in this Agreement limits or precludes any of the Lower Nicola from:

- a. continuing to negotiate, implement and take steps to enforce any revenue and benefits-sharing agreements with proponents and other governments;
- b. accessing economic opportunities and benefits, which may be available to the Lower Nicola, other than those expressly set out in this Agreement; or
- c. participating in government programs for which any of the Lower Nicola may be eligible.

14.10 Nothing in this Agreement limits or precludes:

- a. Lower Nicola from seeking recognition of Lower Nicola Aboriginal Rights in respect of the HVC Mine area, or remedies flowing from those Aboriginal Rights, whether through court application or otherwise; or
- b. British Columbia from relying on the payments made under this Agreement if challenged in any legal actions or proceedings with respect to the adequacy of accommodation or compensation for any alleged infringement Lower Nicola's Aboriginal Rights.

14.11 For greater certainty, nothing in this Agreement:

- a. limits or waives Lower Nicola's right, if any, to hold British Columbia accountable for compliance with, or implementation of, mitigation and accommodation measures for the benefit of Lower Nicola developed through the consultation process in Schedule 3, the environmental assessment process administered by the Environmental Assessment Office, or any other applicable regulatory processes; or
- b. releases British Columbia from any duties, obligations, or potential liabilities it may have related to the environmental management and operation of the HVC Mine.

14.12 For greater certainty, this Agreement does not address, accommodate or compensate for any alleged past or future infringement of Lower Nicola Aboriginal Rights that:

- a. is not related to the HVC Mine; or
 - b. is related to the HVC Mine prior to April 1, 2013.
- 14.13 This Agreement is not intended to limit or diminish any present or future fiscal transfer agreements between the Parties unrelated to this Agreement.
- 14.14 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.
- 14.15 This Agreement may be amended by written agreement duly executed by both Parties.
- 14.16 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.
- 14.17 Notwithstanding any other provision of this Agreement, Revenue Sharing Payments to be provided by British Columbia to Lower Nicola 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.
- 14.18 Lower Nicola will not assign, either directly or indirectly, this Agreement or any right of Lower Nicola under this Agreement without the prior written consent of British Columbia.

SECTION 15 Interpretation

- 15.1 This Agreement is to be interpreted so that all the provisions are given as full effect as possible.
- 15.2 This Agreement will be governed by and construed in accordance with the applicable laws of British Columbia and Canada.
- 15.3 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.
- 15.4 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 12.

- 15.5 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.
- 15.6 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.
- 15.7 The use of the word “including” is to be read as not limiting the generality of the preceding term or phrase.
- 15.8 In this Agreement, any reference made to a statute includes all regulations made under that statute and any amendments or replacements.
- 15.9 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.
- 15.10 All references in this Agreement to a designated section or other subdivision or to an appendix are to the designated section or other subdivision of, or appendix to, this Agreement.
- 15.11 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.
- 15.12 The following Schedules and Annexes are attached to and form part of this Agreement:

Schedule 1 – HVC Mine Description and Payment Provisions

Annex 1 – Calculation of Project Payments

Annex 2 - Calculation of Deductions and Credits Associated with Post-Closure
Reclamation Amounts

Schedule 2 – Mine Area

Schedule 3 – Engagement Process

Annex 1 – Tables of Required Criteria and Decision Types

Schedule 4 – Revenue Sharing Payments Summary Report

15.13 This Agreement may be executed in counterparts by the Parties.

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 the Aboriginal Relations and Reconciliation

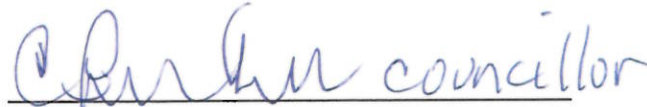

Honourable Minister John Rustad

June 21, 2016
Date


LOWER NICOLA INDIAN BAND, as represented by

 CHIEF
Name:

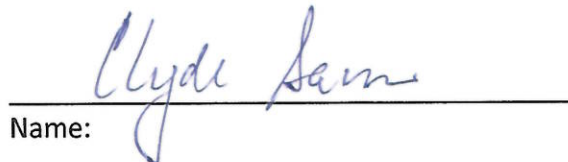
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SCHEDULE 1

HVC MINE DESCRIPTION AND PAYMENT PROVISIONS

SECTION 1 - Definitions

1.1 In this Schedule:

"Holdback Account" means the account established by British Columbia under section 5.2;

"Incremental Mineral Tax Revenue" means the Net Mineral Tax Revenue attributable to Incremental Ore Production;

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

"Overpayment" means an amount paid by British Columbia under this Agreement that exceeds the amount Lower Nicola was entitled to receive, including:

- a. an amount paid under this Agreement because of an inaccurate Incremental Ore Production figure being used to calculate a Revenue Sharing Payment; or
- b. a negative Revenue Sharing Payment amount (which may occur if an Operator has paid more tax than required in a previous BC Fiscal Year); and

"Underpayment" means an amount that Lower Nicola was entitled to receive under this Agreement in respect of Incremental Mineral Tax Revenue in a BC Fiscal Year, but did not receive as part of the Revenue Sharing Payment for that BC Fiscal Year, including an amount not paid by British Columbia because of an inaccurate Incremental Ore Production figure being used to calculate a Revenue Sharing Payment.

SECTION 2 - Payment Provisions

2.1 The total amount Lower Nicola is entitled to receive for each Mine Fiscal Year under this Agreement will be eight point three two percent (8.32 %) of Incremental Mineral Tax Revenue for the Mine Fiscal Year.

2.2 British Columbia will determine Incremental Mineral Tax Revenue based on Incremental Ore Production for the Mine Fiscal Year to which the Net Mineral Tax Revenue relates.

2.3 If the Operator has not reported its Incremental Ore Production for the Mine Fiscal Year at the time a Revenue Sharing Payment is calculated, British Columbia will estimate the Incremental Ore Production for the purpose of determining Incremental Mineral Tax Revenue.

- 2.4 British Columbia may make an adjustment in a subsequent BC Fiscal Year if it determines that a calculation of Incremental Mineral Tax Revenue was based on an inaccurate Incremental Ore Production figure, and the adjustment may result in an Underpayment or Overpayment.

SECTION 3 - Calculation and Timing of Payments

- 3.1 Revenue Sharing Payments will be calculated for each BC Fiscal Year in accordance with Annex A to Schedule 1.
- 3.2 Subject to section 5.3, if the Revenue Sharing Payment for a BC Fiscal Year ending after the Effective Date is a positive amount, British Columbia will, within one hundred and fifty (150) days after the end of the BC Fiscal year for which the Revenue Sharing Payment is calculated, pay the Revenue Sharing Payment amount to Lower Nicola.
- 3.3 Subject to subsection 4.2 and subsection 5.3, if the total of the Revenue Sharing Payments for BC Fiscal Years 2013/14 to 2014/15 is a positive amount, British Columbia will pay that amount to Lower Nicola, within sixty (60) days after the Effective Date.

SECTION 4 - Payment Statements

- 4.1 Subject to British Columbia obtaining the written consent of the Operator to share the information described in this subsection and other information which may be confidential, British Columbia will, within ninety (90) days after the end of each BC Fiscal Year ending after the Effective Date, provide Lower Nicola a statement containing the following information:
- a. with respect to each Mine Fiscal Year for which Incremental Mineral Tax Revenue was received by British Columbia or refunded or paid to an Operator by British Columbia in the BC Fiscal Year:
 - i. Incremental Ore Production;
 - ii. Net Mineral Tax Revenue received by British Columbia or refunded or paid to an Operator by British Columbia in the BC Fiscal Year;
 - iii. Current Revenue, as defined in Annex A to Schedule 1; and
 - iv. the Mine Fiscal Year Amount, as defined in Annex A to Schedule 1;
 - b. the amount of any Overpayment or Underpayment resulting from adjustments made under subsection 2.4; and
 - c. the amount of the Revenue Sharing Payment.

- 4.2 For BC Fiscal Years 2013/14 to 2014/15, British Columbia will provide to Lower Nicola a

financial statement containing the information referred to in subsection 4.1 by the later of the following dates:

- a. forty-five (45) days after the Effective Date; or
- b. fourteen (14) days after the date British Columbia obtains the written consent of the Operator to share the information described in subsection 4.1 and other information which may be confidential under the *Mineral Tax Act*.

- 4.3 The Parties acknowledge that *Mineral Tax Act* revenues fluctuate and that Revenue Sharing Payments will vary over time.
- 4.4 The Parties acknowledge that the determination of Incremental Ore Production and Incremental Mineral Tax Revenue is based on approximations and therefore subject to imprecision.
- 4.5 British Columbia is entitled to rely upon information provided by the Operator, including the Operator's report of Incremental Ore Production for a Mine Fiscal Year, in determining Incremental Ore Production and in calculating Revenue Sharing Payments under subsection 3.1.
- 4.6 If the Operator does not provide information that may be necessary to determine Incremental Ore Production for a Mine Fiscal Year, British Columbia will notify Lower Nicola that the Operator has not provided such information and will determine Incremental Ore Production based on the best available information.
- 4.7 British Columbia will make reasonable efforts to ensure the accuracy of information that is used to determine Incremental Ore Production and to calculate Revenue Sharing Payments but the Province makes no warranty or representation as to the accuracy of such information and no action or proceeding lies against it in relation to any claim that information or the determination of Incremental Ore Production was inaccurate.

SECTION 5 - Holdback Account and Post-Closure Reclamation Amounts

- 5.1 In subsections 5.2 to 5.8, "Deduction" and "Credit" have the meanings set out in Annex 2 to Schedule 1.
- 5.2 British Columbia will establish a Holdback Account for the purpose of recovering a portion of Post-Closure Reclamation Amounts attributable to the revenue shared with Lower Nicola under this Agreement.
- 5.3 British Columbia will deduct two percent (2%) from each amount paid to Lower Nicola under subsections 3.2 and 3.3 and credit the amount deducted to the Holdback Account.
- 5.4 Interest will accrue on the balance in the Holdback Account at a rate equal to the rate

paid to British Columbia by its principal banker and will be added to the balance in the Holdback Account.

- 5.5 A portion of each Post-Closure Reclamation Amount will be deducted from or credited to the balance in the Holdback Account in accordance with Annex 2 to Schedule 1.
- 5.6 Where production at the HVC Mine ceases, or after the end of the Term, British Columbia will deduct any Outstanding Overpayment (as defined in Annex 1 to Schedule 1) from the balance in the Holdback Account.
- 5.7 British Columbia will, within ninety (90) days after the end of each BC Fiscal Year, provide Lower Nicola with a statement containing the following information:
- a. the balance in the Holdback Account at the beginning of the BC Fiscal Year;
 - b. the amount of interest credited to the Holdback Account during the BC Fiscal Year;
 - c. the balance in the Holdback Account at the end of the BC Fiscal Year;
 - d. any Post-Closure Reclamation Amounts paid or refunded in the BC Fiscal Year and any Deductions or Credits associated with the Post-Closure Reclamation Amount;
 - e. any adjustments made in the BC Fiscal Year to Deductions or Credits from previous BC Fiscal Years; and
 - f. the amount of any Outstanding Overpayment (as defined in Annex 1 to Schedule 1) deducted from the balance in the Holdback Account during the BC Fiscal Year.
- 5.8 British Columbia will pay the balance in the Holdback Account to Lower Nicola within ninety (90) days of the date on which British Columbia, acting reasonably, determines that:
- a. there is no possibility of any further Post-Closure Reclamation Amounts to be refunded to an Operator; or
 - b. no Operator remains eligible for any further refunds in relation to reclamation tax credits for the HVC Mine.
- 5.9 On the 10th anniversary of the Effective Date and every 10 years thereafter, the Parties will review the percentage referred to in subsection 5.3 and, if a different percentage is agreed to by the Parties, they will amend subsection 5.3.

SECTION 6 – Other Provisions

- 6.1 In the event that, during the Term, amendments to or elimination of the *Mineral Tax Act* and, for greater certainty, to regulations in force thereunder remove the tax on minerals

or mining, British Columbia will discuss potential alternative revenue sharing opportunities with Lower Nicola.

- 6.2 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 Lower Nicola, British Columbia will notify Lower Nicola of:
- a. any Underpayment and will pay the Underpayment within one hundred and fifty days (150) 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 Lower Nicola under any other agreement with British Columbia.
- 6.3 If the term of this Agreement ends other than on the last day of a BC Fiscal Year, payment will be payable to Lower Nicola in relation to that portion of the BC Fiscal Year prior to the date on which the term of this Agreement ends and no payment will be payable to Lower Nicola in relation to that portion of the BC Fiscal Year after the date on which the term of this Agreement ends.
- 6.4 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.
- 6.5 Lower Nicola will:
- a. establish and maintain in its 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 paragraph 6.5(a) to enable British Columbia to directly deposit the Revenue Sharing Payments;
 - c. notify British Columbia of any change under paragraph 6.5(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 paragraph 6.5(a) until twelve (12) months after the receipt of the last Revenue Sharing Payment.
- 6.6 The following provisions will apply with respect to the delivery of payments:
- a. British Columbia will deposit Revenue Sharing Payments directly into the Lower Nicola Account established under paragraph 6.5(a).
 - b. Lower Nicola may designate another entity to receive Revenue Sharing Payments under paragraph 6.5(a) and, if such a designation is made, Lower Nicola will notify

British Columbia.

- c. All payments which British Columbia is obliged to make pursuant to the Agreement are to be remitted to the Lower Nicola Account.
- d. For greater certainty, British Columbia will not be obligated to make any payments under this Agreement until Lower Nicola has complied with subsection 6.5 to the reasonable satisfaction of British Columbia.

ANNEX 1

CALCULATION OF REVENUE SHARING PAYMENTS

Definitions

1. In this Annex:

"BC Fiscal Year Total" or "BCFYT" means the sum of the Mine Fiscal Year Amounts calculated under this Schedule in respect of all Mine Fiscal Years for which there is Current Revenue;

"Current BC Fiscal Year" means the BC Fiscal Year for which the Revenue Sharing Payment is being calculated;

"Current Revenue" means, in respect of a Mine Fiscal Year, the amount of Incremental Mineral Tax Revenue for the Mine Fiscal Year received by British Columbia or refunded or paid to an Operator by British Columbia in the Current BC Fiscal Year;

"Mine Fiscal Year Amount" means, in respect of a Mine Fiscal Year, the amount calculated under section 3 of this Annex;

"Outstanding Overpayments" or "OsOp" means the total of:

- (a) any Overpayment remaining as a result of the Revenue Sharing Payment for the BC Fiscal Year immediately before the Current BC Fiscal Year being a negative amount; and
- (b) all other Overpayments that have not been included in the calculation of a previous Revenue Sharing Payment; and

"Outstanding Underpayments" or "OsUp" means the total of all Underpayments that have not been included in the calculation of a previous Revenue Sharing Payment.

Calculation of Project Payment

2. The amount of the Revenue Sharing Payment for a BC Fiscal Year will be calculated according to the following formula:

$$\text{Revenue Sharing Payment} = \text{BCFYT} + \text{OsUp} - \text{OsOp}$$

Calculation of a single Mine Fiscal Year Amount

3. Each Mine Fiscal Year Amount will be calculated according to the following formula:

$$\text{Mine Fiscal Year Amount} = 8.32\% \times \text{Current Revenue.}$$

ANNEX 2

CALCULATION OF DEDUCTIONS AND CREDITS ASSOCIATED WITH POST-CLOSURE RECLAMATION AMOUNTS

Definitions

1. In this Schedule:

“Credit” means the amount to be credited to the Holdback Account when a Post-Closure Reclamation Amount is paid to British Columbia by an Operator;

“Deduction” means the amount to be deducted from the Holdback Account when a Post-Closure Reclamation Amount is refunded by British Columbia to an Operator;

“PCRA” means Post-Closure Reclamation Amount;

“Total Mine Revenue” or **“TMR”** means the total of all Net Mineral Tax Revenue for all Mine Fiscal Years that commenced before production at the HVC Mine ceased; and

“Total Project Payments” or **“TPP”** means the total of all Revenue Sharing Payments under this Agreement.

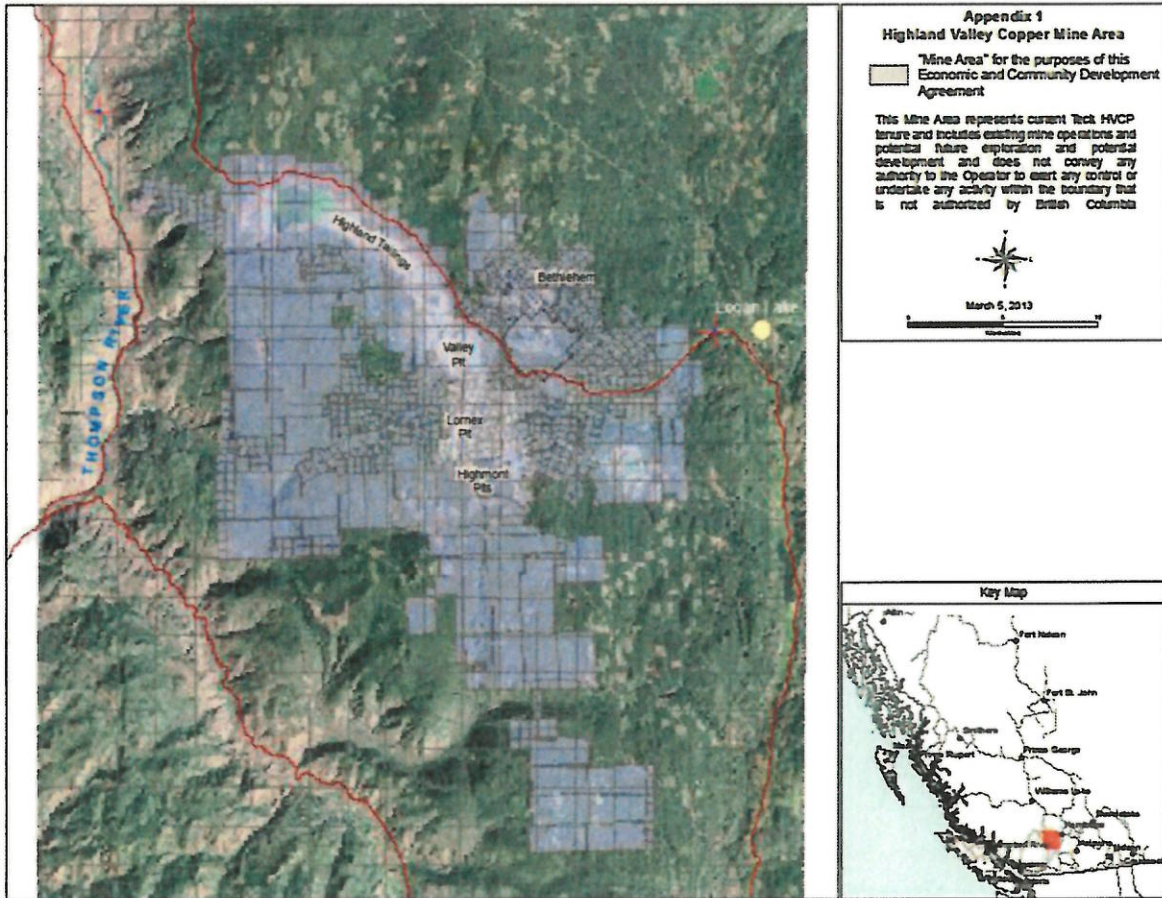
Calculation of Deduction or Credit

2. The amount of a Deduction or Credit will be calculated according to the following formula:

$$\text{Deduction or Credit} = \text{PCRA} \times \text{TPP} \div \text{TMR}$$

Schedule 2

MINE AREA



SCHEDULE 3

ENGAGEMENT PROCESS

Engagement Process:

1. British Columbia will consult with Lower Nicola on proposed Government Actions in accordance with this Engagement Process.
2. Lower Nicola will participate in consultation with British Columbia on proposed Government Actions in accordance with this Engagement Process.
3. The Parties agree that the timelines in this process may be revisited to reflect any potential engagement processes developed between Lower Nicola and the proponent.
4. The Parties will follow the Engagement Process for proposed Government Actions where that consultation is initiated after the Effective Date of the Agreement.
5. The Parties agree that the Engagement Process Steps do not apply and no consultation is required for proposed Government Actions that:
 - a. meet the criteria in Table 1 and the decision types outlined in Table 2 attached as Annex 1 to this Schedule;
 - b. are made pursuant to Section 38 of the *Mines Act*; or
 - c. are a Decision Type 12 outlined in Table 2, and for these decisions British Columbia will provide notification prior to making a decision on the Government Action.

Engagement Process Steps:

6. The Parties will use the engagement process described in s. 7 through 14 for Government Actions outlined in Table 2 which do not meet the criteria in Table 1.
7. British Columbia will provide a letter and an information package on proposed Government Actions to Lower Nicola.
8. Consultation begins when Lower Nicola has received an information package and British Columbia's letter initiating consultation on the Government Action. Lower Nicola will be deemed to have received British Columbia's letter three (3) calendar days after the letter is sent.
9. Lower Nicola may respond in writing within fifteen (15) calendar days of receiving British Columbia's letter under section 7 by providing:
 - a. general confirmation of the potential for adverse impacts to Lower Nicola Aboriginal Rights;

- b. confirmation of its intention to engage in consultation; and
 - c. any requests for additional information relating to the Government Actions.
- 10. If Lower Nicola does not provide a response within fifteen (15) calendar days, or where Lower Nicola indicates no interest in further consultation, British Columbia may proceed to a decision on the Government Actions.
- 11. Where Lower Nicola confirms that it intends to engage in consultation, Lower Nicola may, within fifteen (15) calendar days from the date it received the letter from British Columbia under section 7, provide in writing:
 - a. any additional information regarding potential impacts to Lower Nicola Aboriginal Rights; and
 - b. any recommendations to avoid, mitigate, or otherwise address those impacts.
- 12. Where Lower Nicola has requested additional information reasonably required to respond to the referral and has not received that information within the fifteen (15) calendar day timeline under section 11, the timeline referred to under section 11 will be extended five (5) calendar days from the date Lower Nicola receives that information from British Columbia.
- 13. Upon written notice from Lower Nicola of readiness to begin discussion or upon expiry of the fifteen (15) day period, the Parties will engage to the extent reasonably required to achieve the following objectives:
 - a. ensure that British Columbia understands Lower Nicola's concerns and any recommendations by Lower Nicola to avoid, mitigate, or otherwise address potential impacts to Lower Nicola Aboriginal Rights;
 - b. ensure that Lower Nicola understands British Columbia's views regarding potential adverse impacts to Lower Nicola Aboriginal Rights (including strength of claim where it is at issue) and any Lower Nicola proposals or recommendations;
 - c. seek a common understanding of shared or respective interests; and
 - d. where British Columbia agrees that Lower Nicola has identified reasonable concerns that are not fully addressed by economic accommodation provided for under this Agreement, work towards a mutually agreeable course of action to meaningfully address those concerns through appropriate accommodation tools which, depending on the circumstances, may include, but are not limited to:
 - i. non-economic accommodation measures such as avoidance or mitigation measures;

- ii. potential for additional economic accommodation;
 - iii. a decision by British Columbia to defer a Government Action until such time as appropriate accommodation or other suitable agreements or arrangements are identified; or
 - iv. a decision not to authorize a particular activity.
14. The Parties will make reasonable efforts to complete dialogue described under section 13 (a-d) within thirty (30) days. Where the Government Action carries the potential for serious adverse impacts on Lower Nicola Aboriginal Rights, and more time is reasonably required to meet the objectives under section 13, the Parties will extend consultation for an additional time period, including a target end date, within forty-five (45) days from the date of the initial letter.
 15. The Parties will use the process described in sections 16 through 22 for Government Actions that are not outlined in Table 2.
 16. British Columbia will provide a letter and an information package on proposed Government Actions to Lower Nicola.
 17. Consultation begins when Lower Nicola has received an information package and British Columbia's letter initiating consultation on the Government Action. Lower Nicola will be deemed to have received British Columbia's letter three calendar days after the letter is sent.
 18. Lower Nicola may respond in writing within thirty (30) calendar days of receiving British Columbia's letter under section 16 by providing:
 - a. general confirmation of the potential for adverse impacts to Lower Nicola Aboriginal Rights,
 - b. confirmation of its intention to engage in consultation, and
 - c. any requests for additional information relating to the Government Actions.
 19. If Lower Nicola does not provide a response within thirty (30) calendar days, or where Lower Nicola indicates no interest in further consultation, British Columbia may proceed to a decision on the Government Actions.
 20. Where Lower Nicola confirms that it intends to engage in consultation, Lower Nicola may, within thirty (30) calendar days from the date it received the letter from British Columbia under section 16, provide in writing:
 - a. any additional information regarding potential impacts to Lower Nicola Aboriginal Rights, and

- b. any recommendations to avoid, mitigate, or otherwise address those impacts.
21. Where Lower Nicola has requested additional information reasonably required to respond to the referral and has not received that information within the thirty (30) calendar day timeline under section 20, the timeline referred to under section 20 will be extended ten (10) calendar days from the date Lower Nicola receives that information from British Columbia.
22. Upon written notice from Lower Nicola of readiness to begin discussion or upon expiry of the thirty (30) day period, the Parties will engage to the extent reasonably required to achieve the following objectives:
- a. ensure that British Columbia understands Lower Nicola's concerns and any recommendations by Lower Nicola to avoid, mitigate, or otherwise address potential impacts to Lower Nicola Aboriginal Rights;
 - b. ensure that Lower Nicola understands British Columbia's views regarding potential adverse impacts to Lower Nicola Aboriginal Rights (including strength of claim where it is at issue) and any Lower Nicola proposals or recommendations;
 - c. seek a common understanding of shared or respective interests; and
 - d. where British Columbia agrees that Lower Nicola has identified reasonable concerns that are not fully addressed by economic accommodation provided for under this Agreement, work towards a mutually agreeable course of action to meaningfully address those concerns through appropriate accommodation tools which, depending on the circumstances, may include, but are not limited to:
 - i. non-economic accommodation measures such as avoidance or mitigation measures;
 - ii. potential for additional economic accommodation;
 - iii. a decision by British Columbia to defer a Government Action until such time as appropriate accommodation or other suitable agreements or arrangements are identified; or
 - iv. a decision not to authorize a particular activity.
23. The Parties will make reasonable efforts to complete the dialogue described under section 22 (a-d) within thirty (30) days. Where the Government Action carries the potential for serious adverse impacts on Lower Nicola Aboriginal Rights, and more time is reasonably required to meet the objectives under section 22, the Parties will extend consultation for an additional time period, including a target end date to be determined by the Parties.

24. Where there are several Government Actions contained in one information package, Lower Nicola may decide that further engagement on particular individual Government Action is not required, and will provide notice in writing to British Columbia.
25. Where Lower Nicola has engaged with British Columbia on a Government Action, Lower Nicola may request an engagement summary, and British Columbia will provide a brief engagement summary to Lower Nicola before proceeding with the Government Action.
26. Where British Columbia and Lower Nicola reach agreement on accommodations to meaningfully address the concerns raised by Lower Nicola, British Columbia may proceed with the Government Action(s).
27. Where British Columbia and Lower Nicola fail to reach agreement on appropriate accommodation tools to meaningfully address the concerns raised by Lower Nicola and where British Columbia proceeds with a Government Action that is inconsistent with the accommodations proposed by Lower Nicola, British Columbia will provide Lower Nicola with written reasons for its decision(s).

General Principles:

28. The Parties will engage in a good faith and open dialogue. The Parties will choose their means of communication by agreement, except where this Process expressly requires written communication.
29. The Parties may communicate in writing by emailing the other Party's designated representative(s).
30. The Parties will make reasonable efforts to satisfy requests by the other Party to meet in person.
31. The Parties will engage with each other in a timely fashion and will make reasonable efforts to meet agreed-upon timelines. Where additional engagement time is reasonably required under section 23, the extended timeline will take into account all relevant factors including any urgency for the decision and internal capacity of each Party.
32. Nothing in this process prevents either Party from responding to an emergency.

ANNEX 1
TABLES OF REQUIRED CRITERIA AND DECISION TYPES

Table 1: Required Criteria

1	Less than 0.50 hectares (ha) of total new disturbed ground
2	Greater than 50 metres from any classifiable riparian feature (stream, lake or wetland)
3	The permit work area is a minimum of 50 metres away from any known archaeological site
4	No chemicals will be used for the proposed exploration activities
5	For mineral or coal exploration drill programs and induced polarization (IP) surveys, only those within the permitted Mine Area.

Table 2: Decision Types

	Decision Description	Type of Potential Disturbance
1	Prospecting using hand held tools	Negligible ground disturbance
2	Geological and geochemical surveying	Soil pits/chip samples/water samples
3	Airborne geophysical surveying	Magnetometers and densometer geophysical surveys are used to create maps of subsurface geological features
4	Ground geophysical surveying without the use of exposed, energized electrodes	Magnetometers, electrical resistance magnetometers, ground-penetrating radar (GPR) and electromagnetic (EM) conductivity meters, light detection and ranging (LIDAR) geophysical surveys used to create maps of subsurface geological features
5	Hand trenching without the use of explosives	Negligible ground disturbance anticipated
6	Establishment of grid lines without the felling of trees	No ground disturbance anticipated
7	"back-pack" drilling	Negligible ground disturbance anticipated
8	Induced polarization (IP) using exposed electrodes	No ground disturbance anticipated
9	Underground exploration	Underground drilling, chip and water samples, ground support
10	Seismic reflection deep ground penetration	No ground disturbance anticipated
11	Mechanical disturbance	Include test pits, trenches, drilling, stripping, bulk sample, and waste rock disposal
12	Term extension	Extending the term of mineral or coal exploration activities by up to two additional years

SCHEDULE 4

REVENUE SHARING PAYMENTS SUMMARY REPORT

2015/2016 Actual Expenditures	Outcomes Achieved

LOWER NICOLA INDIAN BAND (BCR)

181 Nawishaskin Lane, Merritt, British Columbia V1K 0A7

Tel: 250-378-5157 Fax: 250-378-6188

WHEREAS:

- A. The Highland Valley Copper Mine is operated by the Teck Highland Valley Copper Partnership and is located near the Lower Nicola Indian Band's (the "Band") reserve land and within the Band's traditional territory;
- B. the Band Council, at a duly constituted meeting of the Band Council held on March 15, 2016, was presented with and reviewed a draft "Revenue Sharing Agreement" between the Band and the Minister of Aboriginal Relations and Reconciliation with respect to certain matters relating to the Highland Valley Copper Mine (the "Revenue Sharing Agreement") and received the advice of legal counsel regarding the same; and
- C. the Band has been presented with a final draft of the Revenue Sharing Agreement and now wishes to authorize and approve such Revenue Sharing Agreement in substantially the form presented.

THEREFORE BE IT RESOLVED THAT:

1. The Revenue Sharing Agreement is hereby authorized and approved in substantially the form presented together with any modifications, amendments or changes thereto approved by the Authorized Signatories in their discretion; and
2. A quorum of any five members of Chief and Council of the Band (the "Authorized Signatories") be and hereby are authorized and empowered to execute and deliver in the name and on behalf of the Band the Revenue Sharing Agreement in substantially the form presented, with such modifications, amendments or changes thereto as may be approved by the Authorized Signatories in their discretion, such approval to be conclusively evidenced by their execution thereof, and to do all such further and other acts and things and execute and deliver all such further and other documents, agreements and instruments as may be necessary in order to carry out the intent of the Revenue Sharing Agreement and perform the obligations of the Band under the Revenue Sharing Agreement.

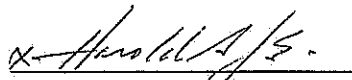
This BCR dated this 15th day of March 2016.

Quorum of Council:


Aaron Sam, Chief

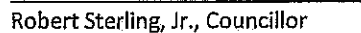

Clarence Basil, Councillor

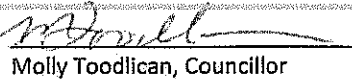

Arthur Dick, Councillor


Harold A. Joe, Councillor


Nicholas Peterson, Councillor


Clyde Sam, Councillor


Robert Sterling, Jr., Councillor


Molly Toodlican, Councillor