

PORT EDWARD FOREST MANAGEMENT LICENCE.

Forest Management Licence No. 1.

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THIS INDENTURE made in duplicate this *Fourth* day of
May in the year of Our Lord One Thousand Nine Hundred and
Forty-eight.

BETWEEN:

THE MINISTER OF LANDS AND FORESTS of the Province
of British Columbia, who, with his successors in
office, is

hereinafter called "the Licenser", of the one part,

AND

COLUMBIA CELLULOSE COMPANY, LIMITED, a corpora-
tion duly incorporated under the laws of the
Province of British Columbia, and having its
registered office in the City of Vancouver in
the said Province,

hereinafter called "the Licensee", of the other part.

WHEREAS by Subsection (2) of Section 32A of the "Forest Act", as enacted
by Section 12 of the "Forest Act Amendment Act, 1947" of British Columbia,
it is provided that the Minister may enter into an agreement to be described
as a forest management licence with any person for the management of Crown
lands specified in the agreement and reserved to the sole use of the Licen-
see for the purpose of growing continuously and perpetually successive crops
of forest products to be harvested in approximately equal annual or periodic
cuts adjusted to the sustained yield capacity of the lands in the area covered
by the licence, or may enter into an agreement to be known as a forest manage-
ment licence with the owner of other tenures to combine such other tenures
and Crown forest lands into a single unit reserved by mutual consent and con-
tract to the sole use of the Licensee for the like purpose:

AND WHEREAS the conditions precedent to the issuance of this licence,
as set forth in said Section 32A, have been complied with to the satisfac-
tion of the Minister:

NOW THIS INDENTURE WITNESSETH THAT pursuant to Section 32A of the
"Forest Act" and in consideration of the payments, agreements and stipula-
tions to be made and observed by and on the part of the Licensee as herein-
after mentioned, the Licenser doth hereby grant unto the Licensee the

*approved
as to form
K. Pepler
D.A.G.*

management of the Crown lands specified in Schedule B to this agreement, which lands are reserved to the sole use of the Licensee for the purpose of growing continuously and perpetually successive crops of forest products to be harvested in approximately equal annual or periodic cuts adjusted to the sustained-yield capacity of the said lands:

And in consideration of the premises, IT IS HEREBY AGREED AS FOLLOWS:

1. This forest management licence may be referred to as the "Port Edward Forest Management Licence" and is numbered one on the Forest Service register of forest management licences and on official atlas maps of the Department.
2. The Licensee shall manage the licence area in accordance with the provisions of said Section 32A and of any regulations that may have been or may be made from time to time under the "Forest Act" for the regulation of forest management licences, and in accordance with the management working plan for the purpose of growing continuously and perpetually successive crops of forest products to be harvested in approximately equal annual or periodic cuts adjusted to the sustained yield capacity of the licence area.
3. Subject to compliance on the part of the Licensee with the provisions of the "Forest Act" and the regulations, and the terms and conditions of this licence and the management working plan, (the licence is perpetual.)
4. The Licensee hereby declares that it owns or controls the cutting rights on each parcel of the lands listed and described in Schedule A hereto and that each parcel contains the merchantable timber set opposite each parcel in the said Schedule at the time this agreement is entered into.
5. The acquisition by the Licensee of forest lands subsequent to the issuance of this Licence shall, pursuant to Subsection (9) of said

Section 32A, be reported to the Minister, and such forest lands shall be included in the licence area and be incorporated in Schedule A hereof to the extent required by such Subsection (9).

6. The licence area includes all the Crown lands not otherwise alienated at this date, as set forth in Schedule B hereto, together with all the lands owned or controlled by the Licensee, as set forth in Schedule A hereto, both of which are shown outlined in red on the plan attached hereto; and in addition it includes any and all lands that may be subsequently acquired by the Licensee and incorporated into said Schedule A pursuant to paragraph 5 hereof.

7. For the purpose of Subsection (8) of Section 32A of the "Forest Act", the watersheds and drainage basins relating to this licence are defined as the watersheds and drainage basins of the Nass and Skeena Rivers and the islands and coastal lands of the Province of British Columbia within the Prince Rupert Forest District as presently constituted.

8. The Minister may direct the Licensee to have surveyed and defined on the ground, and at the Licensee's expense, any or all the Licensee's boundaries he may deem it necessary to have so defined. In the event of failure of the Licensee to complete any such survey within time limits set by the Minister, the Minister may cause the surveys to be made and the cost shall be charged to and payable forthwith by the Licensee.

9. This licence is designed subsequent to the first rotation to maintain an annual harvest of 20,000,000 cubic feet of wood suitable for the manufacture of wood pulp, cellulose or paper. The estimated annual capacity for the first rotation is 14,500,000 cubic feet. If, after due study and investigation on the part of technically qualified foresters of the Forest Service or of the Licensee, and the Minister is satisfied as to the findings:

- (a) The area proves to be less than is required to maintain the Licensee's plant of a capacity of 80,000 tons unbleached air-dry pulp per year, the Minister will, on request of the Licensee, incorporate additional vacant Crown lands in the licence, if such lands are available; or
- (b) The area proves to be more than is required to maintain the said capacity, the Minister may, at his discretion, or at the request of the Licensee will, reduce the area accordingly; but if in the opinion of the Minister the excess of harvest arises out of an increased yield per acre resulting from the Licensee's management of the lands, and if the Licensee is prepared ~~himself~~ to use the increase in expanded manufacturing facilities, then the Licensee shall be entitled to have the capacity of the licence revised upward to an appropriate figure, and to that extent the licence area shall not be reduced.

E. J. K.
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10. As a first essential to the primary object of sustained-yield management of this licence, it is agreed that all potentially productive forest land within the licence area shall be kept by the Licensee in growing crop as provided in paragraph 11 hereof, and adequately stocked in accordance with standards to be defined from time to time by the Forest Service for comparable lands in British Columbia.

11. Any lands in the licence area which on January 1st, 1957, are found to be stocked below the minimum standards defined by the Forest Service as provided by paragraph 10 shall be classified as to site quality, and those determined to be of a site quality index equal to or better than 80, unless occupied by an advanced growth of brush to such an extent as to make planting operations economically impractical, shall be reforested by the Licensee by artificial means with a timber-producing species suitable

to the locality at a rate per year of not less than one thousand acres, or ten percent of the total acres of such lands, whichever is the less, all to the satisfaction of the Minister.

The Licensee further agrees that lands of site quality index better than 110 logged after January 1st, 1957, and not found to be restocked satisfactorily five years after logging will be artificially regenerated by the Licensee before the end of the seventh year after logging; and that lands of site quality index between 80 and 110 not found to be restocked satisfactorily eight years after logging, will be artificially regenerated by the Licensee before the end of the tenth year after logging, all to the satisfaction of the Minister.

12. On failure of the Licensee to comply with the provisions of paragraph 11, the Forest Service may enter on the lands in respect of which the Licensee is in default under paragraph 11 hereof and restock them, and the cost thereof shall be recoverable by the Crown from the Licensee and may be taken in whole or in part from the deposit referred to in paragraph 18 hereof.

13. Cutting on the licence area shall be done only in accordance with the management working plan, and only after notice of intent has been given to the Forest Service and a cutting permit has been issued. Such cutting permit shall be issued by the Forest Service if the proposed cutting is in keeping with the provisions of this licence and the management working plan. If the proposed cutting is to be on other tenures, the cutting permit will constitute the Minister's concurrence that the cutting is according to plan and specify such other details as he may deem necessary, such details, however, always to be in keeping with the provisions of the management working plan and this licence. If cutting is on Crown lands not held under other tenures, the cutting permit will in addition fix the stumpage rates. Any cutting not covered by a cutting permit will be deemed to be in trespass and

the Licensee may be assessed a penalty by the Minister in respect thereof in an amount not in excess of the value of the logs or other product so cut.

14. For the purpose of Subsection (20) of Section 32A of the "Forest Act", "merchantable timber" means all even-aged stands in which the average age of the dominant trees is more than one-half the length of the rotation as defined in the management working plan; and all timber cut during the first half of the initial rotation in uneven-aged stands managed under a selection system. The age of trees and stands for the purpose of this paragraph shall be determined by the Minister.

15. Timber marks shall be secured by the Licensee and marking carried out as required by Part IX of the "Forest Act".

16. The Licensee agrees to pay stumpage on all merchantable wood cut, destroyed, or removed on or from the licence area by the Licensee or his agents, as provided in this licence, the "Forest Act" and the cutting permit. It is intended that the stumpage rate payable from time to time by the Licensee under the system of scaling required hereunder shall be not less favourable than such stumpage rate would have been if appraised under any other method of scaling authorized by the "Forest Act".

17. All timber harvested on the licence area for use in the Licensee's mill for the manufacture of pulp shall be scaled in cubic feet, and all other timber shall be scaled in appropriate measure, all in accordance with the provisions of Part VIII of the "Forest Act".

18. The Licensee herewith deposits, pursuant to Subsection (6) of Section 32A of the "Forest Act", the sum of \$15,000.00, receipt of which is acknowledged, and will supplement this deposit by the payment of 15¢ per thousand board feet or 8¢ per hundred cubic feet, as the case may be, on each thousand board feet or one hundred cubic feet harvested; but the

sum total of deposits held at any one time by the Minister under this section shall not exceed \$25,000.00. The said deposits shall be held subject to the terms and conditions of this licence.

19. Subject to the provisions of paragraph 22, the wood harvested from the licence area in any one year shall not be less than fifty percent of the approved current cutting budget, and not more than one hundred and fifty percent of the current cutting budget as approved, and shall not vary more than ten percent from the total allowable cut over a period of five years.

20. Penalties, recoverable in full or in part from the deposit made by the Licensee under paragraph 18 hereof, may be assessed by the Minister for failure to observe the provisions of paragraph 19 of this licence, as follows:

- (a) The full stumpage value as appraised by the Forest Service on the quantity of timber by which the year's cut falls below fifty percent of the approved annual cut.
- (b) Double the stumpage value as appraised by the Forest Service on the quantity of timber by which the year's cut is in excess of one hundred and fifty percent of the approved annual cut, whether cut from Crown lands or from other tenures.
- (c) Should the total cut over five consecutive years vary more than ten percent over or under the total of the five years' cutting budget as approved, the full stumpage value appraised on the stumpage value of the fifth year's operations will be assessed on the amount cut over or under the ten percent allowance, whether cut from Crown land or from other tenures.
- (d) Should the total cut over ten consecutive years, including the five-year period referred to in (c) above, vary less than ten percent from the total of the ten-year cutting budget as approved

in the working plan, the penalty assessed in paragraph (c) above, if any, will be refunded.

21. For the purpose of carrying out the provisions of paragraph 20 hereof, the Licensee may elect to start a new five-year period from any year in which the periodic cutting budget balances within ten percent.

22. The provisions of paragraphs 19, 20 and 21 above shall not apply to any under-cut, that is, less than fifty percent of the cutting budget, until after December 31st, 1952, or until after January 1st next following the completion of the manufacturing plant, should the plant be operated prior to December 31st, 1952, whichever is the sooner. If completion of the building and putting into operation of the Licensee's mill is delayed by reason of circumstances beyond the control of the Licensee, the Minister may extend the exemption provided in this paragraph.

23. For the purposes of the rental under Subsection (19) of Section 32A of the "Forest Act", the aggregate acreage of the licence area shall be the sum of the acreages described in Schedule B hereto.

24. For the purposes of Forest Protection Tax under Section 123 of the "Forest Act", the aggregate acreage of the licence area is agreed to be the sum of the acreages set forth in the various descriptions in both Schedules A and B hereto.

25. The operations covered by this licence shall be managed in accordance with the currently approved management working plan, which is hereby incorporated into and made a part of this licence.

26. This licence is given for the maintenance of, and shall be appurtenant to, the Licensee's proposed manufacturing plant to be situated on Watson Island, being Lot 507, Range 5, Coast District, referred to in paragraph 43 hereof, and the wood removed from the licence area shall be processed in the said plant, except non-pulp species and such wood or materials as the Minister may, in writing, approve for disposal elsewhere.

27. Other tenures included in this management licence shall not be sold, transferred or otherwise disposed of except as provided in Subsections (11) and (24) of Section 32A of the "Forest Act".

28. Timber and wood cut from lands included in this licence, regardless of the tenure of the lands, shall be subject in all respects to the provisions of Part X of the "Forest Act" as they relate to lands granted after the 12th day of March 1906.

29. The Licensee agrees to submit to the Minister for approval not later than December 31st, 1950, a revised management working plan in such form and detail as the Minister may require, and to proceed forthwith with the surveys and investigations necessary and incident to the satisfactory completion of the said management working plan.

30. Management working plans will be approved for such period as the Minister may decide, and will be subject to revision as set forth in the said plans.

31. Revised management working plans will be submitted for the approval of the Minister not later than three months prior to the expiry of currently approved plans.

32. The object of each succeeding plan shall be to implement the primary object of the licence; i.e. sustained yield in equal annual or periodic cuts, and may embody any method of attaining that objective that is approved by the Minister and that is not inconsistent with the spirit and intent of the Act and regulations. It is the express intention of this licence that in preparing the management working plan advantage shall be taken of all available data and experience.

33. For the period ending June 30th, 1951, the sustained-yield capacity of this licence is agreed to be 14,500,000 cubic feet per annum, which quantity shall constitute the current annual cutting budget.

34. Should at any time it appear to either party hereto necessary in case of emergency to increase or decrease the rate of cutting contemplated by the cutting budget then in effect, or to alter the cutting plan then being observed, emergency revision of the management working plan will be undertaken upon the request of either the Licensee or the Forest Service.

Without limiting the generalities of the preceding paragraph, cause for revision on account of emergency conditions will cover such things as fire damage of major proportions, serious windthrow, insect or disease attacks, serious damage to the Licensee's manufacturing plant, or other catastrophe of great moment, or should there occur a national emergency brought about by war or a severe economic depression.

35. In the event that mutual agreement cannot be reached between the parties hereto as to the sustained-yield cutting capacity or as to the sequence or methods of cutting to be employed at the time emergency, or any other, revision of the cutting plan or cutting budget is undertaken, the determination of the permissible cut and the plan and methods of cutting as made by the Minister will be accepted and used.

36. The Minister may from time to time withdraw from the lands included in the licence area such lands as are required for forest experimental purposes, parks or for aesthetic purposes; but the lands so withdrawn shall not exceed one percent of the total area of lands in the licence area without the consent of the Licensee, and no land shall be withdrawn from areas being developed under the current cutting plan without consent of the Licensee. Any such withdrawals shall be deducted from Schedule B.

37. If at any time or from time to time part of the land within the management licence area is found to be required for a townsite, or suitable for a higher economic use than raising forest crops, said lands may be withdrawn from the licence area by the Minister, provided that if by such withdrawal the productive capacity of the licence area is diminished by

more than one-half of one percent of its total productive capacity other lands, if available, will be added to the licence area in substitution therefor.

38. It is expressly understood that the Minister may at his discretion, and at any time, either permanently or for a specified time, withdraw from this licence and from the licence area any Crown lands needed for rights-of-way under Part VI of the "Forest Act" or for railway, highway, or power transmission, or other right-of-way purposes, and such lands will be deducted from Schedule B.

39. In the event of the withdrawal of any lands from the licence area pursuant to paragraphs 37 and 38 hereof, the Licensee shall remove from such lands within one hundred and twenty days thereafter all timber then cut thereon and all buildings, machinery, equipment and other property placed by it thereon and which is capable of removal.

Compensation shall be paid to the Licensee in respect of improvements capable of removal from the lands so withdrawn to the extent only of the cost of removal and damage incidental thereto; and compensation shall be paid to the Licensee in respect of improvements not capable of removal on the basis of cost less depreciation. Without limiting the generality of the foregoing, the term "improvements" means all buildings, structures, fixtures and things erected upon or affixed to such lands and shall include machinery, boilers, tanks, pipes, dams, flumes, roads, railways, transmission lines and other works used in connection with the business of the Licensee. Improvements shall also mean areas artificially reforested by planting, compensation for which shall be the cost incurred in the act of planting.

If the amount of compensation payable to the Licensee is not agreed upon, then such amount shall be appraised and awarded by a single arbitrator in case the Licensor and Licensee agree upon one, otherwise

by three arbitrators, one to be appointed by the Licensor and one by the Licensee and the third to be appointed by writing under the hands of the two so appointed, such arbitration to be in accordance with the provisions of the "Arbitration Act" of the Province of British Columbia.

40. During the period of twenty years from the date of this licence, the Minister may from time to time sell to any other person, firm or corporation, and license them to cut and remove timber from that part of the licence area known as the Kitsumgallum Block; but the timber so sold shall not exceed in the aggregate fifteen million feet board measure of cedar, five million feet board measure of spruce, and ten million lineal feet of cedar poles.

41. Where any other person, firm or corporation has been granted the right to cut and remove timber pursuant to paragraph 40 hereof, the Licensee shall be exempt from the obligation to pay Forest Protection Tax or annual rental in respect of those portions of the licence area covered by such licence or licences during the currency thereof.

42. In that part of the Province west of the Cascades, no person of the Chinese race who is not a British subject, and no person of the Japanese race, shall be employed in or upon the cutting or removal of any timber under the terms of this licence, subject, however, to the rights of any such person under any treaty having the force of law in Canada.

43. This licence is issued on the understanding that the Licensee will build and have in operation on Watson Island on or before December 31st, 1952, a plant designed to produce 80,000 tons per year of unbleached pulp, paper or cellulose; but if completion of the building and putting into operation of the Licensee's plant is delayed by reason of circumstances beyond the control of the Licensee, the Minister may give such reasonable extension, or extensions, of time for the completion of the Licensee's plant as he may decide.

44. The Licensee deposits herewith the sum of \$35,000.00 as security that it will comply with the provisions of the next preceding paragraph (paragraph 43) and with the provisions of paragraph 29 hereof. When in the opinion of the Minister the Licensee fails so to do all deposits held by the Minister under the terms of this licence will be forfeited and the licence will be cancelled.

45. When a satisfactory management working plan as required in paragraph 29 has been submitted, and the Minister is satisfied that the plant has been completed and is in operation in accordance with the terms of paragraph 43, the deposit taken pursuant to paragraph 44 will be refunded in full to the Licensee.

46. The Licensee shall provide to the satisfaction of the Minister reasonable office and living accommodation for a reasonable Forest Service supervisory staff on the licence area or at any headquarters, plant, or operation maintained by the Licensee, if instructed by the Minister in writing so to do.

In this licence,--

"Act" means the "Forest Act", R.S.B.C. 1936, Chapter 102, and amendments thereto in force from time to time during the currency of this licence.

"Approved" means approved by the Minister.

"Forest Service" means the Forest Service of the Department of Lands and Forests of British Columbia.

"Minister" means the Minister of Lands and Forests and his successors in office, and includes the Deputy Minister of Forests and his successors in office.

"Other tenure" means any title, licence, lease or berth whereby the Licensee has the right to cut timber on land included in Schedule A hereto, or on land that subsequently may be incorporated in said Schedule A pursuant to paragraph 5 hereof.

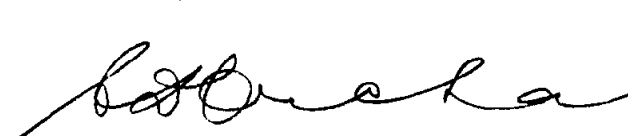
"Management working plan" means the tentative management working plan submitted by the Licensee on the application for this forest management licence and approved prior to the execution of these presents and subsequent revised management working plans to be submitted by the applicant in accordance with the terms of this licence as herein appearing.

This agreement shall enure to the benefit of and shall be binding upon, not only the parties hereto, but also the successors in office of the Licensor, and the successors and assigns of the Licensee respectively.

This Licence and Agreement is issued subject to the provisions of the above-mentioned "Forest Act" and regulations made thereunder.

IN WITNESS WHEREOF the Licensor has executed these presents and the Licensee has hereunto affixed its corporate seal by the hands of its proper officers in that behalf.

SIGNED SEALED AND DELIVERED
in the presence of:

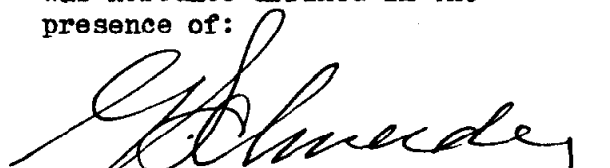


Witness.

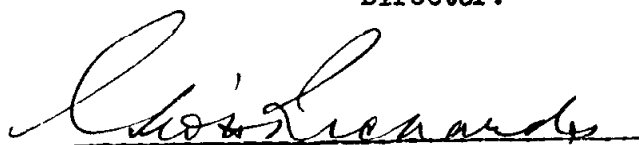


Minister of Lands and Forests.

THE COMMON SEAL OF THE LICENSEE
was hereunto affixed in the
presence of:



Director.



Director.

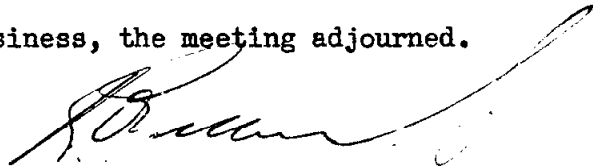
COLUMBIA CELLULOSE COMPANY, LIMITED

I HEREBY CERTIFY that the following resolutions were duly adopted by the Directors of Columbia Cellulose Company, Limited at a meeting thereof held in the City of New York, U. S. A., on the 26th day of April, 1948.

"RESOLVED that the agreement, being Forest Management Licence No. 1 of the Province of British Columbia, made between the Minister of Lands and Forests of the Province of British Columbia of the one part and this Company of the other part, now submitted to this meeting, be and the same is hereby approved, and it was .

FURTHER RESOLVED that said Forest Management Licence No. 1 be executed for and in the name and on behalf of this Company by George Schneider and George H. Richards, both being directors of the Company, and that the Company's common seal be thereto affixed.

There being no further business, the meeting adjourned.



Secretary

SCHEDULE A.

Port Edward Forest Management Licence.

Forest Management Licence No. 1.

Forest lands and merchantable timber in other
tenures owned or controlled by the Licensee included in the
Port Edward Forest Management Licence, No. 1.

Parcel.

Timber.

N I L.

SCHEDULE B.

Port Edward Forest Management Licence

Forest Management Licence No. 1.

Description of Crown lands other than other tenures included
in the Port Edward Forest Management Licence - No. 1.

SUMMARY.

	Mature Volume		Productive Area (Acres)		
	Million f.b.m.	Million cu.ft.	Mature	Immature	Burn and Non- Stocked
Andegulay	120	21.1	9,960		
Fishery Bay	42	7.4	2,490		
Nass Bay	16	2.8	3,380		
Kwinimass River	103	18.1	6,920		
Khutzeymateen Inlet	318	55.8	20,800		
Union Lake	40	7.0	3,390		
Ensheshese River	8	1.4	4,390		
Toon River	17	3.0	2,690		
Lachmach River	39	6.8	3,050		
Ecstall River	195	34.2	21,570		
Khyex River	43	7.7	3,290		
Scotia River	43	7.7	2,900		300
Center Block	22	3.9	1,490		
Aiyansh) Lava Lake)	1,758	308.0	202,900	177,030	56,620
Kitsumgallum	1,027	180.0	65,990	860	
Zymoetz River	554	97.2	50,470	22,010	5,940
TOTALS	4,345	762.1	405,680	199,900	62,860
Total Productive Area					668,440

SCHEDULE B.

Port Edward Forest Management Licence.

Forest Management Licence No. 1.

ANDEGULAY BLOCK.

Description.

All Crown lands not otherwise alienated within the following area in the Cassiar Land District:

"Commencing at the southwest corner of Lot 2951, thence south 260 chains, thence east 340 chains, thence south 60 chains, thence east 160 chains, thence north 280 chains, thence east 60 chains, thence north 560 chains, thence east 120 chains, thence north 40 chains, more or less, to the south bank of the Nass River, thence westward and southward along the said south bank to the northeast corner of S.T.L. 11357^P, thence south to the angle corner thereof, thence west 40 chains, thence south 180 chains to the southeast corner of S.T.L. 11359^P, thence west 40 chains to the northeast corner of S.T.L. 11352^P, thence south 100 chains to the southeast corner thereof, thence west 150 chains more or less to the northeast corner of I.R.#8A being a point on the west bank of the Nass River, thence northerly along said west bank to the northeast corner of Lot 2946, thence west 150 chains more or less to a point due north of the point of commencement, thence south 220 chains more or less to the point of commencement."

Mapped Productive Area (mature timber)

9,960 acres.

Volume

119,900 M.B.M.

SCHEDULE B.

Port Edward Forest Management Licence.

Forest Management Licence No. 1.

FISHERY BAY BLOCK.

Description.

All Crown lands not otherwise alienated within the following described area in the Cassiar Land District and Range 5, Coast Land District:

"Commencing at the southwest corner of Lot 3964, Range 5, Coast Land District (IR 41), thence south 200 chains, thence east 120 chains, thence south 120 chains, thence east 200 chains, thence north 280 chains, thence east 80 chains, thence north 280 chains, thence west 180 chains more or less to the south bank of the Nass River, thence southward and westward along said south bank of the River to the northwest corner of Lot 3964 (IR 41), thence east to the northeast corner thereof, thence south to the southeast corner thereof, thence west to the point of commencement."

Productive area (mature timber)	2,490 acres.
Volume	41,900 M.B.M.

SCHEDULE B.

Port Edward Forest Management Licence.

Forest Management Licence No. 1.

NASS BAY BLOCK.

Description.

All Crown lands not otherwise alienated within the following area in Range 5, Coast Land District:

"Commencing at the most northerly northeast corner of Lot 992, thence west 190 chains more or less to a point due north of the northwest corner of Lot 5040, thence south 70 chains more or less to that point and continuing south along the west boundary of Lots 5040, 105 and 50 to the shore of Nasoga Gulf, thence southeasterly along the shore of Nasoga Gulf to the southwest corner of Lot 50, thence east to the northeast corner of Lot 39, thence south along the east boundary of Lot 39 and Lot 5037 to the southeast corner of Lot 5037, thence east 200 chains, thence north 140 chains, thence east 140 chains, thence south 120 chains, thence east 120 chains, thence north 180 chains, thence east 160 chains, thence north 80 chains, thence east 120 chains, thence north 200 chains, thence west 160 chains more or less to a point due north of the northeast corner of Lot 120, thence south 20 chains more or less to that point, thence west to the northwest corner of Lot 120, thence southerly and easterly along the shore of Nass and Iceberg Bays to the point of commencement."

Productive area (mature timber)	3,580 acres.
Volume	16,500 M.B.M.

SCHEDULE B.

Port Edward Forest Management Licence.

Forest Management Licence No. 1.

KWINIMASS RIVER BLOCK.

Description.

All Crown lands not otherwise alienated within the following area, Range 5, Coast Land District:

"Commencing at the southwest corner of S.T.L. 5885^P, thence north 80 chains, thence east 280 chains to the west boundary of S.T.L. 5884^P, thence north to the northwest corner thereof and continuing north 40 chains, thence east 160 chains, thence south 120 chains, thence east 320 chains, thence south 160 chains, thence west 360 chains, thence south 40 chains more or less to a point due east of the most easterly southeast corner of S.T.L. 5901^P, thence west 80 chains more or less to that corner and continuing west 40 chains to the angle corner thereof, thence south 100 chains, thence west 160 chains, thence north 120 chains, thence west 200 chains more or less to a point due south of the southwest corner of S.T.L. 5907^P, thence north 40 chains more or less to that corner and continuing north to the northwest corner of S.T.L. 5907^P, thence eastward, northward and westward along the shore of Kwinimass Bay to the point of commencement."

Mapped productive area (all mature timber)	6,920 acres.
Volume	102,500 M.B.M.

SCHEDULE B.

Port Edward Forest Management Licence.

Forest Management Licence No. 1.

KHUTZEYMATEEN INLET BLOCK.

Description.

All Crown lands not otherwise alienated within the following area, Range 5, Coast Land District:

"Commencing at the southwest corner of S.T.L. 5893^P, thence north 80 chains, thence east 160 chains, thence south 120 chains, thence east 400 chains, thence south 140 chains, thence east 240 chains, thence north 120 chains, thence east 240 chains, thence south 160 chains, thence east 200 chains, thence south 140 chains, thence west 100 chains, thence south 280 chains, thence west 240 chains, thence north 160 chains, thence west 240 chains, thence south 180 chains, thence west 340 chains more or less to a point due south of the most westerly southwest corner of S.T.L. 5911^P, thence north 170 chains, thence west 320 chains, thence north 200 chains, thence west 100 chains, thence south 120 chains, thence west 140 chains, thence north 160 chains, thence east 80 chains, thence north 120 chains more or less to a point due west of the northwest corner of S.T.L. 5886^P, thence east 120 chains more or less to that point, thence easterly, northerly and westerly along the shores of Khutzeymateen Inlet to the point of commencement."

Mapped productive area (all mature timber)	20,800 acres
Volume	318,500 M.B.M.

SCHEDULE B.

Port Edward Forest Management Licence.

Forest Management Licence No. 1.

UNION LAKE BLOCK.

Description.

All Crown lands not otherwise alienated, within the following area, Range 5, Coast Land District:

"Commencing at the northeast corner of Lot 4422, thence south to the southeast corner of S.T.L. 5916^P, thence west 80 chains to the most southerly southwest corner thereof, thence south 250 chains, thence east 60 chains, thence south 200 chains, thence west 120 chains, thence north 60 chains, thence west 80 chains, thence north 140 chains, thence west 70 chains more or less to a point due south of the southwest corner of Lot 199 (Union Bay), thence north and continuing north to the northwest corner of Lot 2734 (T.L. 8840^P), thence continuing north to the northwest corner of S.T.L. 5891^P, a distance of 85 chains more or less, thence easterly along the shore of Steamer Passage and Khutzeymateen Inlet to the point of commencement."

Mapped productive area (all mature timber)	3,390 acres
Volume	40,400 M.B.M. & 2,388 cords

SCHEDULE B.

Port Edward Forest Management Licence.

Forest Management Licence No. 1.

ENSHESHESE RIVER BLOCK.

Description.

All Crown lands not otherwise alienated, within the following area, Range 5, Coast Land District:

"Commencing at a point on the east shore of Work Channel 15 chains southeasterly from the southeast corner of Lot 3949, IR 54, thence east 120 chains, thence north 60 chains, thence east 80 chains, thence north 140 chains, thence east 40 chains, thence north 140 chains, thence west 200 chains, thence north 200 chains more or less to a point due east of the northeast corner of Lot 114, thence west 320 chains more or less to that point and continuing west along the north boundary of Lot 114 to the northwest corner thereof, thence southerly along the shore of Work Channel to the point of commencement."

Mapped productive area (all mature timber)	4,390 acres.
Volume	8,485 M.B.M.

SCHEDULE B.

Port Edward Forest Management Licence.

Forest Management Licence No. 1.

TOON RIVER BLOCK.

Description.

All Crown lands not otherwise alienated within the following area, Range 5, Coast Land District:

"Commencing at the southwest corner of S.T.L. 8836^P, North Arm of Work Channel, thence west 60 chains, thence north 100 chains, thence west 100 chains, thence north 160 chains, thence east 200 chains, thence south 140 chains, thence east 120 chains, thence north 140 chains, thence east 440 chains, thence south 160 chains, thence west 200 chains, thence south 60 chains, thence west 140 chains, thence south 60 chains, thence east 70 chains, thence south 200 chains, thence west 80 chains, thence north 120 chains more or less to a point due east of the southeast corner of S.T.L. 7245^P, thence west 55 chains more or less to that point, thence continuing west 80 chains, thence north to the northwest corner of S.T.L. 7245^P, thence easterly, northerly, and westerly along the shore of the North Arm of Work Channel to the point of commencement."

Mapped productive area (all mature timber)	2,690 acres
Volume	16,570 M.B.M. & 2,620 cords

SCHEDULE B.

Port Edward Forest Management Licence.

Forest Management Licence No. 1.

LACHMACH RIVER BLOCK.

Description.

All Crown lands not otherwise alienated within the following area, Range 5, Coast Land District:

"Commencing at the northeast corner of Lot 3944, (I.R.61) thence west 120 chains, thence south 240 chains, thence east 480 chains, thence north 120 chains, thence west 80 chains, thence north 70 chains, thence east 80 chains, thence north 160 chains, thence west 60 chains, thence south 80 chains, thence west 160 chains, thence north 100 chains, thence east 100 chains, thence north 160 chains, thence east 40 chains, thence north 80 chains, thence west 80 chains, thence south 40 chains, thence west 20 chains, thence south 20 chains, thence west 20 chains, thence south 20 chains, thence west 20 chains, thence south 20 chains, thence west 120 chains more or less to a point due north of the southwest corner of S.T.L. 8834^P, thence south 100 chains more or less to that point, thence east along the south boundary of S.T.L. 8834^P to the shore of Work Channel, thence southward and westward along the shore of Work Channel to the point of commencement."

Productive area (mature timber)

3,050 acres

Volume

38,600 M.B.M.

SCHEDULE B.

Port Edward Forest Management Licence.

Forest Management Licence No. 1.

ECSTALL RIVER BLOCK.

Description.

All Crown lands not otherwise alienated within the following area within Ranges 4 and 5 of the Coast Land District:

"Commencing at the northwest corner of Lot 5893, Range 5, Coast Land District, thence east to the northeast corner thereof, thence north 60° east to the height of land between the Ecstall and Skeena Rivers, thence southerly following the eastern boundary of the watershed of the Ecstall River to the northern boundary of the watershed of Douglas Channel, thence westerly and northerly along the western boundary of the watershed of the Ecstall River to a point due west of the southwest corner of Lot 5894, Range 5, Coast Land District, thence east to that point, thence northerly along the east bank of the Ecstall River to the point of commencement."

Productive area (mature timber)	21,570 acres.
Volume	194,080 M.B.M.

SCHEDULE B.

Port Edward Forest Management Licence.

Forest Management Licence No. 1.

KHYEX RIVER BLOCK.

Description.

All Crown lands not otherwise alienated within the following described area within Range 5, Coast Land District:

"Commencing at the northeast corner of Lot 1001, thence east to the east bank of the Khyex River, thence south along the said east bank to the southwest corner of S.T.L. 39885, thence east 80 chains, thence north 200 chains, thence east 20 chains, thence north 60 chains, thence east 140 chains, thence north 160 chains, thence west 140 chains, thence north 120 chains, thence west 40 chains, thence north 140 chains, thence east 100 chains, thence north 160 chains, thence west 60 chains, thence south 60 chains, thence west 180 chains, thence south 280 chains, thence east 40 chains more or less to a point due north of the northwest corner of S.T.L. 39886, thence south 270 chains more or less to that point, thence west 80 chains, thence south 220 chains more or less to a point due west of the point of commencement, thence east 90 chains more or less to the point of commencement."

Productive area (mature timber)	3,290 acres.
Volume	43,000 M.B.M.

SCHEDULE B.

Port Edward Forest Management Licence.

Forest Management Licence No. 1.

SCOTIA RIVER BLOCK.

Description.

All Crown lands not otherwise alienated within the following described area in Range 5, Coast Land District:

"Commencing at the northwest corner of S.T.L. 8023^P, thence east 80 chains, thence south 90 chains, thence east 120 chains, thence south 160 chains, thence east 80 chains, thence south 80 chains, thence east 40 chains, thence south 100 chains, thence east 80 chains, thence south 160 chains, thence west 160 chains, thence north 100 chains, thence west 40 chains, thence north 100 chains, thence west 40 chains, thence north 40 chains, thence west 80 chains, thence north 80 chains, thence west 40 chains, thence north 60 chains, thence west 40 chains, thence north 140 chains, thence west 80 chains, thence north 80 chains, thence east 80 chains, to the point of commencement."

Productive area:	Mature timber	2,900 acres	
	Burn (restocking)	<u>300 acres</u>	3,200 acres.
Volume			42,700 M.B.M.

SCHEDULE B.

Port Edward Forest Management Licence.

Forest Management Licence No. 1.

CENTER BLOCK.

Description.

All Crown lands not otherwise alienated within the following described area within Range 5, Coast Land District:

"Commencing at the northwest corner of S.T.L. 8024^P,
thence east 100 chains, thence south 60 chains, thence east 80
chains, thence south 160 chains, thence west 80 chains, thence
south 160 chains, thence west 160 chains, thence north 380 chains,
thence east 60 chains to the point of commencement."

Productive area (mature timber)	1,490 acres.
Volume	21,800 M.B.M.

SCHEDULE B.

Port Edward Forest Management Licence.

Forest Management Licence No. 1.

ATYANSH BLOCK.

Description.

All Crown lands not otherwise alienated within the following area in the Cassiar Land District:

"Commencing at northeast corner of Lot 1704, being a point on the Summit of the Cascade Mountains as defined for administrative purposes, thence westward and northward along the said summit to Yvonne Peake, thence northward to Mount Pattullo, thence in an easterly direction along the Bell Irving River and Meziadin Lake Divide to Mount Bell Irving, thence in a southeasterly direction to the junction of the Bell Irving River and Nass River, thence in a southerly direction to the intersection of the 56° parallel north latitude and the 129° meridian west longitude, thence in a southerly and easterly direction to the Skeena River and Nass River Divide, thence following said divide in a southerly direction to its intersection with the 55° 30' parallel of latitude, thence easterly along that parallel to the east boundary of Lot 1793, thence south 240 chains, thence east 200 chains, thence south 280 chains, thence west 360 chains, thence south 160 chains, thence west 80 chains, thence south 200 chains, thence west 120 chains, thence south 320 chains, thence west 120 chains, thence south 330 chains more or less to a point due east of the southeast corner of Lot 1714, thence west 440 chains more or less to that point, thence west along the south boundaries of Lots 1714, 1713 and 1712 to the southwest corner of Lot 1712, being a point on the east bank of the Nass River, thence

Description AIYANSH BLOCK (Cont'd).

west 45 chains more or less to the east boundary of Lot 1707, thence north along the east boundaries of Lots 1707, 1705 and 1704 to the point of commencement;"

Saving and excepting thereout the following surveyed

lots:

1701	1717	3058	3068
1709	1719	3059	3080
1710	1720	3061	3081
1711	1721	3062	3082
1712	1724	3063	3083
1713	3052	3064	3086
1714	3053	3065	3087
1715	3055	3066	4015
1716	3056		

SCHEDULE B.

Port Edward Forest Management Licence.

Forest Management Licence No. 1.

LAVA LAKE BLOCK.

Description.

All Crown lands not otherwise alienated in the following area within the Cassiar Land District:

"Commencing at the northeast corner of Lot 2625, thence east 200 chains, thence south 200 chains, thence east 80 chains, thence south 40 chains, thence east 120 chains, thence south 200 chains, thence east 260 chains, thence south 120 chains, thence west 40 chains, thence south 120 chains, thence west 80 chains, thence south 160 chains, thence west 80 chains, thence south 120 chains, thence west 60 chains, thence south 120 chains, thence west 80 chains, thence south 140 chains more or less to the 55° parallel of latitude, thence west 320 chains, thence north 400 chains, thence east 80 chains, thence north 360 chains, thence west 360 chains, thence north 320 chains more or less to a point due west of the southwest corner of Lot 2626, thence east 200 chains more or less to that point, thence east along the south boundary of Lot 2626 to the southeast corner thereof, thence north along the east boundaries of Lots 2626 and 2625 to the point of commencement."

Aiyansh)
Lava Lake)

Productive Area (mature timber)	268,890 acres.
immature	177,890 acres.
burn and non-stocked	56,620 acres.
Volume	1,758 M.B.M.

SCHEDULE B.

Port Edward Forest Management Licence.

Forest Management Licence No. 1.

KITSUMGALLUM BLOCK.

Description.

All Crown lands not otherwise alienated in the following area, Range 5, Coast Land District, and the Cassiar Land District:

"Commencing at the southeast corner of Lot 1405^A, being a point on the west bank of the Kitsumgallum River, thence west along the south boundary of Lots 1405^A and 1405 to the northeast corner of Lot 475 (T.L. 8713^P), thence south along the east boundary of said lot to the southeast corner thereof, thence west along the south boundary to the northwest corner of Lot 474 (T.L. 6229^P), thence south along the west boundary of Lot 474 to a point due east of the southeast corner of S.T.L. 8718^P, thence west to that point and continuing west 200 chains, thence north 200 chains, thence west 200 chains, thence north 200 chains, thence west 80 chains, thence north 160 chains more or less to a point due west of the northwest corner of Lot 486 (T.L. 6240^P), thence east 100 chains more or less to that point, thence north 130 chains more or less to the south boundary of Lot 493 (T.L. 6245^P), thence west along the south boundaries of Lots 493 and 494 to the southwest corner of Lot 494, thence north along the west boundary thereof 100 chains, thence west 400 chains, thence north 200 chains, thence east 360 chains, thence north 120 chains, thence east 60 chains, thence north 140 chains, thence west 400 chains, thence north 120 chains, thence west 400 chains, thence north 120 chains, thence west 240 chains, thence north 280 chains, thence east 535 chains more or less to a point due south of the southwest corner of Lot 4569 (T.L. 6631^P),

Description KITSUMGALLUM BLOCK (Cont'd).

thence north 315 chains more or less to that point and continuing north to the northwest corner of said Lot 4569, thence west 360 chains, thence north 280 chains more or less to the 55° parallel of latitude, thence east 740 chains more or less to the west boundary of Lot 4404, thence north 240 chains, thence east 320 chains more or less to a point due north of the northeast corner of Lot 4384 (T.L. 6678^P), thence south 600 chains more or less to that point, thence east 120 chains, thence south 200 chains more or less to a point due east of the southeast corner of Lot 4387, thence west 160 chains more or less to that point and continuing west to the southwest corner thereof, thence in a westerly direction to the northeast corner of Lot 1040, thence west to the northwest corner thereof and west to the west bank of the Cedar River, thence southerly along the west bank of the Cedar River, the west bank of the Kitsumgallum River, the west shore of the Kitsumgallum Lake and the west bank of the Kitsumgallum River to the point of commencement."

Productive area:	Mature timber	65,990 acres	
	Immature timber	<u>860 acres</u>	66,850 acres.
Volume			1,027,000 M.B.M.

SCHEDULE B.

Port Edward Forest Management Licence.

Forest Management Licence No. 1.

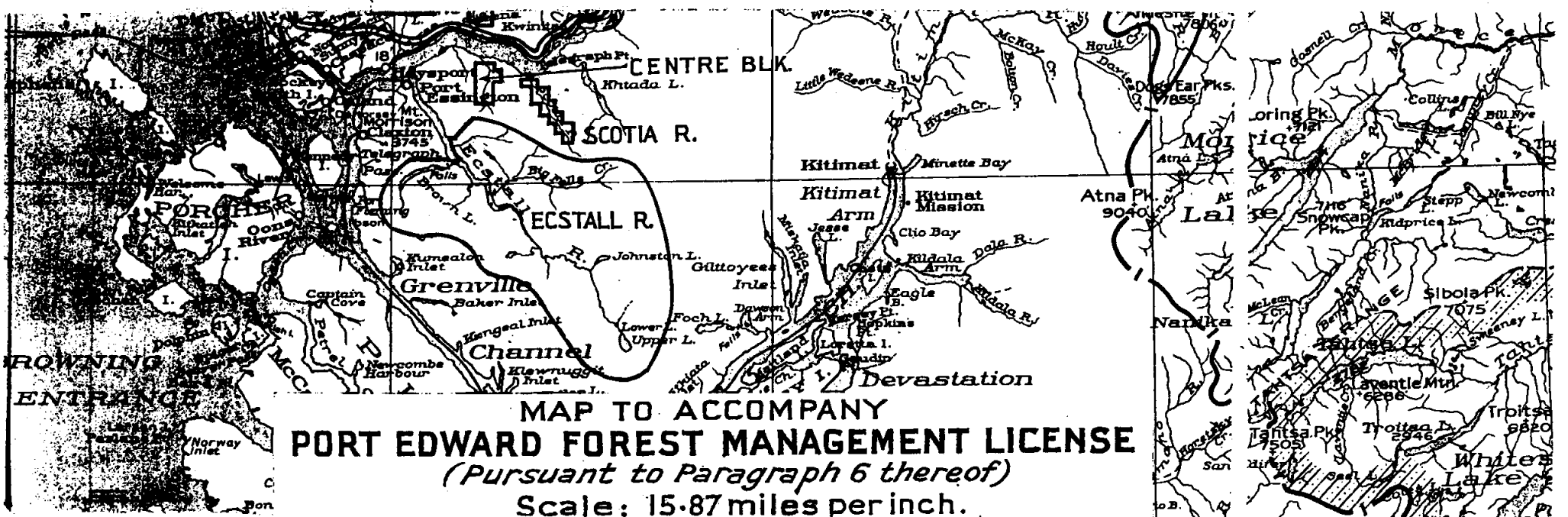
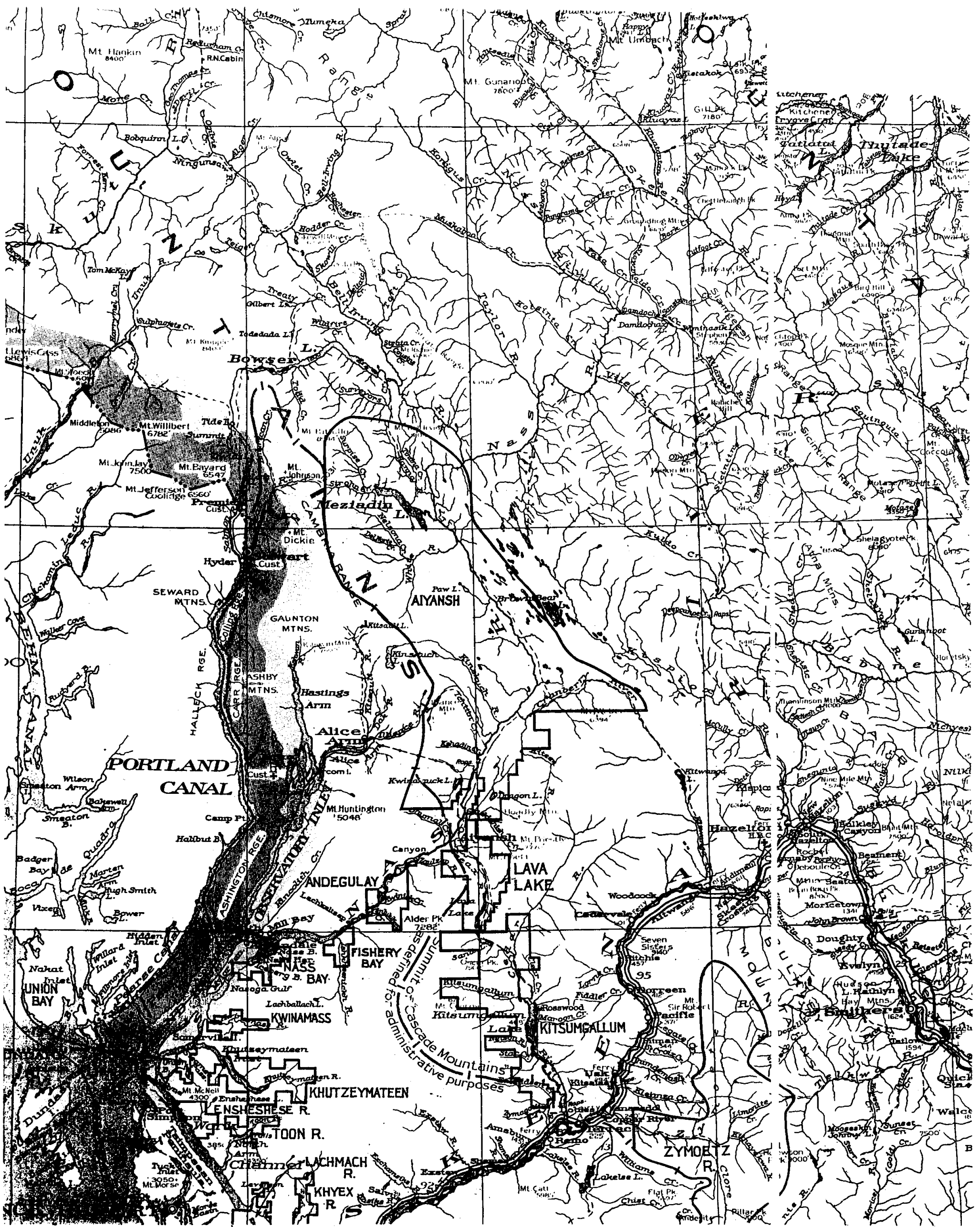
ZYMOETZ RIVER BLOCK.

Description.

All Crown lands not otherwise alienated within that portion of Range 5, Coast Land District, described as follows:

"Commencing at the northwest corner of S.T.L. 9129^P, being a point on the south bank of the Zymoetz River, thence north to the height of land separating the watersheds of the Zymoetz River and Kleanza Creek, thence eastward along the northern boundary of the Zymoetz River watershed to the headwaters of Kleanza Creek, thence northward along the height of land between the watersheds of the Zymoetz River and the Skeena River to a point, near the headwaters of the Kitseguella River, due north of the northwest corner of Lot 5562, thence south to that point and continuing south along the west boundaries of Lots 5562, 5563 and 5540 to the southwest corner of Lot 5540, thence southward to the height of land between Serb Creek and the Zymoetz River, thence south along the said height of land to Telkwa Pass and continuing southward and westward along the summit of the Bulkley Mountains to Pillar Peak, thence southeasterly to the junction of the Burnie and Clove Rivers, thence southwesterly to Dog Ear Peak, a point on the summit of the Cascade Mountains as described for administrative purposes, thence northerly and westerly along said summit of the Cascade Mountains to a point due south of the point of commencement, thence north to the point of commencement."

Productive area:	Mature timber	50,470 acres	
	Immature timber	<u>22,010 acres</u>	72,480 acres
	Burn & non-stocked	<u>5,940 acres</u>	78,420 acres
Volume			554,000 M.B.M.



MAP TO ACCOMPANY
PORT EDWARD FOREST MANAGEMENT LICENSE
(Pursuant to Paragraph 6 thereof)
Scale: 15.87 miles per inch.