

PROVINCE OF BRITISH COLUMBIA

Ministry of Forests and Range

IN THE MATTER OF TREE FARM LICENCE 47

INSTRUMENT NUMBER 19

Amendment

THIS AGREEMENT is made effective the 1st day of December, 2006.

BETWEEN:

THE MINISTER OF FORESTS AND RANGE, on behalf of
HER MAJESTY THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA
Parliament Buildings
Victoria, British Columbia V8V 1X4

(the "Minister")

AND:

TFL FOREST LTD.
Suite 2300, 1055 West Georgia
P.O. Box 11101
Vancouver, British Columbia
V6E 3P3

(the "Licensee")

WHEREAS:

- A. The Licensee holds Tree Farm Licence 47, dated March 1, 2000.
- B. The Licensee has requested the Minister to amend Tree Farm Licence 47, in accordance with Section 39 of the Forest Act, by deleting that land described as Area A and Area B of Moresby Block 18 and to enter into a new Tree Farm Licence 58 to cover that land.
- C. The Minister considers that forest management would not be compromised by this action.

D. The Minister has ensured that the sum of the allowable annual cuts of Tree Farm Licence 47 and new Tree Farm Licence 58, immediately after this amendment, is equal to the allowable annual cut of Tree Farm Licence 47 immediately prior to this amendment.

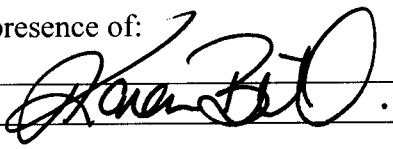
THEREFORE, the Parties agree as follows:

In accordance with Section 39 of the Forest Act, Tree Farm Licence 47 is amended, as of the effective date of this Instrument, by deleting from Schedules A and B:

- (a) the private land
- (b) the Crown land subject to timber licences; and
- (c) the Crown land,

identified in Attachment 1 to this Instrument.

This Instrument has been executed by the Minister and Licensee as of the day and year first written above.

SIGNED, SEALED AND DELIVERED)
by the Minister of Forests and Range)
on behalf of:)
Her Majesty the Queen in Right of the)
Province of British Columbia in the)
presence of:)
)
_____)
_____)



Minister of Forests and Range

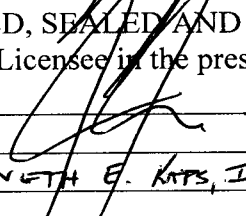
THE COMMON SEAL (C/S) of the Licensee was affixed in the presence of

Authorized Signatory

C/S

Authorized Signatory

(OR)

SIGNED, SEALED AND DELIVERED)
by the Licensee in the presence of:)
_____)
)
KENNETH E. KOPS, INVENTOR)
FORESTER)



Authorized Signatory

Acemish KERR

Title

V.P. Strategic Planning
TimberWest Forest Corp.

ATTACHMENT 1

TO INSTRUMENT NUMBER 19

IN THE MATTER OF TREE FARM LICENCE 47

SCHEDULE A

Forest lands and merchantable timber in other tenures owned or controlled
by the Licensee in the Moresby Island Tree Farm Licence Number 47.

BLOCK 18 Moresby Area A	CROWN GRANTS
--	---------------------

<u>CROWN GRANTS</u>	<u>LAND DISTRICT</u>	<u>HECTARES MORE OR LESS</u>	<u>CERTIFICATE OF TITLE</u>	<u>PARCEL IDENTIFIER</u>
1 District Lot 1362 (except Plan 3696)	Queen Charlotte	38.445 Ha.	TH12635	015-633-837
2 That part of District Lot 1362 on Plan 3696	Queen Charlotte	12.141 Ha.	TH12639	015-633-772

Total Crown Grants	50.586 Ha.
---------------------------	-------------------

BLOCK 18 Moresby Area A	TIMBER LICENCES
--	------------------------

<u>TIMBER LICENCES</u>	<u>LAND DISTRICT</u>	<u>HECTARES</u>	<u>REPLACES SPECIAL TIMBER LICENCE</u>
T0194 Block 1	Queen Charlotte	146.000	PL 123 (Lot 825)
T0194 Block 2	Queen Charlotte	251.000	PL 127 (Lot 829)
T0206 Block 1	Queen Charlotte	61.000	TL 2587P (Lot 1360)
T0206 Block 2	Queen Charlotte	5.000	TL 2588P (Lot 1356)
T0206 Block 3	Queen Charlotte	31.000	TL 2589P (Lot 1361)
T0206 Block 4	Queen Charlotte	230.000	TL 2606P (Lot 1338)
T0206 Block 5	Queen Charlotte	84.000	TL 2609P (Lot 1337)
T0206 Block 6	Queen Charlotte	60.000	PL 111 (Lot 873)
T0206 Block 7	Queen Charlotte	212.000	PL 120 (Lot 822)
T0206 Block 8	Queen Charlotte	82.000	PL 121 (Lot 823)

SCHEDULE A

BLOCK 18 Moresby Area A	TIMBER LICENCES
--	------------------------

TIMBER LICENCES	LAND DISTRICT	HECTARES	REPLACES SPECIAL TIMBER LICENCE
T0206 Block 9	Queen Charlotte	81.000	PL 136 (Lot 839)
T0206 Block 10	Queen Charlotte	21.000	PL 138 (Lot 841)
T0206 Block 11	Queen Charlotte	20.000	PL 139 (Lot 842)
T0206 Block 12	Queen Charlotte	63.000	PL 140 (Lot 843)
T0206 Block 13	Queen Charlotte	21.000	PL 149 (Lot 852)
T0228 Block 1	Queen Charlotte	7.000	PL 132 (Lot 835)
T0228 Block 2	Queen Charlotte	5.000	PL 133 (Lot 836)
T0228 Block 3	Queen Charlotte	174.000	PL 143 (Lot 846)
T0250 Block 1	Queen Charlotte	33.000	PL 141 (Lot 844)
T0250 Block 2	Queen Charlotte	154.000	PL 142 (Lot 845)
T0250 Block 3	Queen Charlotte	4.000	PL 150 (Lot 853)
T0250 Block 4	Queen Charlotte	18.000	PL 151 (Lot 854)
T0250 Block 5	Queen Charlotte	6.000	PL 152 (Lot 855)
T0264 Block 1	Queen Charlotte	259.000	TL 1954P (Lot 1324)
T0264 Block 2	Queen Charlotte	237.000	TL 1955P (Lot 1325)
T0264 Block 3	Queen Charlotte	259.000	TL 2604P (Lot 1339)
T0264 Block 4	Queen Charlotte	148.000	TL 2607P (Lot 1336)
T0264 Block 5	Queen Charlotte	138.000	TL 2608P (Lot 1335)

Total Timber Licences	2810.000 Ha
------------------------------	--------------------

SCHEDULE A

BLOCK 18 Moresby Area B	CROWN GRANTS
------------------------------------	---------------------

CROWN GRANTS	LAND DISTRICT	HECTARES MORE OR LESS	CERTIFICATE OF TITLE	PARCEL IDENTIFIER
1 District Lot 167	Queen Charlotte	64.750	TH12637	015-633-454
2 District Lot 2143	Queen Charlotte	34.641	TH12638	015-633-870
3 District Lot 2854	Queen Charlotte	18.328	TH12636	015-633-969

Total Crown Grants	117.719 Ha.
---------------------------	--------------------

BLOCK 18 Moresby Area B	TIMBER LICENCES
------------------------------------	------------------------

TIMBER LICENCES	LAND DISTRICT	HECTARES	REPLACES SPECIAL TIMBER LICENCE
T0024 Block 1	Queen Charlotte	177.000	PL 134
T0024 Block 2	Queen Charlotte	108.000	PL 135 (Lot 838)
T0024 Block 3	Queen Charlotte	241.000	PL 148 (Lot 851)
T0024 Block 4	Queen Charlotte	259.000	PL 184 (Lot 898)
T0039 Block 1	Queen Charlotte	22.000	PL 183 (Lot 891)
T0039 Block 2	Queen Charlotte	30.000	PL 186 (Lot 903)
T0245 Block 1	Queen Charlotte	178.000	PL 153 (Lot 856)
T0245 Block 2	Queen Charlotte	227.000	PL 154 (Lot 857)
T0245 Block 3	Queen Charlotte	259.000	PL 155 (Lot 858)
T0245 Block 4	Queen Charlotte	259.000	PL 156 (Lot 859)
T0245 Block 5	Queen Charlotte	259.000	PL 157 (Lot 860)

SCHEDULE A

BLOCK 18 Moresby Area B	TIMBER LICENCES
--	------------------------

<u>TIMBER LICENCES</u>	<u>LAND DISTRICT</u>	<u>HECTARES</u>	<u>REPLACES SPECIAL TIMBER LICENCE</u>
T0245 Block 6	Queen Charlotte	259.000	PL 158 (Lot 861)
T0245 Block 7	Queen Charlotte	203.000	PL 159 (Lot 862)
T0245 Block 8	Queen Charlotte	259.000	PL 160 (Lot 863)
T0245 Block 9	Queen Charlotte	146.000	PL 169 (Lot 876A)
T0245 Block 10	Queen Charlotte	98.000	PL 170 (Lot 877A)
T0245 Block 11	Queen Charlotte	31.000	PL 171 (Lot 878A)
T0245 Block 12	Queen Charlotte	10.000	PL 172 (Lot 879A)
T0245 Block 13	Queen Charlotte	92.000	PL 173 (Lot 880A)
T0245 Block 14	Queen Charlotte	0.000	PL 174 (Lot 881A)
T0245 Block 15	Queen Charlotte	77.000	PL 175 (Lot 882A)
T0245 Block 16	Queen Charlotte	4.000	PL 176 (Lot 883A)
T0245 Block 17	Queen Charlotte	205.000	PL 179 (Lot 887A)
T0245 Block 18	Queen Charlotte	38.000	PL 180 (Lot 888A)
T0245 Block 19	Queen Charlotte	19.000	PL 182 (Lot 890A)
T0245 Block 20	Queen Charlotte	3.000	PL 185 (Lot 902)
T0245 Block 21	Queen Charlotte	159.000	PL 187 (Lot 904)
T0245 Block 22	Queen Charlotte	52.000	PL 188 (Lot 905)
T0245 Block 23	Queen Charlotte	259.000	PL 189 (Lot 906)
T0245 Block 24	Queen Charlotte	192.000	PL 190 (Lot 907)
T0245 Block 25	Queen Charlotte	259.000	PL 191 (Lot 939)

SCHEDULE A

BLOCK 18 Moresby Area B	TIMBER LICENCES
--	------------------------

<u>TIMBER LICENCES</u>	<u>LAND DISTRICT</u>	<u>HECTARES</u>	<u>REPLACES SPECIAL TIMBER LICENCE</u>
T0273 Block 1	Queen Charlotte	137.000	PL 113 (Lot 894A)
T0273 Block 2	Queen Charlotte	213.000	PL 114 (Lot 895A)
T0273 Block 3	Queen Charlotte	192.000	PL 161 (Lot 864)
T0273 Block 4	Queen Charlotte	224.000	PL 162 (Lot 865)
T0273 Block 5	Queen Charlotte	69.000	PL 163 (Lot 866)
T0273 Block 6	Queen Charlotte	259.000	PL 164 (Lot 868)
T0273 Block 7	Queen Charlotte	259.000	PL 165 (Lot 869)
T0273 Block 8	Queen Charlotte	167.000	PL 177 (Lot 884A)
T0273 Block 9	Queen Charlotte	0.000	PL 178 (Lot 885A)

***Note: The above timber licence areas identified do not reflect deletions from Timber Licence T0024 by way of Instrument Number 16 to Tree Farm Licence 47 dated June 25, 2003, between the Minister and the Licensee.**

Total area of Timber Licences Identified	5904.000 Ha
* Less area deleted from Timber Licence T0024 by way of Instrument Number 16 to Tree Farm Licence 47 dated June 25, 2003	440.000 Ha
Total Area of Timber Licences	5464.000 Ha

SCHEDULE A

SUMMARY OF AREAS

CROWN GRANTS	AREA
BLOCK 18 AREA A	50.586 Ha.
BLOCK 18 AREA B	117.719 Ha.
TOTAL	168.305 Ha.
TIMBER LICENCES	
BLOCK 18 AREA A	2810.000 Ha.
BLOCK 18 AREA B	5464.000 Ha.
TOTAL	8274.000 Ha.
GRAND TOTAL	8442.305 Ha.

SCHEDULE B

Subject to the “Interpretation of Schedule B” set out in Schedule B to Tree Farm Licence 47, all Crown lands not otherwise alienated within the areas outlined in bold black on the accompanying maps except Crown land reverted subsequent to 1971, which was subject to an old temporary tenure (within the meaning of the *Forest Act* assented to March 30, 1972) and held by a person other than the Licensee.

Moresby Block No. 18

Area A

Commencing at a point due north of the most westerly northwest corner of Lot 4, Queen Charlotte Land District, being a point on the natural boundary of Alliford Bay of Skidegate Inlet on the southerly shore thereof; thence south to the northwest corner of said Lot 4; thence southerly along the westerly boundary of said Lot 4 to the southwest corner thereof; thence easterly and southerly along the northerly and easterly boundaries of Lot 2817 to the southeast corner thereof; thence south 89 degrees 20 minutes 48 seconds east 810 metres (more or less, to the northeast corner of Lot 846, T0228 Block 5, formerly TL 10330P); thence south 01 degree 16 minutes 02 seconds west 1.627 kilometres; thence north 89 degrees 30 minutes 31 seconds west 1.619 kilometres (more or less, to the southwest corner of said Lot 846, T0228 Block 5 formerly TL 10330P); thence north 01 degree 16 minutes 02 seconds east 302 metres (more or less, to the most northerly northeast corner of Lot 918, T0315 Block 4, formerly TL 1931P); thence north 89 degrees 30 minutes 25 seconds west 879 metres (more or less, to the northeast corner of Lot 917, T0315 Block 3, formerly TL 1930P); thence south 89 degrees 28 minutes 37 seconds west 819 metres; thence north 88 degrees 25 minutes 15 seconds west 816 metres; thence south 01 degree 57 minutes 40 seconds west 1.609 kilometres (more or less, to the southwest corner of aforesaid Lot 917, T0315 Block 3, formerly TL 1930P); thence north 88 degrees 19 minutes 59 seconds west 199 metres (more or less, to the northwest corner of Lot 908, T0315 Block 1, formerly TL

SCHEDULE B

1921P); thence south 00 degrees 52 minutes 55 seconds east 1.670 kilometres; thence north 89 degrees 52 minutes 53 seconds east 1.618 kilometres (more or less, to the southwest corner of Lot 909, T0315 Block 2, formerly TL 1922P); thence south 89 degrees 58 minutes 43 seconds east 1.608 kilometres (more or less, to the northeast corner of Lot 845, T0250 Block 2, formerly TL 10320P); thence south 01 degree 16 minutes 02 seconds west 3.254 kilometres (more or less, to the southeast corner of Lot 855, T0250 Block 5, formerly TL 10339P); thence north 89 degrees 52 minutes 10 seconds west 6.425 kilometres (more or less, to the southwest corner of Lot 852, T0206 Block 13, formerly TL 10336P); thence west 2.187 kilometres (more or less, to a point due north of the northeast corner of Lot 1322, T0087, formerly TL 1953P); thence south 880 metres (more or less, to the northeast corner of said Lot 1322, T0087 formerly TL 1953P); thence north 89 degrees 51 minutes 19 seconds west 806 metres; thence south 00 degrees 07 minutes 48 seconds west 1.499 kilometres; thence south 01 degree 31 minutes 02 seconds east 1.757 kilometres (more or less, to the southwest corner of said Lot 1322, T0087, formerly TL 1953P); thence south 88 degrees 49 minutes 29 seconds west 3.230 kilometres (more or less, to the southwest corner of Lot 1335, T0264 Block 5, formerly TL 2608P); thence south 01 degree 08 minutes 06 seconds west 201 metres (more or less, to the southeast corner of Lot 1336, T0264 Block 4, formerly TL 2607P); thence south 88 degrees, 49 minutes 13 seconds west 3.358 kilometres (more or less, to the northwest corner of Lot 1340, T0176, formerly TL 2394P); thence south 01 degree 20 minutes 35 seconds east 1.609 kilometres (more or less, to the southwest corner of said Lot 1340, T0176, formerly TL 2394P); thence north 88 degrees 39 minutes 24 seconds east 280 metres, more or less, to the westerly boundary of the watershed of Mosquito Lake; thence in a general southerly direction along the westerly boundary of the watershed of said Mosquito Lake to the southwesterly boundary of the watershed of Deena Creek; thence in a general northwesterly direction along the

SCHEDULE B

southwesterly boundary of the watershed of said Deena Creek to a point 6.402 kilometres south and 8.701 kilometres west of the northwest corner of Indian Reserve No. 3 "Deena"; thence west 236 metres; thence north 2.977 kilometres; thence north 60 degrees west 39 metres, more or less, to the southerly boundary of the watershed of Skidegate Channel; thence in a general westerly direction along the southerly boundary of the watershed of said Skidegate Channel to the westerly boundary of the watershed of an unnamed creek, said unnamed creek flowing northerly into aforesaid Skidegate Channel on the southerly shore thereof at a point 1.528 kilometres south and 1.105 kilometres west of triangulation station "Twixt", NAD83 coordinates: 53 degrees 08 minutes 47.748508 seconds latitude and 132 degrees 19 minutes 58.601979 seconds longitude, NAD27 coordinates: 53 degrees 08 minutes 48.6938 seconds latitude and 132 degrees 19 minutes 52.4085 seconds longitude; thence in a general northerly direction along the westerly boundary of the watershed of said unnamed creek to a point 2.637 kilometres south and 2.482 kilometres west of said triangulation station "Twixt" (said point being the southwest corner of Lot 829, T0194, Block 2, cancelled TL 5860); thence north 1.135 kilometres, more or less, to the natural boundary of aforesaid Skidegate Channel on the southerly shore thereof; thence in a general easterly direction along the natural boundary of said Skidegate Channel on the southerly shore thereof to the westerly boundary of Lot 1363; thence southerly along the westerly boundary of said Lot 1363 to the northerly boundary of aforesaid Indian Reserve No. 3 "Deena"; thence westerly, and southerly along the northerly and westerly boundaries of said Indian Reserve No. 3 to the natural boundary of aforesaid Skidegate Channel on the westerly shore thereof; thence in a general southerly, easterly and northeasterly direction along the natural boundary of said Skidegate Channel on the westerly, southerly and southeasterly shores thereof to the natural boundary of aforesaid Alliford Bay on the southerly shore thereof; thence in a general easterly direction along the natural boundary of

SCHEDULE B

said Alliford Bay on the southerly shore thereof to a point due north of the most westerly northwest corner of aforesaid Lot 4, being the point of commencement.

Excluding thereout all that foreshore and land covered by water within the above described area.

Area B

Commencing at a point on the natural boundary of Skidegate Inlet on the southerly shore thereof, said point being 136 metres south and 3.577 kilometres west of the southwest corner of Lot 165, Queen Charlotte Land District (also being a point on the westerly boundary of Lot 838, T0024 Block 2, formerly TL 5869); thence in a general northerly and easterly direction along the natural boundary of said Skidegate Inlet on the southerly shore thereof to the westerly boundary of said Lot 165; thence southerly and easterly along the westerly and southerly boundaries of Lots 165 and 166 to the most westerly southwest corner of Lot 2144; thence northerly along the westerly boundaries of Lots 2144 and 2143 to the southerly boundary of Lot 162; thence easterly along the southerly boundary of said Lot 162 to the westerly boundary of Lot 160; thence southerly and easterly along the westerly and southerly boundaries of Lots 160 and 164 to the most southerly southeast corner of said Lot 164; thence northerly and easterly along the easterly and southerly boundaries of said Lot 164 to the southwest corner of Lot 2145; thence easterly along the southerly boundary of said Lot 2145 to the northwest corner of Lot 1317; thence southerly and easterly along the westerly and southerly boundaries of said Lot 1317 to the natural boundary of Hecate Strait on the westerly shore thereof; thence in a general southerly direction along the natural boundary of said Hecate Strait on the westerly shore thereof to the natural boundary of Copper Bay on the northerly shore thereof; thence in a general

SCHEDULE B

westerly and southerly direction along the natural boundary of said Copper Bay on the northerly and westerly shores thereof to a point due east of the most northerly northeast corner of Indian Reserve No. 6 "Kaste"; thence west to the most northerly northeast corner of said Indian Reserve No. 6; thence westerly, southerly, easterly and northerly along the northerly, westerly, southerly and easterly boundaries of said Indian Reserve No. 6 to the natural boundary of said Copper Bay on the southerly shore thereof; thence in a general easterly direction along the natural boundary of said Copper Bay on the southerly shore thereof to the natural boundary of aforesaid Hecate Strait on the southerly shore thereof; thence in a general easterly and southerly direction along the natural boundary of said Hecate Strait on the southerly and westerly shores thereof to a point 1.426 kilometres south and 311 metres east of the northwest corner of Lot 2855; thence south 184 metres, more or less, to the southeast corner of said Lot 2855; thence westerly along the southerly boundary of said Lot 2855 to the southwest corner thereof; thence north 88 degrees west 163 metres, more or less, to the westerly limit of an unnamed trail; thence in a general northwesterly direction along the westerly limit of said unnamed trail to a point on the southerly limit of an unnamed secondary road (said unnamed secondary road running westerly between Gray Bay and Copper Creek) said point being 248 metres west and 1.201 kilometres south of the northwest corner of aforesaid Lot 2855; thence in a general westerly direction along the southerly limit of said unnamed road to a point being 1.303 kilometres west and 1.465 kilometres south of the northwest corner of said Lot 2855; thence south 01 degree 25 minutes west 1.332 kilometres; thence south 88 degrees 34 minutes east 1.619 metres; thence south 01 degree 26 minutes west 2.026 kilometres (more or less, to the southeast corner of Lot 868, T0273 Block 6, formerly TL 10351P); thence north 89 degrees 11 minutes west 3.238 kilometres; thence south 01 degree 26 minutes west 1.627 kilometres; thence north 89 degrees 11 minutes west 1.619 kilometres; thence north 01 degree 26

SCHEDULE B

minutes east 691 metres; thence north 89 degrees 11 minutes west 3.239 kilometres; thence south 1 degree 16 minutes west 280 metres (more or less, to the southeast corner of Lot 888A, T0245 Block 18, formerly TL 10370); thence north 89 degrees 21 minutes west 3.239 kilometres; thence north 01 degree 17 minutes east 11.388 kilometres (more or less, the northwest corner of Lot 861, T0245 Block 6, formally TL 10345P); thence south 89 degrees 21 minutes east 3.239 kilometres; thence north 1 degree 16 minutes east 813 metres; thence north 89 degrees 21 minutes west 2.194 kilometres; thence north 02 degrees 59 minutes east 3.143 kilometres (more or less, to the southeast corner of Lot 898A, T0024 Block 4, formally TL 10374); thence north 86 degrees 42 minutes west 3.057 kilometres (more or less, to the southeast corner of Lot 838, T0024 Block 2, formerly TL 5869); thence north 89 degrees 59 minutes west 1.609 kilometres; thence north 01 degree 16 minutes west 1.215 kilometres, more or less, to the point of commencement.

Excluding thereout all that foreshore and land covered by water within the above described areas and Crown land deleted from Tree Farm Licence 47 by Instrument Number 16, dated June 25, 2003, between the Minister and the Licensee.