



TAHLTAN



REVENUE SHARING AGREEMENT

REVENUE SHARING AGREEMENT

This Agreement is dated the ____ day of _____, 2018.

BETWEEN

**HER MAJESTY THE QUEEN
IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA**

as represented by the Minister of Indigenous Relations and Reconciliation
("British Columbia")

and

TAHLTAN NATION

as represented by the Tahltan Central Government, the Iskut Band and the Tahltan Band
(hereinafter the "Tahltan")

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

Whereas:

- A. Tahltan have Aboriginal Rights within Tahltan Territory;
- B. The Tahltan Central Government is a governing entity of the Tahltan responsible for Aboriginal rights and title and represents the interests of the Tahltan people;
- C. The Parties have a shared commitment to align and strengthen their relationship, on a government-to-government basis, consistent with the June 26, 2014 *Tsilhqot'in Nation* decision of the Supreme Court of Canada and the *United Nations Declaration on the Rights of Indigenous Peoples*, and respectful of Tahltan stewardship responsibilities in Tahltan Territory;
- D. The Parties recognize and affirm a mutual commitment to social, community and economic development and to taking tangible steps together in the interest of advancing reconciliation;
- E. The Parties wish to enter into this Agreement to establish terms regarding revenue-sharing for the Project on a long-term basis, as set out in this Agreement;
- F. The Parties acknowledge that this Agreement will be directly impacted by the success of the Project; and
- G. The Parties acknowledge that the arrangements set out in this Agreement are an interim step towards further reconciliation.

Now, therefore, the Parties agree as follows:

SECTION 1 Definitions

1.1 In this Agreement:

“Aboriginal Rights” means asserted or determined Aboriginal Rights, including Aboriginal title, recognized and affirmed by section 35(1) of the *Constitution Act, 1982*;

“Agreement” means this Revenue Sharing 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;

“Consultation Process” means the process set out in Section 11;

“Dispute” means, subject to subsection 13.4, 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.;

“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. 165;

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

“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, and legislation in addition to or in substitution therefore 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 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 either Party in accordance with subsection 13.9;

“Notice to Terminate” means a written notice to terminate this Agreement provided by Tahltan or British Columbia in accordance with subsection 10.5;

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

“Payment Statement” means the statement in respect of the Project containing the tax information that British Columbia will provide to Tahltan under Schedule 1 subsection 3.2;

“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 Project has ceased;

“Project” means the Brucejack Gold Mine project described in Schedule 1, section 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, and any government corporation;

“Revenue Sharing Payments” means the payments to be made by British Columbia to Tahltan each year for the Project pursuant to section 2 and in accordance with Schedule 1, and

“Revenue Sharing Payment” means any one such payment;

“Shared Decision Making Agreement” means the Shared Decision Making Agreement between British Columbia and the Tahltan Nation, dated March 14, 2013, and includes any amendments, or successor agreements, to it, as may be agreed to by the Parties;

“Societies Act” means the *Societies Act*, S.B.C. 2015, c. 18;

“Tahltan Account” means the bank account established by Tahltan pursuant to Schedule 1 subsection 3.11 to receive Revenue Sharing Payments under this Agreement;

“Tahltan Central Government” means the society of that name incorporated under the *Societies Act*;

“Tahltan Nation” or **“Tahltan”** means the Tahltan Central Government, the Iskut Band and Tahltan Band, which represent Tahltan People;

“Tahltan People” means all those persons who are collectively entitled to exercise the Aboriginal Rights of Tahltan in the Tahltan Territory;

“Tahltan Territory” means the traditional territory of Tahltan located within British Columbia as

shown in Annex “B”; and

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

SECTION 2 Revenue Sharing Payments

2.1 British Columbia will provide Revenue Sharing Payments to Tahltan in accordance with Schedule 1.

SECTION 3 Confidential Information

3.1 Confidential information

- a. Tahltan 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 paragraph 3.1 (a), British Columbia’s obligation to provide a Payment Statement and other information that is confidential under the *Mineral Tax Act* is subject to it obtaining written consent to sharing such information from the Operator. Tahltan acknowledges that British Columbia has informed them of these requirements.
- c. Notwithstanding paragraph 3.1 (a), Tahltan 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, Tahltan may disclose the amount of Revenue Sharing Payments to the Tahltan People.
- e. Where Tahltan share 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 Tahltan, British Columbia will provide Tahltan 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, Tahltan will provide a summary report once per fiscal year, substantially in the form set out in Schedule 2, 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 Tahltan or the Tahltan People for the management of the Tahltan Account established under Schedule 1, subsection 3.11, or the allocation or use of monies in the Tahltan 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 Tahltan Aboriginal Rights as a result of Government Actions.
- 5.2** If the Tahltan Central Government, the Iskut Band or the Tahltan Band impedes or effectively stops the operation of the Project 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 Project to carry out activities associated with the development and operations of the Project, 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 will be triggered.
- 5.3** Tahltan will provide reasonable assistance to British Columbia in seeking to resolve any actions by Tahltan People 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** For greater certainty, nothing in this Agreement:
- a. limits or waives Tahltan's right, if any, to hold the Province accountable for compliance with, or implementation of, mitigation and accommodation measures for the benefit of Tahltan developed through consultation, processes under the Shared Decision Making Agreement where applicable, the environmental assessment process administered by the Environmental Assessment Office, or any other 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 Project.

SECTION 6 Further Revenue Sharing

- 6.1** Where British Columbia provides another First Nation or group of First Nations with more than 37.5% of the eligible Net Mineral Tax Revenue from a particular mine or mine expansion British Columbia will provide notice to Tahltan and the Parties will meet to discuss further potential revenue sharing opportunities for Tahltan from the Project.
- 6.2** 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 Tahltan and the Parties will discuss potential implications that may be considered in relation to this Agreement.
- 6.3** The Tahltan do not, by entering into this Agreement, endorse or accept the provincial policies referenced in section 6.2, and nothing in this Agreement is to be interpreted in a manner that suggests that it does.

SECTION 7 Continuing Obligations

- 7.1** The Parties' covenants, rights and obligations, as set out in subsections 3.1 (confidentiality), 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** Tahltan will not assign, either directly or indirectly, this Agreement or any right of Tahltan under this Agreement without the prior written consent of British Columbia.

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, 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. Tahltan impedes or effectively stops operation of the Project; or
 - b. any representation or warranty made by Tahltan in this Agreement is untrue or incorrect.
- 10.2** British Columbia will:
- a. provide written notice to Tahltan 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, Tahltan 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 Tahltan 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 either Party providing 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** Tahltan 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. Tahltan is not in compliance with its obligations under this Agreement;
- b. impedes or effectively stops operation of the Project; or
- c. any representation or warranty made by Tahltan 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 Process

11.1 Tahltan and Provincial Agencies will continue to engage through the consultation processes utilized by the Parties in relation to the Project prior to, and in effect at the Effective Date of this Agreement, for the purposes of seeking to meet consultation obligations in regard to Government Actions.

11.2 The Parties may agree to apply processes under the Shared Decision Making Agreement subject to the parameters of that Agreement, or other processes developed by the Parties, or arising as a result of changes to government consultation and engagement policies, to any Government Actions after the Effective Date.

SECTION 12 Representations and Warranties

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

- a. the Tahltan Central Government is a duly incorporated and subsisting society under the *Societies Act*;
- b. the Tahltan Central Government has the legal power, capacity and authority to enter into this Agreement and act for, and on behalf, of Tahltan People with respect to Tahltan Aboriginal Rights, and to make the acknowledgements and representations in this Agreement;
- c. the Tahltan Band has the legal power, capacity and authority to enter into this Agreement for, and on behalf of Tahltan Band members and to make the covenants, acknowledgements and representations in this Agreement;
- d. the Iskut Band has the legal power, capacity and authority to enter into this Agreement for and on behalf of the Iskut Band members and to make the covenants, acknowledgements and representations in this Agreement;

- e. the Tahltan Central Government, the Tahltan Band and the Iskut Band have each obtained or had the opportunity to obtain the advice of their own financial, legal, tax and other professional advisors with respect to this Agreement;
- f. the Tahltan Central Government, the Tahltan Band and the Iskut Band enter into this Agreement for and on behalf of all Tahltan People; and
- g. Tahltan has provided true or certified copies of the Tahltan Central Government Directors' Resolutions and the Band Council Resolutions of the Tahltan Band and the Iskut Band approving this Agreement and providing authority for the authorized signatories to sign this Agreement, and that such resolutions have not been varied, amended, repealed or replaced.

12.2 British Columbia represents and warrants to Tahltan 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 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 mitigation and accommodation measures concerning the operation or decommissioning of the Project; 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 Within fifteen (15) working days, the Parties will meet and will attempt to resolve the Dispute through unassisted collaborative negotiation.

- 13.7** 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.
- 13.8** 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.
- 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 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 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;
 - 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 Mediate BC 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 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 International Commercial Arbitration Centre or other appointing authority.

13.11 The Parties may also choose other appropriate 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.

14.2 The address and facsimile numbers of the Parties are:

- a. Tahltan:

Tahltan Central Government
Box 69
Dease Lake BC V0C 1L0
Fax: (250) 771-3020
Attention: President

- 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** British Columbia acknowledges and enters into this Agreement on the basis that Tahltan has Aboriginal Rights within Tahltan Territory.
- 15.4** This Agreement does not change or affect the position either Party has, or may have, regarding its jurisdiction, responsibilities and decision-making authority.
- 15.5** This Agreement is not intended to be interpreted in a manner that would affect or fetter the discretion of any decision-making authority.
- 15.6** 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.
- 15.7** 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.
- 15.8** 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;
 - b. the validity of any territorial claim or assertion of Aboriginal rights by any other First Nation; or
 - c. 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.
- 15.9** Nothing in this Agreement precludes any of the Tahltan 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

Tahltan, other than those expressly set out in this Agreement; or

- c. participating in government programs for which any of the Tahltan may be eligible.

- 15.10** Nothing in this Agreement limits, waives or restricts Tahltan's right to seek recognition of Tahltan title and/or rights to the Project area, or remedies flowing from those title and/or rights, whether through court application or otherwise.
- 15.11** This Agreement is not intended to limit or diminish any present or future fiscal transfer agreements between the Parties unrelated to this Agreement and its Appendices.
- 15.12** 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.
- 15.13** This Agreement may be amended by written agreement duly executed by both Parties.
- 15.14** 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.
- 15.15** Notwithstanding any other provision of this Agreement, Revenue Sharing Payments to be provided by British Columbia to Tahltan 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.
- 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 are to the designated section or other subdivision of, or appendix 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 either 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

Date

TAHLTAN, as represented by

President Chad Day
Tahltan Central Government

Date

Chief Marie Quock
Iskut Band

Date

Chief Rick McLean
Tahltan Band

Date

Acknowledged by Robert McPhee, Negotiator for Tahltan: _____



Initials from Brock Roe, of Woodward & Co. Lawyers LLP: _____



SCHEDULE 1

Brucejack Gold Mine Project Description and Payment Provisions

SECTION 1 Project Description

1.1 The Project means:

- a. all works, undertakings, facilities and activities approved by Mines Act Permit M-243 issued July 22, 2015, and located in the area depicted as the "Mine Area" in the map attached as Annex A to this Agreement;
- 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 as of the date of this Agreement and all associated infrastructure, operating sites and facilities;
- c. any changes, modifications or alterations to the works, undertakings and facilities set out in paragraphs 1.1 (a) and (b), so long as such changes, modifications or alterations occur within the Mine Area or the area subject to a permit, authorization or other form of tenure held by the Operator as of the date of this Agreement; and
- d. all matters relating to the exploration, planning, permitting, construction, maintenance, repair, operation and reclamation of the Project described in paragraphs 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 Mine Area and agree that:

- a. any Government Actions required to approve such proposals will be the subject of consultation with and, where appropriate, accommodation of Tahltan as set out in this Agreement;
- b. nothing in this Schedule or the Agreement is to be interpreted or deemed as providing Tahltan support for any Government Actions required to approve such proposal; and
- c. where the Mine Area is changed by Government Actions, the map attached as Annex A will be amended to reflect the new Mine Area boundaries.

SECTION 2 Definitions

2.1 In this Schedule:

"Overpayment" means an amount paid by British Columbia under this Schedule that exceeds the amount Tahltan was entitled to receive, including a negative Revenue Sharing Payment

amount under subsection 3.1 (Revenue Sharing Payment), 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 Tahltan 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.

SECTION 3 Payment Provisions

3.1 Revenue Sharing Payment. British Columbia will provide Revenue Sharing Payments to Tahltan which will comprise 15% of the Net Mineral Tax Revenue, calculated as follows:

$(15 \% \times \text{Net Mineral Tax Revenue for a BC Fiscal Year}) + \text{Underpayment} - \text{Overpayment}$

3.2 Payment Statements. Within one hundred and fifty (150) days after the end of each BC Fiscal Year beginning with the first BC Fiscal Year in which British Columbia receives payment from the Operator under the *Mineral Tax Act*, British Columbia will provide Tahltan 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; and
- c. the amount of the Revenue Sharing Payment

3.3 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 Tahltan by depositing the Revenue Sharing Payment into the Tahltan Account established under subsection 3.11 (Tahltan Account).

3.4 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 Tahltan and apply the remaining amount to the Overpayment balance until the Overpayment amount is recovered.

3.5 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 Tahltan, British Columbia will notify Tahltan 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 Tahltan under any other agreement with British Columbia.

3.6 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 Tahltan in relation to that portion of the BC Fiscal Year after the date on which the term of this Agreement ends.

3.7 Fluctuations in Revenues. Tahltan acknowledges that revenues under the *Mineral Tax Act* may fluctuate and that the Project Payments may vary over time.

3.8 Changes to Act. If, during the term of this Agreement, British Columbia makes any changes to the *Mineral Tax Act* tax regime that will have the effect of reducing the Revenue Sharing Payments, British Columbia will notify Tahltan and the Parties will discuss potential alternative revenue sharing opportunities.

3.9 Reliance on Operator Information. Tahltan 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.

3.10 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.

3.11 Bank Account. Tahltan 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 paragraph 3.11(a) to enable British Columbia to directly deposit the Revenue Sharing Payments;
- c. notify British Columbia of any change under paragraph 3.11(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 3.11(a) until twelve (12) months after the receipt of the last Revenue Sharing Payment.

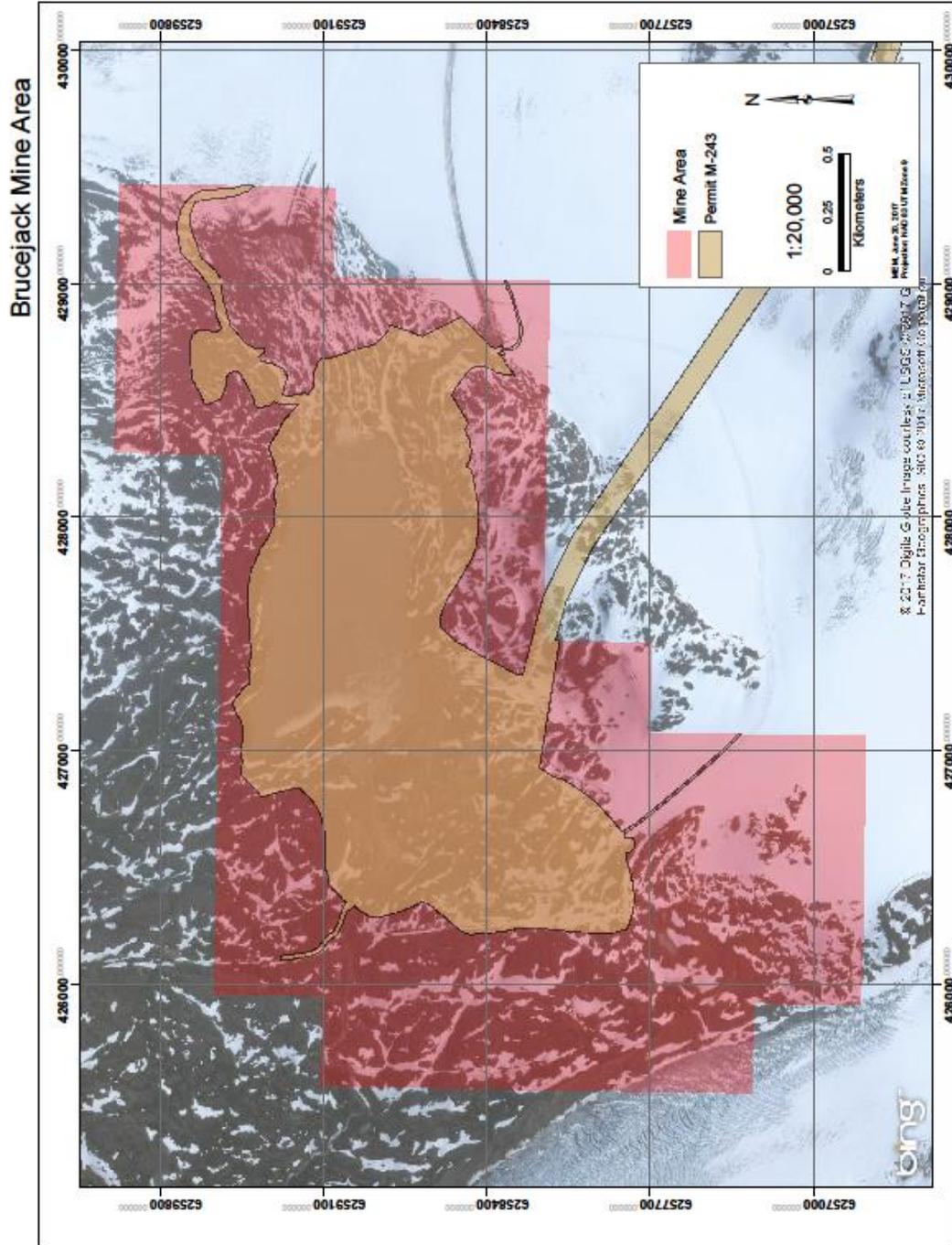
3.12 Delivery of Payments

- a. British Columbia will deposit Revenue Sharing Payments directly into the Payment Account established under paragraph 3.11(a).

- b. Tahltan may designate another entity to receive Revenue Sharing Payments under paragraph 3.12(a) and, if such a designation is made, Tahltan will notify British Columbia.
- c. All payments which British Columbia is obliged to make pursuant to the Agreement are to be remitted to the Tahltan Account.
- d. For greater certainty, British Columbia will not be obligated to make any payments under this Agreement until Tahltan has complied with subsection 3.11 to the reasonable satisfaction of British Columbia.

3.13 If Tahltan disagrees with the amount of a Revenue Sharing Payment, Tahltan 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.

ANNEX A Brucejack Gold Mine Map Showing Project (Mine) Area – Mining Lease Boundary



ANNEX B

Map showing Tahltan Territory

This map represents the general boundaries of Tahltan Territory as provided by Tahltan, based on the information available and reviewed as of the date of the map's creation. It does not represent a definitive or final statement by Tahltan of the areas to which Tahltan Aboriginal Rights apply. Tahltan continue to do research and assemble further information and data, and adjustments to the boundaries reflected in this map may be made in the future where appropriate and supported by evidence.

