ANC Timber Ltd. 2020-2025 General Development Plan Information Package



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1.0 Background

Alberta's first and only paper mill, Alberta Newsprint Company (ANC), is a joint venture of The Stern Group (Whitecourt Newsprint Company Limited Partnership) and West Fraser Timber Co. Ltd.

Alberta Newsprint Company uses wood chips from sawmills to manufacture its paper. We have a Forest Management Agreement (FMA) with the Alberta Government. An FMA is "an area-based tenure system" giving the right to establish, grow and harvest the trees from a designated area.

Our FMA is approximately 374,000 ha in size and is located to the south and west of the town of Fox Creek. In addition, ANC also has Quota Areas (a volume-based tenure system) located west of Fox Creek and east of Edson in the Wolf Lake area.

ANC's FMA is comprised of 4 natural subregions: central mixedwood (8,800 ha), lower foothills (171,000 ha), upper foothills (179,300 ha) and subalpine (14,400 ha). Included in these areas is a special management area, the Little Smoky Caribou Zone (172,000 ha). The FMA area comprises 94% of productive forests, 5% of non-forested and 1% of recreational areas.

Tree species found within the FMA include Lodgepole Pine, Black Spruce, White Spruce, Balsam Fir, White Aspen, Balsam Poplar and Birch. Within the subalpine region Engelmann Spruce and Alpine Fir can also be found.

The vast majority of our wood fibre is obtained indirectly from our forest tenure allocations through saw log / woodchip trade agreements with Alberta sawmills. Saw logs harvested from our forest tenure allocations are provided to Alberta Sawmills and, in return, woodchips, derived as a secondary product from the sawmill's lumber making process, are provided to ANC. This supply strategy ensures optimum utilization of Alberta's timber resources

In addition to looking after planning, harvesting and reforestation activities, ANC Timber also is responsible for obtaining third party certification. ANC Timber has a Sustainable forest management plan which is audited by a third party annually to monitor compliance with the SFI Forest Management and Fibre Sourcing standards (2015-2019). This standard has been extended until the end of 2021.

Some examples of the SFI standard requirements include;

- 1.1 Program Participants shall ensure that forest management plans include long-term harvest levels that are sustainable and consistent with appropriate growth-and-yield models.
- 2.2 Program Participants shall minimize chemical use required to achieve management objectives while protecting employees, neighbors, the public and the environment, including wildlife and aquatic habitats.
- 2.3 Program Participants shall implement forest management practices to protect and maintain forest and soil productivity.
- 2.4 Program Participants shall manage so as to protect forests from damaging agents, such as environmentally or economically undesirable



Figure 1 ANC Timber SFI Certificates

wildfire, pests, diseases, and invasive exotic plants and animals, to maintain and improve long-term forest health, productivity and economic viability.

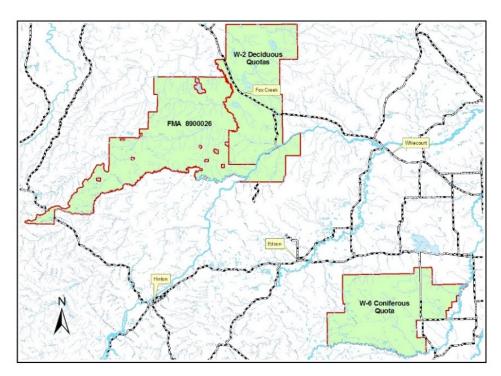
- 3.2 Program Participants shall implement water, wetland and riparian protection measures based on soil type, terrain, vegetation, ecological function, harvesting system, state best management practices (BMPs), provincial guidelines and other applicable factors.
- 4.2 Program Participants shall protect threatened and endangered species, Forests with Exceptional Conservation Values (FECV) and old-growth forests.
- 4.3. Program Participants shall manage ecologically important sites in a manner that takes into account their unique qualities.
- 6.1 Program Participants shall identify special sites and manage them in a manner appropriate for their unique features.

2.0 Purpose

This information package is provided for context related to ANC Timber Ltd.'s General Development Plan (GDP), and the planning processes that occurs around the GDP.

As per the ANC Timber Ltd. & Weyerhaeuser Pembina Operating Ground Rules (see section 4.0 Operating Ground Rules) the purpose of the GDP is to provide a projection of activities for the next five years

- Guide integration of activities
- Schedule timber disposition administration activities;
- Predict cut control status;
- Co-ordinate the development and reclamation of roads



ANC's GDP outlines the compartments ANC intends to operate in over the next 5 years. The GDP is guided by an approved 10 year Detailed Forest Management Plan which contains, among many other details, a 20 year sequence of areas planned to be harvested (spatial harvest sequence).

Figure 2 ANC Timber FMA, W6 Coniferous Quota and W2 Deciduous Ouota

3.0 Forest Planning Process

Forest Management Plan (FMP)

- -200 Year Planning Horizon, identifying a sequence of areas to be harvested over the 10 and 20 years
- -Covers entire FMA
- Balances many Values (habitats, old growth forests, sustainable yield)
- -Requires widespread consultation
- -10 year lifespan

General Development Plan (GDP)

- -Covers a 5 year planning horizon, updated and submitted annually (usually late winter Jan-Mar)
- -Monitors adherence to the annual allowable cut, the sequence of planned harvest areas
- -Guide integration of activities
- -Co-ordinate the development and reclamation of roads

Forest Harvest Plan (FHP)

- -It is the on the ground result of the FMP
- -Includes the laid out boundaries for harvesting areas, temporary roads and crossings
- -Submissions made year round
- -5 year lifespan
- -At this stage archeology, trapping and other industrial user integration is completed
- -Again monitors adherence to the sequence of planned harvest areas (on a compartment level)

Annual Operating Plan (AOP)

- -Covers a 1 year planning horizon
- -Updated and submitted annually (usually April-May)
- -Collection of approved FHP activities
- -Coordinates consultation on future activities

4.0 Operating Ground Rules

These are provincially approved and enforced ground rules for companies harvesting timber on public lands in Alberta. Depending on where the area is, ANC operates under either Weyerhaeuser Pembina Operating Ground Rulesⁱ (OGR's) or ANC Timber Ltd. OGR'sⁱⁱ. The OGR's set requirements and standards companies follow in regards to watercourse classifications, watercourse and unique feature buffer distances, definitions, road building/reclamation standards, plan contents, forest health and reforestation activities.

5.0 Planned Harvest Areas

At the time of the GDP submission, the location of all planned activities are not known. The GDP highlights potential areas ANC plans to operate based on the approved Detailed Forest Management Plan's harvest sequence, the Government of Alberta (Caribou Range Plans) and season.

Compartment level maps can be provided upon request, showing the areas of potential harvest operations over the next 5 years.

6.0 Cutblocks

Cutblocks are planned harvest areas after the timber is removed. Debris disposal, tree planting, road reclamation and site preparation activities are completed within all cutblocks, usually within 1-3 years of harvest.

7.0 Roads

Long term roads Class I, II, III or any road planned to be open for more than 3 years are to be included in the GDP. No long-term roads are proposed to be constructed at this time, all temporary inter-block roads are planned in conjunction with existing infrastructure and reclaimed during block road reclamation.

8.0 Log Storage sites

ANC has 4 existing, long term, log storage sites. Two along the Berland Resource Road, one on the Bigstone Road and one along the Tony Main Road. These storage sites are used periodically, usually during springtime.

9.0 Trapper Consultation

All overlapping Registered Fur Management Area senior partners are consulted independently of this consultation process during block planning. The senior partner is also notified at least 10 days before harvesting takes place. This is done independent of this consultation process, as a requirement of Operating Ground Rules.

10.0 Archeology and HRV 4c Sites

All areas to be harvested are screened by archeologists, ANC Timber, and the Government of Alberta

before timber is harvested to avoid potential impacts to known and unknown historical resources. Known HRV4c sites are referenced during planning and archeologic impact assessments. There are no planned timber harvesting activities which overlap any HRV 4c areas at this time.

HRV4c HRV4c

Figure 3. An example of HRV4c area displayed on compartment map

HRV4c - Aboriginal Traditional Use Sites If project components overlap lands with HRV 4c notations (Aboriginal Traditional

Use sites) proponents may be required to conduct consultation with appropriate First Nation(s). Alberta Culture will communicate directly with the proponent to outline specific compliance requirements or

issue Historical Resources Act approval to proceed. In accordance with the Government of Alberta's First Nations Consultation Policy on Land Management and Resource Development, Alberta Culture delegates procedural aspects of consultation with First Nations to industry proponents whose activities may adversely affect Aboriginal Traditional Use Sites of cultural significance that appear on the Listing of Historic Resources.

11.0 Reforestation

ANC's internal goal is to reforest 80% of cutblocks within 1 year of harvest. All remaining areas are reforested within two years. Most blocks are site prepared to create more favourable conditions for seedling establishment and growth. Survival surveys are done voluntarily by ANC on 100% of blocks to ensure survival and growth of target species. Regeneration surveys are done at approximately 6 and 12 years to ensure establishment and performance targets are met. Reforestation is required to maintain the diversity of tree species across the harvested area.

12.0 Herbicide

Compartments, highlighted on the overview maps show where ANC may conduct herbicide activities if conditions warrant treatment. Herbicide is used only on select blocks a few years after planting, to ensure the slower growing pine and spruce seedlings aren't overgrown by the faster growing, grass and deciduous trees (Aspen, Balsam poplar). Herbicides, such as glyphosate degrade quickly so they are not persistent or accumulative in the environment. Because glyphosate has been specifically designed to target plants, they have low levels of direct toxicity to animals. All herbicide treatments will be applied as per label instructions and will not exceed 3L/ha. Applications will be either by ground or air by certified pesticide applicators. Please refer to the attached technical note from Natural Resources Canada: Frequently Asked Questions on the Use of Herbicides in Canadian Forestry^{iv}.

Compartment level maps can be provided upon request, showing the areas of potential herbicide operations over the next 2 years.

13.0 Camps

Temporary Field Authorizations (TFA'S) are applied by ANC Timber for temporary camps during planting season. Locations are chosen based on existing openings with good access and near planned activities whenever possible. The terms are for 1 year or less. All other camp locations will be under disposition to ANC Timber.

14.0 Legend

Compartments_of_Interest_2020-2025 | Compartments of Interest — The project area where ANC Timber is planning future harvesting.

within existing cutblocks in the next 2 years (May 1st, 2020 to April 30th 2022) cross hatched on the map.

¹ https://open.alberta.ca/publications/weyerhaeuser-pembina-timber-harvest-planning-and-operating-ground-rules

[&]quot;http://www1.agric.gov.ab.ca/\$department/deptdocs.nsf/all/formain15749/\$FILE/ANC_OGR_Sept30_2016.pdf

iii Please see W15 map

iv http://cfs.nrcan.gc.ca/pubwarehouse/pdfs/32344.pdf