



This is the 1<sup>st</sup> affidavit of  
**JACQUES BOUSQUET**  
in this case and was made on  
March 7, 2024

No. S236214  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**BETWEEN:**

1392752 B.C. LTD.

**PETITIONER**

**AND:**

SKEENA SAWMILLS LTD.  
SKEENA BIOENERGY LTD.  
ROC HOLDINGS LTD.

**RESPONDENTS**

**AFFIDAVIT**

I, JACQUES BOUSQUET, Timber Tenures Forester for the Ministry of Forests, Province of British Columbia, SWEAR THAT:

1. I am employed by His Majesty the King in right of the Province of British Columbia (the "Province") as a Timber Tenures Forester with the Forest Tenures Branch, Integrated Resources Operations Division of the Ministry of Forests. As such, I have personal knowledge of the matters herein referred to, except where indicated to be on information and belief, and where so stated I verily believe them to be true.

**Communications with Receiver**

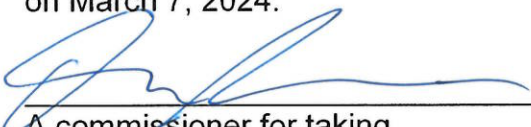
1. In early October 2023, Alvarez & Marsal Canada Inc., the receiver in this proceeding, reached out to the Ministry of Forests to discuss Forest Licence A16882, Forest Licence A16885 and Tree Farm Licence 41, held by Skeena Sawmills Ltd. Attached and marked as Exhibit "A" is a true copy of an email chain I was copied on dated October 3-4, 2023.
2. On October 6, 2023, I attended a meeting between representatives of the Ministry of Forests, representatives of the receiver, and our respective legal counsel.

3. On October 18, 2023, I sent an email to Taylor Poirier and other representatives of the receiver to follow up on our October 6, 2023 meeting. Attached and marked as Exhibit "B" is a true copy of the email I sent and Taylor Poirier's reply.
4. In my email marked as Exhibit "B":
  - a. I attached a document titled "Main Steps and Responsibilities for a transfer of a Replaceable Forest Licence (RFL)" that summarizes the procedure for applying for a disposition (transfer) of a replaceable forest licence such as Forest Licence A16882, Forest Licence A16885 or Tree Farm Licence 41 held by Skeena Sawmills Ltd. (the process is slightly different than the document shows for tree farm licences). Attached and marked as Exhibit "C" is a true copy of that attachment.
  - b. I provided a link to a public-facing webpage with more detailed information about the disposition of timber tenures. That webpage includes the document "*Forest Act* Disposition of an Agreement Administrative Guide (Transfers, Corporate Changes of Control and Amalgamations)" dated December 8, 2021. Attached and marked as Exhibit "D" is a true copy of that document.
5. On December 15, 2023, I attended a second meeting between the Ministry of Forests, the receiver, and our respective legal counsel. The process for transferring forest licences was discussed at that meeting including the guidance document marked as Exhibit "D".
6. At the December 15 meeting, we also discussed the Province's oversight role in administering forestry licences and permits pursuant to the *Forest Act* and the Province's responsibility to ensure the public interest is taken into account in its decision-making under the *Forest Act*.
7. Since those communications, I am not aware of the Ministry of Forests receiving any applications for disposition of Forest Licence A16882, Forest Licence A16885 or Tree Farm Licence 41 held by Skeena Sawmills Ltd.

#### **Licences and Permits**

8. The Ministry of Forests maintains a database called Forest Tenure Administration ("FTA"). FTA is an internal government application that manages the forest and range tenure administrative and legal business needs of the Ministry of Forests. FTA contains detailed information about forest tenures across the province, including tree farm licenses, forest licences and cutting permits, among other things.


9. The Ministry of Forests also maintains the Resource Road System ("RRS"), a database for information about road permits associated with various forest tenures.
10. Skeena Sawmills Ltd. currently holds the following major forest tenures:
  - a. Forest Licence A16882, dated for reference May 23, 2017, which I attach to my affidavit as Exhibit "E";
  - b. Forest Licence A16885, dated for reference May 23, 2017, which I attach to my affidavit as Exhibit "F"; and
  - c. Tree Farm Licence 41, dated for reference March 1, 2018, which I attach to my affidavit as Exhibit "G".
11. On March 6, 2024, I accessed the FTA and produced a spreadsheet listing the cutting permits currently associated with Skeena Sawmills Ltd. Attached and marked as Exhibit "H" is a true copy of the cutting permits spreadsheet I produced.
12. On March 6, 2024, I accessed the RRS and produced a spreadsheet listing the road permits currently associated with Skeena Sawmills Ltd. Attached and marked as Exhibit "I" is a true copy of the road permits spreadsheet I produced.

SWORN BEFORE )  
ME at Vancouver, British Columbia )  
on March 7, 2024. )  
 )  
A commissioner for taking )  
affidavits for British Columbia )

  
Jacques Bousquet

David Brownell  
Barrister & Solicitor  
Ministry of Attorney General  
Legal Services Branch  
1301-865 Hornby Street  
Vancouver, BC V6Z 2G3

This is Exhibit "A" referred to in the affidavit of Jacques Bousquet sworn before me on 7 day of March, 2024.

  
A Commissioner for taking Affidavits

**From:** Mishaal Gill  
**To:** Welch, Aaron AG:EX; Kibben Jackson; Suzanne Volkow  
**Cc:** Giannotti, Anthony G FOR:EX; Jacobsen, Peter W FOR:EX; Bousquet, Jacques A FOR:EX; McDivitt-Vandermolen, Tyler FOR:EX; Suntjens, Darcie AG:EX; Hykaway, Mike R FOR:EX; Hanchard, Jevan FOR:EX; Philion, Adrian FIN:EX; Evans, Warren FIN:EX; "pinkylaw@alvarezandmarsal.com"; "atillman@alvarezandmarsal.com"; "tpoirier@alvarezandmarsal.com"; Hales, Stephen R FOR:EX; Ignas, Dominic T FOR:EX  
**Subject:** RE: [EXT] Receivership of Skeena Sawmills Ltd., Skeena Bioenergy Ltd. and ROC Holdings Ltd.--meeting with Province and counsel  
**Date:** Wednesday, October 4, 2023 3:01:41 PM

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Hi Aaron, thanks for your message.

We agree it is worthwhile to arrange a call this Friday to discuss the Receivership. Our side (A&M and Fasken) are available between 10-11 a.m. and again at 1:30.

Let me know of those times work. If not, we can setup a call on another day.

Thanks.

**Mishaal Gill**  
Associate

T +1 604 631 4881 | [mgill@fasken.com](mailto:mgill@fasken.com)  
**Fasken Martineau DuMoulin LLP**

**From:** Welch, Aaron AG:EX <Aaron.Welch@gov.bc.ca>  
**Sent:** Wednesday, October 4, 2023 2:12 PM  
**To:** Kibben Jackson <kjackson@fasken.com>; Mishaal Gill <mgill@fasken.com>; Suzanne Volkow <svolkow@fasken.com>  
**Cc:** Giannotti, Anthony G FOR:EX <Anthony.Giannotti@gov.bc.ca>; Jacobsen, Peter W FOR:EX <Peter.Jacobsen@gov.bc.ca>; Bousquet, Jacques A FOR:EX <Jacques.Bousquet@gov.bc.ca>; McDivitt-Vandermolen, Tyler FOR:EX <Tyler.McDivitt-Vandermolen@gov.bc.ca>; Suntjens, Darcie AG:EX <Darcie.Suntjens@gov.bc.ca>; Hykaway, Mike R FOR:EX <Mike.Hykaway@gov.bc.ca>; Hanchard, Jevan FOR:EX <Jevan.Hanchard@gov.bc.ca>; Philion, Adrian FIN:EX <Adrian.Philion@gov.bc.ca>; Evans, Warren FIN:EX <Warren.Evans@gov.bc.ca>; 'pinkylaw@alvarezandmarsal.com' <pinkylaw@alvarezandmarsal.com>; 'atillman@alvarezandmarsal.com' <atillman@alvarezandmarsal.com>; 'tpoirier@alvarezandmarsal.com' <tpoirier@alvarezandmarsal.com>; Hales, Stephen R FOR:EX <Stephen.Hales@gov.bc.ca>; Ignas, Dominic T FOR:EX <Dominic.Ignas@gov.bc.ca>  
**Subject:** [EXT] Receivership of Skeena Sawmills Ltd., Skeena Bioenergy Ltd. and ROC Holdings Ltd.--meeting with Province and counsel

{CAUTION: This email originated from outside of Fasken. Exercise care before clicking links or opening attachments.}



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Hello Kibben, Mishaal and Suzanne:

I understand that the receiver reached out to Mike Hykaway and Jevan Hanchard to schedule a meeting to discuss the Skeena Sawmills receivership—see email message below. I further understand that Mike and Jevan are not immediately available for a meeting. However, in an effort to keep things moving, I think it would nonetheless be worthwhile if provincial folks meet with the receiver and its counsel, sooner rather than later, to discuss the receivership.

I think the people who should be invited from the provincial side are Anthony Giannotti, Peter Jacobsen, Jacques Bousquet, Tyler McDivitt-Vandermolen, Darcie Suntjens and myself, and someone from BC Timber Sales. I recognize that scheduling may make it difficult for everyone to attend the meeting, but we will do our best to be flexible.

I see that Pinky suggested today or Friday for a meeting. I think it is too late for a meeting today, but Friday is a possibility.

Thank you.

Aaron

Aaron Welch, Legal Counsel  
Justice, Health and Revenue Group  
Legal Services Branch, Ministry of Attorney General  
Ph: 250-356-8589  
Pronouns: he/his

**I am grateful to live and work on the traditional territory of the Lekwungen speaking people and the Songhees, Esquimalt and WSÁNEĆ peoples whose historic relationships with the land and sea continue to this day.**

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**From:** Law, Pinky <[pinky.law@alvarezandmarsal.com](mailto:pinky.law@alvarezandmarsal.com)>

**Sent:** Tuesday, October 3, 2023 12:26 PM

**To:** Hykaway, Mike R FOR:EX <[Mike.Hykaway@gov.bc.ca](mailto:Mike.Hykaway@gov.bc.ca)>; Hanchard, Jevan FOR:EX <[Jevan.Hanchard@gov.bc.ca](mailto:Jevan.Hanchard@gov.bc.ca)>; Pillion, Adrian FIN:EX <[Adrian.Pillion@gov.bc.ca](mailto:Adrian.Pillion@gov.bc.ca)>  
**Cc:** Tillman, Anthony <[atillman@alvarezandmarsal.com](mailto:atillman@alvarezandmarsal.com)>; Poirier, Taylor <[tpoirier@alvarezandmarsal.com](mailto:tpoirier@alvarezandmarsal.com)>  
**Subject:** Receivership of Skeena Sawmills Ltd., Skeena Bioenergy Ltd. and ROC Holdings Ltd.

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All,

Please be advised that, effective September 20, 2023, Alvarez & Marsal Canada Inc. was appointed by an Order (the "Order") of the Supreme Court of British Columbia (the "Court") as Receiver (the "Receiver") of the assets, undertakings and property of the Skeena Entities, including all proceeds thereof. A copy of the Order is attached for your reference.

The Receiver understand that Skeena Sawmills Ltd. currently holds Forest Licences A16882 & A16885 and Tree Farm Licence 41, and we wish to have a discussion with you to provide you with the background and overview of the receivership, and our next steps. Would you be available for a Teams meeting tomorrow morning (October 4) or Friday (October 6)? We can circulate an invite.

Thanks and regards,  
 Pinky

Pinky Law, CPA, CA, CIRP, LIT  
 Vice-President  
 Alvarez & Marsal Canada Inc.  
 Licensed Insolvency Trustee  
 Cathedral Place Building  
 925 West Georgia Street, Suite 902  
 Vancouver, BC V6C 3L2  
 Direct: +1 604 638 7446  
 Mobile: +1 778 233 0130  
[pinky.law@alvarezandmarsal.com](mailto:pinky.law@alvarezandmarsal.com)  
[www.alvarezandmarsal.com](http://www.alvarezandmarsal.com)



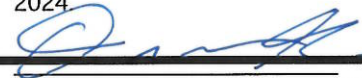
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## AG LSB Rev Tax Insolvency Archive AG:EX

**From:** Poirier, Taylor <tpoirier@alvarezandmarsal.com>  
**Sent:** Thursday, October 19, 2023 8:30 AM  
**To:** Bousquet, Jacques A FOR:EX  
**Cc:** Law, Pinky; mgill@fasken.com; Tillman, Anthony  
**Subject:** RE: Meeting of October 6, 2023 - Skeena Bankruptcy

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Thank you, Jacques.

This will be helpful as the sales process progresses.

Regards,

Taylor

**From:** Bousquet, Jacques A FOR:EX <Jacques.Bousquet@gov.bc.ca>  
**Sent:** Wednesday, October 18, 2023 11:33 AM  
**To:** Poirier, Taylor <tpoirier@alvarezandmarsal.com>  
**Cc:** Law, Pinky <pinky.law@alvarezandmarsal.com>; mgill@fasken.com; Tillman, Anthony <atillman@alvarezandmarsal.com>; Bousquet, Jacques A FOR:EX <Jacques.Bousquet@gov.bc.ca>  
**Subject:** Meeting of October 6, 2023 - Skeena Bankruptcy

 **[EXTERNAL EMAIL]: Use Caution**

Good Morning Taylor,

To assist you, I've compiled a roster of the attendees for the meeting held on October 6, complete with their job titles and contact numbers. Additionally, as previously noted, I have included a preliminary document outlining the primary procedures and roles involved in applying for the disposition (transfer) of a Replaceable Forest licence. Further information regarding the disposition of timber tenures is available on the public website indicated below:

[Timber Tenure Transfers and Dispositions - Province of British Columbia \(gov.bc.ca\)](https://www2.gov.bc.ca/gov/content/spe/spe_topics/timber_tenure_transfers_and_dispositions.htm)

Feel free to reach out to me for any inquiries regarding the Timber Tenures Licences. Tyler McDivitt-Vandermolen and I routinely meet with MoF staff, which includes the individuals listed below, to engage in discussions and offer updates on this file.

### **Ministry of Forests staff invited to the October 6, 2023 meeting.**

- **Jacques Bousquet**, Timber Tenures Forester, Forest Tenures Branch 604-329-4601



- **Anthony Giannotti**, Director, Pricing and Tenures, Regional Operations Division - North Area 604-645-9310
- **Peter Jacobsen**, Executive Director - Timber, Range and Economics Division - Compensation and Business Analysis Branch 778-974- 5869
- **Tyler McDivitt-Vandermolen**, North Area Timber Tenures Specialist • Regional Operations Division - North Area 778-702-0073
- **David Berg**, Woodland Supervisor, BC Timber Sales - Skeena 778-702-0075
- **Aaron Welch**, Legal Counsel, Attorney General, 250-356-8589
- **Adrian Phillion**, A/Senior Collection Officer, Finance 778-698-5920

#### **Absent/regrets**

- **Stephen Hales**, Woodlands Manager – BC Timber Sales Skeena - Regional Operations Division - North Area – 778-702-0087
- **Darcie Suntjens**, Legal Counsel, Attorney General, Natural Resource Transportation, and Indigenous Legal Group 250-356-8893
- **Dominic Ignas**, Business Manager - Regional Operations Division - North Area – 778-702-0059

Regards,

---

**Jacques Bousquet, RPF**

Timber Tenures Forester

Forest Tenures Branch,

Ministry of Forests

4th Floor, 2975 Jutland Road, Victoria, BC

Skype # 778.974.2499

cell: 604.329.4601

Email: [jacques.bousquet@gov.bc.ca](mailto:jacques.bousquet@gov.bc.ca)

**I recognize that I am working on the ancestral and unceded homelands of the hən̓q̓əmi̓ñəm̓ and Skwxwú7mesh speaking peoples and I am grateful to be on this territory**

"Experience ... is what gets you through the door. But experience also closes the door," "You tend to rely on that memory and stick with what has worked before. You don't try anything anew." Without off-road exploration, we have little way of figuring it out.

# **Main Steps and Responsibilities for a transfer of a Replaceable Forest Licence (RFL)**

(Differs slightly in the case of a TFL)

This is Exhibit "C" referred to in the affidavit of Jacques Bousquet sworn before me on 7 day of March, 2024.

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	Action	Lead	Average Duration
1	<b>Submission of a complete Request for Approval of an Intended Transfer (RAIT) with administrative fees</b>	Current holder and Intended Recipient	
2	<b>Preliminary review of RAIT</b>	FTB, region/area	1-2 Weeks
3	<b>First Nation Consultation (Transfer)</b> Established Agreements and protocols) May include information sharing conducted by the proponent or the intended recipient <b>(60-90 days)</b>	District (Lead) with region support, FTB (Support)	11-16 Weeks
4	<b>Marketing of Fibre (Transfer only)</b>	Compensation and Business Analysis Branch	
5	<b>Public Interest Assessment (Transfer Only)</b>	FTB (Lead)	
6	<b>Transfer: Prepare Decision Package</b> Statutory Decisions Considerations - Public Interest consideration - Marketing of Fibre in BC - First Nations Consultation	FTB (lead)	1-3 Weeks
	<b>Transfer: Statutory Decision</b> Notice of Approval, Conditions of approval and Mandatory refusal	DDM - Minister's decision (FTB Director if Licence AAC is = or < then 100,000 m <sup>3</sup> )	
7	<b>Completion of Transaction (Transfer)</b>	Current holder and Intended Recipients	0 – 90 days
8	<b>Notice of Completion (Transfer)</b>	Current holder and Intended Recipient	7 Days
9	<b>System Update (Transfer)</b>	region/area (Lead)	1-2 Weeks
10	Licence amendment	region/area (Lead)	



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within British Columbia



Ministry of  
Forests

# ***Forest Act***

## **Disposition of an Agreement**

### **Administrative Guide**

(Transfers, Corporate Changes of Control and  
Amalgamations)

---

Forest Tenures Branch

December 8, 2021

Version 1.0



#### Disclaimer

This document contains material to assist with the administration of matters under the *Forest Act*. This document contains a summary of the legal requirements.

#### Warranty

While every effort has been made to ensure the accuracy of the information in this document, no warranties of any kind are made as to the precision or currency of the contents. Readers are advised to refer to the wording of the legislation and regulations themselves and obtain legal advice from their own sources.

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#### Document Change Control

Version	Date	Key Change
1.0	Dec 8, 2021	Final

## *Forest Act Disposition of an Agreement Administrative Guide*

Questions and can be directed to district or regional Ministry of Forests staff with further guidance specific to this document available by emailing Forest Tenures Branch staff at [ForestTenuresBranch@gov.bc.ca](mailto:ForestTenuresBranch@gov.bc.ca).

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## Glossary

This is a list of defined terms commonly used by the Ministry when dealing with agreement dispositions. The definitions are provided for information only. Definitions provided in the legislation, such as the *Forest Act* (FA) and regulations take precedence.

**“agreement”** means any form of agreement, licences, or permits listed in section 12 of the FA and a pulpwood agreement.

**“amalgamation”** means when a corporation holding an agreement amalgamates with another corporation that holds an agreement.

**“corporate change of control”** is where the ownership of a corporate entity that holds an agreement change through a share purchase of the corporation.

**“decision-maker”** means the ministry official to whom decisions under Part 4 of the FA have been delegated by the Minister.

**“disposition”** means a transfer, corporate change of control or amalgamation.

**“holder of an agreement”** means a person that enters into an agreement, either singly or jointly with another person, and includes the transferee of an agreement and each partner of a partnership that has entered into the agreement.

**“intended recipient”** means the person or corporation to which an agreement is being transferred.

**“the Ministry”** means the Ministry of Forests Lands, Natural Resource Operations and Rural Development.

**“transfer”** means the transfer of an agreement whereby the holder of an agreement sells or otherwise disposes of legal ownership of the agreement or an interest in the agreement.

## Abbreviations, Acronyms, and Initialisms

AAC	Allowable Annual Cut
CFA	Community Forest Agreement
DCCR	Disposition and Change of Control Regulation
FA	<i>Forest Act</i>
FL	Forest Licence
FLTC	Forestry Licence to Cut
FN	First Nation
FNWL	First Nation Woodland Licence
FSLTC	Fibre Supply Licence to Cut
LGC	Lieutenant Governor in Council
NCC	Notice of a Corporate Change
NOA	Notice of Approval
OLTC	Occupant Licence to Cut
OTBH	Opportunity to be heard
PA	Pulpwood Agreement
RAIT	Request for Approval of an Intended Transfer
RP	Road Permit
TFL	Tree Farm Licence
WL	Woodlot Licence



## **PART A: OVERVIEW**

### **1.0 Purpose of this Guide**

The purpose of the Disposition of an Agreement Administrative Guide (the Guide) is to provide detailed information, guidance, and procedures regarding the disposition of an agreement that has been entered into under current or previous versions of the FA.

The intended audience is Ministry staff, holders of agreements under the FA and other stakeholders who may be potentially affected by the disposition of an agreement.

This Guide includes the following information:

- Background.
- Steps and responsibilities for a disposition.
- The process to be followed; and
- Administrative action for non-compliance.

### **2.0 Background**

Rights to harvest Crown timber in B.C. are granted through various forms of agreement issued under the FA. Different forms of agreement are entered into to meet different government objectives and may take the form of volume or area-based agreements, and range from small volume, short-term to large volume, long-term replaceable licences. The purposes range from a person who requires firewood for personal purposes, salvaging small blocks of dead timber, to providing harvesting opportunities to a First Nation (FN) and large-scale commercial forestry operations.

In general, the FA allows the disposition of most agreements to occur. In all cases, certain legal requirements must be met, however, some of these requirements vary depending upon the form of agreement being disposed.

### **3.0 Transfers, Corporate Changes of Control and Amalgamations**

The FA includes provisions that govern the following:

1. The transfer of an agreement.
2. A change of control of a corporation that is the holder of an agreement.

### 3. Amalgamations of corporations that hold an agreement.

The FA defines and uses the term “disposition” to indicate the change in the holding of an interest in an agreement or the holding of the rights under an agreement. The term disposition is further specified to refer to a transfer, a corporate change of control, and amalgamations.

The overall objectives underlying the legal framework for transfers, corporate changes of control and amalgamations are similar. However, the FA distinguishes between the three types of dispositions in several ways including the timing of the review and the potential actions arising from a review.

While Part A of this Guide is a general overview of dispositions, Part B of this Guide deals with transfers and Part C deals with corporate changes of control and amalgamations.

***Dispositions of timber sale licences entered into by BC Timber Sales are covered under a different guide called “Disposition of a Timber Sales Agreement – Overview and Procedures.” Contact the local BC Timber Sales Business Office for more information.***

## 4.0 Exemptions from Statutory Requirements

The FA exempts the following dispositions from the statutory requirements for transfers, changes of control or amalgamations:

1. Granting of a security interest in an agreement.
2. Transmission of an interest in an agreement to a trustee in the case of bankruptcy proceedings of the holder of the agreement, or
3. Transmission of an interest in an agreement from the estate of a deceased holder of an agreement to the deceased holder's representative.

These types of dispositions may proceed without ministerial approval or FN consultation. However, under (2) and (3), the legal holder of the agreement has changed, and the Ministry requires written notice within three months of the disposition.

Dispositions from a trustee in a bankruptcy to a purchaser or from the personal representative to a beneficiary are not exempt from the statutory requirements.

## 5.0 Legislation

### 5.1 *Forest Act*

Divisions 1, 2 and 2.1 of Part 4 of the FA (General Tenures Provisions) deal with dispositions of an agreement. More specifically, sections 53 through 54.69 of the FA address transfers, corporate changes of control and amalgamations.

These sections of the FA cover but are not limited to the following:

- Interpretation and application.
- Holders of agreements and corporate relations.
- Transfer of agreements that are permitted and not permitted.
- Attaching conditions to the approval of a disposition.
- Mandatory refusal of dispositions (marketing of fibre and public interest).
- Required confirmation of a disposition.
- Transactions that are exempt from the statutory requirements.
- The effect of a disposition on outstanding liabilities and obligations under an agreement.
- Considerations for decision-makers when deciding to approve a disposition.
- Required notifications upon completion of a disposition.
- Required notification of a change of control of a corporation or amalgamation.
- Required ministry review of a change of control of a corporation or amalgamation.
- Administrative actions that may be taken as a result of the review of a disposition.

### 5.2 Disposition and Change of Control Regulation

The Disposition and Change of Control Regulation (DCCR) list the requirements and circumstances where specific forms of agreements are permitted to be transferred.

The DCCR deals more specifically with the following:

1. Dispositions of a certain form of agreements entered with a FN or representative under section 47.3(1)(a) of the FA.
2. Disposition of other forms of agreements entered with FNs.
3. Disposition of CFAs entered under section 43.2 or 43.51(1)(b) of the FA.
4. Disposition of restricted FLs.



The DCCR also specifies the calculations that are necessary for the determination of whether the transfer of an FL, TFL or PA is detrimental to competition in the marketing of fibre in B.C., which is discussed later in this Guide.

### **5.3 Delegation of Minister's Authority Under the *Forest Act***

There are sections within the FA and its regulations that provide the Minister with various powers and authorities for decisions and actions. The legislation allows for the transfer of these powers and authorities to other ministry officials through delegations, designations, appointments or deputizations.

The delegation of various powers to other ministry officials for the FA is outlined in the ministry's Transfer of Authority for Natural Resource Management. The decision-making power remains with the Minister for certain agreements, and for other agreements, the authorities have been delegated to the Regional Executive Directors (RED).

#### ***Sub Delegation***

Sub delegation can be allowed for certain powers and duties under section 1.1 (3) of the FA. A sub-delegation should be in writing so there is a record should the decision be challenged.

#### ***Delegation of authority through Special Enactments***

The authority to issue and administer certain forms of agreements, including dispositions, has been delegated to other agencies through special enactments.

These include:

##### **1. Master Licence to Cut for oil and gas operations.**

Authority has been delegated to the Oil and Gas Commission. Any questions regarding the Transfer of MLTCs for oil and gas purposes should be referred to the Oil and Gas Commission.

See OGC website.

##### **2. OLTC and FLTC issued within Controlled Recreation Areas.**

Authority has been delegated to the Mountain Resort Branch. Any questions regarding the Transfer of OLTCs and FLTCs issued within a Controlled Recreation Area should be referred to the Mountain Resorts Branch.

See Mountain Resorts Branch website.

## **5.4 Liabilities and Obligations**

Various obligations (e.g., stumpage, free growing, road deactivation, and hazard abatement) accrue to the current holder of an agreement during its lifetime. The cost of these obligations can be significant and an important principle under the FA is that these obligations continue to the new holder of the agreement through a transfer.

In addition, the FA also establishes that the entity that transfers an agreement is jointly and severally liable for any outstanding obligations that existed at the time of the transfer.

## PART B: TRANSFERS

### 6.0 Responsibilities

Table 1 outlines the various steps involved to complete a transfer as well as identifying who is responsible for completing the step.

Section 6.0 of this Guide includes more detailed procedures for each step.

**Table 1 – Steps and Responsibilities for Transfers.**

	<b>STEP</b>	<b>Responsibility for TFLs; FLs; PA</b>	<b>Responsibility for Other Agreements</b>
1	Request for Approval	Current holder; Intended Recipient.	Current holder; Intended Recipient.
2	Ministry Review	FTB; Region; District	Region
3	FN Consultation	Region; District	Region; District
5	Statutory Decision	Minister Director FTB if AAC is 100,000 m <sup>3</sup> or less	RED
6	Notice to Proceed	Minister; Director; FTB	RED
7	Transfer Completion	Current holder; Intended Recipient	Current holder; Intended Recipient.
8	Systems, Files and Deposits	FTB; Region; District	Region; District

## 7.0 Transfer Procedures

### 7.1 Request for Approval of an Intended Transfer (RAIT)

All transfers are initiated by the holder of the agreement and the intended recipient by submitting a “request for approval of an intended transfer” (RAIT). Although a RAIT is initiated by the holder of the agreement, it must provide information regarding, and be signed by, both parties involved in the transfer.

It is important that the information included in the RAIT is accurate and complete to avoid delays in the processing of requests. Proponents are encouraged to communicate with the approving office before submitting the RAIT.

A RAIT should include the following information:

- 1) Name of the current holder of the agreement(s) and the intended recipient.
- 2) List of the agreements and associated road permits (RPs) requested to be transferred.  
*Road permits are a form of agreement under s. 12 of the FA and are issued in support of harvesting operations. They are associated with specific agreements and can only be transferred in conjunction with the disposition of the agreement to which the road permit pertains. All road permits being transferred must be included in the list of agreements proposed to be transferred.*
- 3) Business and contact information for the current holder and the intended recipient.
- 4) A list of all the timber harvesting rights currently held by the current holder and the intended recipient. This includes a list of all agreements held by the current holder, the intended recipient, their affiliates and subsidiaries and the allowable annual cut associated with each licence.
- 5) List of timber processing facilities owned by the current holder, intended recipient and any of their affiliated companies.
- 6) Indication on how to deal with existing security deposits (applying the current security deposit or a new security deposit being provided by the intended recipient).
- 7) Indication on how any existing silviculture deposits are to be dealt with for each agreement.
- 8) Information regarding any fibre supply agreements or fibre supply arrangements the parties have with other entities.
- 9) If the licence is a TFL or WL, the parties should confirm that any private land forming part of the agreement will remain subject to the agreement.
- 10) A proposed date for the completion of the transaction.

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Note: Proponents need to account for the time required for the ministry to complete the review and decision.

- 11) A check payable to the Minister of Finance to cover the non-refundable administrative fee of \$100 per agreement proposed to be transferred including all associated RPs.

A template to be used for a RAIT can be found on the ministry's Timber Tenure Transfers and Disposition website.

***Note: Cutting permits that are issued under an agreement are integral parts of the agreement. When an agreement is transferred, the cutting permits follow automatically. This includes all active cutting permits that are partially harvested or where no harvesting has yet occurred. The transfer of agreement does not affect the conditions or timelines of a cutting permit.***

The responsibility for the transfers of agreements has been delegated to the different ministry representatives depending upon the form of agreement. Parties should submit the RAIT to the appropriate ministry office. Electronic mail is encouraged to expedite the process.

1. For TFLs, FLs and PAs: The Director of Forest Tenures Branch  
Forest Tenures Branch
2. For all other forms of agreement: The Regional Executive Director for the appropriate Region.  
Regions

## 7.2 First Nations Consultation

The province has a duty to consult with and, when required, accommodate FNs whenever it proposes a decision or activity that could potentially impact treaty rights or aboriginal rights (including title) - claimed or proven. The duty stems from court decisions and is consistent with the province's commitment to implement the United Nations Declaration on the Rights of Indigenous Peoples.

Provincial decision-makers with authority to make decisions about provincial land or resources are responsible for ensuring adequate consultation with potentially affected FNs is carried out and accommodations provided when warranted.

Proponents seeking decisions from the province such as a transfer are encouraged to engage with the appropriate FNs as early as possible in the process. In some cases, the province may request that the proponents engage in information sharing with FNs, as they are often in an advantageous position to use existing relationships and can directly respond to requests for additional detail and to modify their arrangements to mitigate concerns.

The Ministry of Indigenous Relations and Reconciliation has provided guidance to government agencies and proponents on how to approach consultations with FNs. In many cases, the province has established agreements and protocols that must be followed that include the requirements and process for consultation associated with a transfer.

### 7.3 Ministry Review

After receiving a RAIT, with the cooperation of other offices, the designated office is responsible for conducting a review of the proposed transfer described in the RAIT. A review should include the following:

1. ***Resolve any outstanding issues that may exist with the licences that are intended to be transferred.***

Before accepting a request for a transfer, staff must confirm that the agreement(s) in question are in good standing and that no unresolved issues exist for the agreement. A transfer should not be requested if performance issues or infractions exist that would be grounds for administrative action with the current holder or suspension under the terms of the licence agreement.

2. ***CLIENT system***

Confirm that the intended recipient is registered in the CLIENT system.

3. ***Confirm the proposed transfer is permitted under FA and regulation.***

The intended recipient must be eligible under the FA, to hold the agreement.

Most agreements can be transferred. However, the FA and the DCCR identify that the following agreements:

- cannot be transferred,
- can only be transferred under certain conditions, or,
- can only be transferred in accordance with the DCCR.



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1. **Free Use Permit (FUP)** - The only agreement that simply cannot be transferred is the FUP. The FUP is mainly issued to the public for collecting firewood, cutting Christmas trees for personal use and other purposes.
2. **Any agreement if the rights under the agreement are under suspension**, in whole or in part under Section 76 or 78 of the FA.
3. **Occupant Licence to Cut** – unless a disposition is made in conjunction with the disposition of the land or right to occupy the land under which the rights to harvest timber were granted under the agreement.
4. A **directly awarded non-replaceable FL for bioenergy purposes** (S. 13.1 (5)) unless approved by the LGC.  
To date, few of these forms of agreement have been entered into. The Forest Tenures Branch should be contacted for further information on a proposed transfer of this form of agreement.
5. Any of the following agreements unless the disposition is permitted by the DCCR:
  - (a) Agreements directly awarded to a FN under S. 47.3 (1) (a) of the FA.
    - See section 5 of the DCCR
  - (b) Directly awarded CFAs and FNWLs
    - See section 6 of the DCCR
  - (c) CFA
    - See section 7 of the DCCR
  - (d) Restricted FL
    - See section 8 of the DCCR

Despite these restrictions, the agreements listed in this section may be transferred with the approval of the LGC. Contact Forest Tenures Branch for more information regarding this option.

**Note:** *Special Use Permits (SUP)* are issued under the Forest Practices Code Act and the Provincial Forest Use Regulation. A SUP is a permit that allows the holder to use Crown land for a specified purpose (i.e., campsite; log dump). SUPs are not agreements under the FA, but they are often issued in support of and are often necessary to conduct timber harvesting operations under an agreement.

*In most cases, SUPs should be transferred when the agreement to which it is associated is being transferred. However, the disposition of a SUP follows a different process. See the*

*Provincial Forest Use Administrative Guide that is located on FTB's internal website or contact the Forest Tenures Branch for more information.*

**4. *If a Woodlot Licence is involved, confirm that the intended recipient may enter into a WL.***

For the transfer of a WL, the FA requires that the intended recipient be a person or FN that under Section 44 of the FA, may enter into a WL.

- *See section 44 of the FA*

**5. *Identify all road permits to be transferred.***

The RAIT must identify all road permits intended to be transferred and must identify all tenure agreements associated with each road permit.

In the disposition of a tenure agreement (other than a road permit) the RAIT must identify all road permits associated with the tenure agreement, even those road permits which are not to be transferred.

**6. *Payment of Administrative Fee.***

There is an administrative fee of \$100 for each agreement (licences and road permits) being transferred. Staff should confirm the correct payment was submitted with the RAIT.

**7. *Private tenure subject to a TFL or WL.***

In many cases, a TFL will include private tenure (private land or timber licence) owned or held by the holder of the agreement. In addition, a WL usually will include private land that is also subject to the agreement.

The inclusion of private land was taken into consideration when the original agreement was awarded and is to be managed along with the Crown land under the agreement.

The FA requires that any private tenure or private land remains subject to the agreement.

For WL, if the transfer of the agreement does not include the sale or lease of the associated private land to the intended recipient, it must be removed from the agreement under a different process before initiating the transfer process.

Confirmation of the sale or lease agreements will need to be provided as the transfer process proceeds.

### **8. *Assumption of Replaceable Timber Harvesting Contracts***

The Timber Harvesting Contract and Subcontract Regulation under the FA includes obligations for certain agreement holders to conduct timber harvesting under the agreement through timber harvesting contracts. A key component of a transfer is that where they exist, these obligations must be assumed by the intended recipient when a transfer occurs.

This provision is explicit in the FA and does not require any approval or review by ministry staff. Ministry templates may include a reference to this requirement as information for the parties involved to ensure the intended recipient is aware that all replaceable contracts associated with the agreement proposed for transfer must be assumed.

### **9. *Consideration of the Marketing of Fibre in the Province***

The legislation requires the decision-maker to consider the effect of the transfer on the marketing of fibre in B.C. This requirement intends to address the provincial objectives of maintaining a healthy, competitive forest sector and protecting the market-based pricing system by ensuring that ownership of the timber rights is not overly concentrated in any specific area of the province.

For all proposed transfers, the decision-maker must consider the effect of the transfer on the marketing of fibre in B.C.

TFLs, FLs and PAs are agreements that usually include significant rights to harvest timber and have the greatest potential to impact the marketing of fibre. Therefore, the FA and DCCR require specific assessments for these agreements. The DCCR establishes fibre distribution zones and two indices to assess the market concentration of timber harvesting rights and the potential impact on the local log market. The assessments lead to a determination of whether or not the proposed transfer will be detrimental to the marketing of fibre in B.C.

The Director of the Compensation and Business Analysis Branch is responsible for completing the analysis of the intended disposition concerning market concentration.

## **10. Consideration of the Public Interest**

The decision-maker must also consider the effect of the transfer on the public interest, and specifically if it would not be in the public interest.

Agreements entered into under the FA have a public value and the use of our public forests is expected to provide a benefit to the citizens of British Columbia.

While “public interest” is not defined by legislation, it has limitations. The relevant factors to be considered are confined to those regarding the intended recipient acquiring and holding the agreement.

The decision-maker should determine if the intended recipient is appropriate if the rights available under the agreement will be managed in the best interests of British Columbians, and if the economic return through the agreement will continue to benefit local communities and industry.

The FA does not include specific actions for engaging the public regarding a transfer. However, the ministry has undertaken various methods seeking information related to the public interest based on the size and location of the agreement and the extent to which other important community and social values may be affected.

Transfer requests for smaller agreements may not justify an extensive public process.

Common sources of information that inform an understanding of the public interest in a transfer include:

- Letters and email correspondence to ministry offices/staff
- Media articles (digital, print, audio/video, etc.)
- Interests brought forward by Indigenous communities during the consultation
- Information provided by local government representatives
- Website campaigns by organized labour groups, special interest community groups and ENGOS
- The use of a web form for anonymous comment submissions

## **11. Requesting Additional Information**

The proponents of a transfer are asked to include specific information in the RAIT such as which agreement(s) are proposed for transfer, the volume of the licences, other timber harvesting rights and timber processing facilities held by the parties, etc.

However, when considering the approval of a disposition, the decision-maker may request any additional information from the parties that are considered necessary for making the decision.

## 7.4 Statutory Decision

### 1. Approval

All transfers require approval by the appropriate decision-maker before the parties completing the transfer.

A decision package is prepared by the appropriate ministry staff for the office responsible for the decision. The package should include a briefing note for the decision that details the proposed transfer, including a summary of any issues and analysis that have been completed as part of the review.

The briefing note should include all the supporting information (i.e., market concentration analysis; summary of information reflecting the public interest, and a summary of FN consultations).

The materials in a decision package are considered confidential to the decision-maker.

After reviewing the details of the proposed transfer, including the results of the ministry review, the decision-maker may approve the request for the transfer if satisfied that it meets the specified requirements of the FA and regulation, as discussed in this Guide.

#### ***Mandatory Refusal***

***If it is determined that the transfer of an agreement would not be in the public interest, then it is mandatory for the decision maker to not approve the proposed transfer.***

***In addition, for a TFL; FL or PA, if it is determined that the transfer would be detrimental to the competition in the marketing of fibre in the province then it is mandatory for the decision maker to not approve the proposed transfer.***

## **2. *Attaching a Condition to an Approval***

The FA allows the decision-maker to attach conditions to an approval of a transfer. Attaching a condition should not alter the terms of the agreement beyond what is legally permitted to be included in the content of the agreement. An exception is where the proponents have included a condition as part of their RAIT or made the commitment during the processing of the transfer.

It is not appropriate for the decision-maker to make the approval of a transfer subject to a condition. That is, conditions should not be attached to prevent a transfer from occurring – once approved, a transfer is free to be completed.

A condition will usually require an intended recipient to do something after the transfer is complete and are not to be used as a means for the enforcement of existing powers under the FA or the agreement.

Without limiting the ability to impose conditions, the FA specifies that to address market concentration concerns, an approval may include the condition that one or more agreements must be disposed of to a person that is at arms-length from the intended recipient.

Any condition must be reasonable, measurable, verifiable, and time-bound and will address or mitigate an issue or outcome that results from the proposed transfer for which the transfer would otherwise be refused.

To assist with tracking, it should be made clear to the intended recipient that they are accountable for notifying the ministry when a condition has been met.

### **Process of setting conditions**

If a decision-maker decides to attach a condition(s) to the approval of a disposition, the principles of administrative law and procedural fairness will apply.

Where a person's rights, privileges or interests will be affected by a decision, the person may have a right to a notice of the decision and an opportunity to respond before the decision is made.

It should be made clear to the intended recipient that the failure to meet a condition within the timeframe identified for that condition may result in the decision-maker finding the holder of the agreement in breach of the condition and that could result in the suspension of rights under the agreement.



Legal advice should be sought for any exercise of the authority to attach conditions to an approval.

### **3. Notice of Approval (NOA)**

If the statutory decision-maker determines that all the requirements are met, a NOA is sent to both the current holder and intended recipient indicating that transfer may proceed. The NOA should also include the following:

1. The date, by which the transfer must be completed, after which the approval is no longer in effect.
2. Any conditions that are to be attached to the approval.
3. A requirement that the proponents notify the appropriate office within 7 days after the completion of the transfer.
4. Requirement for the proponents to deal with security deposits.

If the determination is not to approve the transfer, then a rejection letter with rationale in support of the decision must be sent to the parties that submitted the RAIT.

## **7.5 Transfer Completion**

### **1. Completion of transaction**

The business transaction between parties for the disposition of the licences is completed by the current holder and intended recipient usually through the resolution of a purchase agreement. Ministry staff are not involved in this step. The completion of the business arrangement must be completed by the date included in the NOA, which can be extended by the decision-maker upon written request from both parties.

### **2. Confirmation of Transfer Completion**

Upon completing a transfer, both the holder of the agreement and the person who acquired the agreement must confirm the completion of their transaction in writing to the appropriate office within 7 days of the completion.

***The parties are required to notify the appropriate office within 7 days after the completion of a transfer. A template for a NOC can be found on the FTB transfer website.***

### **3. *Payment of Accounts***

By the end of the day of the completion of the transaction, all monies required to be paid to the government under the circumstances set out in Section 130 of the FA, must have been paid or is the subject of an arrangement for payment approved by the Minister Finance. If any amounts are owed, despite the completion of the transaction the disposition will continue to be without effect.

Monies owed are generally, but not limited to, stumpage fees and annual rent. This amount may be specified in the NOA and can also be made available on request from the office coordinating the review of the RAIT or Ministry of Finance.

As monies owed may be significant it is suggested the current holder be made aware of any amounts owed by the ministry, or the current holder may contact the Ministry of Finance directly to inquire as to amounts owed. A payment schedule may need to be arranged as early as possible. The office coordinating the review of the RAIT should be advised if a payment agreement is in place.

Details on making a payment can be found at the following website:

<https://www2.gov.bc.ca/gov/content/taxes/natural-resource-taxes/forestry/stumpage/pay>

## **7.6 Administrative Actions**

### ***Systems and files***

Upon completion of a transfer, the appropriate office is responsible for updating the various licence administration requirements including systems and files.

The various systems (FTA; Apportionment; CLIENT - Gentax) must be updated.

### ***Security Deposits***

Most agreements require security deposits to be held by the Ministry of Finance that are usually held in the name of the current holder of the agreement. When a transfer is completed the deposit must be in the name of the new holder of the agreement.

This can be achieved by the new holder submitting a new deposit and the existing deposit returned to the entity that transferred the agreement, or the existing deposit applied on behalf of the new holder (**applies to cash deposits only**). The preferred manner for dealing with the security deposits should be stipulated in the RAIT.

Any deposits currently held by the ministry may be released to the previous holder upon the appropriate deposits being received by the new holder of the agreement.

For more details, please contact the Collection and Loan Management Team section of the Receivables Management Office of the Ministry of Finance.

Email:

FIN REV G RMO CLMG Senior Collection Officer Team FIN:EX <CLMGSCO@gov.bc.ca>

### ***Silviculture Deposits***

If there are any silviculture deposits associated with any of the agreements being transferred, it must be confirmed that these deposits have been dealt with per the option indicated in the RAIT (i.e., apply the existing deposit or new deposit submitted).

## **7.7 Closure Letter from FLNRORD To Parties Confirming Transaction Completed.**

Once the notice of completion has been received, the accounts have been paid and there are no other issues with the transfer, then the administering office is to send a letter to the parties confirming the transfer is in effect, and adjustments made to Provincial systems and recognized by the Ministry.

Any amendments to the agreement as a result of the transfer should also be completed at this time.

## **8.0 Administrative Action**

The FA includes various options for taking administrative action when certain legal requirements associated with a transfer are not met.

### **8.1 Transfer is without effect**

A transfer will be without effect and will not be recognized by the ministry unless all the following has been met:

- (a) The Minister, in writing, approves the disposition.
- (b) As of the end of the day of the completion of the disposition, all money required to be paid to the government under the circumstances set out in section 130(1.1) of the FA, and due and payable to the government under that section in respect of the agreement has been paid or is the subject of an arrangement for payment approved by the revenue minister.

- (c) Private tenure within a TFL or WL remained subject to the agreement.
- (d) The recipient is eligible to hold the agreement.
- (e) All obligations of the holder of an agreement replaceable timber harvesting contracts to which the holder of the agreement was assumed by the recipient of the agreement (See the Timber Harvesting Contract and Sub-Contract Regulation).
- (f) The transfer was completed within the time period specified in the NOA or, if provided, an extension to a time period.

## 8.2 Suspension of Rights if Condition Not Met

The office responsible for dealing with a transfer is responsible for the monitoring of the status of any conditions attached to the approval of a transfer. Rights under an agreement may be suspended under section 76(1) of the FA if any of the following apply:

- (a) the holder purported to dispose of the agreement when a condition set out in section 54(2) of the FA was not met.
- (b) the holder purported to dispose of the agreement contrary to section 54.4 of the FA.
- (c) a condition attached under section 54.01 or 54.4 (1.1) to an approval of a disposition of the agreement was not met.

Any action taken regarding a breach of a condition is decided by the original decision-maker who attached the condition.

### ***Administrative Law***

The process would be based on administrative law principles. Where a person's rights, privileges or interests will be affected by an impending decision, such as a suspension of an agreement, the person has the right, under administrative law, to an impartial hearing before the decision is made. In this case, the decision-maker would be obligated by administrative fairness to conduct a documented meeting to discuss (i.e., OTBH).

A good summary of the obligations of administrative fairness is in Appendix 5 in the FSP Admin Guide Volume 1.

Further, rights under an agreement that have been suspended under section 76 of the FA can be cancelled in accordance with section 77 of the FA.

## PART C: CORPORATE CHANGES OF CONTROL AND AMALGAMATIONS

As discussed in Section 3.0, in addition to transfers, the FA includes provisions dealing with dispositions of an agreement that can occur through:

1. A purchase of shares that result in a corporate change of control; or
2. An amalgamation of a corporation holding an agreement with another corporation holding an agreement.

The province recognizes that for business purposes, it is important for corporations to keep transactions such as a corporate change of control of a corporation or an amalgamation confidential until their completion. Therefore, the FA does not require the preapproval of these transactions. However, the FA establishes that these transactions require a review by the Minister once the transactions are complete. The review focuses on the disposition of the agreement and not the transaction of the entity itself.

This review includes the same considerations as required for a proposed transfer, but the timing and the tools available to the Minister to resolve concerns differ.

### 9.0 Responsibilities

Table 2 outlines the steps to follow when a corporate change of control or an amalgamation has occurred, as well as identifying who is responsible for completing the steps.

**Table 2 – Responsibilities for Corporate Changes of Control or Amalgamation**

	STEP	TFLs; FLs; PA; FNWL; and CFA	ALL OTHER AGREEMENTS
1	Notification	Corporations Involved	Corporations Involved
2	Ministry Review	FTB with assistance from Regions and Districts	Region with help from District
3	FNs Consultation	Region; District	Region; District
4	Statutory Decision	Minister - Director FTB if AAC is 100,000 m <sup>3</sup> or less	Regional Executive Director

5	Decision Notification	Minister - Director, FTB	Regional Executive Director
6	Administrative updates	FTB; Region; District	Region; District

## 10.0 Procedures

### 10.1 Notice of a Corporate Change of Control or Amalgamation

A corporation is required to provide written notification to the Minister within 30 days after a change of control or an amalgamation has occurred.

A notification should include the following information:

- 1) Details regarding the corporate change of control or amalgamation.
- 2) A list of all the agreements held by the corporations involved.
- 3) A description of the resulting corporation's milling and processing operations.
- 4) A list of any fibre supply agreements held by the corporation.
- 5) The completion date of the change of control of the corporation.
- 6) The name, position, phone number and email address of the contact for the corporations.

Templates to be used for a notice of a corporate change of control or an amalgamation can be found on the ministry's Timber Tenure Transfers and Disposition website.

### 10.2 First Nations Consultation

The ministry's legal obligations for FNs consultation are like those for transfers as discussed in section 7.3 of the Guide. However, it is recognized that decisions associated with corporate changes of control of a corporation or amalgamations are "after the fact" which requires a different summary of possible actions by the decision-maker to be created for consultation.

### 10.3 Ministry Review

On receiving a notice of a corporate change of control or an amalgamation, the Minister or the delegated decision-maker is required to conduct a review. The appropriate office is responsible for conducting the review and should cover the following:



**1. Confirm that a change of control or an amalgamation has occurred.**

Details included in the NCC are to be reviewed to confirm that corporate change of control or an amalgamation has occurred.

***It is important that when reviewing a corporate change of control or an amalgamation that the definitions included in the FA are applied to ensure that a transaction requiring a decision has occurred.***

**2. Confirm the corporation is permitted to hold the agreement**

The FA identifies two forms of agreement whereby conditions are imposed with respect to the corporations being eligible to hold the agreement.

These include:

1. FNs Wood Land Licence
2. Woodlot Licence

For either of these forms of agreement, the ministry may take administrative action if the resulting corporate does not meet the specified criteria.

**3. Confirm monies owed have been paid.**

Like the transfer of an agreement, immediately after a corporate change of control or amalgamation has occurred all money due and payable must have been paid or subject to an agreement to pay approved by the revenue minister.

See Section 6.6(2) of this Guide for details regarding the payment of accounts.

**4. Consideration of the marketing of fibre in the B.C.**

Decisions associated with a corporate change of control, or an amalgamation must consider the effect on the marketing of fibre in B.C.

See section 6.4(8) of this Guide for details on considering the effect of a disposition on the marketing of fibre in B.C.

***Similar to what is conducted for an agreement transfer, the Director of the Compensation and Business Analysis Branch is responsible for completing the analysis with respect to market competition.***

## **5. *Consideration of the public interest***

Decisions associated with a change of control, or an amalgamation must consider the effect on the public interest.

See section 6.4(9) of this Guide for details on considering the effect of a disposition on the public interest.

## **6. *Ability to Request Additional Information***

At the request of the decision-maker to complete a ministry review of the change of control, the corporation must provide to the decision-maker any information the Minister or delegated decision-maker considers necessary to complete the review.

# **10.3 Administrative Action**

## **1. *Decision***

Staff will draft a decision briefing note package for the decision-maker documenting the results of the Ministry review and FN consultation and make recommendations on a course of action.

Section 11.0 of this Guide outlines the circumstances where administrative action may be taken and what those actions may be. The decision is discretionary, therefore, even if one or more of the circumstances have been identified, a decision-maker may still choose to not take any administrative action.

## **2. *Decision Notification***

The appropriate office is to notify the corporation that the Ministry has completed its review and the appropriate level of FN consultation.

If the determination is to not take administrative action, then a notice to that effect is to be sent to the corporation.

If the decision is made to take administrative action, then a notice must be sent detailing those actions and the next steps.

Copies of the decision letter are to be sent to other ministry offices of interest (FTB, Region, and District).

## 10.4 Update Systems and Files.

Like the completion of a transfer of an agreement, the various systems and files must be updated to reflect the transaction (See section 7.6 of this Guide).

## 11.0 Administrative Action

### 11.1 Circumstances for Administrative Action

The FA details a number of circumstances where the decision-maker may take administrative action. These circumstances include:

1. Monies have not been paid (See section 7.5(3) of this Guide).
2. If a FNWL is involved and the corporate change of control of a corporation result in an ineligible person or entity holding the agreement.
3. If a WL is involved and the corporate change of control of a corporation or amalgamation results in an ineligible person or entity holding the agreement.
4. If a TFL, FL or PA is involved and the corporate change of control or amalgamation results in the corporations controlling rights to harvest timber in an amount that is detrimental to competition to the marketing of fibre in B.C. (see Section 7.3(8) of this Guide).
5. A determination that it is not in the public interest for the corporation to continue to hold the agreement or to exercise the rights under the agreement. (See Section 7.3(9) of this Guide).

See Section 54.65 of the FA for the current wording of these circumstances.

### 11.2 Administrative Action

#### 1. *Suspension of Rights*

If it is determined that any of the circumstances listed in section 11.1 apply, then the decision-maker may take the following administrative action:

- (a) Immediately suspend the holder's rights under the applicable agreement, or
- (b) After allowing the corporation to be heard (OTBH) do one or more of the following:
  - i. Suspend rights or confirm or vary rights already under suspension.
  - ii. Require the corporation to dispose of an agreement by a specified date to a person at arm's length.

- iii. Accept a proposal by the corporation.
- iv. Impose other requirements on the corporation.

Any rights that were suspended under (a) must be reinstated if the suspension is not confirmed or varied under (b). If a proposal is accepted under (b) (iii) then no further requirements can be imposed under (b)(iv).

## ***2. Proposal by a Corporation Following Administrative Action***

Where an OTBH has been provided to the holder of the agreement, the holder has the option to propose that one or more agreements be disposed of by a specified date to address a concern listed under Section 11.1 of this Guide.

If the decision-maker determines that the proposal addresses the concern(s) then the decision-maker must accept the proposal and may not impose any other requirements on the holder to dispose of an agreement.

## ***3. Subsequent Suspension***

### ***Suspension***

In addition to the administrative action identified in section 11.2 (1) of this Guide, the Decision-maker has the authority to suspend the rights under an agreement under Section 76(1) of the FA if any of the following conditions apply:

- (a) The holder did not dispose of an agreement as required.
- (b) A condition of the minister's acceptance of a proposal was not met.
- (c) The holder failed to comply with an imposed requirement.

### ***Suspension Process under Section 76***

1. Before any rights can be suspended, notice must be served on the holder of the agreement specifying the reason for the suspension of rights and a date, at least 5 days after the date of service, on which the suspension takes effect.
2. A suspension of rights takes effect on the date specified in the notice and continues until the rights are reinstated by the minister or cancelled.
3. The minister, on request of the holder, must allow the holder an opportunity to be heard and must rescind the notice if he or she considers that the holder is not subject to subsection (1).

4. The minister, on the application of the holder, must reinstate rights suspended if the holder is performing the holder's obligations and is complying with the FA and the regulations.

#### **4. Cancellation**

If rights under an agreement have been suspended and the suspension remains in effect as per the above, the Minister may cancel the agreement under Section 77 of the FA.

##### ***Cancellation Process under Section 77***

1. At least 3 months before cancelling an agreement the minister must serve on its holder a written notice of cancellation specifying the grounds of cancellation and the day on which cancellation takes effect.
2. If within 30 days after a notice of cancellation has been served the holder so requests, the minister must allow the holder to be heard.
3. Notice of cancellation may be rescinded or the day on which cancellation takes effect may be postponed.
4. Notice of cancellation must be published in the Gazette.

## **Appendix A**

### **Important Website Links**

1. *Forest Act*
2. Disposition and Change of Control Regulation
3. Forest Tenures Branch Website
4. Delegation Matrix
5. Oil and Gas Commission
6. Mountain Resorts Branch
7. B.C. Timber Sales
8. Consulting with FNs



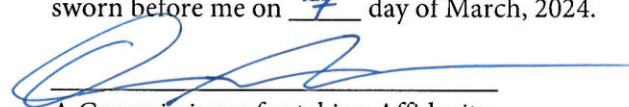
## **Appendix B**

### **Ministry Templates**

1. Request for Approval of a Transfer (RAIT)
2. Notice of Change of Control of a Corporation
3. Notice of Amalgamation of Corporations holding an Agreement
4. Notice to Proceed
5. Notice of Completion

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This is Exhibit "E" referred to in  
the affidavit of Jacques Bousquet  
sworn before me on 7 day of March, 2024.

  
A Commissioner for taking Affidavits  
within British Columbia



**FOREST LICENCE  
A16882**

**Ministry of  
Forests, Lands and  
Natural Resource Operations**

THIS LICENCE, dated for reference **May 23, 2017**.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the  
REGIONAL EXECUTIVE DIRECTOR, MINISTRY OF FORESTS,  
LANDS AND NATURAL RESOURCE OPERATIONS  
3726 ALFRED AVENUE  
SMITHERS, BRITISH COLUMBIA  
V0J 2N0  
Phone:(250) 847-7260 Fax: (250) 847-7347  
(the "Regional Executive Director ")

AND:SKEENA SAWMILLS LTD  
BOX 780  
TERRACE, BRITISH COLUMBIA  
V8G 4R1  
Phone: (250) 635-6336 Fax: (250) 635-4335  
(the "Licensee")

WHEREAS:

- A. The Regional Executive Director offered the Licensee a replacement for Forest Licence No. A16882, with a term beginning November 15, 2017, pursuant to section 15 of the *Forest Act*.
- B. The Licensee accepted the replacement offer.
- C. The parties have entered into this Licence pursuant to section 15 of the *Forest Act* (Replacement).
- D. The Government of British Columbia acknowledges that Justice Tysoe of the British Columbia Supreme Court has found that the Gitanyow and Gitksan each have a good prima facie claim of aboriginal title and a strong prima facie claim of aboriginal rights to at least part of the areas included within the lands covered by the Forest Licence.
- E. The Government of British Columbia acknowledges, that this licence has been granted over a landbase on which First Nations have had a historical presence and that it owes a continuing duty to consult and where appropriate accommodate those First Nations in circumstances defined by the courts. The Government of

British Columbia acknowledges that part of this duty includes, in certain contexts, consideration of the Wilp system of governance as an integral and defining feature of Gitanyow society.

"The Table of Contents and headings in this Licence are included for convenience only and do not form a part of this Licence and in no way define, limit, alter or enlarge the scope or meaning of any provision of this Licence."

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THE PARTIES agree as follows:

## 1.00 GRANT OF RIGHTS AND TERM

- 1.01 The term of this Licence is 15 years beginning November 15, 2017.
- 1.02 Subject to this Licence, the Licensee:
  - (a) may harvest an allowable annual cut of 162 484 cubic metres per year of Crown timber during the term of this Licence from areas of Crown land within the Nass Timber Supply Area which are specified in Cutting Permits and Road Permits associated with this Licence;
  - (b) has the right to enter and use Crown land within the Nass Timber Supply Area to exercise rights and fulfil obligations under this Licence.
- 1.03 This Licence is replaceable under section 15 of the *Forest Act*.

## 2.00 OTHER CONDITIONS AND REQUIREMENTS

- 2.01 The Licensee must not harvest timber if the timber is specified as reserved timber in a cutting permit, or under an applicable operational plan.
- 2.02 The Regional Executive Director or District Manager, in a notice given to the Licensee, may advise the Licensee that after the date specified in the notice the Licensee may only submit applications for cutting permits for areas of Crown land meeting the requirements set out in the notice.
- 2.03 The requirements referred to in paragraph 2.02 must in the opinion of the Regional Executive Director, be consistent with the rationale employed by the Chief Forester in making the most recent determination of the allowable annual cut for the timber supply area which may restrict the areas of land for which the Licensee may submit applications for cutting permits to any or all of the following:
  - (a) a part of the timber supply area;
  - (b) a type of terrain within the timber supply area; and
  - (c) a type of timber within the timber supply area.
- 2.04 Before giving notice under paragraph 2.02, the Regional Executive Director will consult with the Licensee and will consider its comments.
- 2.05 After this Forest Licence comes into effect, the licensee will include the Gitanyow Wilp boundaries on maps shared with the Gitanyow First Nation depicting planned forest operations under this licence (including Forest Stewardship Plans). The inclusion of Wilp boundaries on these maps will facilitate information sharing and assist future Crown consultation with the Gitanyow First Nation.

### **3.00 TIMBER VOLUME CHARGED TO THE LICENCE**

- 3.01 The definition of the volume of timber harvested in part 4, division 3.1 of the *Forest Act* applies to this Licence.
- 3.02 The determination of the volume of timber harvested will incorporate the volume of waste determined under part 4.00.
- 3.03 The Interior Timber Merchantability Specifications in the Provincial Logging Residue and Waste Measurement Procedures Manual that was in effect on the date of issuance of the cutting permit or road permit shall govern.

### **4.00 WASTE ASSESSMENTS FOR MERCHANTABLE TIMBER**

- 4.01 The Licensee must conduct a waste assessment of the volume of merchantable timber, whether standing or felled, that was authorized to be cut and removed under the Licence or associated Road Permits but, at the Licensee's discretion, was not cut and removed.
- 4.02 A waste assessment conducted under paragraph 4.01 must be in accordance with the Provincial Logging Residue and Waste Measurement Procedures Manual, as amended or replaced from time to time.
- 4.03 If the Licensee fails to comply with paragraph 4.01 the District Manager may, after the expiry of the term of a cutting permit, associated Road Permits or Licence, conduct a waste assessment of the volume of merchantable timber that could have been cut and removed under the Licence but, at the Licensee's discretion, is not cut and removed.
- 4.04 A waste assessment conducted under paragraph 4.03 must be in accordance with the Provincial Logging Residue and Waste Measurement Procedures Manual, as amended or replaced from time to time.
- 4.05 If the District Manager carries out a waste assessment under paragraph 4.03, the District Manager, in a notice given to the Licensee, may require the Licensee to pay the costs incurred by the District Manager in carrying out the assessment.

### **5.00 CUTTING PERMITS**

- 5.01 Subject to paragraph 5.02, the Licensee may submit an application to the District Manager for a cutting permit or for an amendment to a cutting permit, meeting the requirements referred to in parts 1.00 and 2.00 and the Appraisal Manual in effect on the date of submission of the application for a cutting permit, an application to amend a cutting permit, or a road permit, to authorize the Licensee to operate upon one or more proximate areas of Crown land, that are:

- (a) exempted under the *Forest and Range Practices Act* from the requirement for a forest stewardship plan; or
  - (b) located within a forest development unit of an approved forest stewardship plan.
- 5.02 For those areas to be included in the application under paragraph 5.01, the Licensee must ensure that cruise and appraisal data submitted is gathered and compiled according to that Appraisal Manual.
- 5.03 An application under paragraph 5.01 must:
  - (a) be in a form established by the District Manager;
  - (b) state a proposed term that does not exceed four years;
  - (c) include:
    - (i) a map to a scale acceptable to the District Manager showing the areas referred to in the application; and
    - (ii) the cruise data and appraisal data referred to in paragraph 5.02; and
    - (iii) a description acceptable to the District Manager of any timber that is reserved from cutting.
- 5.04 The areas of land shown on the map referred to in clause 5.03 (c) (i) must be:
  - (a) the areas referred to in subparagraph 5.01 (a); or
  - (b) located within a forest development unit referred to in subparagraph 5.01 (b);

allowing for any difference in scale between maps used in the forest stewardship plan, or exemption and the map referred to in clause 5.03 (c) (i).
- 5.05 Subject to paragraphs 5.06 through 5.09 inclusive and 5.04, upon receipt of an application under paragraph 5.01, the District Manager will issue a cutting permit to the Licensee if the District Manager is satisfied that:
  - (a) the requirements of paragraphs 5.01, 5.02, 5.03, and 5.04 have been met; and
  - (b) the areas of land referred to in the application for the cutting permit meet the requirements referred to in part 2.00.
- 5.06 The District Manager may consult aboriginal group(s) who may be exercising or claiming to hold an aboriginal interest(s) or proven aboriginal right(s), including aboriginal title, or treaty right(s) if in the opinion of the District Manager, issuance of the cutting permit or an amendment to a cutting permit as submitted and/or operations under the cutting permit may result in:

- (a) an impact to an aboriginal interest(s) that may require consideration of accommodation; or
  - (b) an infringement of a proven aboriginal right(s), including aboriginal title, or treaty right(s) that may require justification.
- 5.07 The District Manager may impose conditions in a cutting permit to address an aboriginal interest(s), or proven aboriginal right, including aboriginal title, or a treaty right(s) if in the opinion of the District Manager, issuance of the cutting permit as submitted would result in:
  - (a) an impact to an aboriginal interest(s) that would require consideration of accommodation; or
  - (b) an infringement of a proven aboriginal right(s), including aboriginal title, or treaty right(s) that would require justification.
- 5.08 The District Manager may refuse to issue a cutting permit or to amend a cutting permit if in the opinion of the District Manager issuance of the cutting permit or an amendment to a cutting permit would result in:
  - (a) an impact to an aboriginal interest(s) or treaty right(s) that could not be reasonably accommodated; or
  - (b) an impact to a proven aboriginal right(s), including aboriginal title, or a treaty right(s) that could not be justified.
- 5.09 If the District Manager:
  - (a) determines that a cutting permit may not be issued because the requirements of paragraph 5.05 have not been met;
  - (b) is carrying out consultations under paragraph 5.06; or
  - (c) refuses to issue a cutting permit under paragraph 5.08;

the District Manager will notify the Licensee within 45 days of the date on which the application for the cutting permit, or an amendment to the cutting permit, was received.
- 5.10 A cutting permit must:
  - (a) identify the boundaries of the areas of Crown land which, subject to this Licence, the Licensee is authorized to conduct operations;
  - (b) specify the term stated in the application;
  - (c) specify a timber mark to be used in conjunction with the timber removal carried on under the cutting permit;
  - (d) specify whether, for the purpose of determining the amount of stumpage payable in respect of timber removed under the cutting permit, the volume and quantity of timber is to be determined using information provided by:
    - (i) a scale of the timber; or



- (ii) a cruise of the timber conducted before the timber is cut;
  - (e) specify any timber that is reserved from cutting; and
  - (f) include such other provisions, consistent with this Licence, as determined by the District Manager.
- 5.11 The District Manager may amend a cutting permit only with the consent of the Licensee.
- 5.12 The Licensee may only make application to the District Manager for a cutting permit extension at least 45 days before the expiry of the cutting permit and in a form acceptable to the District Manager.
- 5.13 A cutting permit is deemed to be part of this Licence.
- 5.14 All cutting permits in effect under the Forest Licence that is replaced by this Licence continue under this Licence for the duration of its respective term.

## 6.00 CONTRACTORS

- 6.01 The Regional Executive Director, in a notice given to the Licensee, may require that a portion of the volume of timber harvested under this Licence during a calendar year be harvested by persons under contract with the Licensee, and, if a notice is given under this paragraph, it is deemed to be part of this Licence.
- 6.02 The Licensee must comply with a notice referred to in paragraph 6.01, unless the Minister relieves the Licensee in whole or in part from the requirements of this paragraph.
- 6.03 Compliance with a notice referred to in paragraph 6.01 will be calculated in accordance with the method prescribed under the *Forest Act* or the regulations made under that Act.
- 6.04 If in a calendar year the volume of timber harvested by persons under contract with the Licensee is less than a volume required in a notice referred to in paragraph 6.01, the Regional Executive Director, in a notice given to the Licensee, may require the Licensee to pay an amount determined in accordance with paragraph 6.05.
- 6.05 For the purpose of determining the amount payable under paragraph 6.04, the Regional Executive Director will multiply:
  - (a) the volume required in the notice, minus the volume harvested during the calendar year by persons under contract; by
  - (b) the average stumpage rate charged for timber in statements or invoices issued during the calendar year in respect of timber harvested under this Licence.

## 7.00 COURT DETERMINED ABORIGINAL RIGHTS AND/OR TITLE

7.01 Notwithstanding any other provision of this Licence, if a court of competent jurisdiction:

- (a) determines that activities or operations under or pursuant to this Licence will unjustifiably infringe an aboriginal right and/or title, or treaty right;
- (b) grants an injunction further to a determination referred to in subparagraph (a); or
- (c) grants an injunction pending a determination of whether activities or operations under or pursuant to this Licence will unjustifiably infringe an aboriginal right and/or title, or treaty right;

the Regional Executive Director or District Manager, in a notice given to the Licensee, may vary or suspend, or refuse to issue a cutting permit or road permit to the Licensee so as to be consistent with the court determination.

7.02 Subject to this Licence, if:

- (a) under paragraph 7.01, the Regional Executive Director or District Manager has varied a cutting permit or road permit issued to the Licensee;
- (b) a court of competent jurisdiction subsequently overturns, sets aside or dissolves the determination or injunction referred to in that paragraph; and
- (c) it is practical to do so;

the Regional Executive Director or District Manager, at the request of the Licensee, will vary the permit to reflect as closely as possible, for the remainder of its term, the terms and conditions of the permit prior to the variation under paragraph 7.01.

7.03 Subject to this Licence, if:

- (a) under paragraph 7.01, the Regional Executive Director or District Manager has suspended a cutting permit or road permit issued to the Licensee;
- (b) a court of competent jurisdiction subsequently overturns, sets aside or dissolves the determination or injunction referred to in that paragraph; and
- (c) it is practical to do so;

the Regional Executive Director or District Manager, at the request of the Licensee, will reinstate the permit for the remainder of its term.

7.04 Subject to this Licence, if:

- (a) under paragraph 7.01, the Regional Executive Director or District Manager has refused to issue to the Licensee a cutting permit or road permit;
  - (b) a court of competent jurisdiction subsequently overturns, sets aside or dissolves the determination or injunction referred to in that paragraph; and
  - (c) it is practical to do so;
- the Regional Executive Director or District Manager, at the request of the Licensee, will issue the permit.

## 8.00 REPORTING

- 8.01 The Regional Executive Director or District Manager, in a notice given to the Licensee by April 1 of any year, may require the Licensee to submit a report containing such information as the Regional Executive Director or District Manager requires regarding the Licensee's performance of its obligations under or in respect of this Licence in the previous calendar year if the information is not included in any other reports which the Licensee must submit under the forestry legislation.
- 8.02 Upon receipt of a notice referred to in paragraph 8.01, the Licensee, on or before the date specified in the notice, must submit a report to the Regional Executive Director or District Manager containing the required information.
- 8.03 Subject to paragraph 8.04, the Regional Executive Director or District Manager may include the information contained in a report submitted under paragraph 8.02 in any reports prepared by the Ministry of Forests, Lands and Natural Resource Operations for public review.
- 8.04 Subject to the *Freedom of Information and Protection of Privacy Act*, the Regional Executive Director or District Manager will not disclose information provided in confidence by the Licensee in a report submitted under paragraph 8.02.

## 9.00 FINANCIAL AND DEPOSITS

- 9.01 In addition to any money payable in respect of this Licence or a road permit, the Licensee must pay to the Province:
  - (a) upon receipt of a notice, statement or invoice issued on behalf of the Province; stumpage under part 7 of the *Forest Act* at rates determined, redetermined and varied under section 105 of that Act in respect of timber removed under a cutting permit or road permit.
- 9.02 In addition to any money payable in respect of this agreement or a road permit, the Licensee must pay to the Province, upon receipt of a notice,

statement or invoice issued on behalf of the Province, waste assessments under part 4 of this Licence calculated in accordance with the Provincial Logging Residue and Waste Measurement Procedures Manual.

- 9.03 During the term of this Licence, the Licensee must maintain with the Province a deposit in the amount prescribed under the *Forest Act* and the regulations made under that Act, in a form acceptable to the Minister, as security for the Licensee's performance of its obligations under or in respect of this Licence or a road permit.
- 9.04 If the Regional Executive Director or District Manager gives the Licensee a notice that an amount has been taken under this part from the deposit, the Licensee, within four weeks of the date on which the notice is given, must pay to the Province, in a form acceptable to the Minister, an amount sufficient to replenish the deposit.
- 9.05 If the Licensee fails:

- (a) to pay money that the Licensee is required to pay to the Province under:
  - (i) this Licence, a road permit associated with this Licence; or
  - (ii) the forestry legislation in respect of this Licence or a road permit associated with this Licence; or
- (b) to otherwise perform its obligations under:
  - (i) this Licence or a road permit associated with this Licence; or
  - (ii) the forestry legislation in respect of this Licence or a road permit associated with this Licence;

the Regional Executive Director or District Manager, after at least four weeks notice to the Licensee, may instruct the Ministry of Finance to take from the deposit:

- (c) an amount equal to the money which the Licensee failed to pay;
- (d) an amount sufficient to cover all costs incurred by the Regional Executive Director or District Manager in remedying the Licensee's failure to perform its obligations; or
- (e) an amount equal to the Regional Executive Director's or District Manager's estimate of the costs which the Regional Executive Director or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations;

and for that purpose a security included in the deposit may be realized.

- 9.06 A notice referred to in paragraph 9.05 must specify:
- (a) the money which the Licensee has failed to pay or the obligation which the Licensee has failed to perform; and

- (b) the amount the Regional Executive Director or District Manager instructs be taken from the deposit.

9.07 Subject to paragraphs 9.09, 9.10 and 9.11, if:

- (a) the Ministry of Finance, under paragraph 9.05, takes from the deposit an amount equal to the Regional Executive Director's or District Manager's estimate of the costs which the Regional Executive Director or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations; and
- (b) the costs incurred by the Regional Executive Director or District Manager in remedying the Licensee's failure to perform its obligations are less than the amount taken from the deposit;

the Province will as soon as feasible return to the Licensee an amount equal to the difference between the amount taken from the deposit and the costs incurred by the Regional Executive Director or District Manager.

9.08 If:

- (a) the Ministry of Finance, under paragraph 9.05, takes from the deposit an amount equal to the Regional Executive Director's or District Manager's estimate of the costs which the Regional Executive Director or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations; and
- (b) the costs incurred by the Regional Executive Director or District Manager in remedying the Licensee's failure to perform its obligations are greater than the amount taken from the deposit;

the Ministry of Finance may take from the deposit an additional amount equal to the difference between the costs incurred by the Regional Executive Director or District Manager and the amount originally taken from the deposit, and for that purpose a security included in the deposit may be realized.

9.09 If the Ministry of Finance, under paragraph 9.05, takes from the deposit an amount equal to the Regional Executive Director's or District Manager's estimate of the costs which the Regional Executive Director or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations, the Regional Executive Director or District Manager is under no obligation to remedy the Licensee's failure.

9.10 If:

- (a) the Ministry of Finance, under paragraph 9.05, takes from the deposit an amount equal to the Regional Executive Director's or District Manager's estimate of the costs which the Regional Executive Director or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations;
- (b) the Regional Executive Director or District Manager does not remedy the Licensee's failure to perform its obligations; and
- (c) the Regional Executive Director or District Manager gives a notice to the Licensee indicating that the Province will not be remedying the Licensee's failure to perform its obligations;

subject to paragraph 9.11, the Province may retain the amount taken from the deposit under paragraph 9.05.

9.11 If, after receiving a notice referred to in paragraph 9.10, the Licensee:

- (a) remedies the failure to perform its obligations; and
- (b) gives a notice to that effect to the Regional Executive Director or District Manager within three months of the date on which the notice referred to in paragraph 9.10 is given to the Licensee, or within such longer period as the Regional Executive Director may approve;

the Province will return to the Licensee an amount equal to the difference between the amount taken from the deposit and any costs incurred by the Regional Executive Director or District Manager in respect of the Licensee's failure to perform its obligations.

9.12 Subject to the *Forest Act* and the regulations made under that Act, the Province will return to the Licensee the deposit, less deductions made under paragraphs 9.05 and 9.08, when:

- (a) this Licence expires, or is surrendered; and
- (b) the Regional Executive Director is satisfied that the Licensee has fulfilled its obligations under this Licence.

## 10.00 REPRESENTATIONS

10.01 The Licensee represents and warrants to the Regional Executive Director that:

- (a) it has the ability to undertake and complete its obligations under the Licence; and
- (b) The licensee, excluding those holding the licence in their individual capacity or as a First Nation recorded in Indigenous and Northern Affairs Canada Registration System, must be registered to do business under the *Business Corporations Act*, and the

licensee maintain such registration in good standing throughout the term of the licence; and

- (c) has the ability to carry out its obligations in a manner that is in material compliance with applicable safety and environmental laws and regulations; and
  - (d) there is no legal reason why it cannot enter into the Licence.
- 10.02 All representations and warranties made in paragraph 10.01 are material and will conclusively be deemed to have been relied upon by the Crown, notwithstanding any prior or subsequent investigations by the Crown.

## 11.00 LIABILITY AND INDEMNITY

- 11.01 The Licensee must indemnify the Province against and save it harmless from all claims, demands, suits, actions, causes of action, costs, expenses and losses faced, incurred or suffered by the Province as a result, directly or indirectly, of any act or omission of:
- (a) the Licensee;
  - (b) an employee or agent of the Licensee;
  - (c) a contractor of the Licensee who engages in any activity or carries out any operation under or associated with this Licence or a road permit; or
  - (d) any other person who on behalf of or with the consent of the Licensee engages in any activity or carries out any operation under or associated with this Licence or a road permit.
- 11.02 For greater certainty, the Licensee has no obligation to indemnify the Province under paragraph 11.01 in respect of any act or omission of:
- (a) an employee, agent or contractor of the Province, in the course of carrying out his or her duties as employee; agent or contractor of the Province; or
  - (b) a person, other than the Licensee, to whom the Province has granted the right to use or occupy Crown land, in the course of exercising those rights.
- 11.03 Amounts taken under part 9.00 from the deposit and, any payments required under parts 4.00 or 9.00 and reductions in the allowable annual cut made under the *Forest Act* and regulations are in addition to and not in substitution for any other remedies available to the Province in respect of a default of the Licensee.

- 11.04 The Province is not liable to the Licensee for injuries, losses, expenses, or costs incurred or suffered by the Licensee as a result, directly or indirectly, of an act or omission of a person who is not a party to this Licence, including but not restricted to an act or omission of a person disrupting, stopping or otherwise interfering with the Licensee's operations under this Licence by road blocks or other means.

## 12.00 TERMINATION

- 12.01 If this Licence expires and is not replaced under section 15 of the *Forest Act*, or is surrendered, cancelled or otherwise terminated:
- (a) all cutting permits will immediately terminate;
  - (b) timber, including logs and special forest products, cut under the authority of this Licence and which are still located on Crown land, vest in the Crown, without right of compensation to the Licensee;
  - (c) unless otherwise agreed to between the District Manager and the Licensee prior to the surrender, cancellation or termination of this Licence, title to all improvements, including roads and bridges, constructed by the Licensee on Crown land under the authority of this Licence vest in the Crown, without right of compensation to the Licensee; and
  - (d) subject to subparagraph (b) and (c), the Licensee may continue to enter and use Crown lands for a period of one month after the expiry or termination of this Licence for the purpose of removing the Licensee's property.
- 12.02 The Licensee will not take away any improvements or remove any timber referred to in subparagraph 12.01 (b), unless authorized to do so by the Regional Executive Director .
- 12.03 If the Licensee commits an act of bankruptcy, makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency, the Licensee is deemed to have failed to perform an obligation under this Licence.

## 13.00 WAIVER

- 13.01 No waiver by the Crown of any default non-compliance by the Licensee in the strict and literal performance of or compliance with any provision of the Licence will be deemed to be a waiver of the strict and literal performance of or compliance with any other provision, condition or requirement of the Licence or to be a waiver of, or in any manner release the Licensee from compliance with any provision, condition or requirement in the future, nor will any delay or omission by the Crown in



the exercising of any right hereunder in any manner with respect to non-compliance impair the exercise of any such rights in the future.

#### 14.00 NOTICE

- 14.01 A notice given under this Licence must be in writing.
- 14.02 A notice given under this Licence may be:
- (a) delivered by hand,
  - (b) sent by mail,
  - (c) email address, or
  - (d) subject to paragraph 14.05, sent by facsimile transmission, to the address, email address or facsimile number, as applicable, specified on the first page of this Licence, or to such other address, email address or facsimile number as is specified in a notice given in accordance with this part.
- 14.03 If a notice is given under this Licence, it is deemed to have been given:
- (a) if it is given in accordance with subparagraph 14.02 (a) on the date it is delivered by hand;
  - (b) if it is given in accordance with subparagraph 14.02 (b), subject to paragraph 14.04, on the eighth day after its deposit in a Canada Post Office at any place in Canada; and
  - (c) if it is given in accordance with subparagraph 14.02 (c), subject to paragraph 14.05, on the date it is sent by email;
  - (d) if it is given in accordance with subparagraph 14.02 (d), subject to paragraph 14.05, on the date it is sent by facsimile transmission.
- 14.04 If, between the time a notice is mailed in accordance with subparagraph 14.02 (b) and the time it is actually received, there occurs a postal strike, lockout or slowdown that might reasonably affect delivery of the notice, the notice is not deemed to be given until the party actually receives it.
- 14.05 If a notice is sent by email or facsimile transmission, the party sending the notice must take reasonable steps to ensure that the transmission has been successfully completed.
- 14.06 Either party may, from time to time, advise the other party by notice in writing, of any change of address, email address or facsimile number of the party giving such notice and, from and after the giving of such notice, the address, email address or facsimile number specified will, for purposes of this Licence, be considered to be the address, email address or facsimile number of the party giving such notice.

## 15.00 MISCELLANEOUS

- 15.01 This Licence will inure to the benefit of, and be binding on, the parties and its respective heirs, executors, successors and permitted assigns.
- 15.02 The laws of British Columbia will govern the interpretation of this Licence and the performance of the Licensees' obligations under this Licence.
- 15.03 Any power conferred or duty imposed on the Regional Executive Director under this Licence may be exercised or fulfilled by a person authorized to do so by the Regional Executive Director.
- 15.04 The Schedules, if any, attached to this Licence are deemed to be part of this Licence.
- 15.05 Nothing in this Licence authorizes the Licensee to in any way restrict the Province's right of access to the areas defined in a cutting permit or a road permit or the right of any other authorized entrant, user or occupier of these areas.
- 15.06 The Licensee must ensure that its employees, agents and contractors comply with the forestry legislation when engaging in or carrying out activities or operations under or associated with the Licence.
- 15.07 This document contains the entire agreement and no additional terms are to be implied.

## 16.00 INTERPRETATION & DEFINITIONS

- 16.01 This Licence is divided into parts, paragraphs, subparagraphs, clauses and subclauses, illustrated as follows:

- 1.00 part;
  - 1.01 paragraph;
    - (a) subparagraph;
      - (i) clause;
        - (A) subclause;

and a reference to a subparagraph, clause or subclause is to be construed as a reference to a subparagraph, clause or subclause of the paragraph, subparagraph or clause, as the case may be, in which the reference occurs.

- 16.02 In this Licence, unless the context otherwise requires:

“aboriginal interest” means a potential aboriginal right and/or aboriginal title that has not been proven through a court process;

“allowable annual cut” (AAC) means the allowable annual cut referred to in paragraph 1.02;

“Appraisal Manual” means the policies and procedures approved by the Minister from time to time under section 105 of the *Forest Act* for the forest region in which the timber supply area is located;

“cutting permit” means a cutting permit, as amended, issued under this Licence or an amendment for a cutting permit as the context requires;

“District Manager” means:

- (a) a District Manager appointed under the *Ministry of Forests and Range Act*, for a forest district in which all or part of the timber supply area is situated; and
- (b) any person authorized by the District Manager to exercise a power or fulfill a duty under this Licence;

“*Forest Act*” means the *Forest Act*, R.S.B.C. 1996, c. 157, as amended from time to time, or the successor to this Act if it is repealed;

“*Forest and Range Practices Act*” means the *Forest and Range Practices Act*, S.B.C. 2002, c. 69 as amended from time to time, or the successor to this Act, if it is repealed;

“forestry legislation” includes, but is not restricted to:

- (a) the *Forest Act*;
- (b) the *Forest Practices Code of British Columbia Act*;
- (c) the *Forest and Range Practices Act*;
- (d) the *Wildfire Act* R.S.B.C. 2004 c.31;

and the regulations under those Acts as amended from time to time;

“*Forest Practices Code of British Columbia Act*” means the *Forest Practices Code of British Columbia Act*, R.S.B.C. 1996, c. 159, as amended from time to time, or the successor to this Act, if it is repealed;

“forest stewardship plan” means a forest stewardship plan referred to in the *Forest and Range Practices Act*, that is prepared or approved by the Minister in respect of the Licence;

“harvest” means:

- (a) cut;
- (b) remove;
- (c) cut and remove;

“merchantable timber” as the same meaning as described in the Provincial Logging Residue and Waste Measurements Procedures Manual, as amended or replaced from time to time;

“Minister” means the Minister responsible for administering the *Forest Act*;

"person" includes a corporation and a partnership;

"Regional Executive Director" means a person appointed under the Public Service Act and delegated by the minister under section 1.1 (1) (a) or 1.1 (3) of the *Forest Act* to act in his or her capacity under section 15 of the *Forest Act*.

"road permit" means a road permit granted to the Licensee under the *Forest Act*; and

"timber supply area" means the timber supply area identified in paragraph 1.02;

- 16.03 Unless otherwise provided in paragraph 16.02, if a word or phrase used in this Licence is defined in the *Forest Act*, the *Forest and Range Practices Act* or the *Forest Practices Code of British Columbia Act*, the definition in the Act applies to this Licence, and where the word or phrase in the Act is replaced by a new word or phrase, this Licence is deemed to have been amended accordingly.
- 16.04 If a provision of the *Forest Act* or the *Forest Practices Code of British Columbia Act* or the *Forest and Range Practices Act* referred to in this Licence is renumbered, the reference in this Licence is to be construed as a reference to the provision as renumbered.
- 16.05 In this Licence, unless the context otherwise requires:
- (a) the singular includes the plural and the plural includes the singular; and
  - (b) the masculine, the feminine and the neuter are interchangeable.





This is Exhibit "F" referred to in the affidavit of Jacques Bousquet sworn before me on 7 day of March, 2024.



**FOREST LICENCE  
A16885**

Ministry of  
Forests, Lands and  
Natural Resource Operations

A Commissioner for taking Affidavits  
within British Columbia

THIS LICENCE, dated for reference **May 23, 2017**.

**BETWEEN:**

HER MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the  
REGIONAL EXECUTIVE DIRECTOR, MINISTRY OF FORESTS,  
LANDS AND NATURAL RESOURCE OPERATIONS  
3726 ALFRED AVENUE  
SMITHERS, BRITISH COLUMBIA  
V0J 2N0  
Phone: (250) 847-7260 Fax: (250) 847-7347  
(the "Regional Executive Director")

AND: SKEENA SAWMILLS LTD  
BOX 780  
TERRACE, BRITISH COLUMBIA  
V8G 4R1  
Phone: (250) 635-6336 Fax: (250) 635-4335  
(the "Licensee")

**WHEREAS:**

- A. The Regional Executive Director offered the Licensee a replacement for Forest Licence No. A16885, with a term beginning November 5, 2017, pursuant to section 15 of the *Forest Act*.
- B. The Licensee accepted the replacement offer.
- C. The parties have entered into this Licence pursuant to section 15 of the *Forest Act* (Replacement).

"The Table of Contents and headings in this Licence are included for convenience only and do not form a part of this Licence and in no way define, limit, alter or enlarge the scope or meaning of any provision of this Licence."

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THE PARTIES agree as follows:

## 1.00 GRANT OF RIGHTS AND TERM

- 1.01 The term of this Licence is 15 years beginning November 5, 2017.
- 1.02 Subject to this Licence, the Licensee:
  - (a) may harvest an allowable annual cut of 26 112 cubic metres per year of Crown timber during the term of this Licence from areas of Crown land within the Kalum Timber Supply Area which are specified in Cutting Permits and Road Permits associated with this Licence;
  - (b) has the right to enter and use Crown land within the Kalum Timber Supply Area to exercise rights and fulfil obligations under this Licence.
- 1.03 This Licence is replaceable under section 15 of the *Forest Act*.

## 2.00 OTHER CONDITIONS AND REQUIREMENTS

- 2.01 The Licensee must not harvest timber if the timber is specified as reserved timber in a cutting permit, or under an applicable operational plan.
- 2.02 The Regional Executive Director or District Manager, in a notice given to the Licensee, may advise the Licensee that after the date specified in the notice the Licensee may only submit applications for cutting permits for areas of Crown land meeting the requirements set out in the notice.
- 2.03 The requirements referred to in paragraph 2.02 must in the opinion of the Regional Executive Director, be consistent with the rationale employed by the Chief Forester in making the most recent determination of the allowable annual cut for the timber supply area which may restrict the areas of land for which the Licensee may submit applications for cutting permits to any or all of the following:
  - (a) a part of the timber supply area;
  - (b) a type of terrain within the timber supply area; and
  - (c) a type of timber within the timber supply area.
- 2.04 Before giving notice under paragraph 2.02, the Regional Executive Director will consult with the Licensee and will consider its comments.

## 3.00 TIMBER VOLUME CHARGED TO THE LICENCE

- 3.01 The definition of the volume of timber harvested in part 4, division 3.1 of the *Forest Act* applies to this Licence.



- 3.02 The determination of the volume of timber harvested will incorporate the volume of waste determined under part 4.00.
- 3.03 The Interior Timber Merchantability Specifications in the Provincial Logging Residue and Waste Measurement Procedures Manual that was in effect on the date of issuance of the cutting permit or road permit shall govern.

#### **4.00 WASTE ASSESSMENTS FOR MERCHANTABLE TIMBER**

- 4.01 The Licensee must conduct a waste assessment of the volume of merchantable timber, whether standing or felled, that was authorized to be cut and removed under the Licence or associated Road Permits but, at the Licensee's discretion, was not cut and removed.
- 4.02 A waste assessment conducted under paragraph 4.01 must be in accordance with the Provincial Logging Residue and Waste Measurement Procedures Manual, as amended or replaced from time to time.
- 4.03 If the Licensee fails to comply with paragraph 4.01 the District Manager may, after the expiry of the term of a cutting permit, associated Road Permits or Licence, conduct a waste assessment of the volume of merchantable timber that could have been cut and removed under the Licence but, at the Licensee's discretion, is not cut and removed.
- 4.04 A waste assessment conducted under paragraph 4.03 must be in accordance with the Provincial Logging Residue and Waste Measurement Procedures Manual, as amended or replaced from time to time.
- 4.05 If the District Manager carries out a waste assessment under paragraph 4.03, the District Manager, in a notice given to the Licensee, may require the Licensee to pay the costs incurred by the District Manager in carrying out the assessment.

#### **5.00 CUTTING PERMITS**

- 5.01 Subject to paragraph 5.02, the Licensee may submit an application to the District Manager for a cutting permit or for an amendment to a cutting permit, meeting the requirements referred to in parts 1.00 and 2.00 and the Appraisal Manual in effect on the date of submission of the application for a cutting permit, an application to amend a cutting permit, or a road permit, to authorize the Licensee to operate upon one or more proximate areas of Crown land, that are:
  - (a) exempted under the *Forest and Range Practices Act* from the requirement for a forest stewardship plan; or
  - (b) located within a forest development unit of an approved forest stewardship plan.

- 5.02 For those areas to be included in the application under paragraph 5.01, the Licensee must ensure that cruise and appraisal data submitted is gathered and compiled according to that Appraisal Manual.
- 5.03 An application under paragraph 5.01 must:
- (a) be in a form established by the District Manager;
  - (b) state a proposed term that does not exceed four years;
  - (c) include:
    - (i) a map to a scale acceptable to the District Manager showing the areas referred to in the application; and
    - (ii) the cruise data and appraisal data referred to in paragraph 5.02; and
    - (iii) a description acceptable to the District Manager of any timber that is reserved from cutting.
- 5.04 The areas of land shown on the map referred to in clause 5.03 (c) (i) must be:
- (a) the areas referred to in subparagraph 5.01 (a); or
  - (b) located within a forest development unit referred to in subparagraph 5.01 (b);
- allowing for any difference in scale between maps used in the forest stewardship plan, or exemption and the map referred to in clause 5.03 (c) (i).
- 5.05 Subject to paragraphs 5.06 through 5.09 inclusive and 5.04, upon receipt of an application under paragraph 5.01, the District Manager will issue a cutting permit to the Licensee if the District Manager is satisfied that:
- (a) the requirements of paragraphs 5.01, 5.02, 5.03, and 5.04 have been met; and
  - (b) the areas of land referred to in the application for the cutting permit meet the requirements referred to in part 2.00.
- 5.06 The District Manager may consult aboriginal group(s) who may be exercising or claiming to hold an aboriginal interest(s) or proven aboriginal right(s), including aboriginal title, or treaty right(s) if in the opinion of the District Manager, issuance of the cutting permit or an amendment to a cutting permit as submitted and/or operations under the cutting permit may result in:
- (a) an impact to an aboriginal interest(s) that may require consideration of accommodation; or
  - (b) an infringement of a proven aboriginal right(s), including aboriginal title, or treaty right(s) that may require justification.

- 5.07 The District Manager may impose conditions in a cutting permit to address an aboriginal interest(s), or proven aboriginal right, including aboriginal title, or a treaty right(s) if in the opinion of the District Manager, issuance of the cutting permit as submitted would result in:
- (a) an impact to an aboriginal interest(s) that would require consideration of accommodation; or
  - (b) an infringement of a proven aboriginal right(s), including aboriginal title, or treaty right(s) that would require justification.
- 5.08 The District Manager may refuse to issue a cutting permit or to amend a cutting permit if in the opinion of the District Manager issuance of the cutting permit or an amendment to a cutting permit would result in:
- (a) an impact to an aboriginal interest(s) or treaty right(s) that could not be reasonably accommodated; or
  - (b) an impact to a proven aboriginal right(s), including aboriginal title, or a treaty right(s) that could not be justified.
- 5.09 If the District Manager:
- (a) determines that a cutting permit may not be issued because the requirements of paragraph 5.05 have not been met;
  - (b) is carrying out consultations under paragraph 5.06; or
  - (c) refuses to issue a cutting permit under paragraph 5.08;
- the District Manager will notify the Licensee within 45 days of the date on which the application for the cutting permit, or an amendment to the cutting permit, was received.
- 5.10 A cutting permit must:
- (a) identify the boundaries of the areas of Crown land which, subject to this Licence, the Licensee is authorized to conduct operations;
  - (b) specify the term stated in the application;
  - (c) specify a timber mark to be used in conjunction with the timber removal carried on under the cutting permit;
  - (d) specify whether, for the purpose of determining the amount of stumpage payable in respect of timber removed under the cutting permit, the volume and quantity of timber is to be determined using information provided by:
    - (i) a scale of the timber; or
    - (ii) a cruise of the timber conducted before the timber is cut;
  - (e) specify any timber that is reserved from cutting; and
  - (f) include such other provisions, consistent with this Licence, as determined by the District Manager.

- 5.11 The District Manager may amend a cutting permit only with the consent of the Licensee.
- 5.12 The Licensee may only make application to the District Manager for a cutting permit extension at least 45 days before the expiry of the cutting permit and in a form acceptable to the District Manager.
- 5.13 A cutting permit is deemed to be part of this Licence.
- 5.14 All cutting permits in effect under the Forest Licence that is replaced by this Licence continue under this Licence for the duration of its respective term.

## 6.00 CONTRACTORS

- 6.01 The Regional Executive Director, in a notice given to the Licensee, may require that a portion of the volume of timber harvested under this Licence during a calendar year be harvested by persons under contract with the Licensee, and, if a notice is given under this paragraph, it is deemed to be part of this Licence.
- 6.02 The Licensee must comply with a notice referred to in paragraph 6.01, unless the Minister relieves the Licensee in whole or in part from the requirements of this paragraph.
- 6.03 Compliance with a notice referred to in paragraph 6.01 will be calculated in accordance with the method prescribed under the *Forest Act* or the regulations made under that Act.
- 6.04 If in a calendar year the volume of timber harvested by persons under contract with the Licensee is less than a volume required in a notice referred to in paragraph 6.01, the Regional Executive Director, in a notice given to the Licensee, may require the Licensee to pay an amount determined in accordance with paragraph 6.05.
- 6.05 For the purpose of determining the amount payable under paragraph 6.04, the Regional Executive Director will multiply:
  - (a) the volume required in the notice, minus the volume harvested during the calendar year by persons under contract; by
  - (b) the average stumpage rate charged for timber in statements or invoices issued during the calendar year in respect of timber harvested under this Licence.

## 7.00 COURT DETERMINED ABORIGINAL RIGHTS AND/OR TITLE

- 7.01 Notwithstanding any other provision of this Licence, if a court of competent jurisdiction:
  - (a) determines that activities or operations under or pursuant to this Licence will unjustifiably infringe an aboriginal right and/or title, or treaty right;

- (b) grants an injunction further to a determination referred to in subparagraph (a); or
- (c) grants an injunction pending a determination of whether activities or operations under or pursuant to this Licence will unjustifiably infringe an aboriginal right and/or title, or treaty right;

the Regional Executive Director or District Manager, in a notice given to the Licensee, may vary or suspend, or refuse to issue a cutting permit or road permit to the Licensee so as to be consistent with the court determination.

7.02 Subject to this Licence, if:

- (a) under paragraph 7.01, the Regional Executive Director or District Manager has varied a cutting permit or road permit issued to the Licensee;
- (b) a court of competent jurisdiction subsequently overturns, sets aside or dissolves the determination or injunction referred to in that paragraph; and
- (c) it is practical to do so;

the Regional Executive Director or District Manager, at the request of the Licensee, will vary the permit to reflect as closely as possible, for the remainder of its term, the terms and conditions of the permit prior to the variation under paragraph 7.01.

7.03 Subject to this Licence, if:

- (a) under paragraph 7.01, the Regional Executive Director or District Manager has suspended a cutting permit or road permit issued to the Licensee;
- (b) a court of competent jurisdiction subsequently overturns, sets aside or dissolves the determination or injunction referred to in that paragraph; and
- (c) it is practical to do so;

the Regional Executive Director or District Manager, at the request of the Licensee, will reinstate the permit for the remainder of its term.

7.04 Subject to this Licence, if:

- (a) under paragraph 7.01, the Regional Executive Director or District Manager has refused to issue to the Licensee a cutting permit or road permit;
- (b) a court of competent jurisdiction subsequently overturns, sets aside or dissolves the determination or injunction referred to in that paragraph; and
- (c) it is practical to do so;

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the Regional Executive Director or District Manager, at the request of the Licensee, will issue the permit.

## **8.00 REPORTING**

- 8.01 The Regional Executive Director or District Manager, in a notice given to the Licensee by April 1 of any year, may require the Licensee to submit a report containing such information as the Regional Executive Director or District Manager requires regarding the Licensee's performance of its obligations under or in respect of this Licence in the previous calendar year if the information is not included in any other reports which the Licensee must submit under the forestry legislation.
- 8.02 Upon receipt of a notice referred to in paragraph 8.01, the Licensee, on or before the date specified in the notice, must submit a report to the Regional Executive Director or District Manager containing the required information.
- 8.03 Subject to paragraph 8.04, the Regional Executive Director or District Manager may include the information contained in a report submitted under paragraph 8.02 in any reports prepared by the Ministry of Forests, Lands and Natural Resource Operations for public review.
- 8.04 Subject to the *Freedom of Information and Protection of Privacy Act*, the Regional Executive Director or District Manager will not disclose information provided in confidence by the Licensee in a report submitted under paragraph 8.02.

## **9.00 FINANCIAL AND DEPOSITS**

- 9.01 In addition to any money payable in respect of this Licence or a road permit, the Licensee must pay to the Province:
  - (a) upon receipt of a notice, statement or invoice issued on behalf of the Province; stumpage under part 7 of the *Forest Act* at rates determined, redetermined and varied under section 105 of that Act in respect of timber removed under a cutting permit or road permit.
- 9.02 In addition to any money payable in respect of this agreement or a road permit, the Licensee must pay to the Province, upon receipt of a notice, statement or invoice issued on behalf of the Province, waste assessments under part 4 of this Licence calculated in accordance with the Provincial Logging Residue and Waste Measurement Procedures Manual.
- 9.03 During the term of this Licence, the Licensee must maintain with the Province a deposit in the amount prescribed under the *Forest Act* and the regulations made under that Act, in a form acceptable to the Minister, as security for the Licensee's performance of its obligations under or in respect of this Licence or a road permit.

9.04 If the Regional Executive Director or District Manager gives the Licensee a notice that an amount has been taken under this part from the deposit, the Licensee, within four weeks of the date on which the notice is given, must pay to the Province, in a form acceptable to the Minister, an amount sufficient to replenish the deposit.

9.05 If the Licensee fails:

- (a) to pay money that the Licensee is required to pay to the Province under:
  - (i) this Licence, a road permit associated with this Licence; or
  - (ii) the forestry legislation in respect of this Licence or a road permit associated with this Licence; or
- (b) to otherwise perform its obligations under:
  - (i) this Licence or a road permit associated with this Licence; or
  - (ii) the forestry legislation in respect of this Licence or a road permit associated with this Licence;

the Regional Executive Director or District Manager, after at least four weeks notice to the Licensee, may instruct the Ministry of Finance to take from the deposit:

- (c) an amount equal to the money which the Licensee failed to pay;
- (d) an amount sufficient to cover all costs incurred by the Regional Executive Director or District Manager in remedying the Licensee's failure to perform its obligations; or
- (e) an amount equal to the Regional Executive Director's or District Manager's estimate of the costs which the Regional Executive Director or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations;

and for that purpose a security included in the deposit may be realized.

9.06 A notice referred to in paragraph 9.05 must specify:

- (a) the money which the Licensee has failed to pay or the obligation which the Licensee has failed to perform; and
- (b) the amount the Regional Executive Director or District Manager instructs be taken from the deposit.

9.07 Subject to paragraphs 9.09, 9.10 and 9.11, if:

- (a) the Ministry of Finance, under paragraph 9.05, takes from the deposit an amount equal to the Regional Executive Director's or District Manager's estimate of the costs which the Regional Executive Director or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations; and
- (b) the costs incurred by the Regional Executive Director or District Manager in remedying the Licensee's failure to perform its obligations are less than the amount taken from the deposit;

the Province will as soon as feasible return to the Licensee an amount equal to the difference between the amount taken from the deposit and the costs incurred by the Regional Executive Director or District Manager.

9.08 If:

- (a) the Ministry of Finance, under paragraph 9.05, takes from the deposit an amount equal to the Regional Executive Director's or District Manager's estimate of the costs which the Regional Executive Director or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations; and
- (b) the costs incurred by the Regional Executive Director or District Manager in remedying the Licensee's failure to perform its obligations are greater than the amount taken from the deposit;

the Ministry of Finance may take from the deposit an additional amount equal to the difference between the costs incurred by the Regional Executive Director or District Manager and the amount originally taken from the deposit, and for that purpose a security included in the deposit may be realized.

9.09 If the Ministry of Finance, under paragraph 9.05, takes from the deposit an amount equal to the Regional Executive Director's or District Manager's estimate of the costs which the Regional Executive Director or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations, the Regional Executive Director or District Manager is under no obligation to remedy the Licensee's failure.

9.10 If:

- (a) the Ministry of Finance, under paragraph 9.05, takes from the deposit an amount equal to the Regional Executive Director's or District Manager's estimate of the costs which the Regional Executive Director or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations;
- (b) the Regional Executive Director or District Manager does not remedy the Licensee's failure to perform its obligations; and



- (c) the Regional Executive Director or District Manager gives a notice to the Licensee indicating that the Province will not be remedying the Licensee's failure to perform its obligations;

subject to paragraph 9.11, the Province may retain the amount taken from the deposit under paragraph 9.05.

- 9.11 If, after receiving a notice referred to in paragraph 9.10, the Licensee:
- (a) remedies the failure to perform its obligations; and
  - (b) gives a notice to that effect to the Regional Executive Director or District Manager within three months of the date on which the notice referred to in paragraph 9.10 is given to the Licensee, or within such longer period as the Regional Executive Director may approve;

the Province will return to the Licensee an amount equal to the difference between the amount taken from the deposit and any costs incurred by the Regional Executive Director or District Manager in respect of the Licensee's failure to perform its obligations.

- 9.12 Subject to the *Forest Act* and the regulations made under that Act, the Province will return to the Licensee the deposit, less deductions made under paragraphs 9.05 and 9.08, when:
- (a) this Licence expires, or is surrendered; and
  - (b) the Regional Executive Director is satisfied that the Licensee has fulfilled its obligations under this Licence.

## 10.00 REPRESENTATIONS

- 10.01 The Licensee represents and warrants to the Regional Executive Director that:
- (a) it has the ability to undertake and complete its obligations under the Licence; and
  - (b) The licensee, excluding those holding the licence in their individual capacity or as a First Nation recorded in Indigenous and Northern Affairs Canada Registration System, must be registered to do business under the *Business Corporations Act*, and the licensee maintain such registration in good standing throughout the term of the licence; and
  - (c) has the ability to carry out its obligations in a manner that is in material compliance with applicable safety and environmental laws and regulations; and
  - (d) there is no legal reason why it cannot enter into the Licence.

- 10.02 All representations and warranties made in paragraph 10.01 are material and will conclusively be deemed to have been relied upon by the Crown, notwithstanding any prior or subsequent investigations by the Crown.

## 11.00 LIABILITY AND INDEMNITY

- 11.01 The Licensee must indemnify the Province against and save it harmless from all claims, demands, suits, actions, causes of action, costs, expenses and losses faced, incurred or suffered by the Province as a result, directly or indirectly, of any act or omission of:
- (a) the Licensee;
  - (b) an employee or agent of the Licensee;
  - (c) a contractor of the Licensee who engages in any activity or carries out any operation under or associated with this Licence or a road permit; or
  - (d) any other person who on behalf of or with the consent of the Licensee engages in any activity or carries out any operation under or associated with this Licence or a road permit.
- 11.02 For greater certainty, the Licensee has no obligation to indemnify the Province under paragraph 11.01 in respect of any act or omission of:
- (a) an employee, agent or contractor of the Province, in the course of carrying out his or her duties as employee; agent or contractor of the Province; or
  - (b) a person, other than the Licensee, to whom the Province has granted the right to use or occupy Crown land, in the course of exercising those rights.
- 11.03 Amounts taken under part 9.00 from the deposit and, any payments required under parts 4.00 or 9.00 and reductions in the allowable annual cut made under the *Forest Act* and regulations are in addition to and not in substitution for any other remedies available to the Province in respect of a default of the Licensee.
- 11.04 The Province is not liable to the Licensee for injuries, losses, expenses, or costs incurred or suffered by the Licensee as a result, directly or indirectly, of an act or omission of a person who is not a party to this Licence, including but not restricted to an act or omission of a person disrupting, stopping or otherwise interfering with the Licensee's operations under this Licence by road blocks or other means.

## 12.00 TERMINATION

- 12.01 If this Licence expires and is not replaced under section 15 of the *Forest Act*, or is surrendered, cancelled or otherwise terminated:

- (a) all cutting permits will immediately terminate;
  - (b) timber, including logs and special forest products, cut under the authority of this Licence and which are still located on Crown land, vest in the Crown, without right of compensation to the Licensee;
  - (c) unless otherwise agreed to between the District Manager and the Licensee prior to the surrender, cancellation or termination of this Licence, title to all improvements, including roads and bridges, constructed by the Licensee on Crown land under the authority of this Licence vest in the Crown, without right of compensation to the Licensee; and
  - (d) subject to subparagraph (b) and (c), the Licensee may continue to enter and use Crown lands for a period of one month after the expiry or termination of this Licence for the purpose of removing the Licensee's property.
- 12.02 The Licensee will not take away any improvements or remove any timber referred to in subparagraph 12.01 (b), unless authorized to do so by the Regional Executive Director .
- 12.03 If the Licensee commits an act of bankruptcy, makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency, the Licensee is deemed to have failed to perform an obligation under this Licence.

### **13.00 WAIVER**

- 13.01 No waiver by the Crown of any default non-compliance by the Licensee in the strict and literal performance of or compliance with any provision of the Licence will be deemed to be a waiver of the strict and literal performance of or compliance with any other provision, condition or requirement of the Licence or to be a waiver of, or in any manner release the Licensee from compliance with any provision, condition or requirement in the future, nor will any delay or omission by the Crown in the exercising of any right hereunder in any manner with respect to non-compliance impair the exercise of any such rights in the future.

### **14.00 NOTICE**

- 14.01 A notice given under this Licence must be in writing.
- 14.02 A notice given under this Licence may be:
- (a) delivered by hand,
  - (b) sent by mail,
  - (c) email address, or

(d) subject to paragraph 14.05, sent by facsimile transmission, to the address, email address or facsimile number, as applicable, specified on the first page of this Licence, or to such other address, email address or facsimile number as is specified in a notice given in accordance with this part.

14.03 If a notice is given under this Licence, it is deemed to have been given:

- (a) if it is given in accordance with subparagraph 14.02 (a) on the date it is delivered by hand;
- (b) if it is given in accordance with subparagraph 14.02 (b), subject to paragraph 14.04, on the eighth day after its deposit in a Canada Post Office at any place in Canada; and
- (c) if it is given in accordance with subparagraph 14.02 (c), subject to paragraph 14.05, on the date it is sent by email;
- (d) if it is given in accordance with subparagraph 14.02 (d), subject to paragraph 14.05, on the date it is sent by facsimile transmission.

14.04 If, between the time a notice is mailed in accordance with subparagraph 14.02 (b) and the time it is actually received, there occurs a postal strike, lockout or slowdown that might reasonably affect delivery of the notice, the notice is not deemed to be given until the party actually receives it.

14.05 If a notice is sent by email or facsimile transmission, the party sending the notice must take reasonable steps to ensure that the transmission has been successfully completed.

14.06 Either party may, from time to time, advise the other party by notice in writing, of any change of address, email address or facsimile number of the party giving such notice and, from and after the giving of such notice, the address, email address or facsimile number specified will, for purposes of this Licence, be considered to be the address, email address or facsimile number of the party giving such notice.

## 15.00 MISCELLANEOUS

15.01 This Licence will inure to the benefit of, and be binding on, the parties and its respective heirs, executors, successors and permitted assigns.

15.02 The laws of British Columbia will govern the interpretation of this Licence and the performance of the Licensees' obligations under this Licence.

15.03 Any power conferred or duty imposed on the Regional Executive Director under this Licence may be exercised or fulfilled by a person authorized to do so by the Regional Executive Director.

- 15.04 The Schedules, if any, attached to this Licence are deemed to be part of this Licence.
- 15.05 Nothing in this Licence authorizes the Licensee to in any way restrict the Province's right of access to the areas defined in a cutting permit or a road permit or the right of any other authorized entrant, user or occupier of these areas.
- 15.06 The Licensee must ensure that its employees, agents and contractors comply with the forestry legislation when engaging in or carrying out activities or operations under or associated with the Licence.
- 15.07 This document contains the entire agreement and no additional terms are to be implied.

## 16.00 INTERPRETATION & DEFINITIONS

- 16.01 This Licence is divided into parts, paragraphs, subparagraphs, clauses and subclauses, illustrated as follows:

1.00 part;

1.01 paragraph;

(a) subparagraph;

(i) clause;

(A) subclause;

and a reference to a subparagraph, clause or subclause is to be construed as a reference to a subparagraph, clause or subclause of the paragraph, subparagraph or clause, as the case may be, in which the reference occurs.

- 16.02 In this Licence, unless the context otherwise requires:

“aboriginal interest” means a potential aboriginal right and/or aboriginal title that has not been proven through a court process;

“allowable annual cut” (AAC) means the allowable annual cut referred to in paragraph 1.02;

“Appraisal Manual” means the policies and procedures approved by the Minister from time to time under section 105 of the *Forest Act* for the forest region in which the timber supply area is located;

“cutting permit” means a cutting permit, as amended, issued under this Licence or an amendment for a cutting permit as the context requires;

“District Manager” means:

- (a) a District Manager appointed under the *Ministry of Forests and Range Act*, for a forest district in which all or part of the timber supply area is situated; and
- (b) any person authorized by the District Manager to exercise a power or fulfill a duty under this Licence;

"*Forest Act*" means the *Forest Act*, R.S.B.C. 1996, c. 157, as amended from time to time, or the successor to this Act if it is repealed;

"*Forest and Range Practices Act*" means the *Forest and Range Practices Act*, S.B.C. 2002, c. 69 as amended from time to time, or the successor to this Act, if it is repealed;

"forestry legislation" includes, but is not restricted to:

- (a) the *Forest Act*;
- (b) the *Forest Practices Code of British Columbia Act*;
- (c) the *Forest and Range Practices Act*;
- (d) the *Wildfire Act* R.S.B.C. 2004 c.31;

and the regulations under those Acts as amended from time to time;

"*Forest Practices Code of British Columbia Act*" means the *Forest Practices Code of British Columbia Act*, R.S.B.C. 1996, c. 159, as amended from time to time, or the successor to this Act, if it is repealed;

"forest stewardship plan" means a forest stewardship plan referred to in the *Forest and Range Practices Act*, that is prepared or approved by the Minister in respect of the Licence;

"harvest" means:

- (a) cut;
- (b) remove;
- (c) cut and remove;

"merchantable timber" as the same meaning as described in the Provincial Logging Residue and Waste Measurements Procedures Manual, as amended or replaced from time to time;

"Minister" means the Minister responsible for administering the *Forest Act*;

"person" includes a corporation and a partnership;

"Regional Executive Director" means a person appointed under the Public Service Act and delegated by the minister under section 1.1 (1) (a) or 1.1 (3) of the *Forest Act* to act in his or her capacity under section 15 of the *Forest Act*.

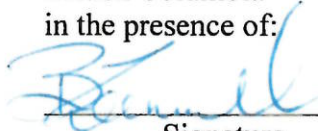
"road permit" means a road permit granted to the Licensee under the *Forest Act*; and

"timber supply area" means the timber supply area identified in paragraph 1.02;

- 16.03 Unless otherwise provided in paragraph 16.02, if a word or phrase used in this Licence is defined in the *Forest Act*, the *Forest and Range Practices Act* or the *Forest Practices Code of British Columbia Act*, the definition in the Act applies to this Licence, and where the word or phrase in the Act is replaced by a new word or phrase, this Licence is deemed to have been amended accordingly.
- 16.04 If a provision of the *Forest Act* or the *Forest Practices Code of British Columbia Act* or the *Forest and Range Practices Act* referred to in this Licence is renumbered, the reference in this Licence is to be construed as a reference to the provision as renumbered.
- 16.05 In this Licence, unless the context otherwise requires:
- (a) the singular includes the plural and the plural includes the singular; and
  - (b) the masculine, the feminine and the neuter are interchangeable.

IN WITNESS WHEREOF this Licence has been executed by the Regional Executive Director and the Licensee.

SIGNED by the )  
Regional Executive Director )  
on behalf of Her Majesty )  
the Queen in Right of )  
the Province of )  
British Columbia )  
in the presence of: )



Signature )



Name in capital letters )

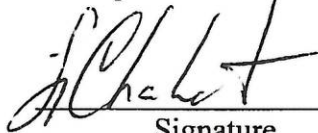
THE COMMON SEAL of )  
the Licensee was affixed )  
in the presence of: )

Signature )

Name in capital letters )

(or)

SIGNED by the Licensee )  
in the presence of: )

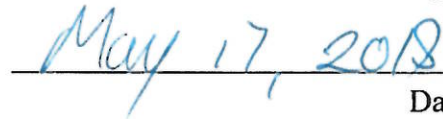


Signature )



Name in capital letters )

Eamon O'Donoghue, Regional Executive Director  
Skeena Region

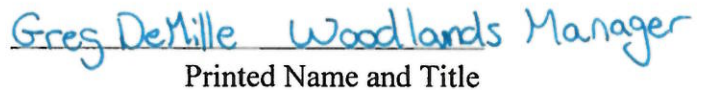


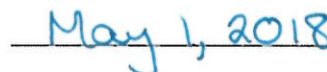
Dated

c/s



Licensee

  
Printed Name and Title



Dated



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This is Exhibit "G" referred to in the affidavit of Jacques Bousquet sworn before me on 7 day of March, 2024.



**TREE FARM LICENCE 41**  
**KITIMAT TREE FARM LICENCE**

A Commissioner for taking Affidavits  
within British Columbia

THIS LICENCE, dated for reference **March 1, 2018**.

**BETWEEN:**

**HER MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF BRITISH COLUMBIA,  
as represented by the MINISTER OF FORESTS, LANDS,  
NATURAL RESOURCE OPERATIONS and RURAL  
DEVELOPMENT  
PO BOX 9049 STN PROV GOVT  
VICTORIA, BRITISH COLUMBIA  
V8W 9E2  
Fax: (250) 387-1040  
(the "Minister")**

**AND:**

**SKEENA SAWMILLS LTD.  
P.O. BOX 780  
5330 HIGHWAY 16 WEST  
TERRACE, BRITISH COLUMBIA  
V8G 4R6  
  
Fax: (250) -635-4335  
(the "Licensee")**

**WHEREAS:**

- A. The Minister offered the Licensee a replacement for Tree Farm Licence No 41 dated September 30, 2017 pursuant to Section 36 of the *Forest Act*.
- B. The Licensee accepts the offer.
- C. The Licensee agrees to manage the licence area according to this Licence and the management plan in effect under this Licence.

**THEREFORE:**

Under Section 36 of the *Forest Act*, this Licence replaces Tree Farm Licence 41, dated March 1, 2010.

"The Table of Contents and headings in this Licence are included for convenience only and do not form a part of this Licence and in no way define, limit, alter or enlarge the scope or meaning of any provision of this Licence."

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THE PARTIES agree as follows:

## 0.00 LICENCE

0.01 This Licence is a Tree Farm Licence under the *Forest Act*.

## 1.00 GRANT OF RIGHTS AND TERM

- 1.01 The term of this Licence is 25 years, beginning on **March 1, 2018**.
- 1.02 Subject to the provisions of the *Forest Act* and this Licence, including the reservations and the *Forest Revitalization Act* allowable annual cut reduction under Part 2.00, the Minister grants the Licensee:
- (a) the exclusive right to harvest all types of Crown timber on all terrain types other than deciduous types, from Schedule "B" Land;
  - (b) the exclusive right to harvest all Crown timber on all terrain types authorized under a timber licence held by the Licensee as part of Schedule "A" Land ;
  - (c) the right to manage Schedule "A" Land that is subject to a timber licence held by the Licensee and Schedule "B" Land according to;
    - (i) this Licence;
    - (ii) the management plan in effect under this Licence; and
    - (iii) operational plans approved in respect of this Licence.
- 1.03 Except where the timber has been otherwise reserved or disposed of under Part 2.00, the Licensee may harvest Crown timber of a deciduous type from Schedule "B" Land.

## 2.00 TIMBER DISPOSITION

- 2.01 In accordance with the definition of allowable annual cut available under section 1(1) of the *Forest Act*, the allowable annual cut available to this Licence shall be equal to the allowable annual cut for the area of the Licence determined by the Chief Forester pursuant to section 8 of the *Forest Act* less any volumes reserved under Paragraphs 2.02 and 2.03, attributed as a reduction under Paragraph 2.04, and any volume disposed pursuant to Paragraph 2.05.
- 2.02 Each year during the term of this Licence, in accordance with section 35(1)(h) of the *Forest Act*, the Minister reserves the following volumes from the Crown timber in Schedule "B" Land specified in Part 1.00:
- (a) 0 m<sup>3</sup> of the allowable annual cut for BC timber sales enterprises, and
  - (b) 0 m<sup>3</sup> of the allowable annual cut for woodlot licences, to be disposed of by the Minister to persons other than the Licensee.

- 2.03 Each year during the term of this Licence, in accordance with Section 35(1)(n) of the *Forest Act*, the District Manager reserves the right to dispose of Crown timber referred to in Subparagraph 1.02(a) through free use permits to persons other than the Licensee up to a volume not exceeding one half of one percent (0.5%) of the portion of the allowable annual cut otherwise available under this Licence from Schedule "B" Land.
- 2.04 The reduction in volume to the allowable annual cut attributed to this Licence pursuant to the operation of the *Forestry Revitalization Act* is 0 m<sup>3</sup>. In accordance with section 47.8 of the *Forest Act*, the Ministry may dispose of this volume to persons other than the Licensee.
- 2.05 In addition to any timber disposed of under this Part, the Regional Executive Director, District Manager or Timber Sales Manager may dispose of any timber that is not specified in Paragraph 1.02
- 2.06 The Crown timber reserved under Paragraphs 2.02 and 2.03, reduced under Paragraph 2.04 or disposed of under Paragraph 2.05 shall be taken from areas agreed to under Paragraph 3.01 or specified under Paragraph 3.02.
- 2.07 Subject to Part 3 of this Licence, the Minister in a notice given to the Licensee may delete an area from Schedule "B" Land to enable the Regional Executive Director or District Manager to issue a woodlot licence over the area, if the Chief Forester determines that the portion of the allowable annual cut attributable to the area does not exceed the volume of Crown timber referred to in Paragraph 2.02(b), having regard to factors and information considered by the Chief Forester in his or her most recent determination of the allowable annual cut.
- 2.08 Subject to Part 3 of this Licence, the Minister by Order, in accordance with Section 3(4) of the *Forestry Revitalization Act*, given to the Licensee may delete an area from Schedule "B" Land as long as the portion of allowable annual cut attributable to the area does not exceed the volume of Crown timber referred to in Paragraph 2.04, having regard to the factors and information considered by the Chief Forester in his or her most recent determination of the allowable annual cut.
- 2.09 Before deleting an area under Paragraph 2.07, or 2.08, the Minister will consult the Licensee and consider any recommendations made by the Licensee.
- 2.10 Where the Minister deletes an area under Paragraph 2.07, or 2.08, the volume of Crown timber referred to in Paragraph 2.01 is deemed to be reduced by an amount equal to the portion of the allowable annual cut that the Chief Forester determines is attributable to the deleted area, having regard to the factors and information considered by the Chief Forester in his or her most recent determination of the allowable annual cut.

### 3.00 AREA SELECTION PROCESS

- 3.01 Subject to Paragraph 3.02 the District Manager or Timber Sales Manager and the Licensee will agree upon areas for the purposes of Part 2.00 of this Licence, or for an allowable annual cut reduction under Section 69 of the *Forest Act*, having regard to:
- (a) the type and quality of timber and the type of terrain on the area of Schedule "B" Land under consideration compared to the Schedule "B" Land as a whole;
  - (b) the management plan in effect under this Licence and the forest stewardship plan approved in respect of this Licence;
  - (c) any potential interference with the operations of the Licensee under this Licence;
  - (d) rights being exercised on the licence area by persons other than the Licensee including trappers, guide outfitters, range tenure holders, and other licenced resource users; and
  - (e) an aboriginal group claiming an aboriginal interest in, or having a determined aboriginal right, including aboriginal title, or a treaty right in the area.
- 3.02 If under Paragraph 3.01 the District Manager or the Timber Sales Manager and the Licensee are unable to agree upon areas for the purposes of Part 2.00 of this Licence, or for an allowable annual cut reduction under Section 69 of the *Forest Act*, the District Manager or the Timber Sales Manager or the Licensee may refer the matter to the Regional Executive Director, in which case the Regional Executive Director, subject to Paragraph 3.03, and having regard to:
- (a) the factors referred to in Paragraph 3.01; and
  - (b) the recommendations of the District Manager or the Timber Sales Manager and the Licensee;
- will specify areas for these purposes.
- 3.03 The Regional Executive Director will only specify an area under Paragraph 3.02, when satisfied it will not:
- (a) compromise the management plan in effect under this Licence or a forest stewardship plan approved in respect of this Licence; or
  - (b) unreasonably interfere with the Licensee's operations under this Licence.

### 4.00 OTHER CONDITIONS AND REQUIREMENTS

- 4.01 Subject to Paragraph 4.02, the Licensee will not enter, use or occupy Schedule "A" Land that is subject to a timber licence held by the Licensee or Schedule "B" Land except under and in accordance with a cutting permit, road permit associated with this Licence, special use permit or another legal authority authorizing such use or occupation.
- 4.02 Paragraph 4.01 does not apply to temporary occupation for the purpose of:

- (a) carrying out silviculture;
  - (b) collecting inventory information;
  - (c) carrying out engineering layouts and surveys;
  - (d) carrying out protection and forest health activities; or
  - (e) fulfilling other obligations or conducting other activities incidental to the operations of the Licensee under or associated with this Licence.
- 4.03 The Licensee will not harvest timber from Schedule "A" or "B" Lands, except under a road permit associated with this Licence or a cutting permit issued to the Licensee or as otherwise authorized under the forestry legislation.
- 4.04 The Licensee must not harvest timber if the timber is specified as reserved timber in a cutting permit, or under an applicable operational plan.
- 4.05 If an area of Schedule "A" Land is:
- (a) subject to a timber licence held by the Licensee that expires; or
  - (b) deleted from a timber licence held by the Licensee;
- then the area is deemed to be deleted from Schedule "A" Land and added to Schedule "B" Land.

#### **5.00 TIMBER VOLUME CHARGED TO THE LICENCE**

- 5.01 In accordance with Division 3.1, Part 4 of the *Forest Act*, the volume of timber harvested under this Licence includes the volume of waste determined under Part 6.00 of this Licence.
- 5.02 The Interior Timber Merchantability Specifications in the Provincial Logging Residue and Waste Measurement Procedures Manual that was in effect on the date of issuance of a cutting permit or road permit shall govern.

#### **6.00 WASTE ASSESSMENTS FOR MERCHANTABLE CROWN TIMBER**

- 6.01 The Licensee must conduct a waste assessment of the volume of merchantable Crown timber, whether standing or felled, that was authorized to be cut and removed under the Licence but, at the Licensee's discretion, was not cut and removed.
- 6.02 A waste assessment conducted under either Paragraph 6.01 or 6.03 must be in accordance with the Provincial Logging Residue and Waste Measurement Procedures Manual, as amended or replaced from time to time.
- 6.03 If the Licensee fails to comply with Paragraph 6.01, the District Manager may, after the expiry of the term of a cutting permit, road permit, or the Licence, conduct a waste assessment of the volume of merchantable Crown timber which could have been cut and removed under the Licence but, at the Licensee's discretion, was not cut and removed.

- 6.04 If a waste assessment is conducted under Paragraph 6.03, the volume of waste determined by that assessment will be the volume of waste determined under Part 6.00 of this Licence for the purpose of Paragraph 5.01.
- 6.05 If the District Manager carries out a waste assessment under Paragraph 6.03, the District Manager, in a notice given to the Licensee, may require the Licensee to pay the costs incurred by the District Manager in carrying out the assessment.

## 7.00 MANAGEMENT PLAN

- 7.01 In accordance with section 35.2 of the *Forest Act*, the Licensee must comply with a management plan approved under that section.

## 8.00 CUTTING PERMITS

- 8.01 Subject to Part 1.00 and Paragraph 8.02 of this Licence, the Licensee may submit an application to the District Manager for a cutting permit or an amendment to a cutting permit referred to in the Appraisal Manual in effect on the date of submission of the application for a cutting permit, an application to amend a cutting permit or a road permit, to authorize the Licensee to harvest one or more areas of Schedule "A" or "B" Lands for the portion of the allowable annual cut available to the Licensee that are:
  - (a) located within a forest development unit of an approved forest stewardship plan; or
  - (b) exempted under the *Forest and Range Practices Act* from the requirement for a forest stewardship plan.
- 8.02 For those areas of Schedule "B" Land or in timber licences held by the Licensee under Schedule "A" Land to be included in the application under Paragraph 8.01, the Licensee must ensure that cruise and appraisal data submitted is gathered and compiled according to the Appraisal Manual.
- 8.03 An application for a cutting permit submitted under Paragraph 8.01 must:
  - (a) be in a form established by the District Manager;
  - (b) state a proposed term that does not exceed four years;
  - (c) include:
    - (i) a map to a scale acceptable to the District Manager showing the area(s) referred to in the application;
    - (ii) the cruise data and appraisal data referred to in Paragraph 8.02; and
    - (iii) a description, acceptable to the District Manager, of any timber that is reserved from harvest.
- 8.04 The area(s) of land shown on the map referred to in Clause 8.03(c)(i) must be:
  - (a) the area(s) referred to in Subparagraph 8.01(a); or

- (b) the area(s) referred to in Subparagraph 8.01(b);  
allowing for difference in scale between maps used in the forest  
stewardship plan, or exemption, and the map referred to in Clause  
8.03(c)(i).
- 8.05 Subject to Paragraphs 8.06 through 8.09 inclusive and 8.04, upon receipt  
of an application under Paragraph 8.01, the District Manager will issue a  
cutting permit to the Licensee if the District Manager is satisfied that the  
requirements of Paragraphs 8.01, 8.02, 8.03 and 8.04 have been met.
- 8.06 The District Manager may consult aboriginal group(s) who may be  
exercising or claiming an aboriginal interest(s) if in the opinion of the  
District Manager issuance of the cutting permit or an amendment to a  
cutting permit as submitted and/or operations under the cutting permit may  
result in:
  - (a) an adverse impact to an aboriginal interest(s); or
  - (b) an infringement of a determined aboriginal right(s) or treaty right(s).
- 8.07 The District Manager may impose conditions in a cutting permit to address  
an aboriginal interest(s) if in the opinion of the District Manager issuance  
of the cutting permit as submitted would result in:
  - (a) an adverse impact to that aboriginal interest(s); or
  - (b) an infringement of a determined aboriginal right(s) or treaty right(s).
- 8.08 The District Manager may refuse to issue a cutting permit or an  
amendment to a cutting permit if in the opinion of the District Manager  
issuance of the cutting permit or an amendment to a cutting permit would  
result in:
  - (a) an adverse impact to an aboriginal interest(s) that cannot be reasonably  
accommodated; or
  - (b) an infringement of a determined aboriginal right(s) or treaty right(s)  
that cannot be justified.
- 8.09 If the District Manager:
  - (a) determines that a cutting permit may not be issued because the  
requirements of Paragraph 8.05 have not been met;
  - (b) is carrying out consultations under Paragraph 8.06; or
  - (c) refuses to issue a cutting permit under Paragraph 8.08;
 the District Manager will notify the Licensee within 45 days of the date on  
which the application for the cutting permit or an amendment to the  
cutting permit was received.
- 8.10 A cutting permit must:
  - (a) identify the boundaries of the areas of Schedule "A" or "B" Land  
which, subject to this Licence, the Licensee is authorized to conduct  
operations;
  - (b) specify the term stated in the application;



- (c) specify a timber mark to be used in conjunction with the timber removal carried on under the cutting permit;
  - (d) specify, for timber on Schedule "A" Land that is subject to a timber licence held by the Licensee and Schedule "B" Land, whether, for the purpose of determining the amount of stumpage payable in respect of timber removed under the cutting permit, the volume and quantity of timber is to be determined using information provided by;
    - (i) a scale of the timber; or
    - (ii) a cruise of the timber conducted before the timber is cut;
  - (e) specify any timber that is reserved from harvest; and
  - (f) include those conditions imposed under Paragraph 8.07 and any other condition or provision, consistent with this Licence and the forestry legislation, as determined by the District Manager.
- 8.11 The District Manager may amend a cutting permit only with the consent of the Licensee.
- 8.12 An application to extend a cutting permit must be made at least 45 days before the expiry of the cutting permit to the District Manager and in a form acceptable to the District Manager.
- 8.13 A cutting permit is deemed to be part of this Licence.
- 8.14 All cutting permits in effect that were issued under a Tree Farm Licence that is replaced by this Licence continue under this Licence.

## **9.00 ACCESS AND ACCOMMODATION**

- 9.01 Nothing in this Licence affects the right of access to Crown lands by any other party.
- 9.02 Any Ministry employee may:
  - (a) enter onto Schedule "A" Land; and
  - (b) use roads owned or deemed to be owned by the Licensee;
 for any purpose arising out of the administration of this Licence.
- 9.03 The Licensee will allow any person who has been granted rights to timber referred to in Part 2.00 of this Licence or under any authority granted under the forestry legislation, to use any road referred to in Subparagraph 9.02(b) for the purpose of exercising rights or fulfilling obligations under that Part or legislation.
- 9.04 The Licensee will not require any payment from a person referred to in Paragraph 9.03 other than a reasonable payment in respect of the actual maintenance costs of the road where allowed under the forestry legislation or as otherwise permitted under forestry legislation.
- 9.05 The Ministry may carry out on Crown lands:
  - (a) silviculture operations the Province is required to carry out under the forestry legislation; and

- (b) Subject to Paragraph 9.06, any other silviculture operations, provided in the opinion of the Regional Executive Director, District Manager or Timber Sales Manager, it does not:
  - (i) compromise the management plan in effect under this Licence or forest stewardship plan approved in respect of this Licence; or
  - (ii) unreasonably interfere with the Licensee's operations under this Licence.
- 9.06 Where the Regional Executive Director, District Manager or Timber Sales Manager carries out silviculture referred to in Paragraph 9.05, the Regional Executive Director, District Manager or Timber Sales Manager, as the case may be, will ensure the silviculture is consistent with the intent of the forest stewardship plan and management plan in effect under this Licence, except where the Regional Executive Director or District Manager is required to depart from the intent of the management plan because of the requirements pursuant to forestry legislation.
- 9.07 Upon reasonable notice from the Regional Executive Director, District Manager or Timber Sales Manager, the Licensee will provide a Ministry employee with reasonable office and living accommodation on premises owned or operated by the Licensee in or near the licence area, to enable the Ministry employee to fulfill an obligation or exercise a right under this Licence.
- 9.08 The Licensee may charge the Regional Executive Director, District Manager or Timber Sales Manager, as the case may be, for costs reasonably incurred in providing the accommodation referred to in Paragraph 9.07.

## 10.00 CONTRACTORS

- 10.01 Each year during the term of this Licence, the Licensee will ensure that not less than:
  - (a) 50 % (minimum) of the volume of timber harvested by or on behalf of the Licensee from the licence area during the year multiplied by
  - (b) the result obtained by the division of
    - (i) the portion of the allowable annual cut that is available to the Licensee during that year and which the Chief Forester has determined is attributable to Crown land under the Licence by
    - (ii) the allowable annual cut available to the Licensee during that year is harvested by persons under contract with the Licensee.
- 10.02 Compliance with the requirement referred to in Paragraph 10.01 will be calculated in accordance with the methods under the *Forest Act* or the regulations made under that Act.
- 10.03 If in a calendar year the volume of timber harvested by persons under contract with the Licensee is less than the volume required under

Paragraph 10.01, the Regional Executive Director, in a notice given to the Licensee, may require the Licensee to pay an amount determined in accordance with Paragraph 10.04.

- 10.04 For the purpose of determining the amount payable under Paragraph 10.03, the Regional Executive Director will multiply:
- (a) the volume required to be harvested by persons under contract under Paragraph 10.01, minus the actual volume harvested during the calendar year by persons under contract; by
  - (b) the average stumpage rate charged for timber in statements or invoices issued to the Licensee during the calendar year in respect of timber harvested under this Licence.
- 10.05 The Minister may relieve the Licensee from the requirements of this Part to the extent provided for under the *Forest Act* or the regulations made under that Act.
- 10.06 The Licensee may contract to have more than the volume required under Paragraph 10.01 harvested by persons under contract.

#### **11.00 COURT DETERMINED ABORIGINAL RIGHTS AND/OR TITLE**

- 11.01 Notwithstanding any other provision of this Licence, if a court of competent jurisdiction:
- (a) determines that activities or operations under or pursuant to this Licence will unjustifiably infringe an aboriginal right, including aboriginal title, or treaty right;
  - (b) grants an injunction further to a determination referred to in Subparagraph 11.01(a); or
  - (c) grants an injunction pending a determination of whether activities or operations under or pursuant to this Licence will unjustifiably infringe an aboriginal right, including aboriginal title, or treaty right;
- the Regional Executive Director or District Manager, in a notice given to the Licensee, may, with respect to a cutting permit, road permit, special use permit or free use permit, associated with the Licence and issued to the Licensee, vary or suspend, in whole or in part or refuse to issue such permit to the Licensee so as to be consistent with the court determination.
- 11.02 Subject to this Licence and the forestry legislation if:
- (a) under Paragraph 11.01, the Regional Executive Director or District Manager has varied a cutting permit, road permit, special use permit or free use permit associated with the Licence and issued to the Licensee;
  - (b) a court of competent jurisdiction subsequently overturns, sets aside or dissolves the determination or injunction referred to in that paragraph; and
  - (c) it is practical to do so;

the Regional Executive Director or District Manager, at the request of the Licensee, will vary the permit to reflect as closely as possible, for the remainder of its term, the terms and conditions of the permit prior to the variation under Paragraph 11.01.

11.03 Subject to this Licence and the forestry legislation, if:

- (a) under Paragraph 11.01, the Regional Executive Director or District Manager has suspended a cutting permit, road permit, special use permit or free use permit associated with the Licence and issued to the Licensee;
- (b) a court of competent jurisdiction subsequently overturns, sets aside or dissolves the determination or injunction referred to in that paragraph; and
- (c) it is practical to do so;

the Regional Executive Director or District Manager, at the request of the Licensee, will reinstate the permit for the remainder of its term.

11.04 Subject to this Licence and the forestry legislation, if:

- (a) under Paragraph 11.01, the Regional Executive Director or District Manager has refused to issue a cutting permit, road permit, special use permit or free use permit associated with the Licence to the Licensee;
- (b) a court of competent jurisdiction subsequently overturns, sets aside or dissolves the determination or injunction referred to in that paragraph; and
- (c) it is practical to do so;

the Regional Executive Director or District Manager, at the request of the Licensee, will issue the permit.

## 12.00 REPORTING

12.01 The Regional Executive Director, in a notice given to the Licensee by April 1 of any calendar year, may require the Licensee to submit reports containing such information as the Province requires, concerning:

- (a) the Licensee's performance of its obligations under or in respect of this Licence; and
- (b) the approved management plan and allowable annual cut rationale and conditions from the Chief Forester's allowable annual cut determination;

in the previous calendar year if the information is not included in any other reports which the Licensee must submit under the forestry legislation.

12.02 Upon receipt of a notice referred to in Paragraph 12.01, the Licensee, on or before the date specified in the notice, must submit a report to the Regional Executive Director containing the required information.

12.03 Subject to Paragraph 12.04, the Regional Executive Director may include the information contained in a report submitted under Paragraph 12.02 in any reports prepared by the Ministry for public review.

- 12.04 Subject to the *Freedom of Information and Protection of Privacy Act* and the forestry legislation, the Regional Executive Director will not disclose information provided in confidence by the Licensee in a report submitted under Paragraph 12.02.

### 13.00 FINANCIAL AND DEPOSITS

- 13.01 In addition to any money payable under the forestry legislation in respect of this Licence, or a cutting permit, road permit, special use permit or a free use permit associated with this Licence and issued to the Licensee, the Licensee will pay to the Province, immediately upon receipt of a notice, statement or invoice issued on behalf of the Province:
- (a) stumpage under Part 7 of the *Forest Act* in respect of timber removed
    - (i) under a cutting permit for
      - (A) Schedule "B" Land,
      - (B) Schedule "A" Land that is subject to a timber licence held by the Licensee, and
    - (ii) under a road permit
 at rates determined, re-determined and varied under Section 105 of that Act;
  - (b) costs incurred by the District Manager in carrying out an assessment under Part 6.00 of this Licence;
  - (c) waste assessments under Part 6.00 of this Licence;
  - (d) any payment required under Part 10.00 of this Licence; and
  - (e) any bonus bid or bonus offers as tendered.
- 13.02 During the term of this Licence, the Licensee will maintain with the Province a deposit in the amount prescribed under the forestry legislation, in a form acceptable to the Minister, as security for the Licensee's performance of its obligations under or in respect of this Licence, and any cutting permit, road permit, special use permit, or free use permit associated with this Licence and issued to the Licensee.
- 13.03 If the Regional Executive Director or District Manager gives the Licensee a notice that an amount has been realized as security from the deposit under this Part, the Licensee, within four weeks of the date on which the notice is given, must pay to the Province, in a form acceptable to the Minister, an amount sufficient to replenish the deposit.
- 13.04 If the Licensee fails:
- (a) to pay money that the Licensee is required to pay to the Province under
    - (i) this Licence, or cutting permit, road permit, special use permit, or free use permit associated with this Licence and issued to the Licensee; or

- (ii) the forestry legislation in respect of this Licence, or cutting permit, road permit, special use permit, or free use permit associated with this Licence and issued to the Licensee; or
- (b) to otherwise perform its obligations under
  - (i) this Licence, or cutting permit, road permit, special use permit, or free use permit associated with this Licence and issued to the Licensee; or
  - (ii) in respect of this Licence, or cutting permit, road permit, special use permit, or free use permit associated with this Licence and issued to the Licensee;

the Regional Executive Director or District Manager, after at least four weeks' notice to the Licensee, may cause an amount to be withdrawn from the deposit referenced in Paragraph 13.02:

- (c) equal to the money which the Licensee failed to pay; and
- (d) sufficient to cover all costs incurred by the Regional Executive Director or District Manager in remedying the Licensee's failure to perform its obligations; or
- (e) equal to the Regional Executive Director's or District Manager's estimate of the costs which the Regional Executive Director or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations;

and, for that purpose an amount of the security included in the deposit may be realized.

13.05 A notice referred to in Paragraph 13.04 must specify:

- (a) the money which the Licensee has failed to pay or the obligation which the Licensee has failed to perform; and
- (b) the amount of the security the Regional Executive Director or District Manager intends to realize from the deposit.

13.06 Subject to Paragraphs 13.08, 13.09 and 13.10, if:

- (a) under Paragraph 13.04 an amount of security realized from the deposit is equal to the Regional Executive Director's or District Manager's estimate of the costs which the Regional Executive Director or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations; and
- (b) the costs reasonably incurred by the Regional Executive Director or District Manager in remedying the Licensee's failure to perform its obligations are less than the amount of the security realized from the deposit;

the Province will as soon as is feasible

- (c) return an amount equal to the difference between the amount of the security realized from the deposit and the costs incurred by the Regional Executive Director or District Manager to

- (i) the Licensee, if the deposit has been replenished in accordance with Paragraph 13.03, or
- (ii) to the deposit, if the Licensee has not yet replenished the deposit in accordance with Paragraph 13.03.

13.07 If:

- (a) under Paragraph 13.04 the amount of security realized from the deposit is equal to the Regional Executive Director's or District Manager's estimate of the costs which the Regional Executive Director or District Manager could expect to incur in remedying the Licensee's failure to perform its obligations; and
  - (b) the costs reasonably incurred by the Regional Executive Director or District Manager in remedying the Licensee's failure to perform its obligations are greater than the amount realized from the deposit;
- the Regional Executive Director or the District Manager may cause to be withdrawn an additional amount from the deposit equal to the difference between the costs incurred by the Regional Executive Director or District Manager and the amount originally realized from the deposit and for that purpose an additional amount of the security included in the deposit may be realized.

13.08 If under Paragraph 13.04 the amount of security realized from the deposit is equal to the Regional Executive Director's or District Manager's estimate of the costs under Clause 13.04 (d) (ii), the Regional Executive Director or District Manager is under no obligation to remedy the Licensee's failure, and subject to Paragraph 13.10, the Province may retain the amount of the security realized from the deposit under Paragraph 13.04.

13.09 If security is realized under Paragraph 13.04 and the Regional Executive Director or District Manager decides not to remedy the Licensee's failure to perform its obligations, the Regional Executive Director or District Manager must give notice to the Licensee indicating that the Province will not be remedying the Licensee's failure to perform its obligations;

13.10 If, after receiving a notice referred to in Paragraph 13.09, the Licensee:

- (a) remedies the failure to perform its obligations; and
- (b) gives a notice to that effect to the Regional Executive Director or District Manager within three months of the date on which the notice referred to in Paragraph 13.09 is given to the Licensee, or within such longer period as the Regional Executive Director may approve;
- (c) the Province will as soon as is feasible return an amount equal to the difference between the amount of the security realized from the deposit and the costs incurred by the Regional Executive Director or District Manager in respect of the Licensee's failure to perform its obligations to
  - (i) the Licensee if the deposit has been replenished in accordance with Paragraph 13.03, or

- (ii) to the deposit, if the Licensee has not yet replenished the deposit in accordance with Paragraph 13.03.

13.11 Subject to the forestry legislation, the Province will return to the Licensee the deposit, less deductions made under Paragraphs 13.04 and 13.07, when:

- (a) this Licence expires, or is surrendered; and
- (b) the Minister is satisfied that the Licensee has fulfilled its obligations under this Licence and the forestry legislation.

#### **14.00 REPRESENTATIONS**

14.01 The Licensee represents and warrants to the Regional Executive Director that:

- (a) it has the ability to undertake and complete its obligations under the Licence and while doing so comply with all applicable safety and environmental laws and regulations; and
- (b) to the Licensee's knowledge, there is no legal or other reason why it cannot enter into the Licence.

14.02 All representations and warranties made in paragraph 14.01 are material and will conclusively be deemed to have been relied upon by the Crown, notwithstanding any prior or subsequent investigations by the Crown.

#### **15.00 LIABILITY AND INDEMNITY**

15.01 The Licensee must indemnify the Province against and save it harmless from all claims, demands, suits, actions, causes of action, costs, expenses and losses faced, incurred or suffered by the Province as a result, directly or indirectly, of any act or omission of:

- (a) the Licensee;
- (b) an employee or agent of the Licensee;
- (c) a contractor of the Licensee who engages in any activity or carries out any operation, under or associated with this Licence, or a cutting permit, road permit, special use permit or free use permit associated with this Licence and issued to the Licensee; or
- (d) any other person who on behalf of or with the consent of the Licensee engages in any activity or carries out any operation, under or associated with this Licence, or a cutting permit, road permit, special use permit or free use permit associated with this Licence and issued to the Licensee.

15.02 For greater certainty, the Licensee has no obligation to indemnify the Province under Paragraph 15.01 in respect of any act or omission of:

- (a) an employee, agent or contractor of the Province, in the course of carrying out his or her duties as employee, agent or contractor of the Province; or



- (b) a person, other than the Licensee, to whom the Province has granted the right to use or occupy Crown land, including a person who has been granted the right to harvest timber referred to in Part 2.00 of this Licence, in the course of exercising those rights.
- 15.03 The Province is not liable to the Licensee for injuries, losses, expenses, or costs incurred or suffered by the Licensee as a result, directly or indirectly, of an act or omission of a person who is not a party to this Licence, including but not restricted to an act or omission of a person disrupting, stopping or otherwise interfering with the Licensee's operations under this Licence by road blocks or other means.
- 15.04 Any amounts taken under Part 13.00 of this Licence from the deposit, any payments required under Part 6.00 or Part 10.00 of this Licence, and any reductions in the allowable annual cut made under the *Forest Act* and regulations, are in addition to and not in substitution for any other remedies available to the Province in respect of a default of the Licensee.

## 16.00 TERMINATION

- 16.01 If this Licence expires and is not replaced under Section 36 of the *Forest Act*, or is surrendered, cancelled or otherwise terminated:
  - (a) all cutting permits will immediately terminate;
  - (b) timber, including logs and special forest products, cut under the authority of this Licence and which are still located on Crown land, vest in the Province, without right of compensation to the Licensee;
  - (c) unless otherwise agreed to between the District Manager and the Licensee prior to the surrender, cancellation or termination of this Licence, title to all improvements, including roads and bridges, constructed by the Licensee on Crown land under the authority of this Licence vest in the Province, without right of compensation to the Licensee; and
  - (d) subject to subparagraphs (b) and (c), the Licensee may continue to enter and use Crown land for a period of one month after the expiry or termination of this Licence for the purpose of removing the Licensee's property.
- 16.02 The Licensee will not take away any improvements or remove any timber referred to in Subparagraph 16.01(b), unless authorized to do so by the Regional Executive Director.
- 16.03 If the Licensee commits an act of bankruptcy, makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency, the Licensee is deemed to have failed to perform an obligation under this Licence and the Province may suspend or cancel this Licence.

## 17.00 WAIVER

- 17.01 No waiver by the Province of any default or non-compliance by the Licensee in the strict and literal performance of or compliance with any

provision of the Licence will be deemed to be a waiver of the strict and literal performance of or compliance with any other provision, condition or requirement of the Licence or to be a waiver of, or in any manner release the Licensee from compliance with any provision, condition or requirement in the future, nor will any delay or omission by the Crown in the exercising of any right hereunder in any manner with respect to non-compliance impair the exercise of any such rights in the future.

## 18.00 NOTICE

- 18.01 A notice given under this Licence must be in writing.
- 18.02 A notice given under this Licence may be
  - (a) delivered by hand;
  - (b) sent by mail; or
  - (c) subject to Paragraph 18.05, sent by facsimile transmission; to the address or facsimile number, as applicable, specified on the first page of this Licence, or to such other address, or facsimile number as is specified in a notice given in accordance with this Part.
- 18.03 If a notice is given under this Licence, it is deemed to have been given:
  - (a) if it is given in accordance with Subparagraph 18.02(a), on the date it is delivered by hand;
  - (b) if it is given in accordance with Subparagraph 18.02(b), subject to Paragraph 18.04, on the eighth day after it is deposited with the Canada Post Office at any place in Canada; and
  - (c) if it is given in accordance with Subparagraph 18.02(c), subject to Paragraph 18.05, on the date it is sent by facsimile transmission.
- 18.04 If, between the time a notice is mailed in accordance with Subparagraph 18.02(b) and the time it is actually received, there occurs a postal strike, lockout or slowdown that might reasonably affect delivery of the notice, the notice is not deemed to be given until the party actually receives it.
- 18.05 If a notice is sent by facsimile, the party sending the notice must take reasonable steps to ensure that the transmission has been successfully completed.
- 18.06 Either party may, from time to time, advise the other party by notice in writing, of any change of address or facsimile number of the party giving such notice and, from and after the giving of such notice, the address or facsimile number specified will, for purposes of this Licence, be considered to be the address or facsimile number of the party giving such notice, until changed in accordance with this subsection.

## 19.00 MISCELLANEOUS

- 19.01 This Licence will inure to the benefit of, and be binding on, the parties and their respective heirs, executors, successors and permitted assigns.

- 19.02 The laws of British Columbia will govern the interpretation of this Licence and the performance of the parties obligations under this Licence.
- 19.03 Any power conferred or duty imposed on the Minister or official under this Licence may be exercised or fulfilled by another person authorized to do so by the Minister, the Chief Forester, the Regional Executive Director, the District Manager or Timber Sales Manager, as appropriate.
- 19.04 The Schedules, if any attached to this Licence are deemed to be part of this Licence.
- 19.05 Nothing in this Licence or a cutting permit issued under this Licence is to be construed as authorizing the Licensee to engage in any activities or carry out any operations otherwise than in compliance with the requirements of the forestry legislation.
- 19.06 Subject to this Licence and all applicable legislation, including but not restricted to the forestry legislation, the Minister will ensure that the obligations under this Licence of the Ministry employees referred to in this Licence are fulfilled.
- 19.07 The Licensee must:
  - (a) comply with the forestry legislation; and
  - (b) ensure that its employees, agents and contractors comply with the forestry legislation when engaging in or carrying out activities or operations under or associated with the Licence.
- 19.08 Nothing in the Licence authorizes the Licensee to in any way to restrict the Province's right of access to the areas defined in a cutting permit or a road permit or the right of any authorized entrant, user or occupier of those areas exercised in accordance with the forestry legislation.
- 19.09 Nothing in this Licence entitles the Licensee to have an area of Schedule "A" Land that is subject to a timber licence held by the Licensee or Schedule "B" Land, be replaced with another area, or to have rights awarded under another agreement under the *Forest Act*, in the event:
  - (a) timber is damaged or destroyed by pests, fire, wind or other natural causes;
  - (b) an area of land is deleted from the licence area under the forestry legislation, or under any other Act or regulation; or
  - (c) this Licence expires, is surrendered, is cancelled or otherwise terminated.
- 19.10 At the request of the Regional Executive Director or District Manager, the Licensee will survey the licence area to the satisfaction of the Regional Executive Director or District Manager and define on the ground any or all boundaries of the licence area.
- 19.11 Where:
  - (a) the boundaries of the licence area are based on boundaries established under existing or expired timber licences;

- (b) the legal description of the boundaries of the licence area has been derived from the timber licence survey plans or from reference maps prepared from the timber licence survey plans; and
  - (c) the legal description differs from the location of timber licence corner posts located on the ground;
- the boundaries of the licence area are the boundaries as established by the location of the timber licence corner posts located on the ground.
- 19.12 The Licensee will use the services of one or more professional foresters to manage the licence area.
  - 19.13 This document contains the entire agreement and no additional terms are to be implied.

## 20.00 INTERPRETATION & DEFINITIONS

20.01 This Licence is divided into Parts, Paragraphs, Subparagraphs, Clauses and Subclauses, illustrated as follows:

- 1.00 Part;
  - 1.01 Paragraph;
    - (a) Subparagraph;
      - (i) Clause;
        - (A) Subclause;

and a reference to a Subparagraph, Clause or Subclause is to be construed as a reference to a Subparagraph, Clause or Subclause of the Paragraph, Subparagraph or Clause, as the case may be, in which the reference occurs.

20.02 In this Licence, unless the context otherwise requires:

**“aboriginal interest”** means

- a) an asserted treaty right(s) or aboriginal right(s), including aboriginal title, or
- b) a determined treaty right(s) or aboriginal right(s), including aboriginal title, which is recognized and affirmed by section 35(1) of the *Constitution Act, 1982*;

**“alienated Crown land”** means Crown land which:

- (a) is, as of the effective date of this Licence, within the area of:
  - (i) a park, ecological reserve or conservancy;
  - (ii) an interest in land registered under the *Land Title Act* and held by the Crown for a conservation, wildlife or environmental management purpose;
  - (iii) a lease, licence of exclusive occupation, or timber licence held by a person other than the Licensee; or
  - (iv) a highway or road right of way where the highway or road is, or is deemed, declared or determined to be a public highway under the *Highway Act* or a forest service road under the *Forest Act*; or

- (b) becomes vested in or returns to the Crown by way of lease, purchase, escheat, reversion, transfer, surrender, cancellation or other process during the term of this Licence, except as otherwise provided in Schedule B of this Licence;
- (c) became vested in or returned to the Crown under a process referred to in subparagraph (b) during the term of a Tree Farm Licence replaced by this Licence, or a precursor to that Tree Farm Licence, except as otherwise provided in Schedule B of this or those Agreements;

**"Appraisal Manual"** means the policies and procedures approved by the Minister from time to time under Section 105 of the *Forest Act* for the forest region in which the tree farm licence is located;

**"cutting permit"** means a cutting permit, as amended, issued under this Licence, or an amendment to a cutting permit, as the context requires;

**"forest stewardship plan"** means a forest stewardship plan referred to in the *Forest and Range Practices Act*;

**"forestry legislation"** means:

- (a) the *Forest Act*;
- (b) the *Forestry Revitalization Act*;
- (c) the *Forest Practices Code of British Columbia Act*;
- (d) the *Forest and Range Practices Act*;
- (e) the *Wildfire Act*;

and the regulations under those Acts, and, as amended from time to time;

**"Forestry Revitalization Act, allowable annual cut reduction"** is the amount of allowable annual cut removed from the licence and held as a reservation within the licence area by order in accordance with Section 3(2) of the *Forestry Revitalization Act*;

**"free use permit"** means a free use permit issued under the *Forest Act* to:

- (a) a person other than the Licensee;

to authorize the harvest of Crown timber within Schedule "B" Land;

**"harvest"** means to:

- (a) cut;
- (b) remove; or
- (c) cut and remove;

**"licence area"** means Schedule "A" and "B" Lands;

**"management plan"** means a plan approved under the Tree Farm Licence for managing, protecting and conserving both the timber resources and the non-timber values and resources of the licence area, and integrating the primary logging and removal of timber and related activities with use of the licence area for purposes other than timber production;

**"manual"** means a guideline, guidebook, policy, procedure, or manual set or approved by the Ministry;

**“merchantable timber”** has the same meaning as described in the Provincial Logging Residue and Waste Measurements Procedure Manual, as amended from time to time;

**“Minister”** means the Minister responsible for administering the *Forest Act*;

**“Ministry”** means the Ministry of Forests, Lands, Natural Resource Operations and Rural Development or its successor;

**“person”** includes a corporation and a partnership;

**“pest”** means any animal, insect, fungus, bacteria, virus, nematode, or other organism which is detrimental to effective forest management;

**“primary logging”** includes felling timber and yarding or forwarding the timber to central landings or road-sides, but does not include the removal of the timber from these landings or road-sides;

**“Province”** means Her Majesty the Queen in Right of the Province of British Columbia;

**“Regional Executive Director”** means a person to whom a power or duty of the Minister, in relation to this Licence, has been delegated under section 1.1(1)(a) or (3) of the *Forest Act*.

**“road permit”** means a road permit issued to the Licensee under the *Forest Act* in relation to this Licence;

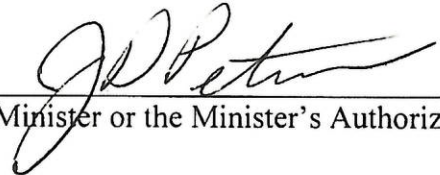
**“Schedule “A” Land”** means the private land and timber licences held by the Licensee described in Schedule “A” to this Licence;

**“Schedule “B” Land”** means the Crown land described in Schedule “B” to this Licence;

- 20.03 Unless otherwise provided in Paragraph 20.02, if a word or phrase used in this Licence is defined in the forestry legislation, the definition in the Act applies to this Licence, and where the word or phrase in the Act is replaced by a new word or phrase, this Licence is deemed to have been amended accordingly.
- 20.04 If a provision of the forestry legislation, referred to in this Licence is renumbered or replaced, the reference in this Licence is to be construed as a reference to the provision as renumbered or replaced.
- 20.05 In this Licence, unless the context otherwise requires:
- (a) the singular includes the plural and the plural includes the singular; and
  - (b) the masculine, the feminine and the neuter are interchangeable.

IN WITNESS WHEREOF this Licence has been executed by the Minister and the Licensee on the dates written below.

SIGNED on behalf of **Her Majesty the Queen in Right of the Province of British Columbia** by the Minister of Forests, Lands, Natural Resource Operations and Rural Development or the Minister's Authorized Representative

  
 Minister or the Minister's Authorized Representative


Dave Peterson, Assistant Deputy Minister

Printed Name (and Title if Minister's Authorized Representative)

SEP 28 2017

Date

SIGNED on behalf of (Name of the Licensee) by a duly authorized signatory

  
 Authorized Signatory

Greg DeMille, Woodlands Manager  
 Printed Name and Title

Oct. 4, 2017  
 Date

**SCHEDULE "A"**  
**TREE FARM LICENCE 41**  
**DESCRIPTION OF CROWN GRANTS & TIMBER LICENCES**

**SCHEDULE "A" LAND**

- 1.01 Fee simple private forest lands subject to **Tree Farm Licence 41** and Crown land subject to timber licences contained within the boundaries of the Tree Farm Licence and subject to the Licence.

NIL



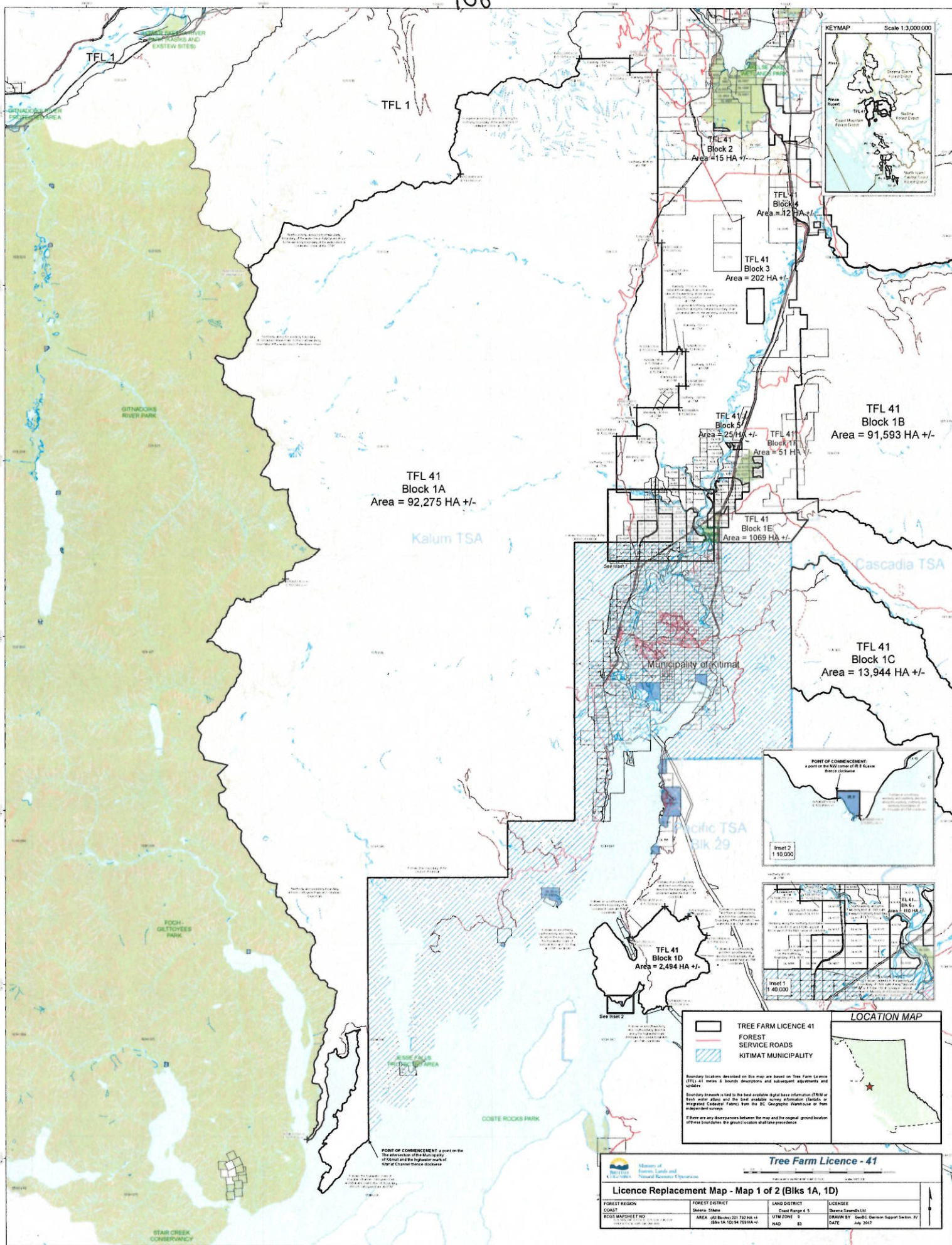
**SCHEDULE "B"**  
**TREE FARM LICENCE 41**  
**DESCRIPTION OF CROWN LAND SUBJECT TO THE LICENCE**  
**SCHEDULE "B" LAND**

- 1.01 For the purposes of the definition of "Schedule "B" Land" in Paragraph 20.02 of the Licence, "Crown land described in Schedule "B" to this Licence" means all Crown land within the boundaries described in Paragraph 2.01 of this Schedule, except for:
- (a) "alienated Crown land" as defined in Paragraph 20.02, including Crown land subject to any "old temporary tenure" (as that term was defined in section 1 of the Forest Act, SBC 1978, c. 23) which reverted after 1971 and at the time of reversion was held by a person other than the Licensee;
  - (b) Crown land owned by an agent of the Crown or vested in the federal Crown;
  - (c) all foreshore and land covered by water; and,
  - (d) all surveyed rights of way.

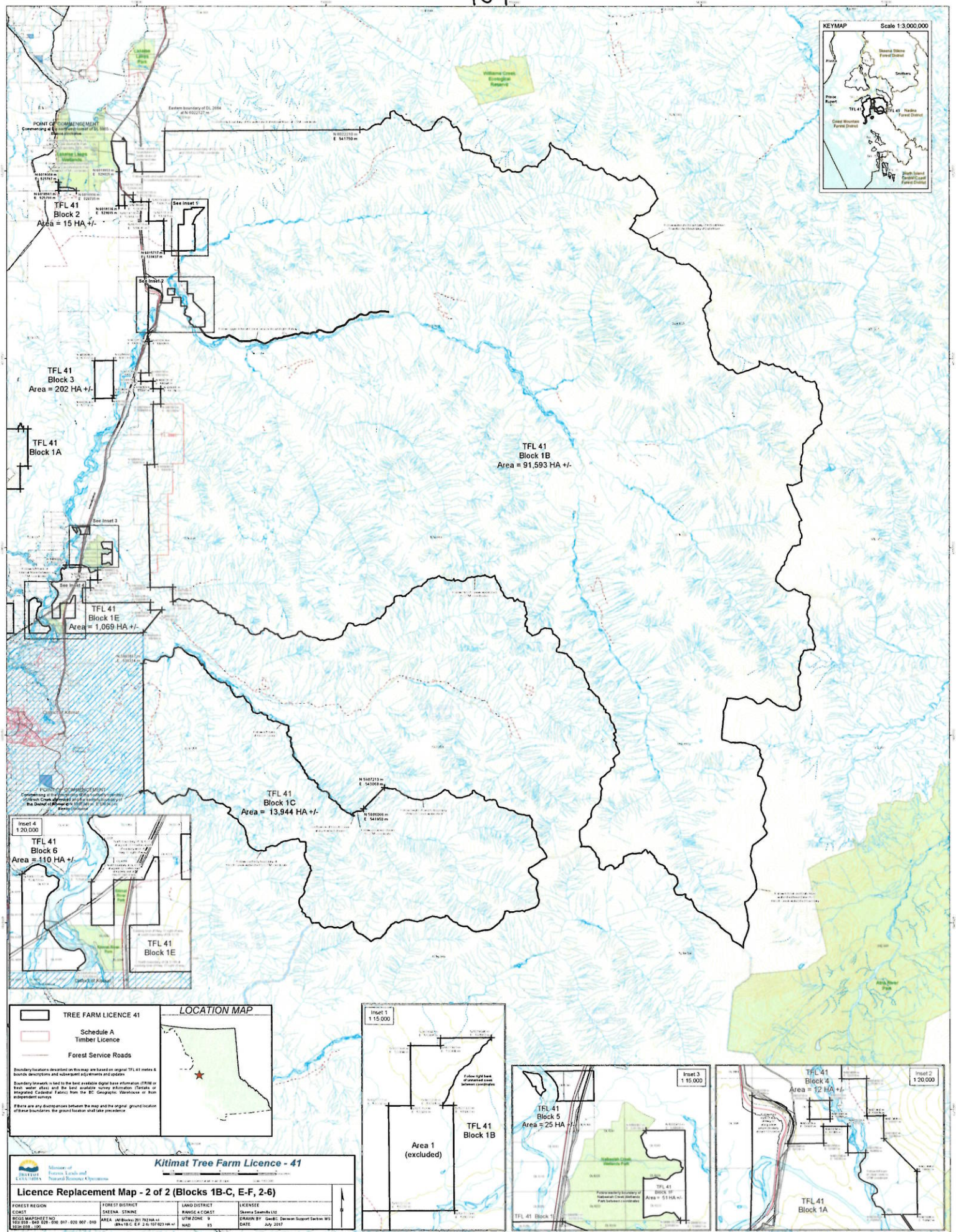
**2.00 BOUNDARIES AND MAP**

- 2.01 The boundaries referred to in Paragraph 1.01 of this Schedule are stored and maintained in their digital form on the B.C. Geographic Warehouse (BCGW) as TFL 41, within the layer named "WHSE\_ADMIN\_BOUNDARIES.FADM\_TFL".
- These boundaries are based on the original "metes and bounds" legal description of the TFL boundary and include all subsequent boundary changes, including the following made during the term of the previous agreement effective March 1, 2010:  
Instrument No. 18, dated September 14, 2011, deleting 476,114 hectares;
- 2.02 The bold black line on the attached maps generally describes the outer boundary of TFL 41. The attached maps is for reference only, and may not identify all alienated Crown land and other exceptions identified in Paragraph 1.01 of this Schedule. If a difference exists between the maps and the digital files referred to in Paragraph 2.01, the digital files shall govern.
- 2.03 If a difference in location of a boundary exists between the digital format and maps described in Paragraph 2.02 of this Schedule, and the description in Paragraphs 1.01 and 2.01 of this Schedule, the metes and bounds description in Paragraphs 1.01 and 2.01 of this Schedule shall govern. In all cases, the actual verifiable ground locations of the boundaries described in Paragraph 1.01 and 2.01 of this Schedule will take precedence over boundary locations depicted on the digital information and map(s) described in Paragraph 2.02 of this Schedule.












This is Exhibit "H" referred to in  
the affidavit of Jacques Bousquet  
sworn before me on 7 day of March, 2024.

FTA - Cutting Permits

A Commissioner for taking Affidavits  
within British Columbia

#	District	Client Name	File Type	ID	CP	Timber Mark	Status	Issue Date	Expiry Date
1	DKM	SKEENA SAWMILLS LTD.	A01	A16882	308	FD2308	HI	2020-03-30	2024-03-29
2	DKM	SKEENA SAWMILLS LTD.	A01	A16882	516	FD2516	HI	2020-04-09	2024-04-08
3	DKM	SKEENA SAWMILLS LTD.	A01	A16882	517	FD2517	HI	2020-07-08	2024-07-07
4	DKM	SKEENA SAWMILLS LTD.	A01	A16882	518	FD2518	HI	2021-05-19	2025-05-18
5	DKM	SKEENA SAWMILLS LTD.	A01	A16882	519	FD2519	HI	2020-10-07	2024-10-06
6	DKM	SKEENA SAWMILLS LTD.	A01	A16882	521	FD2521	HI	2020-10-07	2024-10-06
7	DKM	SKEENA SAWMILLS LTD.	A01	A16882	523	FD2523	HI	2021-05-19	2025-05-18
8	DKM	SKEENA SAWMILLS LTD.	A01	A16882	524	FD2524	HI	2021-03-12	2025-03-11
9	DKM	SKEENA SAWMILLS LTD.	A01	A16882	525	FD2525	HI	2021-09-13	2025-09-12
10	DKM	SKEENA SAWMILLS LTD.	A01	A16882	526	FD2526	HI	2022-02-09	2026-02-08
11	DKM	SKEENA SAWMILLS LTD.	A01	A16882	527	FD2527	HI	2022-02-09	2026-02-08
12	DKM	SKEENA SAWMILLS LTD.	A01	A16882	528	FD2528	HI	2022-01-17	2026-01-16
13	DKM	SKEENA SAWMILLS LTD.	A01	A16882	529	FD2529	HI	2022-03-07	2026-03-06
14	DKM	SKEENA SAWMILLS LTD.	A01	A16882	530	FD2530	HI	2022-06-14	2026-06-13
15	DKM	SKEENA SAWMILLS LTD.	A01	A16882	531	FD2531	HI	2022-06-14	2026-06-13
16	DKM	SKEENA SAWMILLS LTD.	A01	A16885	39	FF6039	HI	2020-11-06	2024-11-05
17	DKM	SKEENA SAWMILLS LTD.	A01	A16885	40	FF6040	HI	2022-10-28	2026-10-27
18	DKM	SKEENA SAWMILLS LTD.	A02	TFL41	10J	41/10J	HI	2022-11-02	2026-11-01
19	DKM	SKEENA SAWMILLS LTD.	A02	TFL41	10K	41/10K	HI	2022-11-02	2026-11-01
20	DKM	SKEENA SAWMILLS LTD.	A02	TFL41	4JL	41/4JL	HI	2020-11-20	2024-11-19
21	DKM	SKEENA SAWMILLS LTD.	A02	TFL41	4JN	41/4JN	HI	2021-01-14	2025-01-13
22	DKM	SKEENA SAWMILLS LTD.	A02	TFL41	4JO	41/4JO	HI	2021-01-14	2025-01-13
23	DKM	SKEENA SAWMILLS LTD.	A02	TFL41	4JP	41/4JP	HI	2021-02-23	2025-02-22
24	DKM	SKEENA SAWMILLS LTD.	A02	TFL41	4JQ	41/4JQ	HI	2022-03-15	2026-03-14
25	DKM	SKEENA SAWMILLS LTD.	A02	TFL41	5T	41/5T	HI	2023-05-18	2027-05-17
26	DKM	SKEENA SAWMILLS LTD.	A02	TFL41	7N	41/7N	HI	2020-03-11	2024-03-10
27	DKM	SKEENA SAWMILLS LTD.	A02	TFL41	9A	41/9A	HI	2020-04-01	2024-03-31

This is Exhibit "I" referred to in  
the affidavit of Jacques Bousquet  
sworn before me on 7 day of March, 2024.

  
A Commissioner for taking Affidavits  
within British Columbia

Road Permits do not have an expiry date

RESOURCE ROAD SYSTEM \_ RRS

ROAD Permits		Client	Status	Effective Date	Expiry Date	Org Unit
1	R03012	SKEENA SAWMILLS LTD.	HI - Issued	1986-12-16		DKM - Coast Mountains Natural Resource District
2	R03036	SKEENA SAWMILLS LTD.	HI - Issued	1987-04-27		DKM - Coast Mountains Natural Resource District
3	R04088	SKEENA SAWMILLS LTD.	HI - Issued	1992-07-09		DKM - Coast Mountains Natural Resource District
4	R06006	SKEENA SAWMILLS LTD.	HI - Issued	1992-09-01		DKM - Coast Mountains Natural Resource District
5	R06007	SKEENA SAWMILLS LTD.	HI - Issued	1992-09-01		DKM - Coast Mountains Natural Resource District
6	R06207	SKEENA SAWMILLS LTD.	HI - Issued	1996-01-18		DKM - Coast Mountains Natural Resource District
7	R06273	SKEENA SAWMILLS LTD.	HI - Issued	1993-06-01		DKM - Coast Mountains Natural Resource District
8	R07185	SKEENA SAWMILLS LTD.	HI - Issued	1995-05-15		DKM - Coast Mountains Natural Resource District
9	R07521	SKEENA SAWMILLS LTD.	HI - Issued	1995-07-24		DKM - Coast Mountains Natural Resource District
10	R07570	SKEENA SAWMILLS LTD.	HI - Issued	1995-07-31		DKM - Coast Mountains Natural Resource District
11	R07799	SKEENA SAWMILLS LTD.	HI - Issued	1995-09-19		DKM - Coast Mountains Natural Resource District
12	R08791	SKEENA SAWMILLS LTD.	HI - Issued	1996-04-19		DKM - Coast Mountains Natural Resource District
13	R09609	SKEENA SAWMILLS LTD.	HI - Issued	1997-05-01		DKM - Coast Mountains Natural Resource District
14	R09697	SKEENA SAWMILLS LTD.	HI - Issued	1997-04-24		DKM - Coast Mountains Natural Resource District
15	R12655	SKEENA SAWMILLS LTD.	HI - Issued	2001-05-11		DKM - Coast Mountains Natural Resource District
16	R12656	SKEENA SAWMILLS LTD.	HI - Issued	2001-05-11		DKM - Coast Mountains Natural Resource District
17	R13212	SKEENA SAWMILLS LTD.	HI - Issued	2002-09-10		DKM - Coast Mountains Natural Resource District
18	R13213	SKEENA SAWMILLS LTD.	HI - Issued	2002-09-13		DKM - Coast Mountains Natural Resource District
19	R13578	SKEENA SAWMILLS LTD.	HI - Issued	2003-04-15		DKM - Coast Mountains Natural Resource District
20	R13750	SKEENA SAWMILLS LTD.	HI - Issued	2003-07-11		DKM - Coast Mountains Natural Resource District
21	R14658	SKEENA SAWMILLS LTD.	HI - Issued	2005-03-21		DKM - Coast Mountains Natural Resource District
22	R14664	SKEENA SAWMILLS LTD.	HI - Issued	2005-05-06		DKM - Coast Mountains Natural Resource District
23	R14742	SKEENA SAWMILLS LTD.	HI - Issued	2005-05-25		DKM - Coast Mountains Natural Resource District
24	R16154	SKEENA SAWMILLS LTD.	HI - Issued	2007-07-18		DKM - Coast Mountains Natural Resource District
25	R18835	SKEENA SAWMILLS LTD.	HI - Issued	2012-03-21		DKM - Coast Mountains Natural Resource District
26	R19749	SKEENA SAWMILLS LTD.	HI - Issued	2014-03-10		DKM - Coast Mountains Natural Resource District
27	R19867	SKEENA SAWMILLS LTD.	HI - Issued	2014-05-05		DKM - Coast Mountains Natural Resource District
28	R21229	SKEENA SAWMILLS LTD.	HI - Issued	2016-12-02		DKM - Coast Mountains Natural Resource District

29	R21237	SKEENA SAWMILLS LTD.	HI - Issued	2016-12-02	DKM - Coast Mountains Natural Resource District
30	R21396	SKEENA SAWMILLS LTD.	HI - Issued	2017-02-24	DKM - Coast Mountains Natural Resource District
31	R21564	SKEENA SAWMILLS LTD.	HI - Issued	2017-10-26	DKM - Coast Mountains Natural Resource District
32	R21793	SKEENA SAWMILLS LTD.	HI - Issued	2018-04-06	DKM - Coast Mountains Natural Resource District
33	R21962	SKEENA SAWMILLS LTD.	HI - Issued	2018-06-05	DKM - Coast Mountains Natural Resource District
34	R22071	SKEENA SAWMILLS LTD.	HI - Issued	2018-10-12	DKM - Coast Mountains Natural Resource District
35	R22094	SKEENA SAWMILLS LTD.	HI - Issued	2018-10-12	DKM - Coast Mountains Natural Resource District
36	R22191	SKEENA SAWMILLS LTD.	HI - Issued	2019-01-10	DKM - Coast Mountains Natural Resource District
37	R22488	SKEENA SAWMILLS LTD.	HI - Issued	2019-08-27	DKM - Coast Mountains Natural Resource District
38	R22824	SKEENA SAWMILLS LTD.	HI - Issued	2020-03-30	DKM - Coast Mountains Natural Resource District
39	R22990	SKEENA SAWMILLS LTD.	HI - Issued	2020-07-21	DKM - Coast Mountains Natural Resource District
40	R23124	SKEENA SAWMILLS LTD.	HI - Issued	2020-11-06	DKM - Coast Mountains Natural Resource District
41	R23178	SKEENA SAWMILLS LTD.	HI - Issued	2021-02-24	DKM - Coast Mountains Natural Resource District
42	R23276	SKEENA SAWMILLS LTD.	HI - Issued	2021-03-12	DKM - Coast Mountains Natural Resource District
43	R23279	SKEENA SAWMILLS LTD.	HI - Issued	2021-03-12	DKM - Coast Mountains Natural Resource District
44	R23299	SKEENA SAWMILLS LTD.	HI - Issued	2021-08-19	DKM - Coast Mountains Natural Resource District
45	R23436	SKEENA SAWMILLS LTD.	HI - Issued	2021-06-03	DKM - Coast Mountains Natural Resource District
46	R23700	SKEENA SAWMILLS LTD.	HI - Issued	2022-01-17	DKM - Coast Mountains Natural Resource District
47	R23721	SKEENA SAWMILLS LTD.	HI - Issued	2022-01-17	DKM - Coast Mountains Natural Resource District
48	R23735	SKEENA SAWMILLS LTD.	HI - Issued	2022-02-09	DKM - Coast Mountains Natural Resource District
49	R23736	SKEENA SAWMILLS LTD.	HI - Issued	2022-02-09	DKM - Coast Mountains Natural Resource District
50	R23850	SKEENA SAWMILLS LTD.	HI - Issued	2022-11-02	DKM - Coast Mountains Natural Resource District
51	R23885	SKEENA SAWMILLS LTD.	HI - Issued	2022-06-14	DKM - Coast Mountains Natural Resource District
52	R23912	SKEENA SAWMILLS LTD.	HI - Issued	2022-11-02	DKM - Coast Mountains Natural Resource District