



Northwest Resource Benefits Alliance (RBA)
Suite #300
4545 Lazelle Avenue
Terrace, BC
V8G 3E1

To: Bill Miller
Chair, RBA and Chair of Regional District of Bulkley-Nechako

Re: Support for Northwest BC Resource Benefits Alliance

Dear Sir,

As you are aware, Allegiance Coal Limited (ACL) is planning to develop the Telkwa Coal property, located 15 km southwest of Smithers, BC, within the Regional District of Bulkley-Nechako. We anticipate that the Project will employ approximately 50 persons during the 19 year mine life.

I am writing to express ACL's support for the Northwest BC Resource Benefits Alliance to commence negotiations with the provincial government and establish a revenue sharing arrangement in support of infrastructure, services and healthy communities.

The Telkwa Coal Project is committed to maximizing local benefits and relies heavily on individuals and businesses in the Village of Telkwa, Smithers, and other communities in the Bulkley-Nechako region for goods, services and labour. We acknowledge the importance of ensuring sufficient funding for improvements and maintenance to the infrastructure, services, and communities on which the Project depends.

We support the Northwest BC Resource Benefits Alliance's proposal that a portion of the provincial government's revenue from resource developments, such as Telkwa Coal Project, should go to local governments. We believe that, in this way, resource developments will be successful in supporting sustainable northern BC communities and economies.

Yours truly,

Mark Gray

Managing Director
Allegiance Coal Limited

cc.
Darcy Repen, Mayor, Village of Telkwa