

APPENDIX XI

CURRENT AND

PROJECTED USES

APPENDIX XI - Current and Projected Uses

Tree Farming Use

Scott Paper Limited was awarded TFL 43 for the express purpose of growing and harvesting cottonwood/hybrid poplar timber on the licence area. In accordance with this goal, the company intends to grow cottonwood/hybrid poplar timber on all suitable and available lands within TFL 43 while protecting and conserving the non-timber resource values. The cottonwood/hybrid poplar timber produced from the TFL is a vital requirement for the continued viability of the Western Manufacturing Division of Scott Paper Limited.

The consumption capacity of Scott Paper's New Westminster groundwood pulp mill is currently 100,000 cubic meters per year. Cottonwood/hybrid poplar is the only species consumed in the production of groundwood pulp. The cottonwood pulp is combined with Kraft pulp purchased on the open market to make tissue products. The cottonwood/hybrid poplar fibre is roughly 25-30% of the total paper mill requirement at the Western Manufacturing Division. The TFL provides up to half of this total cottonwood/hybrid poplar volume. The remainder of the mill cottonwood fibre requirements are either purchased on the open market or harvested from other tenures and/or lands administered by the company.

All other species of timber harvested from the TFL will be traded or sold on the open market in accordance with Paragraph 16.06 of the TFL Licence Agreement.