



**TREE FARM LICENCE 39
SAYWARD TREE FARM LICENCE**



THIS LICENCE, dated for reference **March 1, 2010**.

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF BRITISH COLUMBIA,
as represented by the MINISTER OF FORESTS AND RANGE
PO BOX 9049 STN PROV GOVT
VICTORIA, BRITISH COLUMBIA
V8W 9E2
Fax: 250-387-1040
(the “Minister”)**

AND:

**WESTERN FOREST PRODUCTS INC.
#118 – 1334 ISLAND HIGHWAY
CAMPBELL RIVER, BRITISH COLUMBIA
V9W 8C9
Fax: 250-286-4140
(the “Licensee”)**

WHEREAS:

- A. Under Section 36 of the *Forest Act*, the Minister offers a replacement licence to the Licensee.
- 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 No. 39, dated March 1, 2000.

“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 25 years, beginning on **March 1, 2010**.
- 1.02 Subject to this Licence, the Minister grants the Licensee:
- (a) the exclusive right to harvest all types of Crown timber, other than deciduous types, from Schedule “B” Land;
 - (b) the exclusive right to harvest all timber authorized under a timber licence, from Schedule “A” Land subject to a timber licence;
 - (c) the right to manage Schedule “A” Land subject to a timber licence 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 Subject to this Licence, the Licensee may also harvest timber from the licence area that is not of a type specified in Paragraph 1.02.

2.00 TIMBER DISPOSITION

- 2.01 Each year during the term of this Licence:
- (a) **0** m³ of the allowable annual cut, from the types of timber specified under Subparagraph 1.02(a), may be disposed of by the Timber Sales Manager within areas agreed to under Paragraph 3.01 or specified under Paragraph 3.02;
 - (b) **38,309** m³ of the allowable annual cut may be disposed of pursuant to Section 47.8 of the *Forest Act*.
- 2.02 Each year during the term of this Licence, the District Manager may dispose of a volume of the timber specified under Subparagraph 1.02(a), not exceeding one half of one percent (0.5%) of the portion of the allowable annual cut the Chief Forester determines is attributable to Schedule “B” Land, under free use permits from areas agreed under Paragraph 3.01 or specified under Paragraph 3.02.
- 2.03 In addition to any timber disposed of under Paragraphs 2.01 and 2.02, each year during the term of this Licence, the Regional Manager or District Manager may dispose of timber other than that specified in Subparagraph 1.02(a) under forestry licences to cut issued pursuant to a pulpwood agreement, provided:
- (a) the timber is;
 - (i) within a pulpwood area designated by the Minister; and

- (ii) within areas of Schedule “B” Land agreed to under Paragraph 3.01 or specified under Paragraph 3.02; and
 - (b) the volume of timber disposed of does not exceed an amount equal to the portion of the allowable annual cut which the Chief Forester determines is attributable to timber of the type referred to in the applicable pulpwood agreement, having regard to the factors and information considered by the Chief Forester in his or her most recent determination of the allowable annual cut.
- 2.04 In addition to any timber disposed of under this part, the Regional Manager, District Manager or Timber Sales Manager may dispose of any timber that is not specified in Subparagraph 1.02(a) if the timber is within areas agreed to under Paragraph 3.01 or specified under Paragraph 3.02.
- 2.05 Subject to Part 3, the Minister in a notice given to the Licensee may delete an area from Schedule “B” Land to enable the Regional Manager 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 timber referred to in Paragraph 2.01, having regard to the factors and information considered by the Chief Forester in his or her most recent determination of the allowable annual cut.
- 2.06 Before deleting an area under Paragraph 2.05, the Minister will consult the Licensee and consider any recommendations made by the Licensee.
- 2.07 Where the Minister deletes an area under Paragraph 2.05, the volume of 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, 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 timber referred to in Paragraph 2.03;
 - (c) the management plan in effect under this Licence and the forest development plan or forest stewardship plan approved in respect of this Licence;

- (d) any potential interference with the operations of the Licensee under this Licence;
- (e) rights being exercised on the licence area by persons other than that licence holder including trappers, guide outfitters, range tenure holders, and other licenced resource users; and
- (f) an aboriginal group claiming an aboriginal interest in, or having a proven 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 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 Manager, in which case the Regional Manager, 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 Manager 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 development plan or 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 subject to a timber licence 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 that expires; or
 - (b) deleted from a timber licence;
- 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 The definition of the volume of timber harvested in Part 4, Division 3.1 of the *Forest Act* applies to this Licence.
- 5.02 The determination of the volume of timber harvested will incorporate the volume of waste determined under Part 6.00.
- 5.03 The Coast 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.

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 Paragraph 6.01 must be in accordance with the Provincial Logging Residue and Waste Measurement Procedures Manual, as amended or replaced from time to time.
- 6.03 A waste assessment made under Paragraph 6.01 must be:
- (a) done within 60 days after primary logging on the area has been completed for each cut block, allowing for ground to be sufficiently free of snow to permit an adequate assessment to be carried out; or
 - (b) if primary logging on the area is not completed before the expiry of the cutting permit, within 60 days after the expiry of the cutting permit, allowing the ground to be sufficiently free of snow to permit for an adequate assessment to be carried out.

- 6.04 If the Licensee fails to comply with Paragraph 6.01 the District Manager may, after the expiry of the term of a cutting permit or licence, conduct a waste assessment of the volume of merchantable Crown timber that could have been cut and removed under the Licence but, at the Licensee's discretion, was not cut and removed.
- 6.05 A waste assessment conducted under Paragraph 6.04 must be in accordance with the Provincial Logging Residue and Waste Measurement Procedures Manual, as amended or replaced from time to time.
- 6.06 If the District Manager carries out a waste assessment under Paragraph 6.04, 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

DELETED

8.00 CUTTING PERMITS

- 8.01 Subject to Part 1 and Paragraph 8.02, the Licensee may submit an application to the District Manager for a cutting permit to authorize the Licensee to harvest one or more proximate areas of Schedule "A" or "B" Lands for the portion of the allowable annual cut available to the Licensee that are:
- (a) identified on an approved forest development plan; or
 - (b) exempted under the *Forest Practices Code of British Columbia Act* from the requirement of a forest development plan, or exempted under the *Forest and Range Practices Act* from the requirement for a forest stewardship plan; or
 - (c) located within a forest development unit of an approved forest stewardship plan.
- 8.02 For those areas of Schedule "B" Land or in timber licences 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 the 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 8.02;
and

a description acceptable to the District Manager of any timber that is reserved from cutting, removal or cutting and removal.

8.04 The areas of land shown on the map referred to in clause 8.03(c)(i) must be:

- (a) the areas referred to in Subparagraph 8.01(a); or
- (b) areas referred to in Subparagraph 8.01(b); or
- (c) located within a forest development unit referred to in Subparagraph 8.01(c);

allowing for difference in scale between maps used in the forest development plan, 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:

- (a) there is a management plan in effect under this Licence;
- (b) the District Manager is satisfied that:
 - (i) the requirements of Paragraphs 8.01, 8.02, 8.03 and 8.04 have been met;
 - (ii) activities and operations under the cutting permit will be consistent with this Licence and the management plan referred to in Subparagraph 8.05(a).

8.06 The District Manager may consult aboriginal group(s) who exercise, or claim 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 as submitted and/or operations under the cutting permit may result in:

- (a) an impact to an aboriginal interest(s) that requires consideration of accommodation; or
- (b) an infringement of a proven aboriginal right(s), including aboriginal title, or treaty right(s) that may require justification.

8.07 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.

8.08 The District Manager may refuse to issue 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.

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 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 identify all timber removed under the cutting permit;

(d) specify, for timber on Schedule “A” Land subject to a timber licence 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 or 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, removal, or cutting and removal; and

(f) include such other provisions, consistent with this Licence, 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 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.
- 8.13 A cutting permit is deemed to be part of this Licence.
- 8.14 All cutting permits in effect that were issued under the tree farm licence that is replaced by this Licence continue under this Licence for the duration of their respective terms.

9.00 ACCESS AND ACCOMMODATION

- 9.01 Nothing in this Licence authorizes the Licensee to in any way restrict the Crown's right of access to Crown lands.
- 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 or under Section 69 of the *Forest Act*, to use any road referred to in Subparagraph 9.02(b) for the purpose of exercising rights or fulfilling obligations within the licence area.
- 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.
- 9.05 The Ministry may carry out on Crown lands:
 - (a) silviculture operations the Crown is required to carry out under the forestry legislation; and
 - (b) any other silviculture operations, provided it does not:
 - (i) compromise the management plan in effect under this Licence or a forest development plan 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 Manager, District Manager or Timber Sales Manager carries out silviculture referred to in Paragraph 9.05, the Regional Manager, District Manager or Timber Sales Manager, as the case may be, will ensure the silviculture is consistent with the intent of the management plan in effect under this Licence, except where the Regional Manager or District Manager is required to depart from the intent of the management plan because of the requirements of a higher level plan or the forestry legislation.

- 9.07 Upon reasonable notice from the Regional Manager, 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 Manager, 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 %** 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 the Chief Forester determines is attributable to Schedule “B” Land; by
 - (ii) the allowable annual cut;is harvested by persons under contract with the Licensee.
- 10.02 Compliance with Paragraph 10.01 will be calculated in accordance with the method prescribed 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 Manager, 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 Manager will multiply:
- (a) the volume required under Paragraph 10.01, minus the volume harvested during the calendar year by persons under contract; by
 - (b) the average stumpage rate charged for sawlogs 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 and/or 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 and/or title or treaty right;

the Regional Manager or District Manager, in a notice given to the Licensee, may vary or suspend, in whole or in part, or refuse to issue a cutting permit, road permit, special use permit or free use permit issued to the Licensee so as to be consistent with the court determination.

11.02 Subject to this Licence and forestry legislation, if:

- (a) under Paragraph 11.01, the Regional Manager or District Manager has varied a cutting permit, road permit, special use permit or free use 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 Manager 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 Manager or District Manager has suspended a cutting permit, road permit, special use permit or free use 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 Manager 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, if:

- (a) under Paragraph 11.01, the Regional Manager or District Manager has refused to issue a cutting permit, road permit, special use permit or free use 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 Manager or District Manager, at the request of the Licensee, will issue the permit.

12.00 REPORTING

- 12.01 The Regional Manager, in a notice given to the Licensee by April 1, may require the Licensee to submit a report containing such information as the government 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 approval letter;
- 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 Manager containing the required information.
- 12.03 Subject to Paragraph 12.04, the Regional Manager 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*, the Regional Manager 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, a cutting permit, road permit associated with this Licence, special use permit or a free use permit issued to the Licensee, the Licensee will pay to the Crown, immediately upon receipt of a notice, statement or invoice issued on behalf of the Crown:
- (a) stumpage under Part 7 of the *Forest Act* in respect of timber removed;
 - (i) under a cutting permit from;

- (A) Schedule “B” Land; or
 - (B) Schedule “A” Land subject to a timber licence; or
 - (ii) under a road permit;
 - at rates determined, redetermined and varied under Section 105 of that Act; and
 - (b) any payments required under Part 6.00 or Part 10.00 of this Licence.
- 13.02 During the term of this Licence, the Licensee will maintain with the Crown a deposit in the amount prescribed under the *Forest Act* or 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, a cutting permit, road permit or special use permit, or a free use permit issued to the Licensee.
- 13.03 If the Regional Manager 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, will pay to the Crown, 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 Crown under;
 - (i) this Licence, a cutting permit, road permit, special use permit, free use permit issued to the Licensee; or
 - (ii) in respect of this Licence, a cutting permit, road permit, special use permit, free use permit issued to the Licensee; or
 - (b) to otherwise perform its obligations under;
 - (i) this Licence, a cutting permit, road permit, special use permit, free use permit issued to the Licensee; or
 - (ii) in respect of this Licence, a cutting permit, road permit, special use permit, free use permit issued to the Licensee;

the Regional Manager or District Manager, after at least four weeks notice to the Licensee, may instruct the Crown agency holding the deposit 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 reasonably incurred by the Regional Manager or District Manager in remedying the Licensee’s failure to perform its obligations; or
 - (e) an amount equal to the Regional Manager’s or District Manager’s estimate of the costs which the Regional Manager 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.

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 the Regional Manager or District Manager intends to take from the deposit.

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

- (a) the Crown agency holding the deposit, under Paragraph 13.04, takes from the deposit an amount equal to the Regional Manager's or District Manager's estimate of the costs which the Regional Manager 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 Manager or District Manager in remedying the Licensee's failure to perform its obligations are less than the amount taken from the deposit;

the Crown 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 reasonably incurred by the Regional Manager or District Manager.

13.07 If:

- (a) the Crown agency holding the deposit, under Paragraph 13.04, takes from the deposit an amount equal to the Regional Manager's or District Manager's estimate of the costs which the Regional Manager 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 Manager or District Manager in remedying the Licensee's failure to perform its obligations are greater than the amount taken from the deposit;

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

13.08 If the Crown agency holding the deposit, under Paragraph 13.04, takes from the deposit an amount equal to the Regional Manager's or District Manager's estimate of the costs which the Regional Manager or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations, the Regional Manager or District Manager is under no obligation to remedy the Licensee's failure.

13.09 If:

- (a) the Crown agency holding the deposit, under Paragraph 13.04, takes from the deposit an amount equal to the Regional Manager's or District Manager's estimate of the costs which the Regional Manager or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations;
- (b) the Regional Manager or District Manager does not remedy the Licensee's failure to perform its obligations; and
- (c) the Regional Manager or District Manager gives a notice to the Licensee indicating that the Crown will not be remedying the Licensee's failure to perform its obligations;

subject to Paragraph 13.10, the Crown may retain the amount taken from the deposit under Paragraph 13.04.

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 Manager 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 Manager may approve;

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

13.11 Subject to the *Forest Act* and the regulations made under that Act, the Crown 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.

14.00 CONDITIONS IMPOSED UPON ACCEPTANCE OR APPROVAL

14.01 Where, under this Licence, a Ministry employee has discretion to make his or her acceptance or approval of a document or plan subject to a condition, the Ministry employee will exercise that discretion in a reasonable manner, having regard to the purposes and functions of the Ministry set out in Section 4 of the *Ministry of Forests Act*.

14.02 The Licensee, in a notice given to the appropriate Ministry employee within 15 days of the date on which the notice of acceptance or approval is given to the Licensee, may reject any condition to which the acceptance or approval is subject, in which case the notice of approval or acceptance is

deemed to be a notice that the applicable document or plan is not accepted or approved for the reasons set out in the conditions.

15.00 LIABILITY AND INDEMNITY

- 15.01 Subject to Paragraph 15.04, the Licensee will indemnify the Crown against and save it harmless from all claims, demands, suits, actions, causes of action, costs, expenses and losses faced, incurred or suffered by the Crown as a result, directly or indirectly, of any act or omission of:
- (a) the Licensee;
 - (b) an employee of the Licensee;
 - (c) an agent of the Licensee;
 - (d) a contractor of the Licensee who engages in any activity or carries out any operation, including but not restricted to the Licensee's operations, under or associated with this Licence, a cutting permit, road permit or special use permit, or a free use permit issued to the Licensee; or
 - (e) any other person who on behalf of or with the consent of the Licensee engages in any activity or carries out any operation, including but not restricted to the Licensee's operations, under or associated with this Licence, a cutting permit, road permit or special use permit, or a free use permit issued to the Licensee.
- 15.02 For greater certainty, the Licensee has no obligation to indemnify the Crown under Paragraph 15.01 in respect of any act or omission of:
- (a) an employee, agent or contractor of the Crown, in the course of carrying out his or her duties as employee, agent or contractor of the Crown; or
 - (b) a person, other than the Licensee, to whom the Crown 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, in the course of exercising those rights.
- 15.03 The Crown 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 Paragraph 15.01 does not apply to an act or omission which is a direct response to, and complies with, an order made by a Ministry employee or another officer of the Crown.
- 15.05 Amounts taken under Part 13.00 from the deposit, any payments required under Part 6.00 or Part 10.00, any reductions made under the *Forest Act*

and regulations to the portion of the allowable annual cut available to the Licensee, and payments required further to the indemnity referred to in Paragraph 15.01, are in addition to and not in substitution for any other remedies available to the Crown 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; and
 - (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; and
 - (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) 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 Manager.
- 16.03 If the Licensee commits an act of bankruptcy, makes a general assignment of its creditors or otherwise acknowledges its insolvency the Licensee is deemed to have failed to perform an obligation under this Licence.

17.00 WAIVER

- 17.01 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.

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 properly deposited in a 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 transmission, 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 of the party giving such notice and, from and after the giving of such notice, the address specified will, for purposes of this Licence, be considered to be the address of the party giving such notice.

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 a Ministry employee referred to in this Licence may be exercised or fulfilled by another Ministry employee

designated or authorized to do so by the Minister, the Chief Forester, the Regional Manager, or the District Manager, as appropriate.

- 19.04 The Schedules 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 this Licence entitles the Licensee to have an area of Schedule “A” Land subject to a timber licence or Schedule “B” Land, to 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 this Licence expires, is surrendered, is cancelled or otherwise terminated.
- 19.09 At the request of the Regional Manager or District Manager, the Licensee will survey and define on the ground any or all boundaries of the licence area.
- 19.10 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 original timber licence survey plans or from reference maps prepared from original timber licence survey plans; and
 - (c) the legal description differs from the actual ground location of timber licence corner posts;
- the boundaries of the licence area are the boundaries as originally established by the actual ground location of the timber licence corner posts.
- 19.11 The Licensee will use the services of one or more professional foresters to manage the licence area.

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 potential aboriginal right or aboriginal title that has not been proven through a court process;

“alienated Crown land” means Crown land which is not available for inclusion in Schedule “A” Land subject to a timber licence or Schedule “B” Land, and, without restricting the generality of the foregoing, includes Crown land which;

(a) is, as of the effective date of this Agreement, within the area of:

(i) a park, ecological reserve or conservancy;

(ii) a lease, licence of exclusive occupation, or timber licence held by a person other than the Licensee; or

(iii) 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 the Crown by escheat, reversion, transfer or otherwise during the term of this Agreement, except as provided in the Agreement;

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

“deposit” means the deposit referred to in Paragraph 13.02;

“District Manager” means;

(a) a District Manager appointed under the *Ministry of Forests Act*, for a forest district in which all or part of the Licence is situated; and

(b) any person authorized to act as 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;

“forest development plan” means a forest development plan referred to in the *Forest Practices Code of British Columbia Act*;

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

“the forestry legislation” includes;

(a) the *Forest Act*;

(b) the *Forest Practices Code of British Columbia Act*;

(c) the *Forest and Range Practices Act*;

and the regulations under those Acts;

“free use permit” means a free use permit issued under the *Forest Act* to;

(a) the Licensee; or

(b) to a person other than the Licensee;

to authorize the harvest of timber within the licence area;

“harvest” means to;

(a) cut;

(b) remove; or

(c) cut and remove;

“higher level plan” means a higher level plan that is applicable to all or part of the licence area;

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

“Ministry” means the Ministry of Forests and Range;

“*Ministry of Forests Act*” means the *Ministry of Forests and Range Act* R.S.B.C. 1996, c. 300;

“ministry officer” means an employee of the Ministry;

“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 not including the removal of the timber from these landings or road-sides;

“Regional Manager” means;

(a) a Regional Manager appointed under the *Ministry of Forests and Range Act*, for a forest region in which all or part of the licence area is situated; and

(b) any person authorized to act as the Regional Manager to exercise a power or fulfill a duty under this Licence;

“remove” means the removal of timber from the licence area and

“removed” and “removing” have the corresponding meanings;

“resource agency” means any governmental agency, ministry or department having jurisdiction over a resource which may be affected by any activity or operation, including but not restricted to activities or operations, engaged in or carried out under or associated with this Licence or a road permit;

“road permit” means a road permit entered into under the *Forest Act* which provides access to timber removed, or to be removed, under this Licence;

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

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

“Timber Harvesting Land Base” means the portion of the total licence area considered to contribute to, and be available for, long-term timber supply;

“Timber Sales Manager” means;

(a) a Timber Sales Manager appointed under the *Ministry of Forests and Range Act* for a BC timber sales business area in which all or part of the Licence is situated; and

(b) any person authorized by the Timber Sales Manager to exercise a power or fulfil a duty under this Licence;

“timber supply analysis” means an analysis of the short-term and long-term availability of timber in the licence area, including an analysis of the short and long-term effect of management practices on the availability of timber;

“timber supply analysis information package” means information relating to the preparation of a timber supply analysis, including information regarding the assumptions to be incorporated into a timber supply analysis, and the methodology to be used in the timber supply analysis;

“timber supply forester” means the Ministry officer designated by the Chief Forester to review the timber supply analysis information package and the timber supply analysis;

“20-year plan” means an operational timber supply projection for the licence area, prepared in support of a timber supply analysis, that indicates the availability of timber over a period of not less than 20 years;


“waste” has the same meaning as described in the Provincial Logging Residue and Waste Measurement Procedures Manual;

“*Wildfire Act*” means the *Wildfire Act*, S.B.C. 2004, c. 31, as amended from time to time, or the successor to this Act if it is repealed;


- 20.03 Unless otherwise provided in Paragraph 20.02, if a word or phrase used in this Licence is defined in the *Forest Act*, the *Forest and Range Practices Act*, the *Forest Practices Code of British Columbia Act* or the *Wildfire 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.
- 20.04 If a provision of the *Forest Act*, the *Forest and Range Practices Act*, the *Forest Practices Code of British Columbia Act* or the *Wildfire 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.
- 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 date dates written below.

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

)
Signature)

Kevin Kwoeger)
Printed Name)

)
The Honourable Pat Bell)
Minister of Forests and Range)

FEB 10 / 2010)
Dated)

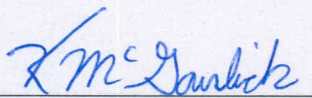
THE COMMON SEAL of)
the Licensee was affixed)
in the presence of:)

_____))
Signature)

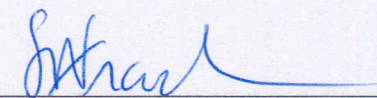
_____))
Printed Name)

(or)

SIGNED by the Licensee)
in the presence of:)

)
Signature)

Kerry McGourlick)
Printed Name)

)
Licensee)

STEPHEN A FORSHNER CEO)
Printed Name and Title)

March 18, 2010)
Dated)

SCHEDULE "A"
TREE FARM LICENCE 39
SAYWARD TREE FARM LICENCE
DESCRIPTION OF CROWN LAND GRANTS AND TIMBER LICENCES

SCHEDULE A

1.0 Fee simple private forest lands subject to **Tree Farm Licence 39** and Crown land subject to timber licences contained within the boundaries of the Tree Farm Licence and subject to the Licence.

BLOCK 1 Powell River	CROWN GRANTS	
	Total Crown Grants	Nil
BLOCK 1 Powell River	TIMBER LICENCES	
TIMBER LICENCES	LAND DISTRICT	HECTARES
T0033	New Westminster (Group 1)	23.310 ha
T0041 Block 1 - 4	New Westminster (Group 1)	132.410 ha
T0048 Block 3	New Westminster (Group 1)	16.000 ha
Total Timber Licences		171.720 ha

SCHEDULE "A"
TREE FARM LICENCE 39
SAYWARD TREE FARM LICENCE
DESCRIPTION OF CROWN LAND GRANTS AND TIMBER LICENCES

BLOCK 2 Adams River	CROWN GRANTS	
	Total Crown Grants	Nil
BLOCK 2 Adams River	TIMBER LICENCES	
TIMBER LICENCES	LAND DISTRICT	HECTARES
T0081 Block 1 - 8	Rupert	685.400 ha
T0090	Rupert	4226.300 ha
T0097 Block 1 - 2	Rupert	505.620 ha
T0101 Block 1 - 6 & 8	Rupert	631.570 ha
T0105 Block 1 - 10	Rupert	1,439.960 ha
T0114 Block 1 - 5	Rupert	1,170.790 ha
T0125 Block 1 - 5	Rupert	577.460 ha
T0133	Rupert	92.520 ha
T0141	Rupert	720.520 ha
T0152 Block 1 - 4	Rupert	652.860 ha
T0161 Block 1 - 6	Rupert	606.640 ha
T0166	Rupert	996.480 ha
T0173	Rupert	135.450 ha
T0502	Rupert	206.890 ha
T0513 Block 1 - 3	Rupert	749.130 ha
T0537 Block 1 - 6	Rupert	1,142.120 ha
T0549 Block 1 - 6	Rupert	361.240 ha
T0624	Rupert	5,148.160 ha
T0647 Block 2	Rupert	20.070 ha
T0691	Rupert	193.540 ha
T0895	Rupert	20.780 ha
Total Timber Licences		20,283.500 ha

SCHEDULE "A"
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DESCRIPTION OF CROWN LAND GRANTS AND TIMBER LICENCES

BLOCK 3 Coast Islands	CROWN GRANTS
	Total Crown Grants Nil

BLOCK 3 Coast Islands	TIMBER LICENCES	
TIMBER LICENCES	LAND DISTRICT	HECTARES
T0209		1,661.370 ha
Total Timber Licences		1,661.370 ha

BLOCK 4 Port Hardy	CROWN GRANTS
	Total Crown Grants Nil

BLOCK 4 Port Hardy	TIMBER LICENCES	
TIMBER LICENCES	LAND DISTRICT	HECTARES
T0223 Block 1 - 2	Rupert	176.110 ha
T0227 Block 1 - 2	Rupert	76.130 ha
T0230 Block 1 - 5 & 7- 8	Rupert	171.050 ha
T0237 Block 1 - 8	Rupert	868.020 ha
T0242 Block 1 - 7	Rupert	976.550 ha
T0251 Block 1 - 5	Rupert	738.880 ha
T0256 Block 1 - 3	Rupert	282.770 ha
T0260 Block 2 - 4	Rupert	70.270 ha
T0262 Block 1 - 4	Rupert	175.940 ha
T0270 Block 3 - 6	Rupert	370.480 ha
T0274	Rupert	96.280 ha

SCHEDULE "A"
TREE FARM LICENCE 39
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DESCRIPTION OF CROWN LAND GRANTS AND TIMBER LICENCES

T0281	Rupert	27.150 ha
T0288 Block 1 - 2	Rupert	276.810 ha

Total Timber Licences	4,306.440 ha
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BLOCK 5 Phillips River

CROWN GRANTS

Total Crown Grants Nil

BLOCK 5 Phillips River

TIMBER LICENCES

TIMBER LICENCES	LAND DISTRICT	HECTARES
T0290	Queen Charlotte	27.900 ha
T0294	Queen Charlotte	60.720 ha
T0303 Block 1 - 5	Queen Charlotte	491.830 ha

Total Timber Licences	580.450 ha
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BLOCK 6 Queen Charlotte Island

DELETED

BLOCK 7 Namu

DELETED

SCHEDULE "A"
TREE FARM LICENCE 39
SAYWARD TREE FARM LICENCE
DESCRIPTION OF CROWN LAND GRANTS AND TIMBER LICENCES

SUMMARY OF AREAS FOR BLOCK 1, 2, 3, 4, 5, 6, 7

CROWN GRANTS

Total Crown Grants	NIL
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TIMBER LICENCES

BLOCK 1 POWELL RIVER	171.720 ha
BLOCK 2 ADAM RIVER	22,283.500 ha
BLOCK 3 COAST ISLANDS	1,661.370 ha
BLOCK 4 PORT HARDY	4,306.440 ha
BLOCK 5 PHILLIPS RIVER	580.450 ha
BLOCK 6 HAIDA GWAI	DELETED
BLOCK 7 NAMU	DELETED
TOTAL	27,003.480 ha

SCHEDULE "B"
TREE FARM LICENCE 39
SAYWARD TREE FARM LICENCE
DESCRIPTION OF CROWN LAND SUBJECT TO THE LICENCE

SCHEDULE B

Interpretation for Schedule B, TFL 39

1. Schedule "B" Land
 - 1.1 For the purposes of the definition of "Schedule 'B' Land" in Paragraph 20.02 of this Licence, "Crown land described in Schedule 'B'" means all Crown land within the boundaries described in Paragraph 2 (metes and bounds) and any land added since the boundaries were established, and excluding the following: Alienated Crown Land and any land deleted since the boundaries were established. This includes the following deletions that occurred during the term of the last agreement which began on March 1, 2000:
 - (1) Instrument 162, deleting 18.72 hectares, dated September 10, 2001
 - (2) Instrument 166, deleting 3.46 hectares, dated November 5, 2003
 - (3) Instrument 170, deleting 127,834 hectares, dated July 15, 2009
 - (4) Instrument 173, deleting all of Block 6, dated January 15, 2010
 2. Boundaries
 - 2.1 The boundaries referred to in Paragraph 1 are as follows:

"Metes and bounds legal description"
 3. Interpretation
 - 3.1 "Alienated Crown Land" means alienated crown land as described in Paragraph 20.02.
 - 3.2 The map(s) accompanying this Schedule are for convenience only and do not reflect the changes to the TFL 39 boundary identified in 1.1 above. If there is any discrepancy between the map(s) and the description of boundaries in Paragraph 2, the description in Paragraph 2 will be deemed to be correct.
 - 3.3 All alienated Crown land may not be identified as such on the attached Schedules and maps.
- Note: Crown land does not include land owned by an agent of the Crown, nor land vested in the federal Crown.

SCHEDULE "B"
TREE FARM LICENCE 39
SAYWARD TREE FARM LICENCE
DESCRIPTION OF CROWN LAND SUBJECT TO THE LICENCE

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.

BLOCK 1: Powell River

Area 1

Commencing at the northeast corner of Indian Reserve Number 1 "Sliammon", Group 1, New Westminster Land District; thence east 201 metres to the southwest corner of Lot 4902; thence easterly along the southerly boundary of said Lot 4902 to the westerly boundary of the watershed of Powell Lake; thence in a general northerly direction along the westerly boundary of the watershed of said Powell Lake to a point 2.970 kilometres north and 925 metres east of the southeast corner of aforesaid Lot 4902; thence west 170 metres; thence north 3.219 kilometres; thence west 640 metres, more or less, to the westerly boundary of the watershed of aforesaid Powell Lake; thence in a general northerly direction along the westerly boundary of the watershed of said Powell Lake to the easterly boundary of Lot 2480; thence northerly along the easterly boundaries of Lots 2480 and 2481 to the northeast corner of said Lot 2481; thence westerly along the northerly boundary of said Lot 2481 to the northwest corner thereof; thence north 3.490 kilometres; thence east 3.060 kilometres; thence north 1.609 kilometres; thence east 1.609 kilometres; thence north 1.609 kilometres; thence east 1.780 kilometres; thence north 624 metres; thence east 402 metres; thence north 402 metres; thence east 805 metres; thence north 342 metres to the southerly boundary of Lot 4721; thence westerly, northerly and easterly along the southerly, westerly and northerly boundaries of said Lot

SCHEDULE “B”
TREE FARM LICENCE 39
SAYWARD TREE FARM LICENCE
DESCRIPTION OF CROWN LAND SUBJECT TO THE LICENCE

4721 to the southwest corner of Lot 4720; thence northerly along the westerly boundary of said Lot 4720 to the northwest corner thereof; thence northerly and westerly along the westerly and southerly boundaries of Lots 2 and 4 of Lot 1527 to the natural boundary of Olsen Lake on the southerly shore thereof; thence in a general easterly, northerly and westerly direction along the natural boundary of said Olsen Lake on the southerly, easterly and northerly shores thereof to the southerly boundary of Lot 12 of Lot 1527; thence westerly along the southerly boundaries of Lots 12, 13 and 14 of said Lot 1527 to the southwest corner of said Lot 14; thence northerly along the westerly boundary of said Lot 14 to the southeast corner of Lot 4722; thence westerly along the southerly boundary of said Lot 4722 to the southwest corner thereof; thence southerly, westerly, northerly and easterly along the easterly, southerly, westerly and northerly boundaries of Lot 4723 to the northeast corner thereof; thence northerly along the westerly boundary of aforesaid Lot 4722 to the northwest corner thereof; thence north 40 degrees west 2.856 kilometres, more or less, to the westerly boundary of the watershed of Theodosia River; thence in a general northerly and easterly direction along the westerly and northerly boundaries of the watershed of said Theodosia River to the westerly boundary of the watershed of Powell Lake; thence in a general northerly, easterly and southerly direction along the westerly, northerly and easterly boundaries of the watershed of said Powell Lake to the easterly boundary of the watershed of Eldred River; thence in a general southerly direction along the easterly boundaries of the watersheds of Eldred River, Goat Lake and Freda Lake to the northerly boundary of the watershed of Lois River; thence in a general easterly and southerly direction along the northerly and easterly boundaries of the watershed of said Lois River to the northerly boundary of the watershed of Hotham Sound; thence in a general easterly direction along the northerly boundary of the

SCHEDULE “B”
TREE FARM LICENCE 39
SAYWARD TREE FARM LICENCE
DESCRIPTION OF CROWN LAND SUBJECT TO THE LICENCE

watershed of said Hotham Sound to a point 815 metres south and 1.940 kilometres west of the southwest corner of Lot 1907; thence north 330 metres; thence east 1.410 kilometres to the natural boundary of unnamed lake on the westerly shore thereof; said unnamed lake draining into McMurray Bay; thence in a general southerly, easterly and northerly direction along the natural boundary of said unnamed lake on the westerly, southerly and easterly shores thereof to a point 910 metres south and 325 metres west of the southwest corner of aforesaid Lot 1907; thence south 280 metres, more or less, to the westerly boundary of the watershed of Prince of Wales Reach; thence in a general southerly direction along the westerly boundary of the watershed of said Prince of Wales Reach to a point due east of the most northerly point on the natural boundary of Goliath Bay; thence west to the most northerly point on the natural boundary of said Goliath Bay; thence in a general westerly and southerly direction along the natural boundary of said Goliath Bay on the northerly and westerly shores thereof to the natural boundary of Dark Cove on the northerly shore thereof; thence in a general westerly direction along the natural boundary of said Dark Cove on the northerly shore thereof to the northeast corner of Lot 4055; thence westerly, southerly and easterly along the northerly, westerly and southerly boundaries of said Lot 4055 to the southeast corner thereof, being a point on the natural boundary of aforesaid Jarvis Inlet on the northerly shore thereof; thence in a general westerly direction along the natural boundary of said Jarvis Inlet on the northerly shore thereof to the natural boundary of Hotham Sound on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Hotham Sound on the easterly shore thereof to the southeast corner of Lot 3557; thence northerly, westerly and southerly along the easterly, northerly and westerly boundaries of said Lot 3557 to the natural boundary of said Hotham Sound on the westerly shore thereof; thence

SCHEDULE “B”
TREE FARM LICENCE 39
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in a general southerly and westerly direction along the natural boundary of said Hotham Sound on the westerly shore thereof to the natural boundary of aforesaid Jarvis Inlet on the northerly shore thereof; thence in a general westerly direction along the natural boundary of said Jarvis Inlet on the northerly shore thereof to the southeast corner of Lot 3839; thence northerly and westerly along the easterly and northerly boundaries of said Lot 3839 to the northwest corner thereof, being a point on the natural boundary of St. Vincent Bay on the easterly shore thereof; thence in a general northerly, westerly and southerly direction along the natural boundary of said St. Vincent Bay on the easterly, northerly and westerly shores thereof to the natural boundary of aforesaid Jarvis Inlet on the northerly shore thereof; thence in a general westerly direction along the natural boundary of said Jarvis Inlet on the northerly shore thereof to the southeast corner of Lot 2091; thence northerly along the easterly boundary of said Lot 2091 to the northeast corner thereof; thence east 1.231 kilometres; thence north 1.609 kilometres; thence west 1.609 kilometres; thence south 402 metres; thence west 1.612 kilometres; thence south 1.358 kilometres to the northeast corner of Lot 1630; thence westerly along the northerly boundary of said Lot 1630 to the northwest corner thereof; thence north 302 metres; thence west 302 metres; thence south 302 metres; thence west 2.343 kilometres; thence north 1.219 kilometres; thence east 1.215 kilometres; thence north 402 metres; thence east 1.609 kilometres; thence north 1.609 kilometres; thence west 390 metres; thence north 1.609 kilometres; thence west 1.609 kilometres to the easterly boundary of Lot 570; thence southerly along the easterly boundaries of Lots 570 and 572 to the southeast corner of said Lot 572; thence westerly along the southerly boundary of said Lot 572 to the northeast corner of Lot 573; thence southerly and westerly along the easterly and southerly boundaries of said Lot 573 to the southwest corner thereof; thence west 402

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metres; thence south 402 metres; thence east 201 metres; thence south 1.609 kilometres; thence west 1.164 kilometres to the northeast corner of Lot 4423; thence southerly and westerly along the easterly and southerly boundaries of said Lot 4423 to the southwest corner thereof; thence southerly along the westerly boundary of Lot 3835 to the southwest corner thereof; thence westerly, southerly and easterly along the northerly, westerly and southerly boundaries of said Lot 3505 to the northeast corner of Lot 1500; thence southerly along the easterly boundary of said Lot 1500 1.402 kilometres to the southerly boundary of Parcel K of said Lot 1500, as shown on Explanatory Plan 6271, Vancouver Land Titles Office; thence south 42 degrees 40 minutes west 198 metres; thence north 20 degrees 24 minutes west 31 metres; thence north 01 degree west 27 metres; thence north 09 degrees 18 minutes west 43 metres; thence north 190 metres; thence west 61 metres; thence north 134 metres; thence west 107 metres; thence south 126 metres; thence north 81 degrees 37 minutes west 104 metres; thence north 72 degrees 11 minutes 30 seconds west 76 metres; thence north 68 degrees 09 minutes west 141 metres; thence north 79 degrees 05 minutes west 77 metres; thence north 00 degrees 00 minutes 30 seconds west 270 metres; thence north 79 degrees 05 minutes west 61 metres; thence north 67 metres; thence west 40 metres to the westerly boundary of aforesaid Lot 1500; thence southerly along the westerly boundary of said Lot 1500 to the southeast corner of Lot 1631; thence westerly along the southerly boundary of said Lot 1631 177 metres to the southeast corner of Parcel A of said Lot 1631 as shown on Reference Plan 1867, Vancouver Land Titles Office; thence northerly along the easterly boundary of said Parcel A of Lot 1631 166 metres to the northeast corner thereof, being a point on a road right-of-way; thence north 75 degrees west 11 metres to the northwest corner of said Parcel A of Lot 1631; thence southerly along the westerly boundary of said Parcel A of

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Lot 1631 168 metres to the southwest corner thereof; thence westerly along the aforesaid southerly boundary of Lot 1631, 46 metres to the southeast corner of Reference Plan 2653, Vancouver Land Titles Office; thence north 180 metres; thence north 64 degrees 48 minutes west 22 metres; thence south 91 metres to the northeast corner of Parcel C of aforesaid Lot 1631 as shown on said Reference Plan 2653; thence west 55 metres to the northwest corner of said Parcel C, Reference Plan 2653; thence south 98 metres to the southerly boundary of aforesaid Lot 1631; thence westerly along the southerly boundary of said Lot 1631 55 metres to the northwest corner of Block 1 of Lot 3040 as shown on Plan 6005 Vancouver Land Titles Office; thence south 221 metres to the southwest corner of said Block 1, Plan 6005; thence east 352 metres to the southeast corner of said Block 1, Plan 6005; thence south 149 metres, more or less, to the natural boundary of Malaspina Strait on the northerly shore thereof; thence in a general westerly direction along the natural boundary of said Malaspina Strait on the northerly shore thereof to the southeast corner of Indian Reserve Number 23, "Cohqueneets"; thence northerly and westerly along the easterly and northerly boundaries of said Indian Reserve Number 23 to the northwest corner thereof; thence northerly along the westerly boundary of Lot 3509 355 metres to the southerly boundary of Plan 10652, Vancouver Land Titles Office; thence south 72 degrees 01 minutes 30 seconds east 162 metres to the southeast corner of said Plan 10652; thence north 00 degrees 10 minutes east 135 metres to the northerly boundary of aforesaid Lot 3509; thence easterly along the northerly boundary of said Lot 3509 to the natural boundary of Lois River; thence due east to the left bank of said Lois River; thence in a general southerly direction along the said left bank of Lois River on the right bank thereof to the southerly boundary of Lot 4419; thence southeasterly along the southerly boundary of said Lot 4419 to the southwest corner of Lot 4421; thence

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northerly along the westerly boundary of said Lot 4421 70 metres to the northwest corner of Block C of said Lot 4421 as shown on Plan 6246, Vancouver Land Titles Office; thence south 45 degrees 36 minutes 30 seconds east 260 metres to the southerly boundary of said Lot 4421; thence southeasterly along the said southerly boundary of Lot 4421 to the southeast corner thereof; thence northerly along the easterly boundary of said Lot 4421 and the westerly boundaries of Lots 4422 and 5697 to the northwest corner of said Lot 5697; thence westerly along the southerly boundaries of Lots 1571 and 4829 to the natural boundary of aforesaid Lois River on the left bank thereof; thence due west to the natural boundary of said Lois River on the right bank thereof; thence in a general southerly direction along the natural boundary of said Lois River on the right bank thereof to a point 163 metres south and 127 metres east of the northwest corner of Lot 4409, said point being the southwest corner of Parcel B of said Lot 4409 as shown on Reference Plan 8880, Vancouver Land Titles Office; thence north 163 metres to the northerly boundary of said Lot 4409; thence westerly along the northerly boundaries of Lots 4409 and 4417 to the southeast corner of Lot 5873; thence northerly, westerly and southerly along the easterly, northerly and westerly boundaries of said Lot 5873 to the southwest corner thereof; thence westerly along the northerly boundary of Lot 4411 to the northwest corner thereof; thence northerly along the easterly boundaries of Lot 3510 and 4415 to the northeast corner of said Lot 4415; thence westerly along the northerly boundaries of Lots 4415 and 4414 to the northwest corner of said Lot 4414; thence northerly, westerly and southerly along the easterly, northerly and westerly boundaries of Lot 6149 to the southeast corner of Lot 5263; thence westerly along the southerly boundaries of Lots 5263 and 5264 to the natural boundary of Lang Creek on the left bank thereof; thence in a general northwesterly direction along the natural boundary of said

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Lang Creek on the left bank thereof to the southerly boundary of Lot 5501; thence easterly along the southerly boundary of said Lot 5501 to a point due south of the southeast corner of Lot 5480; thence north to the southeast corner of said Lot 5480; thence westerly along the southerly boundary of said Lot 5480 to the natural boundary of aforesaid Lang Creek on the left bank thereof; thence in a general northwesterly direction along the natural boundary of said Lang Creek on the left bank thereof to the northerly boundary of Lot 5475; thence easterly and southerly along the northerly and easterly boundaries of said Lot 5475 to the southeast corner thereof; thence easterly along the southerly boundaries of Lots 5476 and 5477 to the southeast corner of said Lot 5477; thence northerly along the easterly boundary of said Lot 5477 to the northeast corner thereof; thence east 735 metres; thence south 1.771 kilometres; thence west 735 metres to the easterly boundary of Lot 5501; thence southerly along the easterly boundaries of Lots 5501 and 5502 685 metres; thence east 1.368 kilometres; thence south 966 metres; thence east 1.378 kilometres; thence north 2.846 kilometres; thence east 1.247 kilometres; thence north 4.828 kilometres; thence east 1.609 kilometres; thence north 1.207 kilometres to the southeast corner of Lot 567; thence westerly and northerly along the southerly and westerly boundaries of said Lot 567 to the northwest corner thereof; thence north 590 metres to the southwest corner of Lot 4333; thence easterly along the southerly boundary of said Lot 4333 604 metres; thence north 200 metres, more or less, to the natural boundary of Nanton Lake on the southerly shore thereof; thence in a general westerly, northerly and easterly direction along the natural boundary of said Nanton Lake on the southerly, westerly and northerly shores thereof to a point 155 metres south and 604 metres east of the northwest corner of aforesaid Lot 4333; thence north 155 metres to the northerly boundary of said Lot 4333; thence westerly along the northerly boundary of

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said Lot 4333 to the northwest corner thereof; thence southerly along the westerly boundary of said creek on the left bank thereof to the northerly boundary of Lot 5475; thence easterly and southerly along the northerly and easterly boundaries of said Lot 5475 to the southeast corner thereof; thence easterly along the southerly boundaries of Lots 5476 and 5477 to the southeast corner of said Lot 5477; thence northerly along the easterly boundary of said Lot 5477 to the northeast corner thereof; thence east 735 metres; thence south 1.771 kilometres; thence west 735 metres to the easterly boundary of Lot 5501; thence southerly along the easterly boundaries of Lots 5501 and 5502 685 metres; thence east 1.368 kilometres; thence south 966 metres; thence east 1.378 kilometres; thence north 2.846 kilometres; thence east 1.247 kilometres; thence north 4.828 kilometres; thence east 1.609 kilometres; thence north 1.207 kilometres to the southeast corner of Lot 567; thence westerly and northerly along the southerly and westerly boundaries of said Lot 567 to the northwest corner thereof; thence north 590 metres to the southwest corner of Lot 4333; thence easterly along the southerly boundary of said Lot 4333 604 metres; thence north 200 metres, more or less, to the natural boundary of Nanton Lake on the southerly shore thereof; thence in a general westerly, northerly and easterly direction along the natural boundary of said Nanton Lake on the southerly, westerly and northerly shores thereof to a point 155 metres south and 604 metres east of the northwest corner of aforesaid Lot 4333; thence north 155 metres to the northerly boundary of said Lot 4333; thence westerly along the northerly boundary of said Lot 4333 to the northwest corner thereof; thence southerly along the westerly boundary of said Lot 4333 1.026 kilometres; thence west 1.609 kilometres; thence south 704 metres; thence west 1.066 kilometres, more or less, to the easterly boundary of the watershed of Has lam Lake; thence in a general northerly direction along the easterly

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boundary of the watershed of said Haslam Lake to a point 400 metres north and 2.258 kilometres west of the northwest corner of Lot 562; thence east 720 metres; thence north 2.012 kilometres; thence west 805 metres; thence north 402 metres; thence west 1.207 kilometres; thence north 402 metres; thence west 402 metres; thence north 402 metres; thence west 225 metres, more or less, to the natural boundary of Giavanno Lake on the easterly shore thereof; thence in a general southerly, westerly and northerly direction along the natural boundary of said Giavanno Lake on the easterly, southerly and westerly shores thereof to a point 620 metres south and 1.445 kilometres east of the southwest corner of Lot 4728; thence west 670 metres; thence north 402 metres; thence west 402 metres; thence south 580 metres, more or less, to the westerly boundary of the watershed of aforesaid Haslam Lake; thence in a general southerly direction along the westerly boundary of the watershed of said Haslam Lake to a point 4.775 kilometres south and 855 metres west of the southwest corner of aforesaid Lot 4728; thence west 1.220 kilometres; thence south 1.609 kilometres; thence east 805 metres; thence south 805 metres ; thence west 1.609 kilometres; thence north 805 metres; thence west 207 metres, more or less, to the natural boundary of Inland Lake on the easterly shore of thereof; thence in a general southerly, westerly and northerly direction along the natural boundary of said Inland Lake on the easterly, southerly and westerly shores thereof to a point 4.180 kilometres north and 2.325 kilometres east of the northeast corner of Lot 4067; thence west 151 metres; thence south 402 metres; thence east 583 metres; thence south 1.408 kilometres; thence east 805 metres; thence south 1.157 kilometres; thence west 960 metres; thence south 402 metres; thence west 402 metres; thence south 402 metres; thence west 402 metres; thence south 402 metres; thence east 149 metres to the westerly boundary of Lot 5439; thence southerly along the westerly boundary of said Lot 5439 to the southwest

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corner thereof; thence westerly and southerly along the northerly and westerly boundaries of Lot 5451 to the southwest corner thereof; thence westerly along the northerly boundaries of Lots 5453 and 5454 to the northwest corner of said Lot 5454; thence westerly along the southerly boundary of Lot 5200 536 metres to the most southerly southwest corner of Block C of said Lot 5200 as shown on Plan 5888, Vancouver Land Titles Office; thence north 53 degrees 46 minutes west 9 metres; thence north 41 degrees 37 minutes west 150 metres to the westerly boundary of aforesaid Lot 5200; thence northerly and easterly along the westerly and northerly boundaries of said Lot 5200 to the southeast corner of Lot 4613; thence northwesterly along the easterly boundary of said Lot 4613 to the northeast corner of Lot 4067; thence westerly along the northerly boundary of said Lot 4067 to the natural boundary of Powell Lake on the easterly shore thereof; thence in a general southerly, westerly and northerly direction along the natural boundary of said Powell Lake on the easterly, southerly and westerly shores thereof to the northeast corner of Lot 2358; thence westerly along the northerly boundaries of Lots 2358, 4901 and 4168 to the northwest corner of said Lot 4168; thence northerly and westerly along the easterly and northerly boundaries of Lots 4167, 4163 and 4162 to the northwest corner of said Lot 4162; thence westerly along the northerly boundary of Lot 4161 to the northwest corner thereof; thence northerly along the easterly boundary of aforesaid Indian Reserve Number 1 "Sliammon" to the northeast corner thereof, being the point of commencement, and also including the following:

North half of Lot 1649, New Westminster Land District Lot 2490 Lot 2491 Lot 2492 Lot 2493 Lot 2494 Lot 2495 Block 3 of Lot 3009, Excluding Parcel A Lot 3754 Block A of Lot 5438 Fractional east half of Lot 5456 Fractional southeast quarter of Lot 5460 Lot 5465 Fractional west half of Lot 5466

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and also including the following described area:

Area 2

Commencing at a point on the easterly boundary of the watershed of Haslam Lake, said point being 805 metres north and 1.730 kilometres west of the southwest corner of Lot 567, Group 1, New Westminster Land District; thence east 860 metres; thence south 500 metres, more or less, to the easterly boundary of the watershed of aforesaid Has lam Lake; thence in a general northerly direction along the easterly boundary of the watershed of said Haslam Lake to the point of commencement.

BLOCK 1A

Commencing at a point on the natural boundary of Goat Lake on the westerly shore thereof, said point being 180 metres south and 9.050 kilometres east of the northeast corner of Lot 3906, New Westminster Land District; thence west 3.720 kilometres, more or less, to the westerly boundary of the watershed of said Goat Lake; thence in a general northerly direction along the westerly boundaries of the watersheds of Goat Lake and Eldred River to the northerly boundary of the watershed of said Eldred River; thence in a general easterly and southerly direction along the northerly and easterly boundaries of the watershed of said Eldred River to a point 180 metres south and 16.170 kilometres east of the northeast corner of aforesaid Lot 3906; thence west 6.400 kilometres, more or less, to the natural boundary of aforesaid Goat Lake on the easterly shore thereof; thence in a general northerly, westerly and southerly direction along the natural boundary of said Goat Lake on the easterly, northerly and westerly shores thereof to the point of commencement.

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BLOCK 1B

Commencing at the southeast corner of Lot 4426, New Westminster Land District, being a point on the natural boundary of St. Vincent Bay on the westerly shore thereof; thence in a general southeasterly direction along the natural boundary of said St. Vincent Bay on the westerly shore thereof to the natural boundary of Jervis Inlet on the northerly shore thereof; thence in a general westerly direction along the natural boundary of said Jervis Inlet on the northerly shore thereof to the southeast corner of Lot 2091; thence northerly along the easterly boundary of said Lot 2091 to the northeast corner thereof; thence east 1.231 kilometres; thence north 1.609 kilometres; thence west 1.609 kilometres; thence south 402 metres; thence west 1.612 kilometres; thence south 1.358 kilometres to the northeast corner of Lot 1630; thence westerly along the northerly boundary of said Lot 1630 to the northwest corner thereof; thence north 302 metres; thence west 302 metres; thence south 302 metres; thence west 2.343 kilometres; thence north 1.219 kilometres; thence east 1.215 kilometres; thence north 402 metres; thence east 1.609 kilometres; thence north 482 metres, more or less, to the southerly boundary of the watershed of Lois Lake; thence in a general easterly and northerly direction along the southerly and easterly boundaries of the watershed of said Lois Lake to the southeasterly boundary of the watershed of Khartoum Lake; thence in a general northeasterly direction along the southeasterly boundary of the watershed of said Khartoum Lake to a point 3.385 kilometres north and 175 metres west of the most northerly northwest corner of Lot 3256; thence west 4.230 kilometres; thence north 402 metres; thence west 402 metres; thence north 240 metres, more or less, to the westerly boundary of the watershed of an unnamed creek draining from Walt Lake south to Khartoum Lake; thence in a general northerly direction along the westerly boundaries of the watersheds of said unnamed creek and

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Walt Lake, to the northerly boundary of the watershed of said Walt Lake; thence in a general easterly direction along the northerly boundary of the watershed of said Walt Lake to the westerly boundary of the watershed of Lois River; thence in a general northerly, easterly and southerly direction along the westerly, northerly and easterly boundaries of the watershed of said Lois River to the northerly boundary of the watershed of Hotham Sound; thence in a general easterly direction along the said northerly boundary of the watershed of said Hotham Sound to a point 815 metres south and 1.940 kilometres west of the southwest corner of Lot 1907; thence north 330 metres; thence east 1.410 kilometres to the natural boundary of an unnamed lake on the westerly shore thereof, said unnamed lake draining into McMurray Bay; thence in a general southerly, easterly and northerly direction along the natural boundary of said unnamed lake on the westerly, southerly and easterly shores thereof to a point 910 metres south and 325 metres west of the southwest corner of aforesaid Lot 1907; thence south 280 metres, more or less, to the westerly boundary of the watershed of Prince of Wales Reach; thence in a general southerly direction along the westerly boundary of the watershed of said Prince of Wales Reach to a point due east of the most northerly point on the natural boundary of Goliath Bay; thence west to the most northerly point on the natural boundary of said Goliath Bay; thence in a general westerly and southerly direction along the natural boundary of said Goliath Bay on the northerly and westerly shores thereof to the natural boundary of Dark Cove on the northerly shore thereof; thence in a general westerly direction along the natural boundary of said Dark Cove on the northerly shore thereof to the northeast corner of Lot 4055; thence westerly, southerly and easterly along the northerly, westerly and southerly boundaries of said Lot 4055 to the southeast corner thereof, being a point on the natural boundary of aforesaid Jervis

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Inlet on the northerly shore thereof; thence in a general westerly direction along the natural boundary of said Jarvis Inlet on the northerly shore thereof to the natural boundary of Hotham Sound on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Hotham Sound on the easterly shore thereof to the southeast corner of Lot 3557; thence northerly, westerly and southerly along the easterly, northerly and westerly boundaries of said Lot 3557 to the natural boundary of said Hotham Sound on the westerly shore thereof; thence in a general southerly direction along the natural boundary of said Hotham Sound on the westerly shore thereof to the natural boundary of aforesaid Jarvis Inlet on the northerly shore thereof; thence in a general westerly direction along the natural boundary of said Jarvis Inlet on the northerly shore thereof to the southeast corner of Lot 3839; thence northerly and westerly along the easterly and northerly boundaries of said Lot 3839 to the northwest corner thereof, being a point on the natural boundary of aforesaid St. Vincent Bay on the easterly shore thereof; thence in a general northerly, westerly and southerly direction along the natural boundary of said St. Vincent Bay on the easterly, northerly and westerly shores thereof to the southeast corner of aforesaid Lot 4426, being the point of commencement.

BLOCK 2: Adams River

Commencing at the northwest corner of Lot 1378, Sayward Land District, being a point on the natural boundary of Johnstone Strait on the southerly shore thereof; thence southerly along the westerly boundary of said Lot 1378 to the southwest corner thereof; thence south 26 metres; thence east 817 metres to the northwest corner of Lot 304; thence southerly along the westerly boundary of said Lot 304 to the southwest corner thereof; thence southerly along the easterly boundary of Lot 1604 to the westerly boundary of

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Plan 20197, Victoria Land Titles Office; thence in a general southerly direction along the westerly boundaries of said Plan 20197 to the northwesterly boundary of Plan 21662; thence in a general southwesterly, southeasterly and northeasterly direction along the northwesterly, southwesterly and southeasterly boundaries of said Plan 21662 to the southwesterly boundary of Plan 27978; thence in a general southeasterly and northeasterly direction along the southwesterly and southeasterly boundaries of said Plan 27978 to the southwesterly boundary of aforesaid Plan 21662; thence southeasterly and northeasterly along the southwesterly and southeasterly boundaries of said Plan 21662 to the southwesterly boundary of Plan 20362; thence southeasterly along the southwesterly boundaries of Plans 20362, 8359 and 1237R to the westerly boundary of Plan 1617 R/W; thence in a general southerly direction along the westerly boundaries of said Plan 1617 R/W to the southerly boundary of the north half of the southwest quarter of Section 31, Township 3; thence westerly along the southerly boundary of said north half of the southwest quarter of Section 31, Township 3 and of the northeast quarter of the southeast quarter of Section 36, Township 4 to the southwest corner thereof; thence southerly and easterly along the westerly and southerly boundaries of the southeast quarter of the southeast quarter of Section 36, Township 4 and the northwest quarter of the northwest quarter of Section 30, Township 3 to the southeast corner of said northwest quarter of the northwest quarter of Section 30; thence southerly along the easterly boundary of the west half of the west half of said Section 30 to the southeast corner thereof; thence easterly and northerly along the southerly and easterly boundaries of said Section 30 to the northwest corner of Lot A of Section 29, Township 3, as shown on Plan 16783 being also a point on the southerly limit of Sayward Road; thence easterly along the northerly boundary of said Lot A of Section 29, Plan 16783 and the southerly boundary of said

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Sayward Road to the easterly boundary of MacMillan Bloedel Limited mainline logging road as shown on Plan 280 R/W; thence southerly along the easterly boundary of said logging road, Plan 280 R/W to the northerly boundary of Section 20, Township 3; thence easterly and southerly along the northerly and easterly boundaries of the northwest quarter of said Section 20 to the northerly boundary of Lot A of said Section 20, as shown on Plan 15344 and deposited in Victoria Land Title Office; thence westerly and southerly along the northerly and westerly boundaries of said Lot A of Section 20, Plan 15344, to the easterly boundary of the northwest quarter of said Section 20; thence southerly along the said easterly boundary of the northwest quarter of Section 20 to the natural boundary of Salmon River on the left bank thereof; thence in a general southerly direction along the natural boundary of said Salmon River on the left bank thereof to the easterly boundary of the northwest quarter of said Section 20; thence southerly and westerly along the easterly and southerly boundaries of the northwest quarter of said Section 20 to the southwest corner thereof; thence southerly, easterly and northerly along the westerly, southerly and easterly boundaries of the southwest quarter of said Section 20 to the northwest corner of Parcel F of the fractional southeast quarter of said Section 20, as described on Deposit Deed 36168-I; thence easterly along the northerly boundary of said Parcel F of the fractional southeast quarter of said Section 20 to the natural boundary of said Salmon River on the left bank thereof; thence in a general southerly direction along the natural boundary of said Salmon River on the left bank thereof to the northerly boundary of Section 17, Township 3; thence westerly and southerly along the northerly and westerly boundaries of the northeast quarter of the northeast quarter of said Section 17 to the natural boundary of said Salmon River of the left bank thereof; thence in a general southerly direction along the natural boundary of said Salmon River on the

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left bank thereof to the southerly boundary of the northwest quarter of said Section 17; thence westerly and northerly along the southerly and westerly boundaries of the southeast quarter of the northwest quarter of said Section 17 to the northwest corner thereof; thence westerly along the northerly boundary of the southwest quarter of the northwest quarter of said Section 17 to the northwest corner thereof; thence southerly along the westerly boundary of said Section 17 to the natural boundary of said Salmon River on the left bank thereof; thence in a general southerly and easterly direction along the natural boundary of said Salmon River on the left bank thereof to the easterly boundary of the southwest quarter of Section 8, Township 3; thence southerly and westerly along the easterly and southerly boundaries of the southwest quarter of said Section 8 to the southeast corner of the southwest quarter of the southwest quarter of said Section 8; thence northerly and westerly along the easterly and northerly boundaries of the said southwest quarter of the southwest quarter of said Section 8 to the northwest corner thereof; thence southerly along the westerly boundaries of Sections 8 and 5, Township 3, to the southwest corner of said Section 5; thence easterly and southerly along the northerly and easterly boundaries of the northwest quarter and the south half of the northeast quarter of Section 32, Township 6 to the southeast corner of the south half of the northeast quarter of said Section 32; thence easterly along the southerly boundary of the northwest quarter of Section 33, Township 6 to the southwest corner of the southeast quarter of the northwest quarter of said Section 33; thence northerly, easterly and southerly along the westerly, northerly and easterly boundaries of the southeast quarter of the northwest quarter of said Section 33 to the southeast corner thereof; thence easterly and southerly along the northerly and easterly boundaries of the northwest quarter and the southeast quarter of the southeast quarter of said Section 33 to the

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southwesterly boundary of MacMillan Bloedel Limited main line logging road as shown on Plan 287 R/W; thence northwesterly along the southwesterly boundary of said logging road, Plan 287 R/W to the northerly boundary of the south half of the southeast quarter of said Section 33; thence westerly, southerly and easterly along the northerly, westerly and southerly boundaries of the south half of the southeast quarter of said Section 33 to the southeast corner thereof; thence southerly and easterly along the westerly and southerly boundaries of the northwest quarter and the southeast quarter of Section 27, Township 6 to the southeast corner thereof; thence easterly, northerly and westerly along the southerly, easterly and northerly boundaries of the southwest quarter of Section 26, Township 6 to the northwest corner thereof; thence westerly, northerly and easterly along the southerly, westerly and northerly boundaries of the northeast quarter of aforesaid Section 27 to the northeast corner thereof; thence easterly along the northerly boundary of aforesaid Section 26 to the northeast corner thereof; thence northerly and westerly along the easterly and northerly boundaries of the southeast quarter and the south half of the northwest quarter of Section 35, Township 6 to the northwest corner of the south half of the northwest quarter of said Section 35; thence northerly along the westerly boundary of said Section 35 to the northwest corner thereof; thence westerly along the northerly boundary of Section 34, Township 6 1.207 kilometres; thence north 805 metres; thence west 1.006 kilometres, more or less, to the natural boundary of aforesaid Salmon River on the right bank thereof; thence in a general northwesterly direction along the natural boundary of said Salmon River on the right bank thereof to the easterly boundary of aforesaid Section 8, Township 3; thence northerly along the easterly boundary of said Section 8 to the northeast corner thereof; thence easterly and northerly along the southerly and easterly boundaries of the southwest quarter of the southwest quarter of

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Section 16, Township 3 to the northeast corner thereof; thence westerly, northerly, easterly and southerly along the southerly, westerly, northerly and easterly boundaries of the northwest quarter of the southwest quarter of said Section 16 to the northeast corner of the southwest quarter of the southwest quarter of said Section 16; thence easterly and northerly along the southerly and easterly boundaries of the northeast quarter of the southwest quarter and the west half of the northeast quarter of said Section 16 to the northeast corner of the west half of the northeast quarter of said Section 16; thence northerly and westerly along the easterly and northerly boundaries of the west half of the southeast quarter and the east half of the northwest quarter of said Section 21, to the northwest corner of the east half of the northwest quarter of Section 21; thence northerly and westerly along the easterly and northerly boundaries of the west half of the southwest quarter of Section 28, Township 6 to the northwest corner of the southwest quarter of said Section 28; thence northerly along the easterly boundary of Section 29 to the northeast corner thereof; thence north 402 metres; thence east 1.207 kilometres, more or less, to the northeasterly boundary of the watershed of Salmon River; thence in a general southeasterly direction along the northeasterly boundary of the watershed of said Salmon River to a point 4.597 kilometres south and 1.162 kilometres west of the southwest corner of Lot 807; thence south 402 metres; thence west 402 metres; thence south 402 metres; thence west 402 metres; thence south 402 metres; thence west 749 metres; thence south 392 metres; thence east 1.998 kilometres; thence south 129 metres; thence east 340 metres; thence south 402 metres; thence east 2.012 kilometres; thence south 1.509 kilometres, more or less, to the northerly limit of Island Highway No. 19; thence due south to the southerly limit of said Island Highway; thence in a general southeasterly direction along the southerly limit of said Island Highway to a point 1.642 kilometres

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north and 2.405 kilometres west of the confluence of Roberts Creek and the westerly shore of Roberts Lake; thence south 7.165 kilometres; thence west 2.590 kilometres; thence south 805 metres; thence east 402 metres; thence south 805 metres; thence east 402 metres; thence south 401 metres; thence east 401 metres; thence south 402 metres; thence east 401 metres; thence south 402 metres; thence east 1.032 kilometres; thence south 569 metres; thence west 805 metres; thence south 2.414 kilometres; thence west 875 metres; thence north 412 metres; thence west 1.609 kilometres; thence south 402 metres; thence west 1.611 kilometres; thence north 804 metres; thence west 404 metres ; thence north 806 metres; thence west 404 metres; thence south 402 metres; thence west 3.621 kilometres; thence south 327 metres; thence east 402 metres; thence south 845 metres; thence east 402 metres; thence south 2.012 kilometres; thence east 1.207 kilometres; thence south 582 metres; thence west 766 metres; thence south 01 degree 15 minutes east 2.816 kilometres; thence east 805 metres; thence south 805 metres; thence west 1.082 kilometres; thence south 1.189 kilometres; thence east 1.609 kilometres; thence south 1.609 kilometres; thence west 1.609 kilometres; thence north 193 metres; thence west 3.219 kilometres; thence south 1.609 kilometres; thence south 56 degrees east 365 metres; thence south 1.609 kilometres; thence west 1.609 kilometres; thence north 1.811 kilometres; thence west 1.655 kilometres; thence north 1.541 kilometres; thence west 60 metres; thence north 131 metres; thence west 3.219 kilometres; thence north 1.529 kilometres, more or less, to the northerly boundary of the watershed of Grilse Creek; thence in a general westerly direction along the northerly boundary of the watershed of said Grilse Creek to the easterly boundary of the watershed of White River; thence in a general southerly, westerly and northerly direction along the easterly, southerly and westerly boundaries of the watershed of said White River to the easterly

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boundary of the watershed of Schoen Creek; thence in a general northerly direction along the easterly boundary of the watershed of said Schoen Creek to the southerly boundary of Schoen Lake Provincial Park established by Order-in-Council 3284 dated October 28, 1977; thence easterly, northerly, westerly, northwesterly and southwesterly along the southerly, easterly and northerly boundaries of Schoen Lake Provincial Park to the southerly boundary of the watershed of Kunnum Creek; thence in a general westerly and northerly direction along the southerly and westerly boundaries of the watershed of said Kunnum Creek to the southerly boundary of the watershed of Eve River; thence in a general westerly and northerly direction along the southerly and westerly boundaries of the watershed of said Eve River to a point 9.275 kilometres south and 8.253 kilometres east of the confluence of Tsitika River and Claud Elliot Creek; thence west 1.670 kilometres; thence north 402 metres; thence west 861 metres; thence north 351 metres; thence west 1.207 kilometres; thence north 402 metres; thence west 3.380 kilometres, more or less, to the easterly boundary of the watershed of Lukwa Creek; thence in a general northwesterly direction along the easterly boundaries of the watersheds of Lukwa Creek and Claud Elliot Lake to a point 4.120 kilometres south and 5.515 kilometres east of the aforesaid confluence of Tsitika River and Claud Elliot Creek; thence west 2.150 kilometres, more or less, to the natural boundary of aforesaid Claud Elliot Lake on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Claud Elliot Lake on the easterly shore thereof, aforesaid Claud Elliot Creek on the right bank thereof and the natural boundary of an unnamed lake on the easterly shore thereof, said unnamed lake lying 805 metres, more or less, northerly of said Claud Elliot Lake to a point 2.397 kilometres south and 3.118 kilometres west of the aforesaid confluence of Tsitika River and Claud Elliot Creek; thence west 1.690 kilometres; thence

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north 402 metres; thence west 402 metres; thence north 810 metres, more or less, to the westerly boundary of the watershed of aforesaid Tsitika River; thence in a general northwesterly direction along the westerly boundary of the watershed of said Tsitika River to the southerly boundary of the watershed of Catherine Creek; thence in a general westerly direction along the southerly boundary of the watershed of said Catherine Creek to the easterly boundary of the watershed of Kokish River; thence in a general northerly and westerly direction along the easterly and northerly boundaries of the watershed of said Kokish River to the easterly boundary of the watershed of Kaikash Creek; thence in a general northerly direction along the easterly boundary of the watershed of said Kaikash Creek to a point 2.022 kilometres south and 352 metres east of the confluence of the natural boundary of Johnstone Strait and Kaikash Creek; thence north 45 degrees east 1.911 kilometres, more or less, to the natural boundary of said Johnstone Strait on the southerly shore thereof; thence in a general easterly direction along the natural boundary of said Johnstone Strait on the southerly shore thereof to the westerly boundary of Lot 223, Rupert Land District; thence southerly, easterly and northerly along the westerly, southerly and easterly boundaries of said Lot 223 to the natural boundary of aforesaid Johnstone Strait on the southerly shore thereof; thence in a general easterly direction along the natural boundary of said Johnstone Strait on the southerly shore thereof to a point 1.280 kilometres north and 1.380 kilometres east of the southwest corner of said Lot 223; thence south 370 metres, more or less, to a height of land; thence in a general easterly direction along said height of land to a point 2.545 kilometres east and 1.050 kilometres north of the southwest corner of aforesaid Lot 223; thence north 280 metres, more or less, to the natural boundary of aforesaid Johnstone Strait on the southerly shore thereof; thence in a general easterly direction along the natural boundary of aforesaid

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Johnstone Strait on the southerly shore thereof to a point 1.295 kilometres north and 4.140 kilometres east of the southwest corner of Lot 223, Rupert Land District; thence south 2.510 kilometres, more or less, to the easterly boundary of the watershed of aforesaid Tsitika River; thence in a general southerly direction along the easterly boundary of the watershed of said Tsitika River to the southerly boundary of the watershed of Naka Creek; thence in a general easterly direction along the southerly boundary of the watershed of said Naka Creek to a point 2.303 kilometres north and 2.815 kilometres east of the aforesaid confluence of Tsitika River and Claud Elliot Creek; thence south 694 metres; thence east 3.018 kilometres; thence south 805 metres ; thence east 3.219 kilometres; thence north 805 metres; thence west 805 metres; thence north 1.609 kilometres; thence west 805 metres; thence north 262 metres, more or less, to the aforesaid southerly boundary of the watershed of Naka Creek; thence in a general northeasterly direction along the southerly boundaries of the watersheds of Naka Creek, Teissum Creek and Cederstedt Creek to the easterly boundary of the watershed of said Cederstedt Creek; thence in a general northerly direction along the easterly boundary of the watershed of said Cederstedt Creek to the natural boundary of aforesaid Johnstone Strait on the southerly shore thereof; thence in a general easterly direction along the natural boundary of said Johnstone Strait on the southerly shore thereof to the southwest corner of Indian Reserve No. 3 "Haylahte"; thence easterly and northerly along the southerly and easterly boundaries of said Indian Reserve No. 3 to the northeast corner thereof, being a point on the natural boundary of aforesaid Johnstone Strait on the southerly shore thereof; thence in a general southeasterly direction along the natural boundary of said Johnstone Strait on the southerly shore thereof to the northwest corner of aforesaid Lot 1378, Sayward Land District, being the point of commencement.

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Save and excepting thereout the following described areas:

Area 1

Commencing at the southwest corner of Lot 852, Sayward Land District; thence easterly along the southerly boundary of said Lot 852 153 metres; thence south 805 metres; thence east 805 metres; thence south 1.609 kilometres; thence west 805 metres; thence south 1.609 kilometres; thence east 1.609 kilometres; thence south 1.408 kilometres; thence east 805 metres; thence south 302 metres; thence west 402 metres; thence south 3.219 kilometres; thence west 1.609 kilometres; thence south 1.609 kilometres; thence west 1.609 kilometres; thence north 1.609 kilometres; thence east 1.609 kilometres; thence north 3.219 kilometres; thence west 805 metres; thence north 1.301 kilometres; thence east 201 metres; thence north 4.457 kilometres to the southwest corner of aforesaid Lot 852, being the point of commencement.

Area 2

Commencing at a point 5.906 kilometres south and 3.621 kilometres west of the southwest corner of Lot 842, Sayward Land District, said point being on the northerly boundary of the watershed of Grilse Creek; thence south 563 metres; thence west 402 metres; thence south 1.609 kilometres; thence west 1.355 kilometres, more or less, to the northerly boundary of the watershed of aforesaid Grilse Creek; thence in a general northeasterly direction along the northerly boundary of the watershed of said Grilse Creek to the point of commencement.

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Area 3

Commencing at the northeast corner of the south half of the northeast quarter of Section 18, Township 7, Sayward Land District; thence westerly and southerly along the northerly and westerly boundaries of the south half of the northeast quarter of said Section 18 to the southwest corner thereof; thence westerly along the southerly boundary of the northwest quarter of said Section 18 to the southwest corner thereof; thence westerly along the southerly boundary of the northeast quarter of Section 13, Township 6 361 metres to the northeasterly boundary of the right-of-way, as shown on survey plan made by A.T. Holmes, B.C.L.S. and completed on the 16th day of May, 1955, said plan deposited in the Ministry of Forests and Lands under Plan 11 Tube 263; thence (following the northeasterly boundary of said right-of-way numbered Plan 11 Tube 263) south 33 degrees 12 minutes east 58 metres; thence south 14 degrees 29 minutes east 173 metres; thence south 36 degrees 13 minutes 40 seconds east 168 metres; thence south 55 degrees 54 minutes 40 seconds east 64 metres; thence south 76 degrees 58 minutes 30 seconds east 198 metres; thence south 66 degrees 15 minutes 30 seconds east 1.065 kilometres; thence south 40 degrees 45 minutes 25 seconds east 1.006 kilometres; thence north 49 degrees 14 minutes 35 seconds east 5 metres; thence south 40 degrees 45 minutes 25 seconds east 2.210 kilometres; thence south 49 degrees 14 minutes 35 seconds west 5 metres; thence south 40 degrees 45 minutes 25 seconds east 449 metres; thence south 73 degrees 11 minutes 40 seconds east 201 metres; thence south 78 degrees 10 minutes 20 seconds east 83 metres; thence south 88 degrees 30 minutes 40 seconds east 207 metres; thence south 67 degrees 10 minutes 50 seconds east 171 metres; thence south 29 degrees 7 minutes 10 seconds west 372 metres to the easterly boundary of Lot 847; thence south 120 metres; thence east 1.320 kilometres, more or less, to the natural

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boundary of the Salmon River on the left bank thereof; thence in a general northwesterly direction along the natural boundary of said Salmon River on the left bank thereof to a point 1.247 kilometres south and 1.106 kilometres east of the northeast corner of the south half of the northeast quarter of Section 18, Township 7; thence north 845 metres; thence west 704 metres; thence north 1.207 kilometres; thence west 402 metres; thence south 805 metres to the point of commencement.

Area 4

That part of the north half of the fractional southwest quarter of Section 24, Township 6, Sayward Land District, lying east of the natural boundary of Salmon River on the left bank thereof;

Area 5

The southwest quarter of Section 19, Township 6, Sayward Land District.

BLOCK 3: North Broughton Island

All that portion of North Broughton Island lying above the natural boundary.

BLOCK 4: Port Hardy

Area 1

Commencing at the northwest corner of Section 16, Township 1, Rupert Land District, being a point on the natural boundary of Broughton Strait on the southerly shore thereof;

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thence southerly along the westerly boundaries of Sections 16 and 9, Township 1, to the southwest corner of the northwest quarter of said Section 9; thence easterly along the southerly boundary of the northwest quarter of said Section 9, Township 1 to the southeast corner thereof; thence northerly, easterly, southerly and westerly along the westerly, northerly, easterly and southerly boundaries of the south half of the northeast quarter of said Section 9, Township 1, to the northwest corner of Lot 27; thence southerly along the westerly boundary of said Lot 27 to the northeast corner of Lot 395; thence westerly along the northerly boundary of said Lot 395 to the northwest corner thereof, being a point on the easterly boundary of a road right-of-way, as shown on Plan 32174 deposited in Victoria Land Titles Office; thence northerly, westerly and southerly along the easterly, northerly and westerly boundaries of said road right-of-way, Plan 32174 to the northeast corner of Lot 394; thence westerly, southerly and easterly along the northerly, westerly and southerly boundaries of said Lot 394 to the southeast corner thereof, being a point on the westerly boundary of aforesaid road right-of-way Plan 32174; thence southeasterly along the said easterly boundary of the road right-of-way Plan 32174 to the westerly boundary of fractional Section 3, Township 1; thence southerly along the westerly boundaries of fractional Section 3, Township 1 and fractional Section 34, Township 15 to the natural boundary of Nimpkish River on the left bank thereof; thence in a general southerly direction along the natural boundary of said Nimpkish River on the left bank thereof to the southeast corner of Section 33, Township 15; thence westerly along the southerly boundaries of Sections 32 and 33, Township 15, to the northeast corner of the west half of Section 29, Township 15; thence southerly along the easterly boundaries of the west halves of Sections 29 and 20, Township 15, to the southeast corner of the west half of said Section 20; thence westerly along the

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southerly boundaries of Sections 20 and 19, Township 15, to the northeast corner of Section 13, Township 14; thence southerly and westerly along the easterly and southerly boundaries of said Section 13 to the westerly boundary of the watershed of Nimpkish Lake; thence in a general southerly direction along the westerly boundary of the watershed of said Nimpkish Lake to the southerly boundary of the watershed of Raging River; thence in a general southwesterly and westerly direction along the southerly boundaries of the watersheds of Raging River and Benson River, to the easterly boundary of the watershed of Victoria Lake; thence in a general northerly direction along the easterly boundaries of the watersheds of Victoria Lake and Yootook Creek to a point 5.445 kilometres south and 5.275 kilometres east of the northwest corner of Lot 202; thence west 815 metres; thence north 1.207 kilometres; thence west 1.609 kilometres; thence north 2.414 kilometres; thence west 80 metres, more or less, to the natural boundary of Alice Lake on the easterly shore thereof; thence in a general northwesterly direction along the natural boundary of said Alice Lake on the easterly shore thereof to a point due east of the northeast corner of aforesaid Lot 202; thence west to the northeast corner said of Lot 202; thence west 1.289 kilometres; thence north 805 metres; thence west 805 metres; thence north 01 degree east 805 metres; thence north 89 degrees, west 402 metres; thence north 01 degree east 805 metres; thence north 89 degrees west 402 metres; thence north 2.414 kilometres; thence west 805 metres; thence north 805 metres; thence east 1.609 kilometres; thence north 1.612 kilometres to the southerly boundary of Section 21, Township 12; thence easterly along the southerly boundary of said Section 21 to the southeast corner thereof; thence northerly along the easterly boundaries of Sections 21, 28 and 33, Township 12 and Sections 4, 9 and 16, Township 4 to the natural boundary of Rupert Inlet on the easterly shore thereof; thence in a general northerly and

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westerly direction along the natural boundary of said Rupert Inlet on the easterly and northerly shores thereof to the westerly boundary of the southeast quarter of Section 21, Township 4; thence northerly along the westerly boundary of the southeast quarter of said Section 21 to the northwest corner thereof; thence easterly along the northerly boundaries of the southeast quarter of said Section 21 and the southwest quarter of Section 22, Township 4 to the northeast corner of the southwest quarter of said Section 22; thence southerly along the easterly boundary of the southwest quarter of said Section 22 and the west half of Section 15, Township 1, to the southerly boundary of said Section 15; thence easterly along the southerly boundary of said Section 15 to the northwest corner of Section 11, Township 1; thence southerly along the westerly boundaries of Sections 11 and 2, Township 4 and Section 35, Township 12, to the northwest corner of the southwest quarter of said Section 35; thence easterly and southerly along the northerly and easterly boundaries of the southwest quarter of said Section 35 to the southeast corner thereof; thence easterly along the southerly boundaries of Sections 35 and 36, Township 12, to the southeast corner of the southwest quarter of said Section 36; thence south 3.219 kilometres; thence east 1.609 kilometres; thence south 1.609 kilometres; thence east 4.023 kilometres; thence south 27 degrees east 3.601 kilometres; thence east 2.857 kilometres, more or less, to the easterly limit of a road right-of-way, as shown on plan of survey made by Fred Nash, B.C.L.S. and completed on the 26th day of May, 1956 and filed in the Ministry of Forests and Lands, Surveyor General Branch under Plan 8, Tube 95; thence in a general northeasterly direction along the easterly limit of said road right-of-way as shown on Plan 8, Tube 95 to the westerly boundary of Lot 25; thence northerly along the westerly boundary of said Lot 25 to the natural boundary of Port McNeill on the southerly shore thereof; thence in a general easterly direction along the natural

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boundary of said Port McNeill on the southerly shore thereof to a point 161 metres north and 76 metres west of the most easterly northeast corner of Lot 1 of said Lot 25 as shown on Plan 23094, Victoria Land Titles Office; thence south 55 metres to the northerly boundary of said Lot 1, Plan 23094; thence westerly, southerly and easterly along the northerly, westerly and southerly boundaries of said Lot 1, Plan 23094 to the westerly boundary of the east half of Section 13, Township 2; thence southerly and easterly along the westerly and southerly boundaries of the east half of said Section 13 to the southeast corner thereof; thence easterly along the southerly boundary of Section 18, Township 1303 metres; thence south 300 metres; thence east 303 metres, more or less, to the westerly boundary of the Port McNeill access road; thence in a general northerly direction along the westerly boundary of said Port McNeill access road to the southerly boundary of aforesaid Section 18; thence easterly along the southerly boundary of the west half of said Section 18 to the southeast corner thereof; thence easterly and northerly along the southerly and easterly boundaries of Plan 36998 of the east half of said Section 18, to the southerly boundary of Lot A, Plan 31167 of the east half of said Section 18; thence northeasterly, northwesterly and westerly along the southerly, westerly and northerly boundaries of said Lot A, Plan 31167 to the said easterly boundary of the west half of said Section 18; thence northerly along the easterly boundary of the west half of said Section 18 to the natural boundary of aforesaid Broughton Strait on the southerly shore thereof; thence in a general easterly direction along the natural boundary of said Broughton Strait on the southerly shore thereof to the westerly boundary of Section 17, Township 1; thence southerly along the westerly boundary of said Section 17 to the southwest corner of the northwest quarter thereof; thence easterly along the southerly boundary of the northwest quarter of said Section 17 457 metres; thence north 211

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metres, more or less, to the natural boundary of aforesaid Broughton Strait on the southerly shore thereof; thence in a general easterly direction along the natural boundary of Broughton Strait on the southerly shore thereof to the northwest corner of aforesaid Section 16, being the point of commencement, and including the following described area:

Area 2

Commencing at the northwest corner of Section 28, Township 4, Rupert Land District; thence easterly and southerly along the northerly and easterly boundaries of said Section 28 to the southeast corner thereof; thence westerly along the southerly boundaries of Sections 28, 29 and 30, Township 4, to the southwest corner of said Section 30; thence northerly along the westerly boundaries of Sections 30 and 31, Township 4 and Section 6, Township 6, to the northwest corner of said Section 6; thence south 89 degrees 43 minutes west 1.657 kilometres; thence south 00 degrees 17 minutes east 1.609 kilometres to the northeast corner of Section 35, Township 10; thence southerly, westerly and northerly along the easterly, southerly and westerly boundaries of the northeast quarter of said Section 35 to the northwest corner thereof; thence south 89 degrees 43 minutes west 805 metres; thence north 00 degrees 57 minutes west 3.240 kilometres; thence north 89 degrees 43 minutes east 805 metres; thence north 00 degrees 17 minutes west 1.609 kilometres; thence north 89 degrees 43 minutes east 1.549 kilometres, more or less, to the natural boundary of Quatse River on the left bank thereof; thence in a general southerly direction along natural boundary of said Quatse River on the left bank thereof to a point south 89 degrees 43 minutes west of the southwest corner of Section 18, Township 6; thence north 89 degrees 43 minutes east to the southwest corner of said Section 18;

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thence northerly along the westerly boundaries of Sections 18 and 19, Township 1, to the southwest corner of Lot 1 of said Section 19, as shown on Plan 23635 deposited in Victoria Land Titles Office; thence easterly along the southerly boundary of said Lot 1, Plan 23635 to the natural boundary of aforesaid Quatse River on the left bank thereof; thence east to the natural boundary of said Quatse River on the right bank thereof; thence in a general southerly direction along the natural boundary of said Quatse River on the right bank thereof to the southerly boundary of the British Columbia Hydro and Power Authority right-of-way as shown on Plan 2804 R/W deposited in Victoria Land Titles Office; thence easterly along the southerly boundary of the said right-of-way Plan 2804 to the westerly boundary of the east half of Section 20, Township 6; thence northerly and easterly along the westerly and northerly boundaries of the east half of said Section 20 to the northeast corner thereof; thence southerly along the easterly boundaries of Sections 20, 17, 8 and 5 of Township 6 and Section 32, Township 4, to the northwest corner of aforesaid Section 28, Township 4, being the point of commencement.

Area 3

Commencing at the northeast corner of the west half of the southeast quarter of Section 3, Township 9, Rupert Land District; thence southerly, westerly, northerly and easterly along the easterly, southerly, westerly and northerly boundaries of the west half of the southeast quarter of said Section 3 to the northeast corner thereof, being the point of commencement.

Area 4

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Commencing at the southwest corner of the north half of the southwest quarter of Section 26, Township 9, Rupert Land District; thence northerly along the westerly boundary of said Section 26, to the northwest corner of the south half of the northwest corner of said Section 26; thence easterly along the northerly boundary of south half of the northwest quarter of said Section 26 to the northeast corner thereof; thence southerly along the easterly boundary of the west half of said Section 26 to the southeast corner of the north half of the southwest quarter of said Section 26; thence westerly along the southerly boundary of the north half of the southwest quarter of said Section 26 to the southwest corner thereof, being the point of commencement.

BLOCK 5: Phillips River

Commencing at the southeast corner of Indian Reserve No. 5 "Matsayno", Range 1, Coast Land District; thence northerly and westerly along the easterly and northerly boundaries of said Indian Reserve No. 5 to the natural boundary of Phillips River on the left bank thereof; thence in a general northerly direction along the natural boundary of said Phillips River on the left bank thereof to a point 1.187 kilometres north and 1.609 kilometres west of the northeast corner of Lot 381; thence north 25 metres; thence west 1.609 kilometres; thence north 181 metres; thence west 1.408 kilometres; thence north 805 metres; thence west 2.012 kilometres; thence north 1.308 kilometres, more or less, to the westerly boundary of the watershed of Phillips River; thence in a general northeasterly, southeasterly, southwesterly and westerly direction along the westerly, northerly, easterly and southerly boundaries of the watershed of said Phillips River to a point 5.562 kilometres north and 724 metres west of the northwest corner of Lot 274; thence south

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3.712 kilometres; thence west 1.670 kilometres; thence south 45 degrees west 1.162 kilometres; thence west 1.207 kilometres; thence north 402 metres; thence west 1.137 kilometres; thence north 62 metres to the northeast corner of Lot 92; thence westerly along the northerly boundary of said Lot 92 875 metres; thence north 401 metres to the southerly boundary of said Lot 377; thence easterly along the said southerly boundary of Lot 377 to the southeast corner thereof; thence northerly along the easterly boundaries of Lots 377 and 378 to the northeast corner of said Lot 378; thence westerly along the northerly boundary of said Lot 378 to the southeast corner of aforesaid Indian Reserve No. 5, being the point of commencement.

BLOCK 6: Haida Gwaii

DELETED

BLOCK 7: Namu

Commencing at the southwest corner of Lot 2, Range 2, Coast Land District, being a point on the natural boundary of Fits Hugh Sound on the easterly shore thereof; thence in a general northeasterly direction along the natural boundary of said Fits Hugh Sound on the easterly shore thereof to the natural boundary of Koeve River on the right bank thereof; thence in a general southeasterly direction along the natural boundary of said Koeve River on the right bank thereof to the southeast corner of Lot 716; thence northerly along the easterly boundary of said Lot 716 to the northeast corner thereof; thence westerly along the northerly boundary of said Lot 716 604 metres; thence south

SCHEDULE “B”
TREE FARM LICENCE 39
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220 metres, more or less, to the natural boundary of aforesaid Fits Hugh Sound on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Fits Hugh Sound on the easterly shore thereof to the southwest corner of Lot 1; thence easterly and northerly along the southerly and easterly boundaries of said Lot 1 to the northeast corner thereof; thence easterly and northerly along the southerly and easterly boundaries of Lot 215 to the northeast corner thereof, being a point on the natural boundary of aforesaid Fits Hugh Sound on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Fits Hugh Sound on the easterly shore thereof to the natural boundary of Burke Channel on the southerly shore thereof; thence in a general northeasterly direction along the natural boundary of said Burke Channel on the southerly shore thereof to a point 60 metres south and 3.545 kilometres east of the southeast corner of Lot 1582; thence east 555 metres; thence south 2.414 kilometres; thence east 2.414 kilometres; thence north 1.207 kilometres; thence west 805 metres; thence north 1.207 kilometres; thence west 402 metres; thence north 402 metres, more or less, to the natural boundary of aforesaid Burke Channel on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Burke Channel on the easterly shore thereof to a point 3.010 kilometres north and 5.785 kilometres east of the southeast corner of aforesaid Lot 1582, Range 3, Coast Land District; thence east 3.929 kilometres; thence north 180 metres, more or less, to the northerly boundary of the watershed of Doc Creek; thence in a general easterly and southerly direction along the northerly and easterly boundaries of the watershed of said Doc Creek to the easterly boundary of the watershed of Koeve River; thence in a general southerly and westerly direction along the easterly and southerly boundaries of the watershed of said Koeve River to a point 5.675 kilometres north and 2.995 kilometres

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west of the northeast corner of Lot 1225; thence west 420 metres; thence north 460 metres, more or less, to the southerly boundary of the watershed of aforesaid Koeye River; thence in a general westerly direction along the southerly boundary of the watershed of said Koeye River to the westerly boundary of the watershed of Elizabeth Lake; thence in a general southerly direction along the westerly boundary of the watershed of said Elizabeth Lake to a point due east of Whidbey Point, said Whidbey Point being situated on the natural boundary of aforesaid Fitz Hugh Sound on the easterly shore thereof; thence west to said Whidbey Point; thence in a general northerly direction along the natural boundary of aforesaid Fitz Hugh Sound on the easterly shore thereof to a point 805 metres south and 1.153 kilometres west of the southeast corner of aforesaid Lot 2; thence east 220 metres; thence north 780 metres, more or less, to the natural boundary of aforesaid Fitz Hugh Sound on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Fitz Hugh Sound on the easterly shore thereof to the southwest corner of aforesaid Lot 2, being the point of commencement.

Save and excepting thereout all that foreshore and land covered by water within the above described areas and all surveyed rights of way.

**SCHEDULE “B”
TREE FARM LICENCE 39
SAYWARD TREE FARM LICENCE
DESCRIPTION OF CROWN LAND SUBJECT TO THE LICENCE**

TFL MAP(s)

The bold black line on the following map(s) generally describes the outer boundary of TFL 39 in March 2000 and does not reflect changes to the boundaries of TFL 39 since that time, including those identified in paragraph 1.1.