

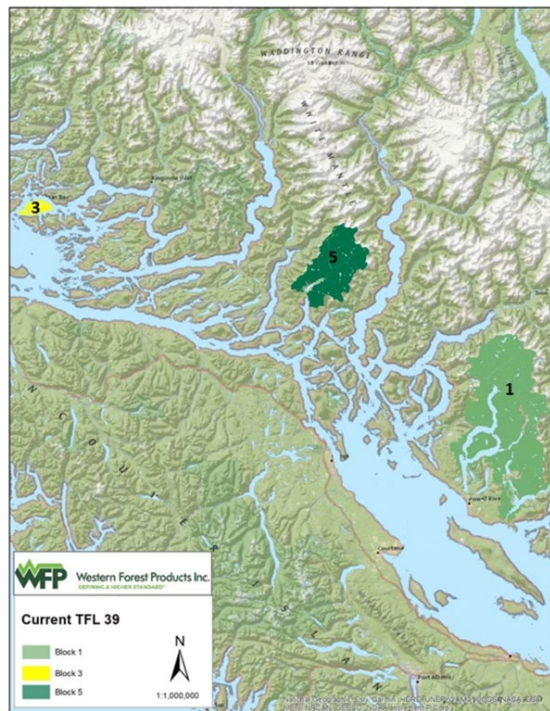


## Q&A AND KEY FACTS – Tree Farm Licence 39 - Subdivision and Transfer application

### Details of the Subdivision and Disposition

On February 19, 2026, Western Forest Products Inc. (WFP) announced it is selling its Stillwater Forest Operation near Powell River to Qwoqwnes Forestry Holdings (Qwoqwnes) owned by the Tla'amin Nation. The sale price is \$80 million and includes about 154,000 hectares of land (Block 1 of Tree Farm Licence 39). This deal is currently waiting for financing and government approval of the tenure agreement transfer.

TFL 39 is currently held by WFP and is comprised of 3 separate blocks: 1, 3 and 5.



Qwoqwnes is interested in acquiring only TFL 39-Block 1, which is located within the core territory of the Tla'amin Nation on the Sunshine Coast, near Powell River. Block 1 encompasses approximately 154,000 hectares and supports an allowable annual harvest of about 469,200 cubic metres.

TFL 39-Block 3 is located on North Broughton Island and encompasses approximately 4,456 hectares. WFP will continue to manage this block.

TFL 39-Block 5 is located on the mainland coast in the Phillips River watershed and covers around 46,441 hectares. WFP will continue to manage this block.

The Ministry of Forests (MoF) received an application to subdivide Blocks 3 and 5 from TFL 39, and also received a Request for Approval of an Intended Transfer (RAIT) of TFL 39-Block 1,



along with 3 Timber Licences (T0033, T0041 Blocks 1-4, and T0048 Block 3), and 3 associated Road Permits (R00036, R01000, and R06404) from WFP to Qwoqwnes.

### **What are the legal requirements for subdivision of TFL 39 under the *Forest Act*?**

The proposed subdivision of the TFL is governed by the *Forest Act*. Under section 39, the subdivision of a TFL requires approval from Jillian Rousselle, Assistant Deputy Minister, Tenures and Economics Division. If the subdivision is approved, a new TFL (number to be determined) will be created consisting of Blocks 3 and 5 and will carry the same term and replacement provisions as TFL 39. TFL 39 will be amended to consist only of Block 1. before approving the requested subdivision, the Assistant Deputy Minister must consider if the subdivision would compromise forest management.

### **What are the legal requirements for transfer under the *Forest Act*?**

The requested transfer of TFL 39-Block 1 is subject to the requirements of the *Forest Act*. In accordance with section 54, the proposed transfer of TFL 39 Block 1 from WFP to Qwoqwnes must receive approval from the Honourable Ravi Parmar, Minister of Forests to be considered in effect.

Persons holding forest tenure agreements may transfer them to another party, provided notice is given to the Ministry of Forests and written approval is received from the Minister. All such dispositions undergo ministerial review to consider the effect on the public interest, Indigenous communities, and fibre marketing in British Columbia.

Once a request for disposition approval is submitted, the Minister must consider the effect on the marketing of fibre in B.C. and the broader public interest. To support this assessment, Ministry experts will conduct a market concentration analysis, and this analysis- along with relevant public-interest information - will be provided to the Minister to inform their decision. Following the review, the Minister may approve the transfer, deny it, or approve it subject to conditions, as permitted under the *Forest Act*. A transfer does not alter the nature of the licence, and the new holder assumes all associated obligations.

### **Will First Nations with traditional territory overlapping the defined area of TFL 39 be consulted?**

As with all statutory decisions, the province has a duty to consult with all First Nations who may experience a potential impact to their rights and title as a result of the disposition prior to the Minister making his decision.

Consultation will follow existing engagement agreements and the updated procedures for meeting legal obligations when consulting First Nations policy. The Ministry will fulfill its legal duty to consult with, and provide information to, First Nations regarding the proposed dispositions, while encouraging parallel engagement on the part of the proponents. There may be



circumstances where the Ministry will meet more formally with a First Nation where issues or concerns are raised that warrant further discussion.

As the subdivision and the transfer are two separate decisions, consultation with First Nations will include information on both decisions. However, while the subdivision seeks engagement with those Nations whose territory overlap Blocks 1, 3 and 5 of TFL 39, engagement on the transfer will be focused to only those Nations whose territory overlaps with Block 1.

### **Are manufacturing facilities involved in the proposed transaction?**

There no manufacturing facilities involved in the transaction.

### **What happens to existing license obligations, such as silviculture?**

Any outstanding liabilities, such as reforestation obligations, move with the tenure agreement to the new holder. In this case, Qwoqwnes would be responsible to perform all existing and future obligations under the TFL 39 agreement. As the TFL 39 agreement retains all obligations incurred for Blocks 3 and 5 even after the subdivision, WFP and Qwoqwnes may seek to transfer some obligations from Qwoqwnes back to WFP as permitted through a separate request and decision under the Forest and Range Practices Act. This would not occur until the transfer of TFL 39-Block 1 has been completed.

### **What happens to cutting permits already issued in TFL 39 Block 1?**

The RAIT provided a list of 35 active cutting permits already issued in TFL 39-Block 1. As per section 53.3 of the *Forest Act*, for the purposes of a disposition of an agreement, the cutting permits issued under an agreement are treated as if they form part of that agreement and are not treated as separate entities. 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 an agreement does not affect the conditions or timelines of a cutting permit.

### **What will be considered when determining if a transfer is in the public interest?**

None of the following information is intended to fetter a decision maker or limit the scope of the factors that the Minister considers when addressing the public interest in this and any future decision.

As mentioned previously, the decision maker must consider the effect of the transfer on the public interest, and specifically, if it would not be in the public interest for Qwoqwnes to hold the rights under the agreement. Broadly speaking, agreements entered into under the *Forest Act* 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 Minister will review the transfer request based on government objectives, specific circumstances and conditions related to TFL 39-Block 1, and the broader implications of the decision. Ultimately, what is considered relevant to the public interest, assessing if a requested transfer is not contrary to the public interest will be determined by the decision maker based on the objectives, facts and circumstances for that particular decision.

As with all statutory decisions made by the Minister of Forests, the broader public is encouraged to provide information or to express support or concerns directly to the Ministry. Information on how to provide a submission regarding this requested transfer can be directed by email to: [foresttenuresbranch@gov.bc.ca](mailto:foresttenuresbranch@gov.bc.ca)