

Coast Mountains District TSA Steering Committee

Operating Agreement Sub-Committee

Consolidated Information Sharing Agreement

Date: September 12, 2013

This document sets out the information sharing process that will be followed by the Operating Agreement Sub-Committee members to support implementation of the process steps and timelines described in the related Terms of Reference.

Licensees¹ will information share over a planning horizon that captures 5 years worth of AAC/Apportionment within the area subject to the Operating Agreement.

The Harvesting Information to be shared will consist of:

1. An ExcelTM spreadsheet from each licensee that summarizes the blocks that are depicted on the accompanying spatial products. This spreadsheet will contain at a minimum:
 - a. Block identifier
 - b. Block area (ha) and volume (m³)
 - c. Geographic location of each block
 - d. Mapsheet
 - e. Season of harvest
 - f. Year of harvest
 - g. Block status (proposed, fieldmarked,, CP issued, etc.)

The above information is the initial list that has been agreed to by the parties and represents a base level of information sharing. The parties agree to share additional information in the future, for the purposes of supporting an evaluation of fair and equitable opportunities to all parties. The additional information to be shared subject to future discussion and agreement is detailed in Appendix 1 to this agreement.

2. Shapefiles and kmz's / kml' s of the blocks (including WTRAs where known). The kmz / kml file types will enable any party to view the planned blocks within the Google EarthTM application. The shapefile format will enable any party to incorporate the planned blocks in to map products and or spatial analyses as they may require.

All spatial and attribute information that is shared will be initially posted by each party to the following ftp site for collection:

<ftp://ftp.for.gov.bc.ca/TSK/external/incoming/Kalum%20TSA%20Operating%20Agreement%20Subcommittee/>

The collected information will then be posted to the following ftp site where it will be available to all parties:

¹ For the purposes of this document, "licensee" includes BC Timber Sales

It is the responsibility of each party to ensure that the information posted is up to date and that any amendments to previously posted information are clearly described and communicated.

Volumes used for planning and information sharing will reflect licensees' AACs/apportionments

- Block volumes will be based on Cruise or Reconnaissance information where available. Where no information is available an average volume of 425m³/ha will be used.

Harvesting Information will be shared at least annually.

Harvesting Information may be consolidated for use by any party in other planning initiatives (e.g. Patch & Seral Analyses).

At the discretion of any party, information may be provided regarding blocks that are surplus to the 5 years of AAC/Apportionment volume (and identified as such). Benefits of sharing this information may include highlighting to others that these areas have already been the subject of some level of planning effort. These areas may be the subject of review by other parties and opportunities may be explored to advance the planning efforts made to date. Interested parties will act in good faith to recognize any planning investments that have been made, with a goal of eliminating redundant planning efforts and realizing the full value to the interested parties.

Milestones

Key dates related to this information sharing process are as follows:

By March 1 2013 and then annually thereafter by November 1: Licensees provide their Harvesting Information (block and WTRA kmz's / kml's, shapefiles and associated spreadsheet for the upcoming and four additional calendar years) to the other licensees

By April 1 2013 and then annually thereafter by December 1: Licensees that identify concerns with the Harvesting Information they receive must submit a response to the provider of the Harvesting Information by this date.

- Potential problems (block overlap) will be identified at this time and resolution will ideally be through discussion and consensus. Where consensus cannot be achieved, the dispute resolution process will be followed.
- Opportunities for synergistic planning i.e. road construction/maintenance/ inspections/snow plowing/ silviculture etc. may also be discussed at this juncture.

By June 1 2013 and then annually thereafter by February 1: Resolution of which 5 year plan blocks will move forward is to be complete. Licensees will have shared all final harvesting information as necessary, including the kmz's / kml's and shape files of the reviewed 5 year blocks and the associated Excel spreadsheet.

In the event of a planning conflict identified subsequent to a late submission by any party, the party that was late in making the submission will not have grounds to maintain their interest in the area under conflict and will be obliged to amend their plan (first come first served principle applies).

Harvesting Information Amendments

Best efforts are expected to be applied to identify the blocks that represent the full 5 years AAC/Apportionment and to share this information annually as per the timelines outlined above. It is

acknowledged, however, that the plans of any party may be significantly amended at any time and this will require that an information sharing process is completed for these significant amendments to the Harvesting Information. There are two types of Harvesting Information Amendments envisioned:

1. Existing Block modifications

Minor changes in block designs are typical and will not require information sharing, however a significant change to an existing block will be considered to warrant information sharing of the amended plans to all other parties. Judgement will be required to establish the significance of the amendment to the block and this should be considered from the perspective of all parties. A significant change may be considered as a block that increases greatly in size (by more than e.g. 10 hectares) or a shift in geographic location of a proposed development (by more than e.g. 200 meters). For further example, a planned block that adjoins that of another party may require information sharing of any amendments due to the potential for planning conflicts.

2. New block(s)

A new block or blocks may be added during the year (identified at a time other than the timeframe of the annual information sharing period) due to market changes or for other reasons. In this event, it is expected that the new block(s) will be introduced and an equivalent volume (e.g. +/- 15 %) will be concurrently removed from the harvesting plan of the party advancing the amendment. The information sharing process that is triggered by the amendment of a harvesting plan will be similar to that described above but the timelines will be modified as appropriate to the circumstance. Updated attribute (spreadsheet) and spatial information (kmz/ kml and shapefiles) will be provided to all parties via e-mail, clearly describing the nature of the amendment and enabling ad hoc review by any party to ensure that any planning conflicts will be identified and resolved, consistent with the process described above. It is recognized that time is of the essence to adequately inform all potentially interested parties of block amendments and to review any harvesting information as received, ensuring timely notification of any possible planning conflicts and best efforts being applied to resolve issues.

Dispute Resolution

The parties agree not to submit cutting authority applications (e.g. Cutting Permit, Timber Sale Licence) that are in conflict with the planned blocks of any other parties as related to this agreement. A cutting authority application will contain a statement confirming that the submission is free of conflict with the planned block of any other parties as related to this agreement.

I. Best Efforts to Resolve.

If there is a dispute between the participant licensees with respect to any matter arising under this Operating Agreement or relating to the interpretation of this Operating Agreement, the licensees* will use their best efforts to resolve such dispute and will be guided by a spirit of co-operation and mutual respect and by an understanding of each other's objectives with respect to this Operating Agreement.

II. Mediation/Arbitration.

Failing resolution of any dispute pursuant to the above, the Parties may, by mutual agreement, refer the matter to arbitration or mediation agreeable to each of the Parties*, with such parameters and such protocol (including time frames, form of submissions, etc.) as the Parties agree upon, each acting reasonably and in good faith and with a view to the efficient resolution of disputes.

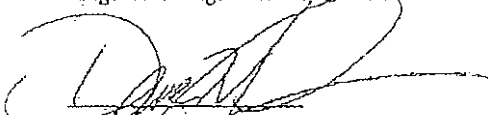
III. Costs.

The Parties shall share equally the costs of mediation or arbitration pursuant to the above, and shall each be solely responsible for its' own respective costs (including, without limitation, legal costs) relating to any dispute resolution.

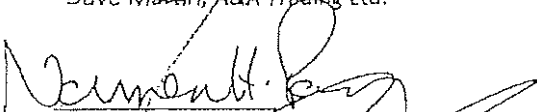
Periodic Review

This Information Sharing Process Agreement will be periodically reviewed and improved upon as necessary by the Operating Agreement Sub-committee

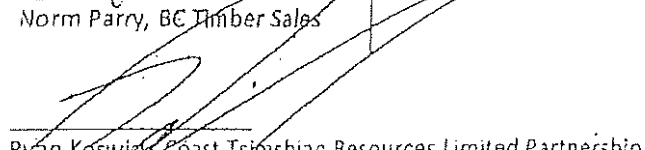
Signature Agreement to this Information Sharing Process, by the Parties Key Representatives:


Dave Martin, A&A Trading Ltd.

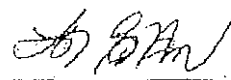
August 30 2013
Date


Norm Parry, BC Timber Sales

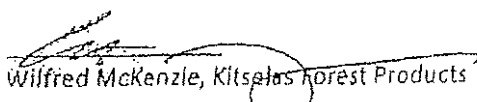
November 21 2013
Date


Ryan Keswick, Coast Tsimishian Resources Limited Partnership

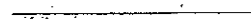
November 20 2013
Date


Lyle Bolton, Kalum Ventures Limited Partnership

September 5 2013
Date


Wilfred McKenzie, Kitselas Forest Products

November 4 2013
Date


Skeena Sawmills Ltd.


Date

**Operating Agreement SubCommittee
Information Sharing Agreement
Appendix 1**

For future discussion and agreement - List of Information to be Shared for Evaluation of Equitability

- a. Elevation Category (Average for Block)
- b. Slope Category (Average for Block)
- c. Age Category (Average for Block)
- d. Species Composition (Average for Block)
- e. Distance to Point of Appraisal
- f. Road Indicator – Road construction > 300 metres required to access the Block (does not include in-block access)

This list may be updated from time to time with the agreement of all parties to this agreement.