

This Framework Agreement is dated for reference the 16th day of May, 2011 (the "Effective Date").

**Government-to-Government and Northwest Transmission Line Negotiation
Framework Agreement (the "Framework Agreement")**

Between:

**The Tahltan Nation,
as represented by the Tahltan Central Council, Tahltan Indian Band and Iskut
Indian Band
("Tahltan")**

And

British Columbia Hydro and Power Authority ("B.C. Hydro")

And

**The Province of British Columbia,
as represented by the Minister of Aboriginal Relations and Reconciliation
and the Minister of Energy and Mines ("British Columbia")**

(collectively referred to as the "Parties")

1. BACKGROUND

1. Subject to the necessary regulatory approvals, B.C. Hydro is planning to build the Northwest Transmission Line ("NTL") consisting of a 340 km long 287 kV electric transmission line from the Skeena Substation near Terrace to Bob Quinn Lake, a portion of which would extend into Tahltan traditional territory as set out in the map attached as Schedule 1 (the "Territory").
 2. Tahltan acknowledges British Columbia and B.C. Hydro's belief in the strategic importance of the NTL in supporting economic development in northwest British Columbia including the Territory and in providing a clean and renewable electrical supply for northwest communities.
 3. British Columbia and B.C. Hydro acknowledge Tahltan's concern that the NTL will enable development that will potentially affect any Tahltan Aboriginal title or rights and Tahltan communities.
 4. British Columbia and Tahltan hold differing views with regard to sovereignty, jurisdiction, title, and ownership. Without prejudice to their differing views, British Columbia and Tahltan intend to work collaboratively
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and are committed to engaging across a spectrum of land and resource issues to improve business relationships and their government-to-government relationship and to fulfill legal obligations.

5. British Columbia and the First Nations Leadership Council have, through the New Relationship Document, stated a vision for a New Relationship founded on principles of mutual respect, recognition and reconciliation of Aboriginal rights and title.
6. Tahltan and British Columbia have entered into a Reconciliation Framework ("Reconciliation Framework") dated April 4th, 2007 whereby they have committed to principles of sustainable land and resource development, support for First Nations as distinct and healthy communities, establishing cooperative and respectful government-to-government relationships and working together to develop mutually agreeable collaborative processes.
7. The Reconciliation Framework is intended to foster mutually beneficial agreements which increase long-term stability and predictability for both British Columbia and Tahltan with respect to land and resource decisions including corresponding social and cultural aspects and impacts.
8. The Parties entered into the Tri-Partite Agreement dated May 29, 2010 and subsequently extended it to January 31, 2011.
9. The Parties share the objective of creating a mutually beneficial relationship related to the NTL that enables a sustainable set of economic and social opportunities that provide financial and economic benefits to Tahltan and also share the desire for certainty with respect to construction and operation of the NTL, and in the case of British Columbia and Tahltan, their government-to-government relationship, future economic development in the region, land and resource decision-making, and effective socio-cultural Tahltan community transition.
10. British Columbia and Tahltan share the objective of building an enduring and fulsome relationship with respect to economic development and land and resource use in the Territory where they can find new and cooperative ways to support sustainable economic development and use.

2. PURPOSE AND SCOPE

1. The Parties have substantially advanced, but have not concluded, processes undertaken pursuant to the Tri-Partite Agreement, and, in view of the expiration of the term of the Tri-Partite Agreement, enter into this Framework Agreement to acknowledge their mutual intention to establish the processes and agreements as contemplated herein.
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2. This Framework Agreement, and subsequent agreements that may flow from this Framework Agreement, will advance reconciliation consistent with the spirit and intent of the Reconciliation Framework agreement and develop relationships with respect to sustainable economic development and land and resource use.
3. British Columbia and Tahltan intend to establish an effective government-to-government working relationship including structures, processes and initiatives to achieve the following objectives:
 - a. Increased certainty for resource investment, shared decision-making, land and resource use, community adjustment and Tahltan involvement in the foregoing;
 - b. Structured engagement between British Columbia and Tahltan that allows for efficient and effective consultation, and where appropriate, accommodation;
 - c. Tahltan benefiting from future development within the Territory including potential revenue-sharing and other economic opportunities;
 - d. Managing any socio-cultural impacts of development to the Tahltan community expected to or shown to arise from the NTL;
 - e. Assisting Tahltan to establish a solid Tahltan governance model related to lands and resource development and related socio-cultural impacts;
 - f. Tahltan participation in the energy sector in the Territory; and
 - g. Developing a thriving economy in Northwest British Columbia benefiting all British Columbians.
4. The Parties commit to using good faith efforts to implement this Framework Agreement.
5. The Parties acknowledge that finalization of further agreements to implement the understandings in this Framework Agreement may require approvals or decisions by their respective authorities, and commit to work together to obtain such further approvals and decisions in a timely way consistent with this Framework Agreement.
6. The Parties agree that this Framework Agreement will apply to the Territory.

3. SHARED DECISION-MAKING

1. British Columbia and Tahltan commit to negotiate and attempt to conclude a shared decision-making agreement (the "SDM Agreement") regarding lands
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and resources in the Territory in accordance with the timelines and commitments contemplated below.

2. The provisions of the SDM Agreement will include the creation of a government-to-government forum ("G2G Forum") as well as one or more of the following elements:
 - a. the number of representatives to be appointed by British Columbia and Tahltan including their respective co-chairs;
 - b. an efficient and effective engagement process between British Columbia and Tahltan for land and resource decisions focused on issues that are likely to have a significant impact on:
 - i. Tahltan aboriginal rights and title interests;
 - ii. Tahltan community well-being related to impacts and benefits of proposed development; and
 - iii. high priority cultural interest zones;
 - c. clear criteria to define which land and resource issues fall within the G2G Forum's mandate;
 - d. establishment of engagement processes intended to complement existing provincial regulatory processes;
 - e. establishing processes between British Columbia and Tahltan regarding consultation, and where appropriate, accommodation in relation to proposed activities that fall within the G2G Forum's mandate;
 - f. shared decision-making processes through which British Columbia and Tahltan will seek to reach consensus concerning land and resource use issues that are within the G2G Forum's mandate;
 - g. streamlined issue and dispute resolution processes where initial consensus has not been achieved;
 - h. discussion of legislation and regulatory issues that are relevant to implementation of the SDM Agreement;
 - i. establishment of measures and criteria to monitor and evaluate ongoing implementation of the SDM Agreement and any related subsequent agreements;
 - j. means to ensure the G2G Forum is informed by the respective laws, policies and decision-making processes of British Columbia and Tahltan;
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- k. identification of financial, administrative, technical and other resourcing responsibilities; and
 - l. such other provisions agreed to in writing by British Columbia and Tahltan.
3. British Columbia and Tahltan may also agree to use the G2G Forum to provide oversight of initiatives related to the SDM Agreement and other strategic issues of importance to British Columbia and Tahltan, such as:
- a. facilitating economic development by Tahltan;
 - b. land use planning related issues;
 - c. development of energy infrastructure;
 - d. archaeology and cultural heritage resource management;
 - e. cumulative effects;
 - f. fish and wildlife management; and
 - g. addressing socio-cultural impacts of development, including measures and processes arising from the Socio-Cultural Working Group to be established under Part 5 below.
4. British Columbia and Tahltan acknowledge that the success of the government-to-government relationship and their ability to implement the SDM Agreement are dependent on their respective capacities to implement the SDM Agreement. Tahltan consider the following as essential to successful implementation:
- a. Tahltan decision-making, including community outreach infrastructure;
 - b. Tahltan land management administration;
 - c. Tahltan land and resource information systems, including Tahltan local knowledge; and
 - d. Tahltan land management guidelines.
5. British Columbia and Tahltan agree to September 30, 2011 as a target date for completion of negotiations of the SDM Agreement unless otherwise agreed by British Columbia and Tahltan.
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4. REVENUE SHARING AND OTHER ECONOMIC BENEFITS

1. B.C. Hydro and Tahltan agree to continue the negotiation of a benefits agreement in respect of NTL with the objective of concluding such an agreement on or before February 28, 2011.
2. B.C. Hydro will negotiate and attempt to reach an agreement with Tahltan respecting financial benefits that could be made available to Tahltan in connection with NTL, which benefits may include:
 - a. an opportunity for Tahltan to make an investment in relation to the NTL, whereby Tahltan may make funds available by way of a potential loan arrangement to B.C. Hydro, that would enable a rate of return to be earned by Tahltan that would not exceed commercial rates that BC Hydro would pay to borrow funds from other lenders; and
 - b. financial benefits as part of an impact and benefit agreement.
3. British Columbia will negotiate and attempt to reach agreements with Tahltan which are consistent with present and future provincial revenue-sharing policy frameworks and negotiation mandates and which apply to new major projects including mines, tourism resorts, and clean energy power projects in the Territory, or subject to British Columbia approval, other types of projects that may be undertaken by proponents in the Territory, and the forest sector based on the level of commercial harvesting in the Territory.
4. For greater certainty, the understandings outlined in section 2 of this Part 4 do not include any other extensions, additions or purchases related to NTL, including the Forrest Kerr spur line, which may be the subject of separate negotiations.

5. MANAGING SOCIO-CULTURAL EFFECTS

1. British Columbia and Tahltan will commit to establish processes to address potential socio-cultural effects on Tahltan individuals and communities related to the development of NTL and to the development which may in the future result from the availability of transmission capacity in the Territory.
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2. British Columbia and Tahltan will negotiate the establishment of a Socio-Cultural Working Group (the "Working Group") that will include a terms of reference, in accordance with the timelines and commitments contemplated below.
 3. The terms of reference of the Working Group may include, but not be limited to:
 - a. the number of representatives to be appointed by British Columbia and Tahltan to the Working Group;
 - b. the general responsibilities of the Working Group, which may include, but not be limited to:
 - i. identifying potential socio-cultural impacts of development in the Territory and means to address, mitigate and manage those impacts;
 - ii. gathering relevant information and data, including the Tahltan Socio-Cultural Impact Assessment Report, "We Need to be Heard – Tahltan Nation", and, where appropriate, preparing or directing the preparation of studies and reports;
 - iii. reviewing individual and community development issues and government and non-government services and resources;
 - iv. preparing plans and recommendations concerning the management and mitigation of socio-cultural impacts of development for consideration by British Columbia and Tahltan; and
 - v. identifying and managing resources to carry out the Working Group's functions and measures, plans or recommendations arising from its work;
 - c. The process by which the Working Group will operate; and
 - d. Financial, administrative, technical and other resourcing responsibilities.
 4. The Working Group will be informed by the development of a Tahltan National Development Plan that focuses on Tahltan governance, land management, economy, community wellness (including healing and enhancing traditional practices), and monitoring as an important component of managing impacts.
 5. British Columbia acknowledges that immediate priorities for Tahltan include completion of the Tahltan National Development Plan, Tahltan governance, including a constitution that defines structure, processes and authorities, a ratification process for major decisions, governance capacity, and a
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communication framework, and agrees to work with Tahltan to advance those priorities through the implementation processes specified in Part 7 below.

6. The process established under Part 5, section 1 would be harmonized with the ongoing work that is currently being led by the Ministry of Children and Family Development ("MCFD"). The process will also seek to involve Canada as appropriate.
7. British Columbia and Tahltan agree to February 28, 2011, or another date mutually agreed to by British Columbia and Tahltan, as the target date for finalization of the terms of reference, and recognizes that the input and approval of their respective authorities will be required in advance of that date.

6. PLANNING FOR ENERGY DEVELOPMENT

1. British Columbia and Tahltan, with the assistance of B.C. Hydro where applicable, are committed to assist Tahltan in addressing their interests in the energy sector in the Territory, as set out below.
 2. The Parties agree to the following phased approach, including but not limited to:
 - a. An overview of existing and potential energy resources in the Territory with the understanding that BC Hydro can only share information within its possession which is available to the general public;
 - b. An assessment of clean energy development opportunities in the Territory with the understanding that BC Hydro can only share information within its possession which is available to the general public; then
 - c. Based upon the information in 2(a) and (b) above, the Parties agree to discuss potential opportunities for Tahltan to participate in the development of energy resources in the Territory with the understanding that Tahltan priorities include topics such as using NTL infrastructure for other Tahltan purposes, measures that promote Tahltan energy projects, energy project selection criteria that reflect Tahltan involvement, and carbon values.
 3. B.C. Hydro and Tahltan will commit to the following as part of the negotiation of a benefits agreement between Tahltan and B.C. Hydro in respect of NTL:
 - a. The establishment of a Tahltan Community Energy Manager. The tasks of this position may include, among other things, the following:
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- i. conservation audits,
 - ii. community energy planning for industry and community members,
 - iii. energy policy development,
 - iv. feasibility studies for clean and renewable energy projects (such as run of the river hydroelectric projects), and
 - v. grant and proposal developments for new clean and renewable energy projects that may be of interest to Tahltan.
- b. The development of a Community Energy Plan for Telegraph Creek. This plan may include the following elements to assess the potential for the replacement of diesel generators with an alternative source of energy:
- i. Community energy related goals;
 - ii. Current and future expected electricity consumption by Telegraph Creek;
 - iii. Review of the long term economic plan for Telegraph Creek, including load forecasts;
 - iv. Scan of energy supply and resource options;
 - v. Explore opportunities and costs of installing renewable resource monitoring;
 - vi. Identification of potentially viable renewable energy supply alternatives which warrant further study; and
 - vii. Electricity conservation / Power Smart plan.

7. IMPLEMENTATION

1. To ensure the implementation of their respective commitments made in this Framework Agreement, British Columbia and Tahltan will establish an Interim G2G Implementation Forum ("Interim Forum") that will:
 - a. include an agreed upon number of representatives from each of British Columbia and Tahltan;
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- b. operate in the spirit and intent of this Framework Agreement including oversight of implementation of this Framework Agreement and the negotiation of subsequent agreements as contemplated herein;
 - c. provide a venue for government-to-government discussions related to major projects, including the Red Chris mine project, an extension of NTL to Tatogga Lake and Iskut and other projects by mutual agreement of British Columbia and Tahltan; and
 - d. operate until such time as the commitments set out in this Framework Agreement are concluded or for such further time period as agreed to by the BC and Tahltan.
2. The Parties recognize that funding will be required to support many of the commitments in this Framework Agreement and to negotiate the new agreements referred to herein and to implement the provisions that may be included in them. The Parties agree to address this issue and attempt to reach agreement on what funding is needed in this regard and what funds may be provided to Tahltan to cover their roles under such future agreements.

8. GENERAL

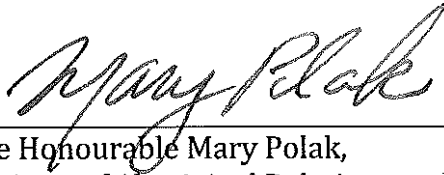
1. This Framework Agreement does not prejudice the position any Party may take in a future legal proceeding concerning the scope, content or fulfillment of British Columbia's and B.C. Hydro's duty to consult with and, where appropriate, accommodate Tahltan for potential impacts to any Tahltan Aboriginal title and rights in relation to NTL.
 2. By signing this Framework Agreement, neither British Columbia nor B.C. Hydro intends to imply or accept that it is necessary to do so in order to fulfill any legal duty to consult and accommodate that arises or may arise in relation to the NTL, nor does Tahltan intend to imply or accept that any such legal duty has been fulfilled.
 3. This Framework Agreement is not a land claim agreement or treaty within the meaning of sections 25 and 35 of the *Constitution Act, 1982*.
 4. Nothing in this Framework Agreement fetters, impedes or prevents British Columbia or B.C. Hydro from making any decisions or acting in a manner, in accordance with the law, that may provide approvals for or allow the permitting, development, construction and operation of the NTL.
 5. The Parties have an interest in the standards, content and outcome of the each other's ratification processes for subsequent agreements and will
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collaborate to ensure that their respective ratification processes are described to each other and to the extent practical harmonized.

6. The Tahltan Nation enters into this Framework Agreement based on the following representations:
 - a. Tahltan Central Council represents Tahltan Aboriginal rights and title and associated Tahltan land and resource authorities on behalf of the Tahltan Nation;
 - b. Tahltan Indian Band represents authorities and responsibilities arising from the *Indian Act* on behalf of Tahltan Indian Band members; and
 - c. Iskut Indian Band represents authorities and responsibilities arising from the *Indian Act* on behalf of Iskut Indian Band members.
 7. This Framework Agreement may be amended by the Parties in writing.
 8. This Framework Agreement and the agreements in Part 4, Sections 1 and 2 will be treated as a single package for the purposes of approval under the Tahltan ratification process.
 9. This Framework Agreement will come into effect upon signing by all Parties.
 10. In the event B.C. Hydro does not proceed with NTL, this Framework Agreement shall terminate and British Columbia and Tahltan agree to meet as soon as reasonably possible to discuss what elements of this Framework Agreement, if any, they wish to proceed with, and what further arrangements, if any, they may wish to negotiate and agree to.
 11. This Framework Agreement will terminate on the first anniversary of the Effective Date (the "Term").
 12. The Parties:
 - a. agree to meet no later than 6 months from the Effective Date to review the progress being made by the Parties in implementing the commitments set out in this Framework Agreement;
 - b. agree to meet 3 months prior to the end of the Term in order to determine whether the Term of this Framework Agreement, or any parts thereof, should be extended; and
 - c. may extend the Term of this Framework Agreement, or any parts thereof, for such further period agreed to by the Parties in writing.
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The Honourable Rich Coleman,
Minister of Energy and Mines



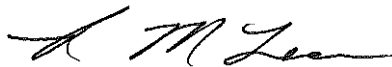
The Honourable Mary Polak,
Minister of Aboriginal Relations and Reconciliation



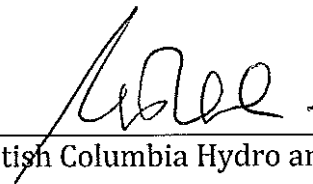
Annita McPhee, Chair, Tahltan Central Council, on behalf of the Tahltan Nation



Marie Quock, Chief, Iskut Band, on behalf of the Iskut Band

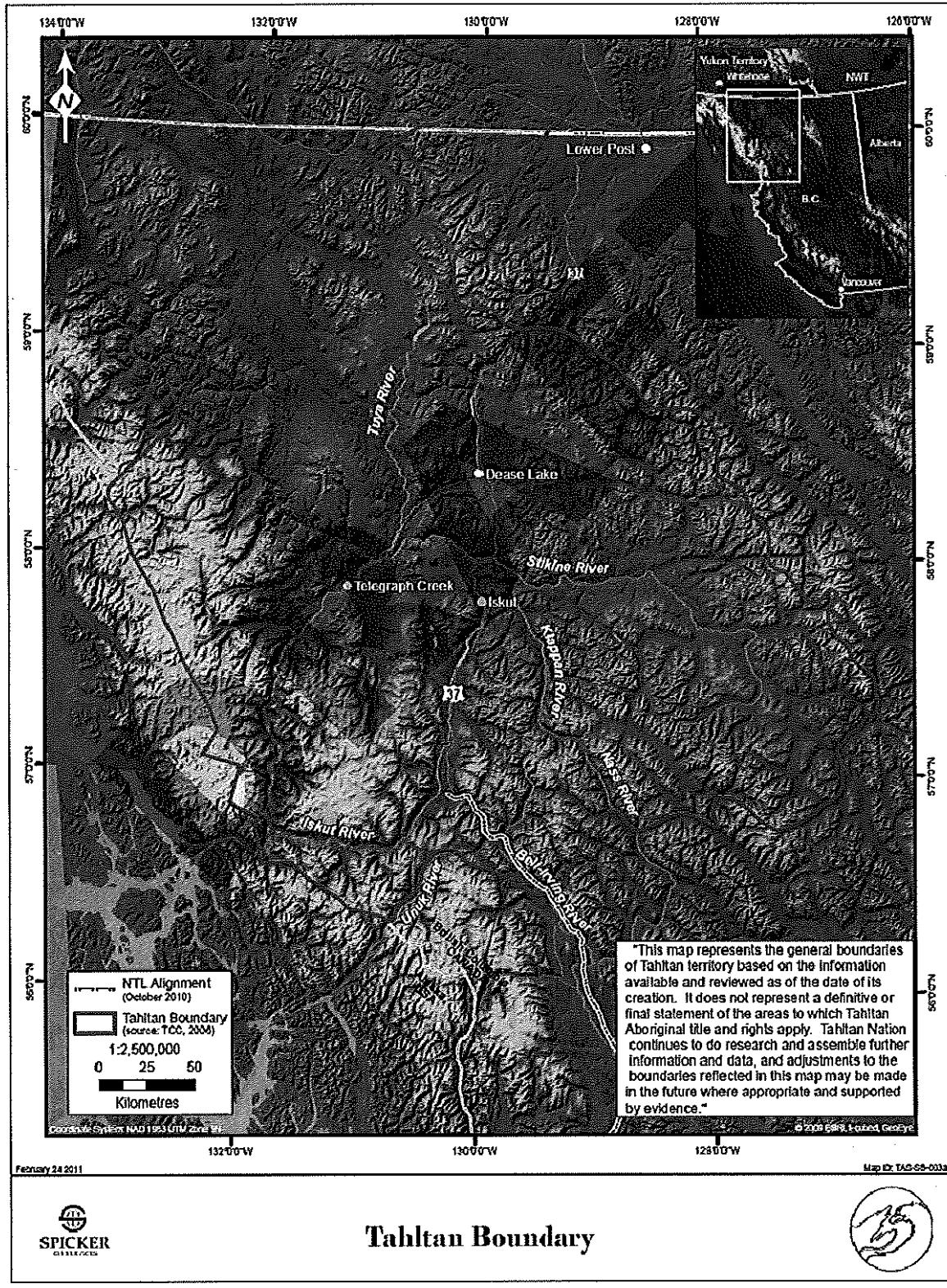


Rick McLean, Chief, Tahltan Band, on behalf of the Tahltan Band



British Columbia Hydro and Power Authority

Schedule 1 Tahltan Territory



February 24 2011

Map ID: TALS-05-0033



Tahltan Boundary

