Bobtail Standing Biomass Recovery Project

Presentation for the Omineca Region, Joint Government-Biofuel Industry Meeting

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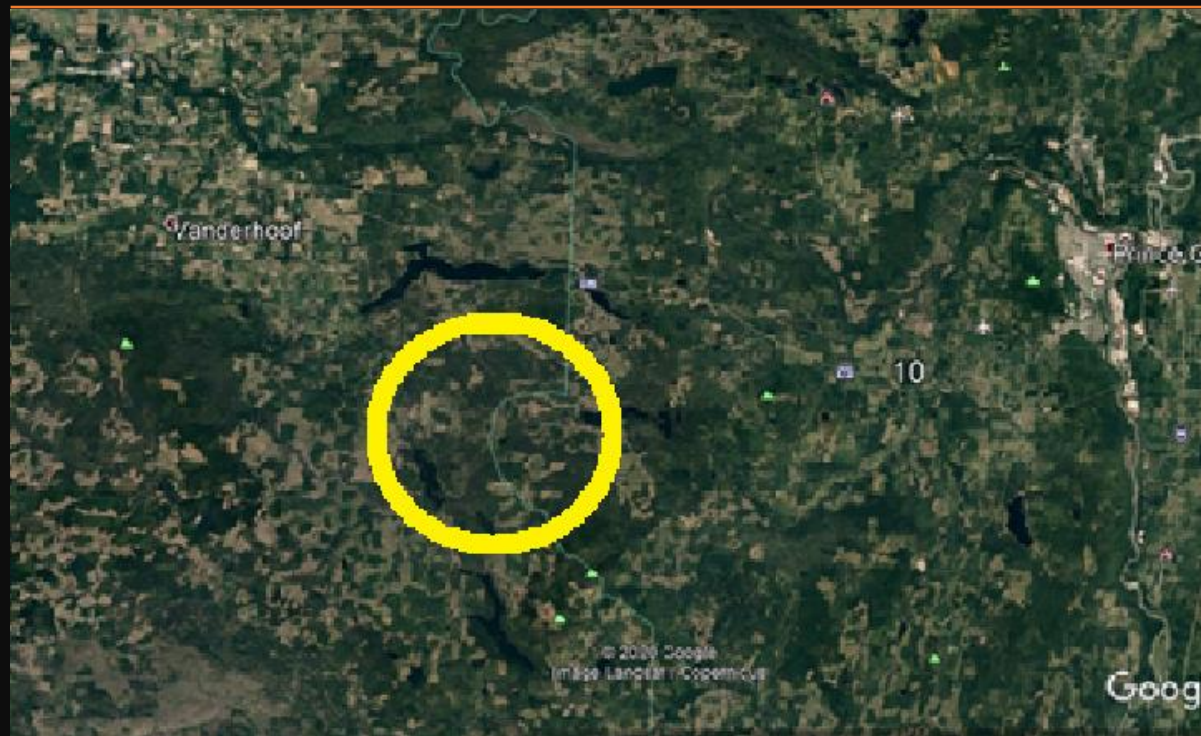
Presentation Outline

- Background
- Project Overview
- Project Benefits
- Challenges Encountered
- Conclusion
- Questions?

Background

- May 8th, 2015 Bobtail Fire- Human Caused
- 24,000 Hectares burnt
- No significant timber salvage due to ash content.
- Sporadic natural regeneration because majority of the pine trees were long dead.



Bobtail Fire Aftermath

Project Overview

- Scope includes approximately:
  - 2000 hectares CP Issued.
  - 300,000 m3 Gross Volume
- Operations Status:
  - Harvest began Sept. 2019.
  - Harvest is 80% complete.
  - Hauling to continued throughout 2020.
  - 1.1 million trees planted in 2020 and 300 hectares to be direct seeded.

- Less than marginal timber:
  - <70m3/ha
  - <0.09 m3/tree.
  - 95% Dead
  - 86% Burnt
  - 43% Blowdown

Project Benefits

- Complete project will provide 6 months of secure, predictable, high quality fibre for the Pacific BioEnergy Pellet Plant supporting 60 direct jobs and various contract operations.
- Heavily damaged stands representing a carbon source will processed into a biogenic fuel and replaced by a carbon absorbing regenerated stand.
- Pioneering project successfully implemented without any public funding; establishes biomass licencee performance in sub-marginal stands.

Challenges

- Highly dangerous layout and cruising. Numerous wind events, slips/trips/falls, and minor injuries.
- Uneconomic costs if this project was to be sole source of fibre.
- Significant uncertainty with total amount of fibre to be recovered.
- Regulatory and revenue regime is designed for the production of sawlog and can be a poor fit for a pure biomass product.

Conclusions

- Operating in sub-marginal stands in order to produce a pure biomass product is possible in the North-Central Interior.
- Significant safety, regulatory and economic challenges exist when recovering biomass fibre.
- Lessons learned will create additional project and tenure opportunities that should serve to make future endeavors safer, more productive and more economically feasible.
- Open and effective communication with a very responsive and efficient Natural Resource District was critical to the success of the Bobtail Fire Standing Biomass Recovery Project.

Questions?