In accordance with the Manitoba Environment Act (C.C.S.M. c. E125)

THIS LICENCE IS ISSUED TO:

REPAP MANITOBA, A DIVISION OF SKEENA CELLULOSE INC.;
"the Licencee"

STAGE 1 LICENCE

for the Development which is the carrying out of forest management activities within the geographical boundaries of Forest Management Licence #02 Area, as detailed in the Repap Manitoba Annual Harvest And Renewal Plan January 1, 1993 to December 31, 1993, and subject to the specifications, limits, terms and conditions of this Licence.

DEFINITIONS

In this Licence:

"all-weather road" means a graded and/or graveled road that may be passable by vehicles under both wet and dry weather conditions;

"buffer" means vegetation of sufficient height and density to act as a visual barrier between a harvested area and a road, or a band or area left around sensitive sites such as water bodies, wildlife habitat, etc.;

"chance road" means a temporary ungraveled road with minimal grade development, that may be passable by vehicles only when dry or frozen;

"cutover" means an area from which timber has been harvested;

"cutting block" means a forested area with defined boundaries in which specific forest stands or parts thereof are approved for harvest;
"Director" means an employee so designated pursuant to The Act;

"F.M.L. Area" means Forest Management Licence #02 Area established in an agreement between the Province of Manitoba and the Licencee in 1989, pursuant to The Forest Act. The agreement defines the area in which the Licencee is authorized to undertake cutting, removal, renewal and management of crown timber, and management of crown lands;

"habitat" means the place where an organism lives and/or the conditions thereof, including soil, vegetation, water and food;

"harvesting" means the cutting and removal of trees from a forested area;

"ice bridge" means a temporary crossing constructed from ice, snow, and/or log material that may be passable by vehicles under frozen conditions;

"I.R.M.T." means the regional Integrated Resource Management Team of Manitoba Natural Resources located in the Northwest Region (The Pas), the Northeast Region (Thompson), the Western Region (Dauphin), and the Central Region (Gimli) and composed of members of the following branches of the Department: Forestry, Wildlife, Regional Operations, Lands, Fisheries, Water Resources, and Parks and Natural Areas, and which is organized to review regional natural resources issues;

"Licencee" means Repap Manitoba, a Division of Skeena Cellulose Inc.;

"reforestation" means the establishment of trees on previously forested lands by natural seed germination or artificial restocking (i.e. planting and/or seeding), also referred to as forest regeneration;

"rehabilitate" means physical treatment of a disturbed site to reclaim its productive potential. This may include, but is not limited to: leveling the surface, establishing appropriate slopes to prevent erosion, loosening compacted surface soils to enable vegetation to root successfully, and revegetation to promote the development of the former species composition;

"regeneration survey" means a survey carried out to determine the number of trees that are successfully established on a site;

"scarification" means a method of seed bed preparation which consists of exposing patches of mineral soil through mechanical action;

"silviculture" means the science and methods used to tend, harvest and replace forests;
"site preparation" means the physical or chemical methods used to prepare a site for planting or to promote natural reforestation;

"slash" means the residue left on the ground after harvesting, including unused logs, uprooted stumps, branches, tops, etc.;

"stand" means a community of trees sufficiently uniform in species, age, arrangement or condition to be distinguishable as a group from the forest or other growth on the area;

"succession" means the replacement of one plant community by another in progressive development toward climax vegetation;

"temperature inversion" means a stable atmospheric condition in which cooler air at the earth’s surface is prevented from rising by a layer of warmer air above;

"The Act" means The Environment Act and Regulations thereunder, as amended from time to time;

"winter road" means a road which is capable of being used only in winter.

SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

1. The Licencee shall carry out harvest and associated activities in accordance with practices set out in "Forest Management Guidelines for Wildlife in Manitoba", "Recommended Buffer Zones for Protecting Fish Resources in Lakes and Streams in Forest Cutting Areas", and "Recommended Fish Protection Procedures for Stream Crossings in Manitoba", and any other provincial guidelines which may be adopted for forest management activities.

2. The Licencee shall, as directed by the I.R.M.T., design and/or modify cutting block layouts and road plans in order to mitigate land use and access impacts, including but not limited to concerns with:

   (i) wildlife and fish resources;
   (ii) sensitive, threatened or unique wildlife habitat;
   (iii) rare, threatened or endangered flora and fauna;
   (iv) provincial parks and ecological reserves;
   (v) heritage resources;
   (vi) traplines;
   (vii) local communities;
   (viii) remote lodge and outfitter operations;
   (ix) recreation; and
   (x) First Nations treaty lands.
3. The Licencee shall, as directed by the I.R.M.T., minimize soil disturbance to sensitive areas such as dry upland ridges and wet soils, by scheduling harvesting to avoid times when the sites are sensitive to surface disturbance, and by using harvest methods which will reduce surface disturbance impacts.

4. The Licencee shall:

(i) comply with the minimum buffer widths set out in "Recommended Buffer Zones for Protecting Fish Resources in Lakes and Streams in Forest Cutting Areas", "Forest Management Guidelines for Wildlife in Manitoba" and any other buffer requirements specified by the I.R.M.T.; and

(ii) design and/or modify buffers to ensure post-harvest runoff does not negatively affect sediment loads in local waterbodies, as directed by the I.R.M.T..

5. The Licencee shall not conduct forest management activities in any established buffer, except where the I.R.M.T. conducts site specific inspections and grants approval subject to conditions which will protect environmental and aesthetic qualities.

6. The Licencee shall:

(i) ensure a minimum 50 meter buffer is maintained between harvest areas and Provincial Trunk Highways or municipal roads, unless directed otherwise by the I.R.M.T.; and

(ii) ensure a minimum 30 meter buffer is maintained between borrow pits and Provincial Trunk Highways or municipal roads, unless directed otherwise by the I.R.M.T..

7. The Licencee shall ensure all materials used in the construction of ice bridges (other than ice or snow), are removed from the site prior to spring break-up.

8. The Licencee shall dispose of slash and harvesting debris as directed by the I.R.M.T..

9. The Licencee shall conduct pre-harvest and pre-road construction surveys to identify species or ecosystems that need protection, and shall apply measures to ensure that protection as directed by the I.R.M.T.. The information required from these surveys may include, but is not limited to soil conditions, tree and understory species composition, and the presence of rare flora and fauna, as identified by the I.R.M.T.
10. The Licencee shall:

(i) evaluate the potential for the occurrence of heritage resources on areas where forest management activities will occur, and the potential for forest management activities to impact heritage resources, as directed by the I.R.M.T., in consultation with the Historic Resources Branch of Manitoba Culture, Heritage and Citizenship; and

(ii) apply measures to protect heritage resources, as directed by the the I.R.M.T., in consultation with the Historic Resources Branch of Manitoba Culture, Heritage and Citizenship.

11. The Licencee shall ensure all-weather or chance roads are constructed:

(i) to prevent impacts on surface or subsurface drainage; and

(ii) only to the extent required, as determined by the I.R.M.T..

12. The Licencee shall ensure that road construction is done in a manner which will prevent erosion, as directed by the I.R.M.T.. This shall include, but is not limited to:

(i) reducing the slope on the side banks of borrow pits, ditches and road shoulders; and

(ii) minimizing gradients and/or using flow control measures in roadside ditches.

13. The Licencee shall:

(i) close and/or rehabilitate all-weather roads, as directed by the I.R.M.T.;

(ii) close and/or rehabilitate all chance and winter roads following the completion of harvest and silvicultural activities at each cutting block, as directed by the I.R.M.T.; and

(iii) reforest all chance and winter roads, as directed by the I.R.M.T..

14. The Licencee shall:

(i) site, operate and rehabilitate borrow pits, camp sites, landing sites and garage sites, as directed by the I.R.M.T.;

(ii) ensure adequate containment protection is implemented for all sites when conducting vehicle or equipment maintenance activities, as directed by the I.R.M.T. (in areas underlain by sand or gravel, adequate containment protection shall include as a minimum, the placing of impermeable pads or heavy vinyl tarps under maintenance areas, as well as under lubricating products and antifreeze storage areas);
(iii) adopt environmentally sensitive servicing techniques including the collection and recycling (or disposal by a means acceptable to Manitoba Environment), of waste oil and anti-freeze;
(iv) report and clean up spills in excess of 50 liters, as directed by Manitoba Environment's Emergency Response Team;
(v) prepare a spill response and cleanup plan for the Director's approval, and adhere to the policies and procedures therein; and
(vi) dispose of domestic and industrial waste as directed by the I.R.M.T., in consultation with Manitoba Environment.

15. The Licencee shall comply with Manitoba Regulation 97/88 R, "Storage And Handling Of Gasoline And Associated Products Regulation" and Manitoba Regulation 172/85, "Regulation Respecting The Handling, Offering For Transport And Transporting Of Dangerous Goods".

16. The Licencee shall:

(i) adhere to the policies and procedures for pesticide applications, as set out in Manitoba Regulation 94/88 R "Pesticides Regulation" so as to minimize the exposure of its employees and the public, as well as non-target biota, to herbicides;
(ii) establish effective buffers for spraying herbicides as directed by the I.R.M.T.;
(iii) not spray using aerial application methods, if thermal convection currents have developed in the air above the site, or during the occurrence of a temperature inversion;
(iv) limit the use of herbicides in Provincial Parks, to the extent possible, as directed by the I.R.M.T.; and
(v) shall not apply herbicides by aerial spraying within Provincial Parks.

17. The Licencee shall implement reforestation practices to achieve the appropriate reforestation standards, as determined by the I.R.M.T..

18. The Licencee shall mitigate potential impacts on woodland caribou, eagle and osprey nests, as well as great grey owl habitat and heron rookeries, as directed by the I.R.M.T..

19. The Licencee shall adhere to all policies and procedures respecting occupational health and safety.

20. The Licencee shall ensure that all company operations within its F.M.L. Area adhere to all specifications, limits, terms and conditions contained in this Licence.
LICENCE REVOCATION

If, in the opinion of the Director, the Licencee has exceeded or is exceeding the specifications, limits, terms or conditions set out herein, the Director may revoke, temporarily or permanently, this Licence.

LICENCE TERM AND REVIEW

Unless earlier revoked for non-compliance, this Licence shall be in effect until January 1, 1994. However, should any changes to government policy occur that could affect the harvesting plans of the Licencee as detailed in the Repap Manitoba Annual Harvest And Renewal Plan January 1, 1993 to December 31, 1993, a Licence review will be conducted, with subsequent revisions or amendments to the specifications, limits, terms and conditions of this Licence.

Larry Strachan, P.Eng.
Director, Environment Act

File No. 3094.10