ANC Timber Ltd. 2023-2028 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 (volume-based tenure system) located west of Fox Creek and southeast 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.

ANC's 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 (SFMP) which is audited by a third party annually to monitor compliance with the SFI Forest Management and Fibre Sourcing standards.

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



Figure 1 ANC Timber SFI Certificates

• 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).

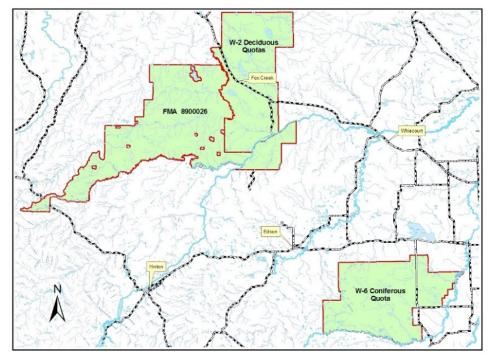


Figure 2 ANC Timber FMA, R15 (formerly known as W6) Coniferous Quota and W14 (Formerly known as W2) Deciduous Quota

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

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 the Alberta Timber Harvest Planning and Operating Ground Rules¹. The OGR's set requirements and standards companies follow in regard to watercourse classifications, watercourse and unique feature buffer distances, definitions, road building/reclamation standards, plan contents, forest health and reforestation activities.

¹https://open.alberta.ca/dataset/5c8defce-89da-49d5-865f-54d95d02d328/resource/2ed2a0ba-b8a8-4304-98a0-f23b75fdf336/download/afred-alberta-timber-harvest-planning-and-operating-ground-rules-2022.pdf

5.0 Planned Harvest Areas

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

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. All temporary inter-block roads (roads 3 years and less) are planned in conjunction with existing infrastructure and reclaimed during block road reclamation. Majority of roads constructed are reclaimed within 1 year.

8.0 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.

9.0 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 - 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.

10.0 Reforestation

Debris disposal, tree planting, road reclamation and site preparation activities are completed within all cutblocks(harvested areas), usually within one to three years of harvest. 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



Figure 3 An example of HRV4c area displayed on compartment map

performance targets are met. Reforestation is required to maintain the diversity of tree species across the harvested area.

11.0 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 4L/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 Forestry².

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

12.0 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. All temporary camps have self-contained grey and black water holding systems with contents trucked to approved treatment facilities. The terms are for 1 year or less. All other camp locations are under disposition to ANC Timber.

13.0 Legend

Compartments_of_Interest_2023-2028 Compartments of Interest – The project area where ANC Timber is planning future harvesting.



Potential Herbicide – Compartments where herbicide could take place within existing cutblocks in the next 2 years (May 1st, 2023 to April 30th 2028) cross hatched on the map.

14.0 Critical Trout Habitat

Critical fish habitat has been identified under the Species at Risk Act for the Athabasca Rainbow Trout. Some areas of ANC's FMA have been identified as critical habitat near where operations are planned, those areas are highlighted below (Figure 4). Department of Fisheries and Oceans approval is required to impact any area deemed critical habitat.

Threats to the Species

Surveys of Athabasca Rainbow Trout populations show they are declining in at least 50 per cent of their range. Reproduction, and the resulting genetic mixing, with hatchery fish is one of the most serious threats to native Athabasca Rainbow Trout, as is competition for resources with non-native, stocked fish species. Habitat loss, degradation and fragmentation from industrial and agricultural pollution, climate change, and road development and resource extraction (coal, forestry, oil and gas) also threaten the Athabasca Rainbow Trout.

² http://cfs.nrcan.gc.ca/pubwarehouse/pdfs/32344.pdf

Mitigation Measures

ANC follows the following mitigation measures.

- minimizing number and frequency of crossing locations, moving locations to outside critical habitat where practical considering all values
- avoiding instream work or any alteration to bed or banks of any stream
- only using clear span bridges
- planning work or activities to respect timing windows to protect fish including eggs, juveniles, spawning adults and organisms upon which they feed and migrate
- avoiding locations that could be unstable or susceptible to erosion
- prompt reclamation/stabilization and revegetation (less than 3 years)
- minimizing disturbance of riparian areas
- preventing entry of deleterious substances in water

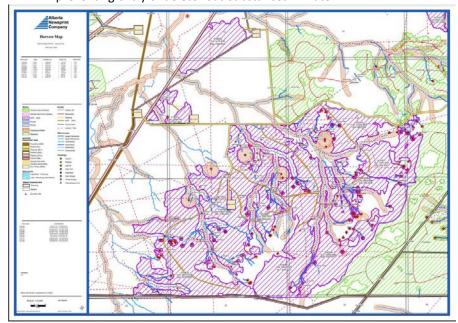


Figure 4 Critical Trout Habitat Red cross hatch (PLACEHOLDER – example would be a custom map clearer symbology)

15.0 Summary

Should you identify any issues, require additional information, have any questions or would like to discuss specific concerns we encourage you to contact us so that we can work together on how to best address these items before we implement our General Development Plan.

To schedule a meeting with our planning staff or to further discuss your concerns please contact: Leanna Penner at leannap@albertanewsprint.com.