

Ministry of Forests, Lands and Natural Resource Operations

ROAD AUTHORIZATION NO. R12587



THIS AUTHORIZATION, dated for reference December 20, 2013:

PURSUANT TO: Section 23 of the Fort St. John Pilot Project Regulation, this Road Authorization is issued to:

CANADIAN FOREST PRODUCTS LTD. RR#1, SITE 13, COMP 2 FORT ST. JOHN, BRITISH COLUMBIA V1J 4M6 Phone: (250)787-3600 Fax: (250)787-3622 (the "Permittee")

1.00 GRANT OF RIGHTS

- 1.01 In consideration of the Permittee's right to harvest timber under the Licence or Licences listed in Schedule "A" and to provide access to that timber, subject to any applicable legislation, the District Manager grants to the Permittee a non-exclusive right to enter on and construct within the authorization area roads, including such landings, gravel/sand pits, rock quarries and waste areas as are necessary for construction of the roads or for access to the timber and the right to use and maintain that roads, or to use and maintain roads, within the authorization area described in paragraph 2.01, in accordance with the conditions/specifications described in the attached Schedule "A".
- 1.02 Where it is necessary to harvest Crown timber from the clearing area in order to construct or maintain the roads, including landings, gravel/sand pits and rock quarries within the authorization area, the District Manager grants to the Permittee the right to harvest that Crown timber in the authorization area. The Permittee must comply with the timber merchantability specifications provided in the applicable licences or associated block authorizations.
- 1.03 In accepting this Road Authorization, the Permittee acknowledges that it is bound by the provisions of this Road Authorization and any applicable legislation.
- 1.04 The Schedules form an integral part of this Road Authorization.
- 1.05 Any amendment to this Road Authorization forms an integral part of the Authorization.

- 1.06 There is reserved to the Government:
 - the right to grant rights-of-way across, through or over the authorization area to other parties, on such terms and conditions as the District Manager determines;
 - (b) the right of employees and agents of the Government to use and to cross the road and the authorization area; and
 - (c) the right to grant timber harvesting rights to others with respect to the timber located outside the clearing area, but within the authorization area.

The exercise of the Government's rights under this paragraph will not unreasonably impede or obstruct the Permittee's reasonable use of the road.

1.07 Waste assessments must be conducted in accordance with the requirements of the applicable licences or associated cutblock authorizations.

2.00 AUTHORIZATION AREA AND TERM

2.01 The authorization area is that area of Crown land described and shown on the Exhibit "A" map(s) attached to this Road Authorization. The roads covered under this authorization are:

> Road sections previously covered under the road permit Gundy Creek Road Section G 33.4 km Gundy Access Winter Road Sec H 2.0 km

- 2.02 The term of this Road Authorization begins on May 18, 2001, and terminates on the date when the Crown notifies the Permittee in writing that:
 - (a) the road has been deactivated to the District Manager's satisfaction; or
 - (b) future use of the road by others will preclude the need for deactivation; or
 - (c) the Road Authorization is cancelled in accordance with Section 31(2) of the Fort. St. John Pilot Project Regulation.
- 2.03 Upon termination or cancellation of this Road Authorization, title to all improvements that are located on the Government land under this Road Authorization, will vest in the Government without compensation to the Permittee, unless otherwise authorized by prior written consent of the District Manager or where other arrangements are described in Schedule "A".

3.00 TIMBER MARKS AND REPORTING

For purposes of the *Forest Act*, the timber mark(s) for this Road Authorization is/are that mark(s) specified in the Schedule "A" and associated roads shown on the Exhibit "A" map(s).

4.00 FINANCIAL

- 4.01 In addition to other money payable by the Permittee under the Forest Act and in respect of this Authorization, the Permittee must pay to the Government, immediately on receipt of a notice, statement or invoice issued on behalf of the Government:
 - stumpage under the Forest Act in respect of timber harvested under this Authorization, at rates determined, re-determined, and varied under that Act; and
 - (b) waste assessments for merchantable Crown timber not harvested and for timber wasted.

5.00 APPROVALS

- 5.01 Prior to constructing, maintaining and using the road authorized under this Road Authorization, the Permittee must, unless the District Manager authorizes otherwise in writing:
 - obtain all necessary permits or authorizations for crossing alienated lands including powerlines, pipelines, railroads, public roads, and agricultural land reserves; and
 - (b) obtain all necessary permits or authorizations from other resource agencies and any authorized third party occupiers or users of the clearing area.
- 5.02 The District Manager authorizes the Permittee to construct a junction, where necessary, with a forest service road. The Permittee must ensure that any proposed junction provides for minimum sight distance, has sufficient junction angle and suitable road grade for the expected traffic. A culvert must be installed, as required, to maintain drainage patterns.

6.00 OTHER RIGHTS

6.01 The Permittee's rights under this Authorization are subject to any other rights of use and occupation over the authorization area and the clearing area which the Government has granted to third parties and the Permittee covenants not to obstruct or impede a third party in their authorized use or occupation of these areas.

- 6.02 Except where a mineral reserve established under section 22 (2) of the Mineral Tenure Act allows otherwise, the Permittee covenants and agrees not to obstruct or impede the use of tenures which have been, or which may be, issued to third parties under the Mineral Tenure Act.
- 6.03 The Permittee agrees to indemnify and save harmless the Government from and against all claims for loss or damage, whether caused by the Permittee's acts or omissions, including losses or damages arising out of the Permittee's interference or obstruction of a third Party's authorized use, or occupation of the authorization area or clearing area.

7.00 MISCELLANEOUS

- 7.01 Where the District Manager has approved the closing of a road or restricting its use, the Permittee must ensure that any access control structure erected to restrict motor vehicle traffic will not be, or become, a hazard to the users of the road. The structure shall be placed in a conspicuous location, with any gates adequately marked with permanent reflective material to be clearly visible to the operator of a motor vehicle from a safe stopping distance. Warning signs must be located to give vehicle operator's adequate warning of the obstruction.
- 7.02 This Road Authorization enures to the benefit of, and is binding on, the parties and their respective heirs, executors, successors and permitted assigns.
- 7.03 Where a Permittee wishes to communicate with its company vehicles by means of radio, the Permittee must post the radio frequency at the start of the road and kilometre markers, and will ensure that all of its company vehicles and those of its subcontractors use the posted radio frequency in an appropriate manner.

8.00 INTERPRETATION

- 8.01 Definitions of terms not defined in this Road Authorization have the same meaning as that given in any applicable legislation and regulations. In cases of conflict, the definition in the legislation governs.
- 8.02 In this Road Authorization:
 - (a) "clearing area" means that area of Crown land bounded by the outer limits of the clearing width as described in legislation that pertains to the permit and activities under the permit, over the length of road shown on attached Exhibit "A" Map(s);
 - (b) "District Manager" means a Ministry of Natural Resource Operations District Manager;
 - (c) "landing" means an area modified by equipment that is designed for accumulating logs before they are transported;

(d) "Schedule" means the Schedule "A" attached to this Road Authorization or amendments to this Road Authorization.

9.00 NOTICE

- 9.01 A notice given under this Road Authorization must be in writing.
- 9.02 A notice given under this Road Authorization may be:
 - (a) delivered by hand;
 - (b) sent by mail;
 - (c) subject to paragraph 9.05, sent by facsimile transmission, to the address or facsimile number, as applicable, specified on the first page of this Road Authorization, or to such other address or facsimile number as is specified in a notice given in accordance with this part; or
 - (d) sent by electronic transmission to the address specified on the first page of this Road Authorization or to such other address that is specified in a notice given in accordance with this part.
- 9.03 If a notice is given under this Road Authorization, it is deemed to have been given:
 - if it is given in accordance with Subparagraph 9.02(a), on the date it is delivered by hand;
 - if it is given in accordance with Subparagraph 9.02(b), subject to paragraph 9.04, on the eighth day after its deposit in a Canada Post Office at any place in Canada;
 - (c) if it is given in accordance with Subparagraph 9.02(c), subject to paragraph 9.05, on the date it is sent by facsimile transmission; and
 - (d) if it is given in accordance with Subparagraph 9.02(d), is considered to have been received when the sender receives confirmation that the notice has been sent to the address specified under that subparagraph.
- 9. 04 If, between the times a notice is mailed in accordance with Subparagraph 9.02(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.

- 9.05 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.
- 9.06 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 Authorization, be considered to be the address of the party giving such notice.

DATED December 20, 2013

Ralph Barkhouse, A/District Manager Peace Natural Resource District

SCHEDULE "A"

1.00 SPECIAL PROVISIONS

- 1.01 Timber Mark:
 - (a) For those roads shown on the applicable Exhibit "A" map(s) referred to in paragraph 2.01 of the Road Authorization, the timber mark shall be;

LICENCE NUMBER	TIMBER MARK
A18154	EK80R1
	, A

1.02 Other

Any measures required for protecting other forest resources shall be:

(a) seeding to the standard approved by a Ministry of Forests, Lands and Natural Resource Operations Officer.



Ministry of Forests, Lands and Natural Resource Operations

File: 19505-48/R12587

March 12, 2015

Canadian Forest Products Ltd. RR 1 Site 13 Comp 2 Fort St. John, British Columbia V1J 4M6

Dear Licencee:

With regards to your requests received October 31, 2014, and pursuant to Section 23 of the Fort St. John Pilot Project Regulation, the amendment to Road Authorization R12587 is hereby approved. The amendment is to authorize the following road:.

ROADS

Section G amend length from 33.4 km to 34.3 km to access block 06033 (Road previously was PDR or Sect 14 Road under CNRL Canadian Natural Resources Ltd)

This letter and all attachments form an integral part of Road Authorization R12587 and must be attached thereto.

Yours truly,

Greg Belyea

A/District Manager Peace Forest District

Enclosure(s): Exhibit A

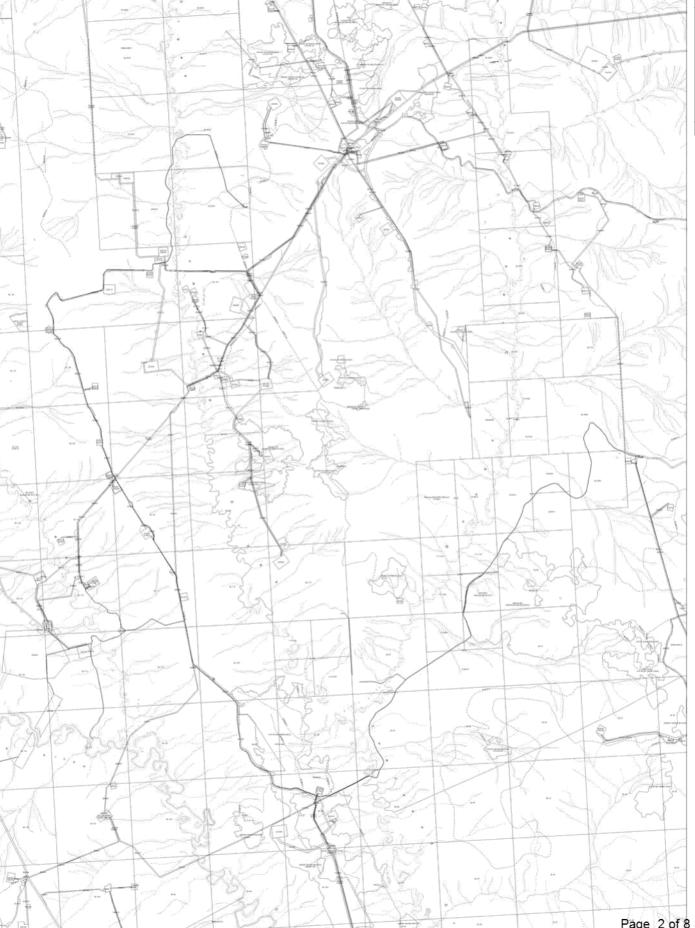


EXHIBIT A









CANFOR

Canadian Forest Products Ltd.

Fort St John

File R12587 #1

District Manager Ministry of Forests 9000 17th Street Dawson Creek, B.C. V1G 4A4

April 24, 2013

Attention: District Manager:

RE: REQUEST FOR ROAD AUTHORIZATION

Canadian Forest Products Ltd. formally requests authorization of the following existing roads, in Operating Area # 04 – Wonowon, under A18154:

- Gundy Creek Road Sec G 35.9km
- Gundy Access Winter Road Sec H 2.0km

The digital data was successfully submitted on April 24, 2013, Submission ID 1216217 and assigned a timbermark **EK80R1**. The timber from this road permit will be harvested under the master timbermark **EK80R1**.

These roads provide access to S04009 and 06037. These blocks are consistent with the 2010-2016 Forest Operations Schedule.

Existing stakeholders in the area are: TR0744T003, TR0744T002

Blueberry River First Nations, Halfway River First Nations Range: RAN073254, RAN074291, RAN076147, RAN072619

If you have any questions, please do not hesitate to contact Stacy Gibbons at (250) 787-3613

Yours truly,

Canadian Forest Products Ltd.

Stacy Gibbons, RPF Forestry Supervisor

Canadian Forest Products Ltd.

Phone: 250-787-3613

Stacy.Gibbons@canfor.com



Ministry of Forests, Lands and Natural Resource Operations

File:

19505-48/R12587

April 30, 2014

Canadian Forest Products Ltd. RR 1, Site 13 Comp 2 Fort St. John, British Columbia V1J 4M6

Dear Licencee:

With regards to your requests received February 26, 2014, and pursuant to Section 23 of the Fort St. John Pilot Project Regulation, the amendment to Road Authorization R12587 is hereby approved. The amendment is to authorize the following road:.

ROADS

Sec G Gundy Creek Road 33.4 km (realign to a more suitable stream crossing)

This letter and all attachments form an integral part of Road Authorization R12587 and must be attached thereto.

Yours truly,

Robert (Rob) Kopecky

District Manager

Peace Natural Resource District

Enclosure(s): Exhibit A



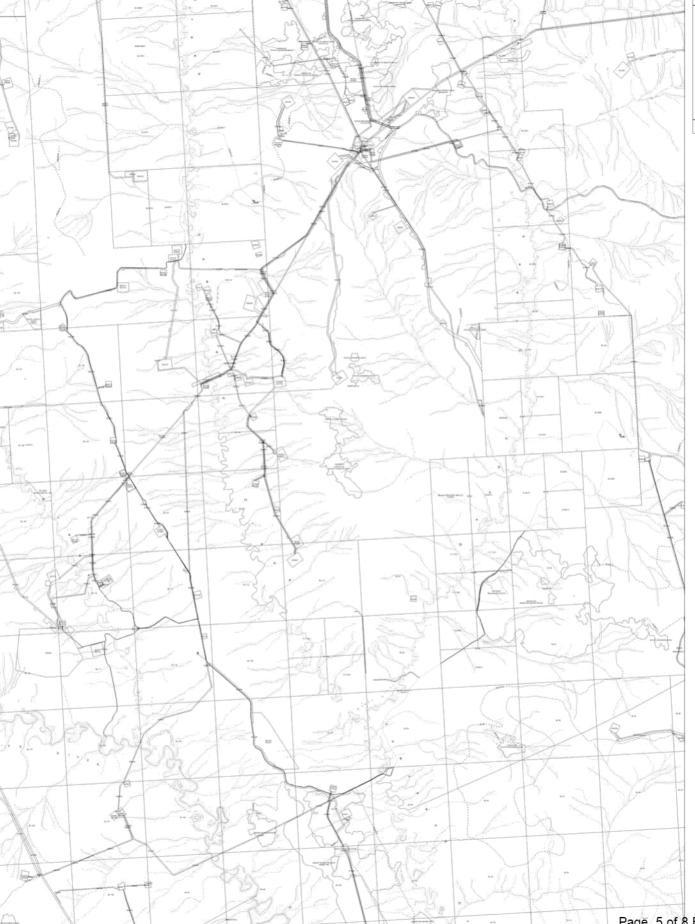
EXHIBIT A



 MAP OF : R12887 Amendment # 3 (shown in bold black)

 FOREST REGION : RNI FOREST DISTRICT : DEACE RIVER DISTRICT
 PULPWOOD AGREEMENT : PAG12 0
 MGT UNIT TYPE : TIMBER SUPPLY AREA MGT UNIT TYPE :







Canadian Forest Products Ltd.

Fort St John

File R12587

District Manager Ministry of Forests 9000 17th Street Dawson Creek, B.C. V1G 4A4

Feb 25, 2014

Attention: District Manager:

RE: REQUEST FOR ROAD AUTHORIZATION

Canadian Forest Products Ltd. formally requests authorization of the following FOS approved road, in Operating Area # 04 – Wonowon under licence A18154:

 Sec G Gundy Creek Road, 33.4km 2+490 to 35+877; POC off of the road section is off of a CNRL tenured road. The road amendment is just to realign the road to a more suitable stream crossing. There is a ECE to accompany this road permit amendment. The bridge cost is being shared with an oil and gas company in Fort St. John. Therefore Canfor is claiming half of the cost. The cutting permits that the ECE will be allocated is not yet known. The ECE id is 1000014383

The digital data was successfully submitted on Feb 24, 2014, Submission ID: 1292259 and assigned an Road Permit number of R12587.

The timber from this road permit will be harvested under the master timbermark EK80R1.

These roads provide access to Blocks 06033 and future blocks that are not yet developed. The road realignment is within 200m of the original road location. Therefore it is conistant with the FOS #2 2010-2017.

Existing stakeholders in the area are: Trappers, TR0744T001, TR0744T003

Blueberry River First Nations and the Halfway River First Nations

If you have any questions, please do not hesitate to contact your Jeremy Beliveau at (250) 787-3684

Yours truly,

Canadian Forest Products Ltd.

Jeremy Beliveau, RPF Forestry Supervisor

Canadian Forest Products Ltd.

Phone: 250-787-3684

Jeremy.Beliveau@canfor.com





Fort St John

File R12587 #1

District Manager Ministry of Forests 9000 17th Street Dawson Creek, B.C. V1G 4A4

June 18, 2013

Attention: District Manager:

RE: REQUEST FOR ROAD AUTHORIZATION

Canadian Forest Products Ltd. formally requests authorization of the following existing roads, in Operating Area # 04 – Wonowon, under A18154:

- Gundy Creek Road Sec G 33.4km
- Gundy Access Winter Road Sec H 2.0km

The digital data was successfully submitted on June 18, 2013, Submission ID 1232507 and assigned a timbermark **EK80R1**. The timber from this road permit will be harvested under the master timbermark **EK80R1**.

These roads provide access to S04009 and 06037. These blocks are consistent with the 2010-2016 Forest Operations Schedule.

Existing stakeholders in the area are: TR0744T003, TR0744T002

Blueberry River First Nations, Halfway River First Nations Range: RAN073254, RAN074291, RAN076147, RAN072619

If you have any questions, please do not hesitate to contact Stacy Gibbons at (250) 787-3613

Yours truly,

Canadian Forest Products Ltd.

Stacy Gibbons, RPF Forestry Supervisor

Canadian Forest Products Ltd.

Phone: 250-787-3613

Stacy.Gibbons@canfor.com

Tenure Review Summary Sheet

Date: Dec 11, 2014 **Tenure: R12587 G** License Holder: Canfor FS.J Professional: Jeremy Beliveau Geographic: Gundy Creek Request for Road Authorization R12587 sec G Road permit R12587 Amendment 5 Sec G - 34.3 km existing road includes a section of road that CNRL has retired. Most of this road was previously authorized to Canfor as of April 17 2014. This road provides access to Block 06033 and future blocks not yet developed Timber harvested under this RP will be harvested under EK80R1 and will be minimal because any harvesting will be only for building pull out sections along the road. **First Nations** Road is consistent with **FOS 2** 2010-2017 - Map #4 – Wonowon area FN consultation was completed previously under the JMAC process and a search in FOS Schedule 2 found no concerns mentioned regarding these roads. A search in **CRTS** found no comments regarding this road Arch sites were found in RAAD search 2014-04-07 and as noted in a previous application for this road authorization dated April 17 2014, Canfor has committed to managing these sites to ensure they are protected. SAS -closest SAS area is 7 km from this road Recommend issuing this Road Authorization

Lynn Barrette