

MANAGEMENT PLAN

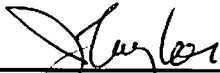
TCHENTLO LAKE LODGE LTD.

FILE # 0267318

DATE: September 20th, 2010

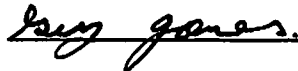
ACCEPTED BY:

SIGNED on behalf of HER MAJESTY THE
QUEEN IN RIGHT OF THE **PROVINCE OF
BRITISH COLUMBIA** by the Integrated Land
Management Bureau, authorized representative
of the minister responsible for the *Land Act*.



Authorized Signatory
Integrated Land Management Bureau

SIGNED on behalf of TCHENTLO LAKE LODGE LTD.
By a duly authorized signatory



containing 6 . pages (including this page)

Tchentlo Lake Lodge Ltd.

Management Plan

Section A – PROJECT OVERVIEW

The Applicant is in the process of purchasing the existing Tchentlo Lake Lodge (hereinafter “TLL”) facility including the existing Tenure and wishes to have transfer of the Tenure approved by the Ministry. Apart from updating the existing facilities and bringing them into compliance with all relevant safety and sanitary standards, there is no immediate plan for additions to the existing facilities.

Access to the Lodge is already in place via the Driftwood FSR and there are no plans to make any changes to this existing access.

Section B – PROJECT DESCRIPTION

I – Background

TLL has been upgraded for purposes of complying with the electrical safety code and the existing commercial kitchen facilities have been approved by the Health Inspection Authority, as have the existing waste disposal facilities.

The immediate intention is to operate TLL primarily as a camp facility for various work crews who will shortly be operating in the area. TLL has previously provided facilities to the Ministry of Forests and Range (hereinafter “MOF”) and particularly their Wildfire Management branch. A recent contract has been entered into with MOF for the upcoming season. The facilities provided are lodgings and all meals together with a secure storage site for light equipment. For example, the MOF has stored small portable water pumps and related equipment at TLL and is expected to continue to do so. TLL also provides a landing site for helicopters which are used to transport firefighters to and from the Lodge on a daily basis during the summer months.

Mining crews have previously operated in the Nation Lakes area and it is anticipated that camp facilities will likely be provided to various mining companies on an ad hoc basis.

Likewise, there is slated to be a significant volume of logging activities within the area serviced by TLL. Preliminary talks have been conducted with various logging companies and it is anticipated that some number of loggers or related crews will enter into arrangements to make use of TLL facilities over the next several years.

Besides the foregoing, TLL has historically provided accommodations for fishermen, hunters and outdoor enthusiasts. TLL has a total of 4 cabins available, 2 bunkhouses, 5 serviced RV sites, a boat launch and dock and is expecting to set up a small retail store facility providing products such as life jackets, flashlights, fishing supplies, canned food and other similar supplies which largely cater to the camping market.

There is no immediate competition to the services offered by TLL. It is reported that Takla Lake Lodge, which is some approximately 70 kms to the northwest is no longer open for commercial business. Tsayta Lake Lodge which is approximately 60 kms north of TLL has cabin space for approximately 16 individuals but does not have commercial kitchen capability (so far as we are aware) and is understood to generally cater to fishermen and hunters, rather than work crews.

The next nearest full service facilities are located in Fort St. James which is approximately 2 hours drive south of TLL.

II – Location

TLL is located at the northwest corner of Tchentlo Lake approximately 2 hours to the northwest of Fort St. James. Access is gained via the Tachie Road, leading to the Leo Creek FSR, thence onto the Driftwood FSR. Traffic would be considered light by municipal standards and consists primarily of residents of the Takla Landing reserve, mining and forest industry workers, and recreational users. It is anticipated that with the growth of logging, the volume of traffic may increase considerably, but details of this are not known to the writer.

It is understood by the principal of TLL, Guy Jones, that the MOF is not going to be allowing logging crews to set up their own camps within the general area of TLL, and if this information is correct, the need for access to the existing TLL facility will be considerable in order to facilitate economical logging activity as well as the continuation of mining exploration and the accommodation of firefighters, survey crews and the like. Daily travel to and from the worksite if workers were housed in Fort St. James is considered not to be practical, given the distances involved.

It is to be stressed that the current proposed use of the TLL facilities for seasonal crews is not a change in use of the facilities. Rather, work crews have been accommodated at TLL previously over a period of some years.

III – Utilities

Given the remoteness of the facilities, electrical power is provided by two onsite generators, one of which is used in backup, and these provide sufficient power to run the entire camp. The main generator has a thirty kilowatt capacity. These generators have obviously been onsite at the lodge for some years.

Communications are currently via wireless internet and satellite phone. This system is quite new to TLL and there are no plans to make any changes apart from occasional upgrades and improvements.

Water is accessed from Tchentlo Lake which TLL borders. The water supply is not currently approved for drinking, however, there is a plan in place to install an approved filtration system at an estimated cost of approximately \$7,000.00. This has been discussed with the Ministry of Health and steps are underway to have the system installed in the immediate future.

Sewage Disposal consists of three separate systems, all of which have been installed at TLL for some time. There are two separate septic systems servicing different buildings of those currently on site. There is also a lagoon installed, and all have been examined and approved by the relevant health authorities this year.

SECTION C – ADDITIONAL INFORMATION

It may be worth noting that that the lodge facilities have been found by the new owners to be in a dilapidated state. Extensive work has already been done, and will continue to be done to bring the facilities into full compliance with all regulations and to maintain an approved level of health and safety standards. Approximately 37 pickup loads of garbage have already been removed from the site and the process of cleaning up is an ongoing one. If demand requires, there is a willingness on the part of the new owners, subject to any necessary permitting and approval, to increase the overall camp size to accommodate more work crews, both as to beds and meals.

Likewise, the physical area of the tenured land would appear to be able to accommodate additional cabins and RV site facilities for recreational users.

The new owners have a general intention of improving all of the lodge buildings and support systems to a higher standard from income expected and hoped to be generated by TLL.

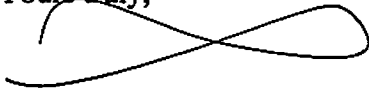
TLL is going to maintain a full time business office in Prince George at the following address and phone number:

Ste. 1 – 1515 Second Avenue
Prince George, BC
V2L 3B8
(250) 564-5544

A bookkeeper for TLL has been hired and will work out of the business office in Prince George with the plan and expectation that there won't be any late payments of annual rent or property taxes as is understood to have occurred in the past. In sum, the new owners are committed to running TLL in a proper, businesslike manner. The new owners are experienced business people.

If there are any questions arising from any of the foregoing, they can be directed to the writer at the above-noted telephone number during normal business hours, Monday through Friday.

Yours truly,

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the bottom.

Garth A. Wright
GAW/sa

Ministry of
Environment,
Lands and Parks

Legal Description Schedule

705648

File No. 0267318

strict Lot 7249, Cassiar District, containing 4.39 hectares.

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