



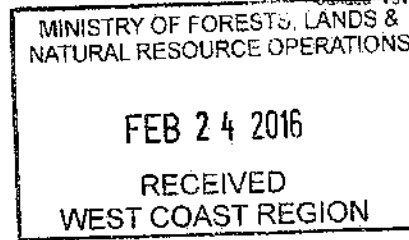
North Island Operations

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February 18, 2016

Ministry of Forests and Range
2100 Labieux Road
Nanaimo, BC V9T 6E9



Attention: Matt Feagan
Tenures Officer, Tenures Coast Area

Reference: Timber Licence T0883 Extension Request

Dear Matt:

TimberWest Forest Corp. ("TimberWest") hereby makes application to extend Timber Licence T0883 as set out in Section 31 of the Forest Act.

Timber Licence T0883 is located in the vicinity south of Call Inlet and has an expiry date of 27 May 2016. TimberWest is requesting an extension to 27 May 2019.

The attached harvest history map illustrates by age distribution the harvest performance on the licence over the past few decades.

During the mid-eighties and early nineties, a former predecessor company of TimberWest held a logging contract to harvest about 100000 m3 per year. The approximate volume to achieve economies of scale in this remote area is about 50000 m3. The mid-nineties brought extensive legislative change, namely the Forest Practices Code, with maximum cut block size reduced to 40 hectares; visual constraints; and adjacency requirements. In order to meet these new constraints, periodic entry was required to enable a harvest of the 50000 m3 target.

Subsequent to the Forest Practices Code, forest rent changed from royalty to stumpage, the CCLRMP process, the Old Growth Order, the process of deciding on take-back areas for the Revitalization Act, the implementation of the South and Central Coast Order (SCCO); and finally the soon-to-be-announced Great Bear Rainforest Order (GBRO).

The last entry into this TL was in 2013. Planned harvest acting into 2008 included combined volume from the TL and FL (heli and truck road volume). A catastrophic slide event at the head of the inlet (November 2006) and the Province's decision to deny a heli-drop application precluded TimberWest from achieving harvest activity.

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Timber Licence T0883 Extension Request
December 21, 2015

Overall market conditions in 2007 and 2009 forced further delays in harvest plans on this licence.

This licence originally was to expire on 27 May 2010. It was extended to 27 May 2013 and then again to 27 May 2016.

TimberWest (and predecessor companies) held numerous Timber Licences on the West Coast, Queen Charlotte Islands, and Vancouver Island. Generally, with the exception of some marginal licences held in the King Island/Ocean Falls vicinity, the licences were actively harvested over the years. Today TimberWest Forest Corp. only holds two TL's outside a TFL, including T0883. T0414 has an expiry date of May 2020. TimberWest will monitor forest management issues on T0414.

Most of the merchantable timber within the TL is constrained by restrictions on old growth harvesting by the SCCO and GBRO. The exception is within Block 11 of the TL. The harvesting that occurred in 2013 accessed the conventionally-operable timber within Block 11. There is still timber that, with today's market conditions, is operable by helicopter logging. This application to extend the Timber Licence is to provide the time to harvest this helicopter volume.

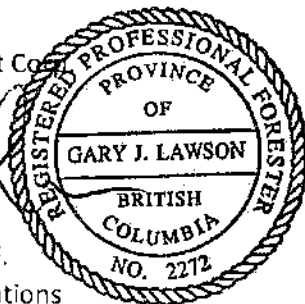
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Your consideration to this matter is appreciated.

Yours truly

TimberWest Forest Corp.

Gary Lawson, R.P.F.
North Island Operations
Operation Planner



Encl.

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