



APPENDIX I

I History and Description

Tree Farm Licence No. 47 was designated as a result of a Licensee's application of September 9, 1983 to amalgamate Tree Farm Licence No.'s 2 and 12. The amalgamated Licence retains the name "Duncan Bay Tree Farm Licence" and is termed to expire December 31, 2019.

The former Tree Farm Licence No. 2 registered as the Duncan Bay Tree Farm Licence was granted to Canadian Western Timber Company by the Province of British Columbia on January 24, 1949. The Canadian Western Timber Company assigned all its interest in the Licence to Elk Falls Company Limited, a subsidiary of Crown Zellerbach Canada Limited on October 30, 1950. Subsequently, Elk Falls and other Companies were amalgamated as one public Company in the name of Crown Zellerbach Canada Limited and under an Agreement dated December 29, 1971 (Amendment No. 365) the Licence was assigned to Crown Zellerbach Canada Limited. On March 30, 1983, Crown Zellerbach Corporation sold its interest in Crown Zellerbach Canada Limited to Fletcher Challenge Limited of New Zealand. As a result of the ownership change, Crown Zellerbach Canada Limited, was renamed "Crown Forest Industries Limited", effective October 1, 1983.

Fletcher Challenge Limited became a major shareholder of British Columbia Forest Products Limited and in September of 1988 shareholders approved a name change from British Columbia Forest Products Limited to Fletcher Challenge Canada Limited. Crown Forest Industries Limited continued as a wholly-owned Fletcher Challenge Limited subsidiary operated under management agreement until December 1992 when it was assigned to Fletcher Challenge Canada Limited. TFL No. 47 was assigned to TimberWest Forest Limited on December 16, 1993.

The Licence area as described in Licence agreements of January 24, 1949 contained four large Blocks of Crown-granted lands in the Ladysmith and Courtenay areas of Southeast Vancouver Islands (Schedule "A" lands) and twelve Blocks of vacant Crown land (Schedule "B" lands) and revertible tenure in the Johnstone Strait area. As a result of a major amendment to the Licence agreement on December 28, 1971, the Bonanza Lake Block near Beaver Cove on Northern Vancouver Island and the Moresby Block in the Queen Charlotte Islands were included in the Tree Farm Licence. These lands were composed of Company owned timber licence and pulp licences (Schedule "A") and adjacent Crown land (Schedule "B").



Additional Company owned Crown-granted lands managed as Tree Farm No. 8 in the Ladysmith, Courtenay and Johnstone Strait areas were included in the Licence at this time and in 1988 became Managed Forest No. 8 according to B.C. Regulation 349/87.

The 1971 amendment Agreement clarified the future disposition of all revertible tenure within the licence area in the Johnstone Strait Blocks. Clause 5 of the amended Agreement specified that the Tree Farm Licence area included all Crown lands NOT PERMANENTLY alienated as set forth in Schedule "B" of the agreement.

Other significant changes to the Licence Agreement affected by the 1971 amendment were the twenty-one year "renewable term" and the 50% Contractor Clause obligation.

The Forest Act Amendment Act in 1972 nullified Clause 5 of the 1971 amended Agreement. The Ministry of Forests ruling on the status of the old temporary tenures held by others was that: "lands which reverted on or subsequently to March 30, 1972 do not at this time form a part of the Tree Farm Licence.

The company ownership of the Crown-granted lands in the Courtenay/Nanaimo Lakes Management Unit first began with major acquisitions from the Victoria Lumber and Manufacturing Company and later from the E & N Railway Company.

The majority of the logging on these Crown-granted lands was carried out by Comox Logging and Railway Company. Logging is now directed by TimberWest Forest Limited from operations centred at Campbell River and Nanaimo Lakes.

The company's first logging venture in the Johnstone Strait Management Unit occurred in the period 1927 - 1928 when Comox Logging and Railway Company operated a railway show on Quadra Island. The company was again active on Quadra Island in the period 1954 - 1973 with truck logging operations on timber licences.



Harvesting operations on the Schedule "B" vacant Crown Lands of the Johnstone Strait Management Unit did not commence until January 24, 1974. Prior to this date, cutting was restricted to commercial thinning and sanitation cutting of mistletoe infested hemlock stands as a result of Clause 4 of the original TFL Agreement and as restated in Clause 10 of the 1971 amended Agreement. This clause stated that, for a period of twenty-five years from January 24, 1949, the only harvesting approved by the Minister would be the removal of wood thinning, experimental cuttings or silvicultural stand treatments.

Logging in the Bonanza Lake Management Unit first occurred in the 1940's following the Company's purchase of a block of timber licences near Beaver Cove. The logging started on timber sales near the beach and later developed into a truck logging show with a permanent camp.

The first logging activity on the Moresby Island Management Unit occurred in the late 1930's when the company moved into the area with a float camp to supply logs for the Ocean Falls Mill. A permanent camp was established in Sandspit and presently includes family and single person accommodation, office, shop and trailer court.

TFL No. 2 was unique in that mature timber was not contributed by either the Crown or the Licencee in the Johnstone Strait and Southeast Vancouver Island Blocks. On their respective lands, the Crown and the Company were at liberty to dispose of timber older than 100 years at the date of the licence for a period of 35 years from the date of the original licence.

The disposition of mature timber on Schedule "B" lands in Johnstone Strait Blocks was through sale by public competition. The rate of depletion varied from year-to-year depending on market demand and log prices. Under the terms of the Licence Agreement these sales were to expire January 24, 1984 and all the land and the remaining old growth timber were included in Schedule "B" of the licence area as of that date. A subsequent agreement was signed between the Crown and Crown Forest Industries Limited to permit removal of some felled and bucked and some standing timber by certain timber sale operators until June 30, 1984. Similarly, all remaining old growth timber in the Courtenay/Nanaimo Lakes Management Unit was included in Schedule "A" of the licence area on January 24, 1984.



Crown lands which were subject to an Old Temporary Tenure and held by others in good standing subsequent to March 30, 1972 do not at this time form part of the Licence area.

The earliest logging operations in the former TFL No. 12 Licence area took place on Hardwicke Island in the mid-1890's. The TFL No. 12 Licence area included Hardwicke Island and the southwest corner of the mainland portion of Forward Harbour Block 6. During this period, ox-teams were used in logging the more accessible timber. The logging consisted mainly of the removal of high quality Douglas Fir and Western Red Cedar. In 1910, the Patterson Timber Company and several other smaller operators were logging on Hardwicke Island. In 1918, Dumaresq Brothers were logging in the vicinity of Wellbore Channel and, at about the same time, two Japanese horse-logging operations were also active.

The Bendickson family moved to Hardwicke Island in 1918 and established a camp at the site of the present community, and commenced logging operations immediately north of this camp site. All operations up to this time were confined to lands within about one mile of tidewater.

During the 1920's, the Maritime Timber Company operated a railroad show in the vicinity of Patterson Bay. The Bendickson family and several other small operators continued to log on Hardwicke Island up to 1952 when TFL No. 12 was granted to Bendickson Logging Ltd. Since that time, all logging operations have been carried out under the terms of this licence.

In 1971, Crown Zellerbach Canada Ltd. purchased all of the outstanding shares of Bendickson Logging Ltd. After ministerial approval, the Tree Farm Licence was transferred to Crown Zellerbach (Hardwicke Island) Ltd. December 30, 1971. On March 30, 1983, Fletcher Challenge Limited became the new owner and TFL No. 12 was transferred to Crown Forest Hardwicke Island Ltd. It was later assigned to Crown Forest Industries Ltd. effective March 1, 1984, prior to amalgamation with TFL No. 2. On January 1, 1985, TFL Nos. 2 and 12 were amalgamated to become TFL No. 47. TimberWest Forest Limited was assigned TFL No. 47 on December 16, 1993.



Withdrawals and Alienation

A large number of permanent alienations and temporary withdrawals have occurred from the Schedule "B" lands within the Johnstone Strait Management Unit. Temporary withdrawals cover right-of-ways and camp site areas for Timber Sales and Timber Licence operations within or adjacent to the Licence. In addition, B.C. Hydro transmission line rights-of-way removed 123.3 hectares in the Bonanza Lake Management Unit and 305.8 hectares in the Courtenay/Nanaimo Lakes Management Unit.

The largest single removal was instrument No. 9 to delete 6,428 hectares for allocation to the Small Business Forest Enterprise Program in accordance with Section 33 of the Forest Amendment Act, 1988.

Nineteen permanent alienations totalling 7,059.7 hectares have occurred since the Licence was granted and are detailed on the following page.



TFL No. 47

PERMANENT ALIENATION OF SCHEDULE "B" LANDS

<u>Date</u>	<u>Amend- ments</u>	<u>Location</u>	<u>Hectares</u>	<u>Land Use</u>
23/11/54		Block B Lot 811 Saltwater Lagoon Quadra Is.	.81	Homesite
24/02/49	82	Islands in Village Bay and Main Lakes Quadra Is.	10.93	Parkland
03/61	109	L288 North of Kanish Bay, Quadra Is.	40.07	Grazing
22/03/65	125	L59 and Part L17 and 60, Quadra Is.	297.05	Grazing
04/02/63	170	243 Village Bay Lake, Quadra Is.	1.21	Homesite
05/09/63	187	L1026 and 1027 and North L59, Quadra Is.	130.72	Grazing
10/04/64	199	Part L1333 Village Bay Lake, Quadra Is.	4.45	Parkland
26/11/64	219	Part L255 Main Lake, Quadra Is.	1.62	Parkland
16/02/65	266	East & west side Village Bay Lake,	78.51	Homesites
02/04/71	349	East tip of Hanson Island and Cracroft	.19	Navigational Aid Sites
05/07/69	324	Eden Point and Tyee Point, West Thurlow Island	.19	Navigational Aid Sites
31/10/78 I	371	Lot 424, Quadra Is.	.66	Homesites
24/06/81 I	374	Lot 151, Queen Charlotte Land District	.45	Campsite



<u>Date</u>	<u>Amend- ments</u>	<u>Location</u>	<u>Hectares</u>	<u>Land Use</u>
15/12/88	Inst. No. 3	Schedule "B" Land	5.122	Road Right of Way
05/25/89	Inst. No. 4	Lot 1 of Lot 108, Nanaimo Lakes	2.06	Residential
03/15/91	Inst. No. 6	Lot 1433, Quadra Is.	43.49	Ministry of Forests
04/09/92	Inst. No. 7	Part Lot 765, Quadra Is.	10.00	Residential
15/10/92	Inst. No. 8	Schedule "A" Land Comox District	3.933	B.C. Hydro R/W
8/12/92	Inst. No. 9	Schedule "A" Block 18	488.000	SBFEP*
		Schedule "B" Block 4	2960.000	SBFEP*
		Schedule B Block 12	<u>2980.000</u>	SBFEP*
		TOTAL	7059.665	

* Small Business Forest Enterprise Program