



Lax Kw'alaams Band

206 Shashaak Street, Port Simpson, B.C. V0V 1H0
Phone (250) 625-3293 Fax (250) 625-3246

March 15, 2016

To the Honourable Catherine McKenna,

Further to my March 7, 2016 letter (the "Initial Letter"), I am writing with respect to the Canadian Environmental Assessment process for the proposed Pacific Northwest LNG Inc. ("PNW LNG") project proposed on Lelu Island (the "Project") and in the adjacent marine area in the Port of Prince Rupert.

I have had further discussions within our community about the Project and as a result of these discussions I would like to retract the Initial Letter in favour of the terms and conditions set out in this letter.

As you know, Lax Kw'alaams Band has been engaged in the federal environmental assessment process for the Project as well as discussing the marine terminal and Flora Bank concerns directly with PNW LNG and the Province of British Columbia (the "Province"). One of Lax Kw'alaams central priorities is environmental stewardship, and we are committed to ensuring that any LNG development in our traditional territory will not harm the environment, especially fish, fish habitat and Flora Bank. Critical to Lax Kw'alaams and our way of life is having a concrete means to ensure the protection of the health of the marine environment, Flora Bank and our fishing opportunities. While we understand the potential for social and economic opportunities that LNG development and this Project may bring to our members, Lax Kw'alaams must ensure that sufficient environmental conditions and safeguards will be in place. The development of this Project, or any LNG project, cannot result in significant environmental impacts or permanently harm the unique environment of Flora Bank and Skeena fisheries.

Lax Kw'alaams understands you will now make a decision on the outcome of the assessment process. If that decision is to approve the potential development of the Project (subject to proposed conditions), we will support that decision ONLY if the attached legally binding conditions form part of the Environmental Assessment Decision Statement.

The detailed terms of reference for the Environmental Performance Committee referenced in Attachment 1 to this letter must be to the satisfaction of the Lax Kw'alaams. We would be pleased to negotiate such terms of reference immediately, with the goal of concluding same by May 13, 2016. If this condition is not met by this deadline, we will retract our support for the Project.

I look forward to hearing your response and continuing to work on the preservation of Lax Kw'alaams values in our traditional territory.

Sincerely,

<Original signed by>

Mayor John Helin
Lax Kw'alaams Band

Attachment 1:

Recommended Condition for an Environmental Performance Committee

The following draft conditions are proposed for the federal assessment decision statement:

- *The Proponent (PNW LNG) must:*
 1. *report to an Environmental Performance Committee, including Lax Kw'alaams Band, CEAA and other federal representatives on all environmental monitoring work and follow-up programs required in the Decision Statement; and*
 2. *respond to any compliance or enforcement actions being proposed or recommended by an Environmental Performance Committee that oversees and make recommendations to CEAA or any other relevant federal agencies with respect to potential compliance or enforcement actions related to the conditions in the Decision Statement.*