MANAGEMENT PLAN

Prepared by

DON VANDERHORST CONSULTING LTD

for

Skeena Cat Skiing Inc

FILE#:

LICENSE#

DATE: August 15, 2017

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from the Province to the "Licensee" and that this document supersedes any earlier Tenure Management Plans. The signature of the
Province's authorized representative is solely for the purpose of
acknowledging the Province's acceptance of this document as the Tenure Management Plan for the purposes of the License and does not represent a certification by the Province or its signatory of any factual content of acceptance of professional responsibility by the Province's signatory for any advice or analysis contained in this document
Authorized Signature
Crown Land Adjudication
Ministry of Forests, Lands and Natural Resource Operations
SIGNED on behalf Skeena Cat Skiing Inc by a duly authorized signatory:

Containing 35 pages (including this page

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EXECUTIVE SUMMARY

Skeena Cat Skiing Inc (SCS) operates a snowcat skiing facility on Crown land east of the community of Hazelton, in northwest British Columbia. SCS is an existing cat skiing operator and has been operating a snow cat skiing facility on Crown land encompassing approximately 38,500 ha over the last 5 years through the provisions of a sub – license agreement with Skeena Heliskiing Inc (SHS). SCS is now seeking to acquire their own tenure over the same area that is outlined in the sub – license agreement that will position the company into a long term and sustainable arrangement for its operation and allow for ongoing and future investments into its business.

SCS has been offering guided snowcat skiing tours for 5 winter ski seasons and generally operates from approximately mid- January to end of March each season (subject to snow and weather conditions) from early December to early April. The company has experienced strong bookings over the last 5 years of operation which reflects the growing popularity of cat skiing, and British Columbia's unique ability to be the world leader of this type of tourism.

SCS uses a snowcat (large specialized tractor equipped with rubber tracks, instead of wheels) to transport its customers within the tenure area. The snowcat travels along a road system (using historic forestry roads and snow roads), to the upper elevation points within the tenure area, where the customers are dropped off The skiers are then picked up along one of the snow roads at a lower elevation to begin the return trip to the top of the ski terrain.

In support of its application for a new tenure agreement, SCS has prepared a management plan, which outlines SCS's use of the tenure area, a description of the operating area and recreation activities, historic and projected levels of use and an outline of other resource, commercial recreation, public recreation as well as environmental/ wildlife values and uses within the company's operating area tenure.

Management Plan Highlights

The following management plan incorporates a number of key highlights:

- All of the mapping illustrated in the management plan reflects the current tenure boundary, the zone boundaries, plus the location of cat and snow roads, and the skiing terrain.
- A description of ski zones and Intensive Use sites
- The Levels of Use tables (Section 5.0) reflect the past 5 years of operations plus a projection of client day use for the next 5 years.

 A wildlife mitigation strategy was prepared for Skeena Heliskiing Ltd, when the company applied for a tenure renewal in 2013. At that time, the mitigation strategy included the cat skiing area that is now being applied for by SCS.

The ski terrain and runs, as outlined in this management plan, are the same as what was reviewed as part of the 2013 aforementioned mitigation strategy. Discussions with the Ecosystems Section of FLNRO have indicated that if there is no change to the ski terrain and runs outlined in the 2013 mitigation strategy, then SCS is not required to prepare and submit an updated wildlife mitigation strategy. However, prior to SCS using any new terrain or ski runs, within any of their ski zones, an updated wildlife mitigation strategy will be required before approval of that ski terrain is granted.

The company's primary objectives, relative to wildlife values and habitat, are strict adherence to government regulations and guidelines, and to monitor and avoid disturbing wildlife values and habitat, wherever and whenever possible. SCS believes that managed properly, their operation has a minimal impact on wildlife values and habitat.

• SCS's operating area lies within the traditional territories of Gitxsan First Nation. While there are no First Nation reserves within the company's operating area, the Skeena Mountains are an important area for First Nations activities. The company appreciates that their activities may impact existing First Nations rights, title, interests and values, and to that end, the company is interested in working with First Nations through a cooperative sense of sharing. The company appreciates its use of the land is not exclusive and is keen to work in a manner that benefits all parties that have an interest in this land.

In summary, SCS is committed to conducting business in a manner that demonstrates high ethical standards and efforts to be a good corporate citizen. By working with First Nations, various government (federal, provincial, and local) agencies, local economic development organizations, other tourism operators and public recreation users, the company seeks to ensure that its operations are sustainable for the long term.

1.0 INTRODUCTION

This Tenure Management Plan has been prepared for Skeena Cat Skiing Inc. (SCS) for submission to the Ministry of Forests, Lands and Natural Resource Operations (FLNRO). This submission is part of SCS's requirements, pursuant to the Adventure Tourism (AT) Policy, to request a License of Occupation for a 30 year term to operate a commercial mechanized ski guiding facility on Crown land northeast of the community of Hazelton, in northwest British Columbia.

SCS is an existing snow cat skiing operator and has prepared the following management plan to outline its use of the license area, a description of the operating area and recreation activities, projected levels of use and an outline of other resource, commercial recreation, public recreation and environmental values and uses within SCS's operating area license.

1.1 General Overview of the Business

SCS is an existing cat skiing operator and has been operating a snow cat skiing facility on Crown land over the last 5 years through the provisions of a sub – license agreement with Skeena Heliskiing Inc (SHS). SCS is now seeking to acquire their own tenure over the same area that is outlined in the sub – license agreement.

SCS picks up their clients in Smithers (the clients stay overnight in Smithers after arriving at the Smithers Regional Airport) and then use ground transportation to the Gail Creek Staging Area located adjacent to the Suskwa FSR, east of the community of Hazelton. At that point, the clients are picked up by snowcat and transported to the Gail Ridge Camp Area. The clients are then assigned to specific rooms, have a safety meeting and then head by snowcat to begin skiing.

1.1.1 Nature and Type of Tenure

SCS is requesting a License of Occupation for a 30 year term over its operating area of approximately 39,558 ha. The purpose of this AT license is to conduct a commercial mechanized ski guiding facility (heli and cat skiing) on Crown land during the winter season from late November to late April of each year.

While SCS will only be offering cat skiing tours, the intent of this new license agreement is to allow, as and when needed, an opportunity for Skeena Heliskiing to also use some of the tenure area, as the tenure area has historically allowed for heli skiing activities.

1.2 Proponent

SCS is an Extra –provincial corporation registered in BC. The company is a regular member of Canada West Ski Areas Association (Heli and Cat Skiing Division) and all of their lead guides meet the operational guidelines of CWSSA regulations and requirements.

1.2.1 Corporate Summary

Incorporation Number

#A0084607

Business Address

P.O. Box 1032 Smithers, BC V0J 2N0

Corporate Officers

Lynn Schwartz Jevon Zyp

Contact

Lynn Schwartz

Telephone: 250 - 842 - 3333

Email; lynn@skeenacatskiing.ca

2.0 GENERAL DESCRIPTION OF THE OPERATING AREA

2.1 Location, Access and Historical Perspective

SCS's operating area encompasses 39,558 ha of Crown land within the Skeena Mountains, northeast of Hazelton, BC, in northwest British Columbia (see Figure 2 – 1). The tenure area is bordered on the north by the Babine River Corridor, on the east by Mt. Thomlinson, on the east by the Suskwa Forest Service Road (FSR) and on the south by the corridor between Natlan Peak and Nine Mile Mtn.

Access to the cat skiing terrain is accessed by the Suskwa FSR, which leaves Hwy. 16 approximately 10 km southeast of Hazelton, to the Gail Creek staging area, and then by snowcats to the ski terrain.

The Suskwa Forest Service Road has only been maintained in the past if and when logging has taken place. As holder of a Road Maintenance Agreement, SCS has effectively dealt with 2 separate logging contractors over the past 5 years to ensure the road is graded to specifications. Radio use on the road is mandatory and all of SCS vehicles are equipped with radios.

Historic Perspective

SCS's existing tenure area (sub - license) is currently part of SHS's operating area license. In 2011, SCS and SHS entered into a sub license agreement in which SCS was permitted to operate within a portion of SHS's license area. SHS has now made application to delete a portion of their existing heli skiing license area in order to facilitate a new application by SCS. SCS's proposed tenure area is exactly the same area to be deleted from SHS's existing license.

2.2 Description of Operating Area and Zones

The cat – ski operation is located north east of Hazelton, BC, and includes Natlan Peak, Mount Thomlinson and the headwaters of Gail Creek (see Figures 2-1 and 2-2). The area is accessed by the Suskwa FSR.

The tenure area is divided into 3 distinct zones – Gail Creek, Thomlinson and Natlan Zones (see Figure 2-3). The first phase of development commenced in December 2011 in the Gail Creek zone, along the eastern boundary of the tenure area.

The ski zones used by SCS have been established based on past use and knowledge of the tenure area. Generally the ski zones have been delineated using geographical features such as drainages or ridge tops. Each ski zone contains areas which are used more frequently than others, based in part on terrain, snow conditions, weather, accessibility and client requirements.

Each zone has been described in terms of terrain characteristics, access opportunities and skiing experience. There are numerous ski runs in each zone with specific drop off and pick up locations. All of the ski runs have a variety of different characteristics including snow depth, slope degree, aspect, and terrain. Prior to each operating day, the ski zone and runs to be used are selected based on snow conditions, wind, visibility and snow pack stability (avalanche hazard potential).

Figure 2 – 1 General Location Map

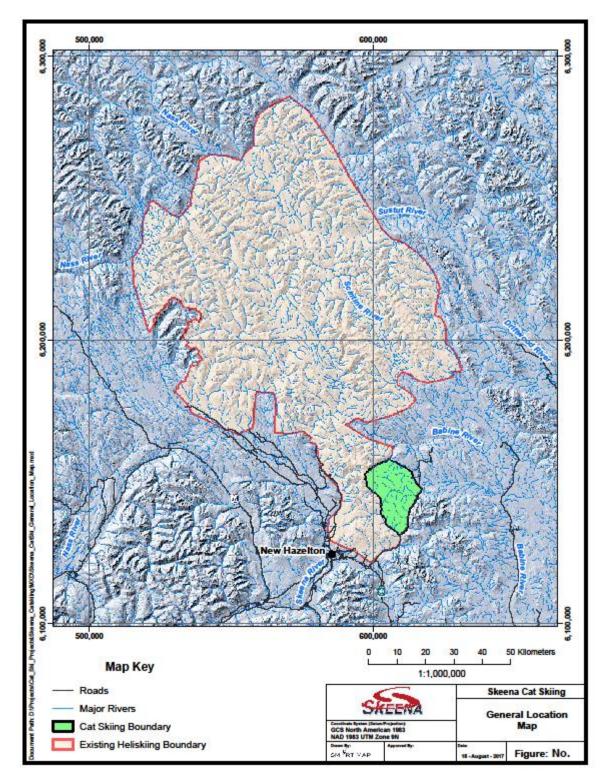


Figure 2 – 2: Skeena Cat Skiing Operating Area

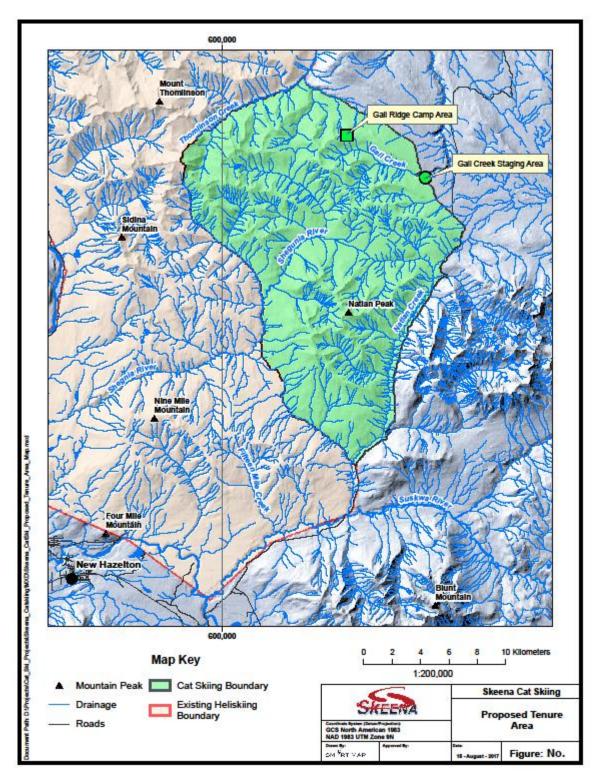
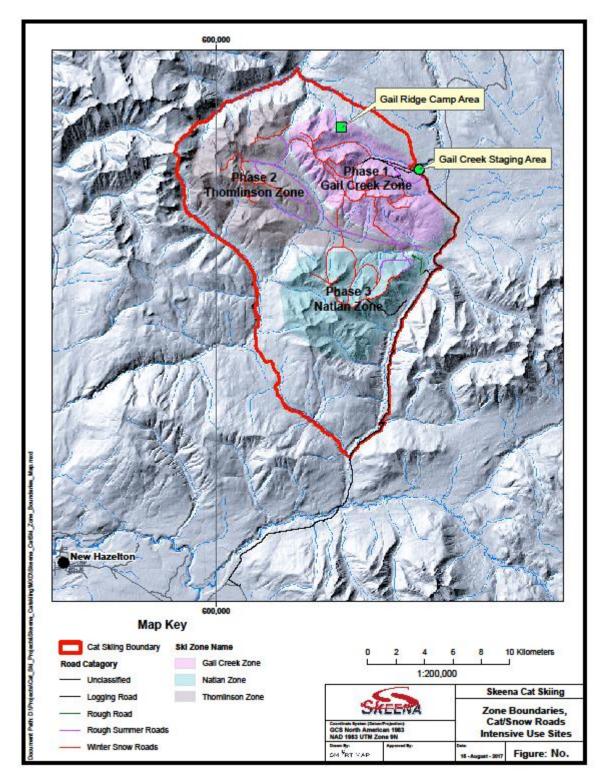


Figure 2 – 3: Operating Area Boundary and Zones / Cat - Snow Roads



2.2.1 Gail Creek Zone

The Gail Creek zone is SCS's main operating area, and has 5 ridges that are skiable and include naturally gladded terrain to open bowls. The ridgelines are wide and flat, providing good access for the snowcats. Development of this zone consists of approximately 35 km of snow roads, accessing 3 of the 5 skiable ridges along the eastern boundary of the cat ski area. Ski runs are approximately 500 m (vertical) from the drop off point to the valley bottom and include naturally gladed terrain and open bowls as well as steeper runs. More development of the Gail Creek Zone will occur in subsequent years as bookings for the cat skiing increases.

The Gail Creek zone includes two Intensive Use sites (see Section 4). One is the staging area (Gail Staging) adjacent to the Suskwa FSR, and the second IU site is the Gail Ridge Camp area.

2.2.2 Thomlinson and Natlan Zones

These zones have not yet been developed, but will in the near future as bookings increase.

The Thomilson Zone Creek zone is SCS's main alpine and only glacier skiing area. It has two main glacier bowls facing east which will be the main area where skiing will take place. This zone will receive the least amount of skier use due to the conditions needed to be able to ski there. It needs good weather, calm winds and good snow stability to be able to provide safe and good skiing there. It will primarily be used in March when the conditions are normally suitable for glacier travel and the days are longer to make the longer trip to this zone. Average length of runs in this zone will be the longest in the area, ranging from 800-400 meters.

The Natlan zone will be SCS's last area of expansion. It is located before the Gail Creek Zone off the Suskwa FSR, and is closer to the Suskwa Lodge (short travel time for guests to reach the ski terrain). It has one main peak (Natlan Peak) and three main ridges that run north, west and east from the peak. The main skiing zones are the alpine areas on the northerly aspects and the tree skiing in the bowls between the west and north ridge and between the north and east ridges. The south aspects are too steep and to dense in the trees to be suitable for skiing. Average length of the runs in this zone will be about 300-400m.

Figure 2 – 4: Gail Ridge terrain – looking west



Figure 2 – 5: Gail Creek Glades – North East Side



Figure 2 – 6: Gail Ridge – Looking North West

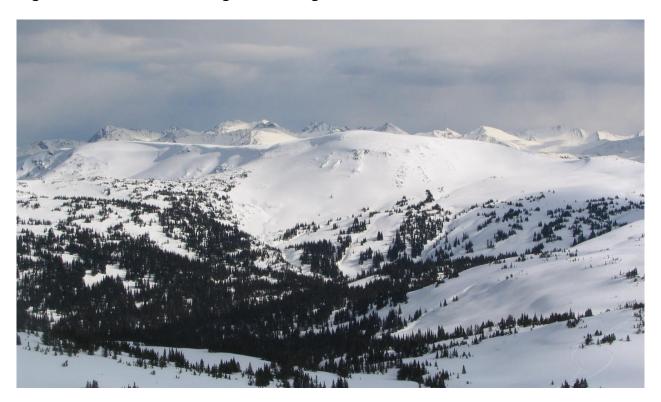


Figure 2 – 7: Bluer Bowl



Figure 2 – 8: Gail Ridge – looking north-west

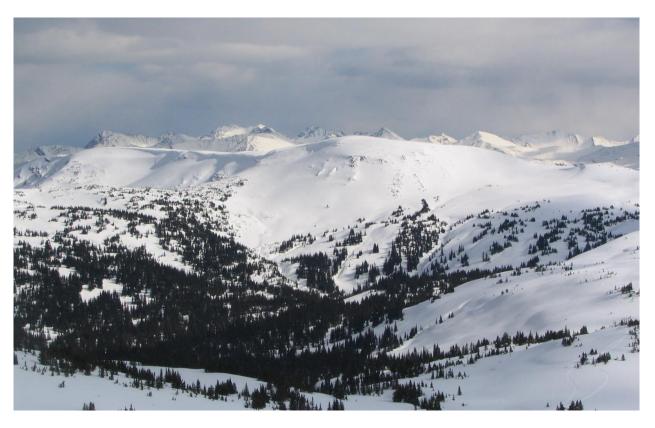
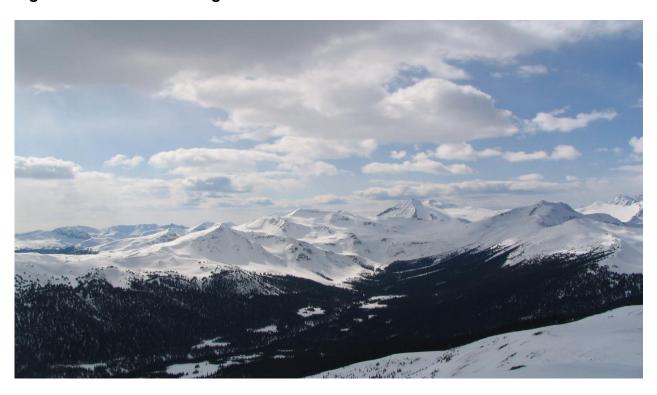


Figure 2 – 9: Looking west at Phase 3



3.0 COMMERCIAL RECREATION ACTIVITES OFFERED ON CROWN LAND

3.1 Description of Activities

SCS uses a snowcat to transport their customers within the ski terrain. The snowcat travels along a road system (using historic forestry roads and snow roads), to the upper elevation points within the tenure area, where the customers are dropped off. From there, they are guided down untracked powder runs to a predetermined pick up point. The snowcat travels to that point, picks up the guests, and then proceeds to another part of the tenure area.

SCS's season typically begins in mid-November with the initial grading of the Suskwa FSR. Once enough snow has accumulated, building the snow roads begins. Depending on the snow conditions, the earliest skiing starts is January 1 and continues as late as April 7th. SCS's long term goal is to become a 2 cat operation, hosting 24 guests per day throughout the ski season. Currently, Skeena Cat Skiing offers 3, 4 and 5 skiing packages and hosts a maximum of 12 guests per day.

SCS picks up their clients in Smithers (the clients stay overnight in Smithers after arriving at the Smithers Regional Airport) and then use ground transportation to the Gail Creek Staging Area located adjacent to the Suskwa FSR, east of the community of Hazelton. At that point, the clients are picked up by snowcat and transported to the Gail Ridge Camp Area. The clients are then assigned to specific rooms, have a safety meeting and then head by snowcat to begin skiing. At the end of skiing day, all guests return the Gail Ridge Camp Area. At the conclusion of each ski trip (be it a 3, 4 or 5 day trip), all of the skiers return to the Gail Creek staging area at the end of day, where they are picked up by ground transportation to return to Smithers, while at the same time, the new guests are picked up by the snowcat and taken to the Gail Ridge Camp Area.

Generally, ski guests of SCS commence their day with breakfast, followed by a brief discussion by one of the guides regarding the areas to be skied that day, weather conditions and related information. The first ride of the day in the snowcat usually departs the camp area at approximately 9 am. Lunch is normally served in the snowcat during the return ascents to another ski run. Skiers will return to the camp area before sundown.

The Gail Ridge Camp is the starting location area for all of the trips. An outline of a ski day as follows:

A snow technician will prepare for the guide's meeting by

- 1. Making and recording local weather and snow pack observations at the lodge study plot.
- 2. Downloading, reviewing and recording the CAA Info-ex and Weather Forecast.
- Utilizing these information sources, the snow technician will prepare a preliminary hazard evaluation report to be discussed at the guides meeting
- Guides and Cat Drivers meeting starts at 6:30 am. The Lead Guide facilitates the:
 - 1. Review of current forecasted weather information.
 - 2. Review of Info-ex information.
 - 3. Discussion and recording of the hazard evaluation based on previous day's observations, Info-ex and current weather observations and forecasts.
 - 4. Discussion of possible zones/ runs to be skied during the day, based on a color coded hazard rating.
 - 5. Discussion of items such as group dynamics and other logistical and operational issues
- Between 8 and 9am, depending on time of year, skiers leave for skiing, with lunch provided in the area.
- Depending on weather, guest energy levels and ski conditions, return from skiing between 4:00 and 5:00 pm.
- Guides meeting to discuss and analyze the day's events. Formulate a report to be submitted to the CAA – Infoex and SCS's avalanche forecasting system based on the current day's observations. A potential plan for the following day is also discussed.

3.1.1 Client Travel and Ski Operations

Clientele for the snowcat skiing activities are expected to be international, national and local. National and international guests mostly arrive by air at the Smithers airport via the Vancouver International Airport, where they are picked up and transported to the Gail Ridge Camp Area.

In the first season, the cat skiing operated for 9 weeks and had approximately the same number of international client days as local skier client days. SCS anticipates operating for 14 weeks each season with increased bookings from international, national and local skiers each year.

3.1.2 Staffing

The cat skiing operating will require one full time position, one half time position and five seasonal positions. In addition, the lodge will require 4-5 seasonal positions. Where possible, local people will be hired for these positions.

3.2 Improvements

There are no improvements within the tenure area, other than the two Intensive Use sites (see Section 4.0 – Intensive Use Sites).

The Suskwa Lodge, which is used as the administrative base for SCS, is located on private property off the Suskwa FSR, east of Hazelton

3.2.1 Cat and Snow Roads

SCS has an extensive network of roads that are used by their snowcats to access the ski terrain (see Figure 2 – 3). These roads are defined as Snow Roads, Skid Roads and Logging Roads.

Snow Roads

The vast majority of roads used by SCS for their cat skiing operations are constructed solely of snow and allows passage of the snowcats in the alpine areas. Once there is approximately 1.5 meters of snow settled on the ground, most areas intended for travel are passable simply by driving the snow cat over the snow. Most roads are created between a 12 and 18 degree incline to facilitate efficient upward movement yet not unduly strain the snow cat or cause need for an extensive road opening program.

The snow roads completely melt by early summer with no impact to the underlying vegetation. Snow roads are constructed in locations that use the natural terrain features such as benches and ridges to facilitate easy travel. They will be, for the most part, in approximately the same location each winter. Most of these roads, especially in the tree line elevation band can be constructed simply by driving the snow cat. There will be some places where trees will need to be cut in order to negotiate a piece of terrain that can't be driven around.

Skid Roads

Skid Roads are roads that SCS has constructed with the use of an excavator, which are sometimes required to connect historic logging roads in previously logged areas to the alpine areas. There may be several short locations where a steep side hill prevents the

company from connecting areas with reasonable snow road building characteristics. In this case, appropriate machinery such as an excavator will be used to create a dirt trail that is more level. Some tree removal maybe required to establish the skid road. The machinery will access the area via snow road and only do dirt work on the required section thus eliminating any trail being created that connects existing FSR's with the alpine and causing new access for All Terrain Vehicles (ATVs) such as motor bikes and quads.

Logging Roads

Logging roads are roads that have were previously constructed by the forest licensee. These roads are either active or deactivated.

Future Road Development

SCS is in the process of preparing a long term cat and snow road development plan that outlines where additional roads will be required in the future to service the balance of the Gail Creek Zone as well as the Thomlinson and Natlan Zones. Any tree removal needed during future road development will be undertaken pursuant to the company's Occupant License to Cut (OLTC). Where an excavator is used for road construction, erosion prevention measures such down-sloping the road bench, installing water bars, and seeding the area, are implemented.

3.2.2 Glading and Spacing

There are areas within SCS's tenure area where glading and spacing maybe required to greatly improve the quality of tree skiing.

Glading is defined as removing select, natural timber (from a stand of timber that has not previously been harvested) to improve the spacing between the trees. Spacing is defined as removing (thinning) regeneration trees (previously planted by the forest licensee) in "free to grow" cut blocks. This is achieved by creating a 5 meter gap between trees, resulting in approximately 400 stems/ha. Any future tree removal in the glading and spacing programs will be undertaken pursuant to the company's Occupant License to Cut (OLTC). If merchantable timber is cut (during the glading program), stumpage is paid for the volume of trees removed.

3.4 Communication System

SCS will communicate, via radio, from their main IU site, with the snowcat drivers and guides. The IU site will have internet services for telephone communications. SCS will also have SHS's radio frequencies and will be able to communicate with SHS for emergency purposes using SHS's radio repeater facility.

3.5 Emergency Shelters

Currently, SCS has no emergency shelters within their tenure area

4.0 INTENSIVE USE SITES

There are two (2) intensive use sites (see Figures 4 - 1, 2 3, 4 and 5) within the tenure area. The first site is called the Gail Creek Staging (approximately 1 ha). The site includes a parking area for the snowcats and any ancillary vehicles, along with a proposed a warming hut and portable toilets. No storage of fuel occurs at this site, as fuel is transported on the back of a truck, and the machinery refueled at the staging area.

The second IU site is the Gail Ridge Camp Area which is comprised of several temporary facilities (it is the intent of SCS, at some point in the near future, to request approval for construction of permanent structures to replace the existing temporary facilities that are situated within this IU site). This IU site is approximately 0.33 ha in size. Access to this site is by snowcat in the winter and a hiking trail in the summer. SCS will be proposing, at some point in the near future, to request approval for construction of an ATV trail for access during the summer.

The current and proposed improvements (temporary) within the Gail Ridge Camp area includes:

- Five (5) staff tents 3 m x 4 m
- Ten (10) guest tents (same as above)
- One (1) main tent (eating area, etc.) 10 m x 7 m
- One (1) mechanics tent 5 m x 7 m
- One (1) shower tent 5 m x 5 m
- One (1) boot room and drying tent 7 m x 5 m
- One () double toilet stall which is removed at the end of the season and emptied at the Smithers sewage treatment plant.

Figure 4 – 1: Location of Intensive Use Sites

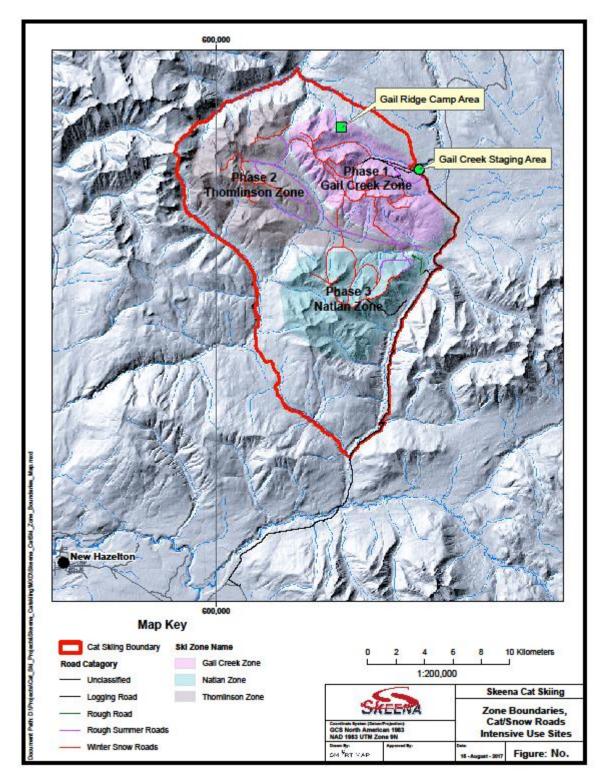


Figure 4 – 2: Site Plan – Gail Creek Staging Area

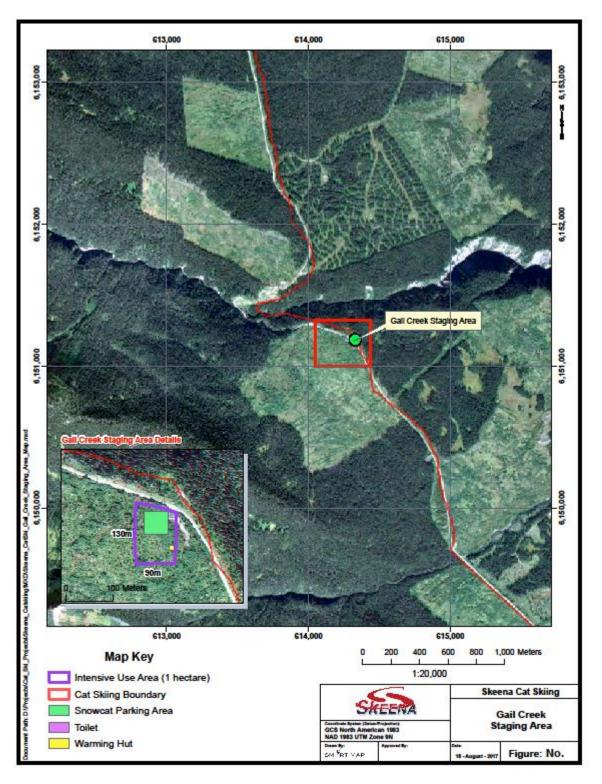


Figure 4 – 3: Gail Creek Staging Area

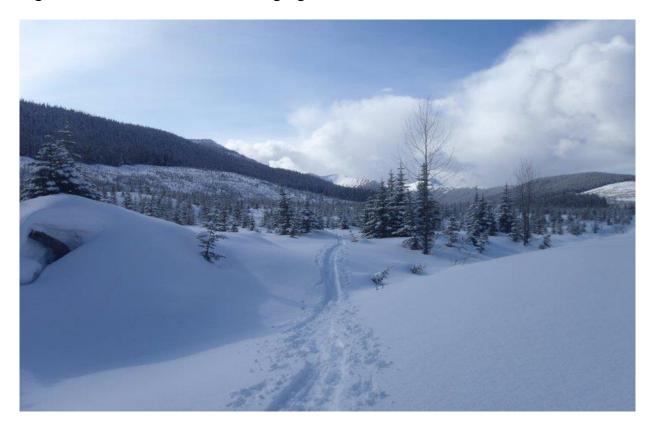


Figure 4 – 4: Site Plan for Gail Ridge Camp Area

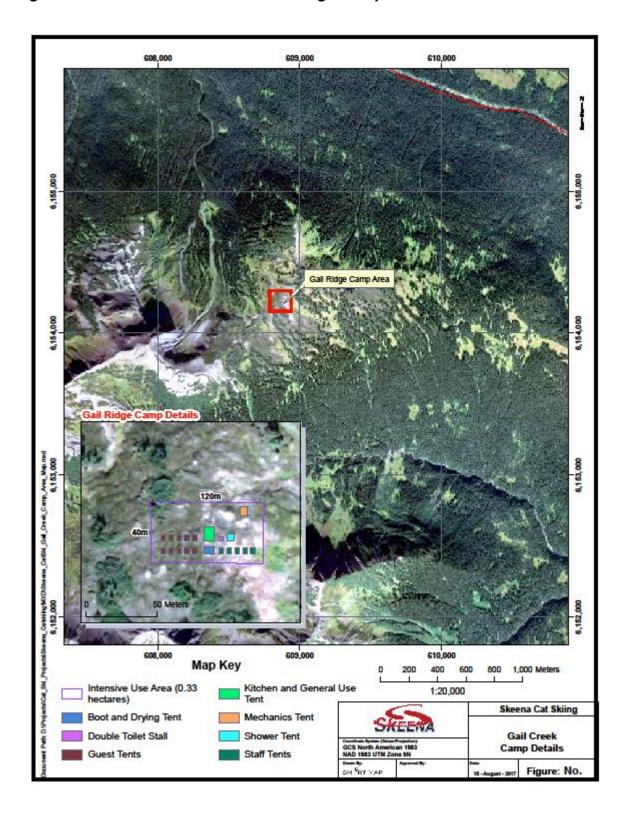
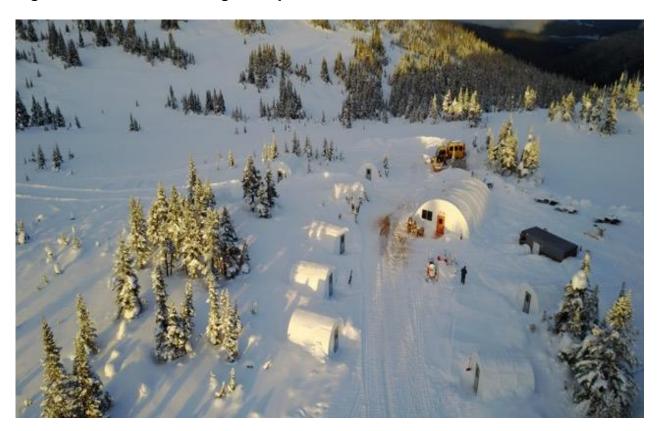


Figure 4 – 5: Gail Ridge Camp Area



5.0 LEVELS OF USE

The AT Policy requires that each operator provide information on the number of "client days", defined as each commercial recreation client who the tenured operator guides onto Crown land in a particular day (up to 8 hours), and the time of year during which the activity takes place. The company's annual report, which is prepared at the conclusion of each operating season, will reflect the total number of skiers, or client days, taken to the operating area pursuant to the fee schedule requirement of the AT license agreement.

Utilization of the operating area is dependent on several factors, including:

Weather and snow conditions:

- Avoiding locations with high wind or poor visibility
- Avoiding slopes deemed to have poor snow stability and high avalanche risk
- Seeking slopes with the best snow quality

Clients:

- Skiing ability of clients
- Expectations in terms of degree of skiing difficulty
- Giving clients a variety of terrain and scenery

Other:

 Avoiding wildlife, as per operational strategy. SCS is committed to sound wildlife management strategies (see Section 8.0) that may impact use of specific ski terrain areas.

There are many factors that affect how intensively any given zone, drainage or run is used. Safety of operations is the primary overriding principle but there are many others. The obvious one is the number of clients SCS hosts each year. Other, less obvious factors are skier ability (good skiers ski more than weaker skiers) as well as difficult skiing conditions that can severely limit amount of use.

Snow stability is also of primary concern and can concentrate use to very specific runs for long periods of time, sometimes an entire winter, when the hazard rating (avalanche potential) is fair to poor. Specific winter weather trends can also have a large impact, with some areas needing deep snowpacks to cover hazards such as stumps, alder, logs, rocks, crevasses, etc to even be skiable. In summary, all of these factors form part of a complex set of issues that interact differently, day-to-day and year-to-year, and govern where skiing occurs within the operating area licence.

The following Levels of Use tables outlines the utilization for the operating area, based on past historic use and projected over the next 5 years, based on realistic growth rates for the company.

5.1 Levels of Use – Client Days/Year and Utilization/Ski Zone

Clients Day - Historic and Projected

Year	Historic	Projected
2013	266	
2014	252	
2015	381	
2016	370	
2017	470	
2018		500
2019		550
2020		600
2021		600
2022		600

5.2 Responsible Use – Utilization of Ski Zones/Year

Skier Runs / Zone - Historic

	2012	2013	2014	2015	2016
Gail Creek	1200	1800	2500	2700	3700
Thomlinson	0	0	0	0	0
Natlan	0	0	0	0	0
Total	1200	1800	2500	2700	3700

Skiers Runs / Zone - Projected

	2017	2018	2019	2020	2021
Gail Creek	4700	5200	5800	6200	6200
Thomlinson	0	0	1200	1600	1600
Natlan	0	0	0	1200	2400
Total	4700	5200	7000	9000	10,200

6.0 HAZARDS AND SAFETY PLAN

SCS operates in a manner that is in accordance with its operating guidelines. Copies of the company's waivers, safety and rescue plans, as well as its Operations Guidelines are available upon request. As well, SCS's fuel storage and handling procedures are in compliance with the Ministry of Environment's *A Field Guide to Fuel Handling, Transportation and Storage.*

SCS is registered with WorkSafe BC and its operations are in compliance with WorkSafe BC regulations.

6.1 Safety/Fuel Caches

SCS has no fuel caches within its tenure area. All fuel for the snowcats is transported to the staging area on tanks situated on the back of a truck.

7.0 IMPACTS ON OTHER USERS

7.1 Public Use and Access

SCS's ski terrain is relatively remote and few existing forestry roads provide access into the high elevation zones. Public use of the Suskwa FSR is limited to a few winter snowmobilers who access the Skilocis Range, which leaves the FSR at 6 km. Accordingly, public use and access (motorized – especially snowmobiles) during the winter period is limited. Historically, the company has experienced very little public motorized use in its operating area and continues to work with local groups and clubs to avoid conflicts where potential overlap of use may occur. SCS will continue to work closely with public users to ensure impacts, particularly safety related issues, between the company's commercial clients and public users are minimized.

7.2 Resource and Industrial Users

7.2.1 Timber Tenures and Forestry Management

The company's operating area is primarily within the Kispiox Forest District, but also includes portions of the Kalum, Fort St James and Bulkley Forest Districts. There is currently no forest harvesting occurring within the tenure area

An Occupant License to Cut has been issued for the cat skiing operation to allow for limited tree removal as part of the cat skiing development.

The company also has a Road Use Maintenance Agreement for the Suskwa FSR as part of the cat skiing activities.

7.2.2 Mineral and Energy Tenures

SCS is not aware of any mineral claims and tenures within their tenure area.

7.2.3 Guide Outfitters and Trappers

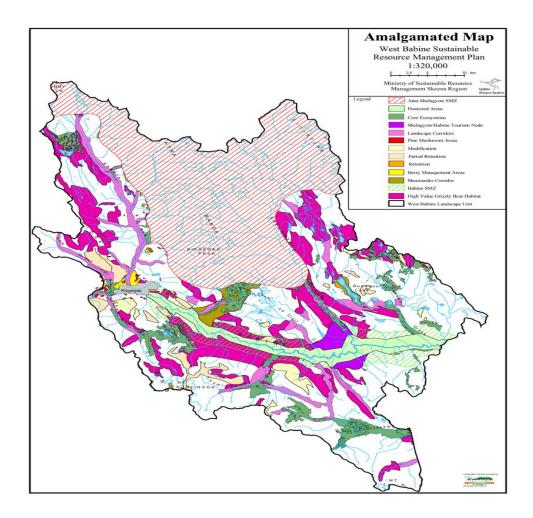
There is one active trapping license off of the Suskwa FSR, however no impacts are expected from the cat skiing operation on the trapping activity

7.3 Other Commercial or Public Recreation Interests

SCS is not aware of any other Adventure Tourism tenures within their operating area.

7.4 Existing Land Use Plans

SCS's tenure area lies within the West Babine Sustainable Resource Management Plan and cat skiing uses are consistent with the land use plan land use designations and objectives.



8.0 WILDLIFE MITIGATION STRATEGY

A wildlife mitigation strategy was prepared for Skeena Heliskiing Ltd, when the company applied for a tenure renewal in 2013. At that time, the mitigation strategy included the cat skiing area that is now being applied for by SCS.

The ski terrain and runs, as outlined in this management plan, are the same as what was reviewed as part of the 2013 aforementioned mitigation strategy. Discussions with the Ecosystems Section of FLNRO have indicated that if there is no change to the ski terrain and runs outlined in the 2013 mitigation strategy, then SCS is not required to prepare and submit an updated wildlife mitigation strategy. However, prior to SCS using any new terrain or ski runs, within any of their ski zones, an updated wildlife mitigation strategy will be required before approval of that ski terrain is granted.

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SCS understands that its' operating area contains significant wildlife values and habitat. The company is committed to adhering to the mitigation strategy that was approved in 2013. The company's primary objectives, relative to wildlife values and habitat, are strict adherence to government regulations and guidelines, and to monitor and avoid disturbing wildlife values and habitat, wherever and whenever possible. SCS believes that managed properly, their operation has a minimal impact on wildlife values and habitat.

9.0 FIRST NATIONS INTERESTS AND VALUES

SCS's operating area lies within the traditional territories of Gitxsan First Nation. While there are no First Nation reserves within the company's operating area, the Skeena Mountains are an important area for First Nations activities.

The company appreciates that their activities may impact existing First Nations rights, title, interests and values, and to that end, the company is interested in working with First Nations through a cooperative sense of sharing. The company appreciates its use of the land is not exclusive and is keen to work in a manner that benefits all parties that have an interest in this land.

SCS recognizes the First Nation peoples are interested in opportunities arising from tourism and recreation developments within their Traditional Territory, and to that end, it remains open and willing to develop community protocols and agreements that outline how those opportunities can be implemented in an effective and meaningful way.

10.0 BUSINESS / MARKETING PLAN

SCS has operated for over 5 years and the company is in compliance with its existing sub license agreement with Skeena Heliskiing. Detailed financial statements are available (for review only and must be returned to the operator) to ministry staff (on a strictly confidential basis) only if the information contained in the financial statements is required as part of a decision to provide a new license agreement to SCS.

SCS focusses primarily on the domestic market, including BC and Alberta. Some clients are also drawn from the United States and Europe. Long term goals will be to expand its market as the ski tenure is developed.

At this time, the camp area within the Gail Creek Zone is capable of handling up to 12 guests comfortably. The long term goal is to develop additional capacity as demand increases. The company's objective is to establish and maintain a small clientele to be better able to provide the quality of service that their guests will demand.

The overall heli ski experience will focus on small groups which will enable the company to control the level of service and maintain a high degree of safety at all times.

11.0 ECONOMIC BENEFITS

SCS is an existing cat ski operator that has been providing guided cat skiing tours since 2012.

SCS has a number of staff employed (8) including those at the camp area, and up to 2 ski guides and a cat operator. It is expectation of SCS to purchase all products, to greatest extent possible such as groceries, vehicle servicing, fuel, and guiding services etc. will be from suppliers in either Hazelton or Smithers.