



SUSTAINABLE FOREST MANAGEMENT
2009 ANNUAL REPORT
CANFOR FORT NELSON

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Glossary and Acronyms

Adaptive Management: A learning approach to management that recognizes substantial uncertainties in managing forests and incorporates into decisions the experience gained from the results of previous actions. Adaptive management can be simplified into "learning by doing."

Annual Allowable Cut (AAC): The allowable rate of timber harvest from a specified area of land. The Chief Forester sets specific AACs for Timber Supply Areas and Tree Farm Licences in accordance with Section 8 of the *Forest Act*.

Biogeoclimatic Ecosystem Classification (BEC): A hierarchical system of ecosystems that integrates regional, local and chronological factors and combines climatic, vegetation and site factors.

Biological richness (species richness): The number of species in a given area.

Coarse woody debris (CWD): Downed woody material of a minimum diameter or greater that is resting on the forest floor or at an angle to the ground of 45 degrees or less. CWD consists of sound and rotting logs and branches, and may include stumps when specified. Coarse woody debris provides habitat for plants, animals and insects, and a source of nutrients for soil development.

Criterion: A category of conditions or processes by which sustainable forest management may be assessed; characterized by a set of related indicators which are monitored periodically to assess change.¹

Crown Forest Land Base (CFLB): Forested land managed by the Ministry of Forests and Range is referred to as the Crown forested land base. In the CFLB, specific conditions (e.g. a stand or a group of similar trees) are assigned either to the non-harvesting land base or to the timber harvesting land base. An area can only be removed for one reduction type; for example, the area of a stand that falls within a park, and also has sensitive soils, is assigned only once to the non-harvesting land base.

Customary use rights: The rights of First Nations peoples to use lands and resources based on culturally established patterns of utilisation and management which may include fishing; hunting; trapping; gathering of foods, medicines and materials for ceremonial, spiritual, sustenance, or fabrication (e.g. clothing, artwork, building, etc.) purposes.

Defined Forest Area (DFA): A specified area of forest, including land and water. The Defined Forest Area for the Sustainable Forest Management Plan is the Vanderhoof Forest District, excluding private land and woodlots.

Forest Management System (FMS): The FMS is a systematic means of identifying, addressing and managing environmental impacts and sustainable forest management commitments within Canfor's Woodlands operations.

Forest and Range Practices Act (FRPA): The *Forest and Range Practices Act* brings in the application of a results-based system for the management of forest and range resources. It will fully replace the *Forest Practices Code of British Columbia Act* by December, 2005.

General Development Permit (GDP): permit obtained by oil and gas sector to authorize limited development of an area in preparation for exploration activities for oil and gas.

Global ecological cycles: The complex of self-regulating processes responsible for recycling the Earth's limited supplies of water, carbon, nitrogen and other life-sustaining elements.

Inoperable: Lands that are unsuited for timber production now and in the foreseeable future because of a range of factors, including elevation; topography; inaccessible location; low value of timber; small size of timber stands; steep or unstable soils; or designation as parks, wilderness areas, or other uses incompatible with timber production.

Indicator: A measure of an aspect of the criterion; a quantitative or qualitative variable which can be measured or described and which, when observed periodically, demonstrates trends. ¹

Landscape Unit: a planning area, generally up to about 100,000 ha in size, delineated according to topographic or geographic features such as a watershed or series of watersheds. It is established by the district manager.

Measure: A set of variable that provides quantitative information about the status/standard established for an indicator.

Natural disturbance: the historic process of fire, insects, wind, landslides and other natural events in an area.

Non Commercial brush (NCBR): Describes potential productive forest land that is covered with either 'Forest' or 'Brush'.

Natural Disturbance Unit (NDU): These units separate areas based on differences in disturbance processes, stand development, and temporal and spatial landscape pattern.

NHLB: Non-Harvestable Land Base This is area not considered part of the THLB. This includes areas excluded from contributing to timber supply during the TSR process, such as parks, riparian reserve areas, inaccessible areas, inoperable areas, non-merchantable forest types, low productivity types, recreation features, and environmentally sensitive areas.

Old Growth Management Area (OGMA): areas which contain, or are managed to replace, specific structural old-growth attributes and which are mapped out and treated as special management areas.

Predictive Ecosystem Mapping (PEM): A computer, GIS and knowledge-based method that divides landscapes into ecologically-oriented map units for management purposes.

Recreation Opportunity Spectrum (ROS): a mix of outdoor settings based on remoteness, area size, and evidence of humans, which allows for a variety of recreation activities and experiences. The descriptions used to classify the settings are on a continuum and are described as: rural, roaded resource, semi-primitive motorized, semi-primitive non- motorized, and primitive.

Regeneration delay: the maximum time allowed in a prescription, between the start of harvesting in the area to which the prescription applies, and the earliest date by which the prescription requires a minimum number of acceptable well-spaced trees per hectare to be growing in that area.

Riparian: Area adjacent to a stream, river, lake or wetland. The FPC Riparian Management Area Guidebook defines it as "areas [that] occur next to the banks of streams, lakes, and wetlands and include both the area dominated by continuous high moisture content and the adjacent upland vegetation that exerts an influence on it".

Riparian Reserve Zone (RRZ): The portion of the riparian management area or lakeshore management area located adjacent to a stream, wetland or lake.

Seral: the stage of development of an ecosystem, from a disturbed, un-vegetated state (early-seral) to a mature plant community (late-seral).

Site Index: an expression of the forest site quality of a stand, at a specified age, based either on the site height, or on the top height, which is a more objective measure.

Snag: a standing dead tree, or part of a dead tree, found in various stages of decay—from recently dead to very decomposed.

Stream Crossing Quality Index: a field based hazard assessment of the potential for accelerated erosion and sediment delivery at stream crossings. The procedure evaluates and scores the potential for eroded sediment to reach the stream environment. A high score infers that there is a significant erosion problem which may in turn cause sediment related water quality problems.

Sustainable Forest Management (SFM): Management “to maintain and enhance the long-term health of forest ecosystems, while providing ecological, economic, social and cultural opportunities for the benefit of present and future generations”¹

Target: A specific statement describing a desired future state or condition of measure. Targets should be clearly defined, time-limited and quantified, if possible.

Timber Harvesting Landbase (THLB): The area of the Defined Forest Area available for timber extraction.

Traditional Use Study (TUD): Compilation of data respecting historic use of the land and resources by First Nations

Acronyms

AAC Allowable Annual Cut	MOFR British Columbia Ministry of Forests and Range
AIA Archaeological Impact Assessment	MPS Market Pricing System
AMD Amendment	NSOGO Non Spatial Old Growth Order
AOA Archaeological Overview Assessment	NSR Not Satisfactorily Restocked
BCTS BC Timber Sales	NTPF Non-Timber Forest Products
BEC Biogeoclimatic Ecosystem Classification	OGMA Old Growth Management Area
BEO Biodiversity Emphasis Option	OHSC Occupational Health and Safety Committee
Canfor Canadian Forest Products Ltd.	OSB Oriented Strandboard
CHR Cultural Heritage Resource	PAG Public Advisory Group
CFS Canadian Forest Service	PEM Predictive Ecosystem Mapping
CFLB Crown forested land base	PMP Pest Management Plan
COPI Creating Opportunity for Public Involvement	PRISM Public Response for Informed Sustainable Management
CP Cutting Permit	RMZ Riparian Management Zone
DBH Diameter at Breast Height	ROS Recreation Opportunity Spectrum
EFG Early Free Growing	RRZ Riparian Reserve Zone
FDP Forest Development Plan	RVQC Recommended Visual Quality Class
FMS Forest Management System	SDE Spatial Data Engine
FG Free Growing	SFMP Sustainable Forest Management Plan
FIA Forest Investment Account	SI50 Site Index for age 50
FPC Forest Practices Code	SOP Standard Operating Procedure
FSP Forest Stewardship Plan	Sx White Spruce
GENUS Name for data management system	TBD To be determined
GIS Geographic Information Systems	THLB Timber Harvesting Land Base
GMZ/GRZ General Resource Zone	TSA Timber Supply Area
ILMB Integrated Land Management Bureau	TSR Timber Supply Review
ITS Incident Tracking System	UWR Ungulate Winter Range
KDC Kaska Dene Council	VRI Vegetation Resources Inventory
LFG Late Free Growing	VQO Visual Quality Objective
LRMP Land Resources Management Plan	WQCR Water Quality Concern Rating
LU Landscape Unit	WHA Wildlife Habitat Area
LUPG Landscape Unit Planning Guide	WTP Wildlife Tree Patch
MAI Mean Annual Increment	WTR Wildlife Tree Retention
MOA Memorandum of Agreement	

¹ The State of Canada’s Forests 2001/2002, as cited by the CSA.

Executive Summary

Fort Nelson Defined Forest Area location

The Defined Forest Area (DFA) of the SFM Plan is the Fort Nelson Timber Supply Area (TSA) as described for the Timber Supply Review. The Fort Nelson DFA is located in the northeastern corner of British Columbia and covers approximately 9.8 million hectares, bordering Alberta to the east and the Northwest Territories and the Yukon Territory to the north. The Alaska Highway (Highway # 97) is the main access to the town of Fort Nelson and the only major service road within the DFA. The Alaska Highway leads travelers north from Dawson Creek, BC, through the Yukon to Fairbanks, Alaska. The 317 Road (Highway 77), so named because it begins 17 miles from Fort Nelson (Mile 300 on the Old Alaska Highway), is the only other year round road access to the Fort Nelson area, providing access to the Northwest Territories (source MOFR website).

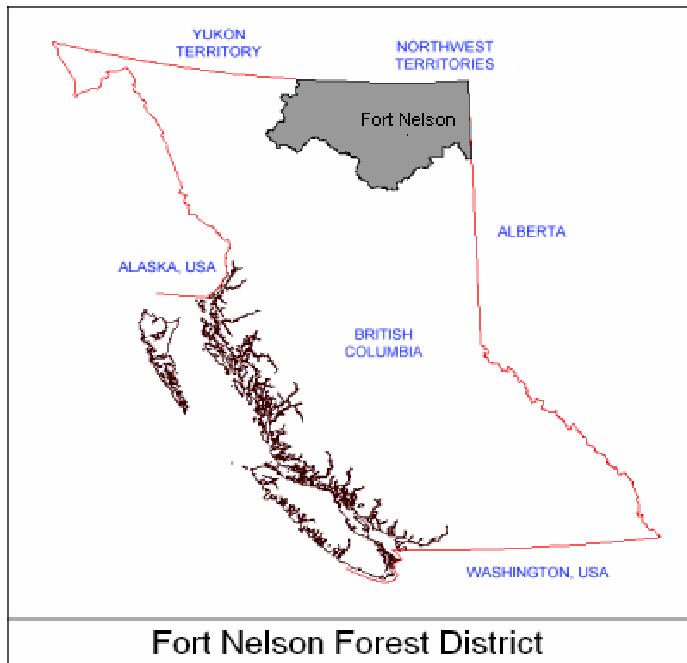


Figure 1: Fort Nelson Defined Forest Area

Purpose

This report is prepared as part of the annual assessment to confirm Canfor's continued implementation of the CSA SFM standard. This report is the fifth edition since registration to the CSA-Z809-02 standard in 2005 and provides a status from April 1, 2009 to March 31, 2010 of the locally developed measures of the SFMP. The SFM Annual Report date is due May 15th annually. The SFM Management Review date will be conducted upon completion of the annual report with a focus on measures that did not meet the target. In this report, each measure is re-iterated, and a brief status update is provided. For further reference to the intent of the measures, or the practices involved, the reader should refer to Canfor's

Sustainable Forest Management Plan for the Fort Nelson DFA (SFMP, March 15, 2005). The development of an updated SFM Plan is currently underway. Reporting for BC Timber Sales is provided in a separate report.

Circumstances affecting SFM process

Canfor Corporation announced on January 18th, 2008 that due to poor wood product markets, a high Canadian dollar and record low oriented strand board (OSB) prices, its PolarBoard OSB and Tackama plywood mills in Fort Nelson would be closing indefinitely. The Polarboard closure took effect once the existing inventories were utilized and finished products shipped, which occurred in early June 2008. On February 26th, 2008 it was announced that Canfor's Fort Nelson Tackama mill would continue operations, largely because of the efforts of the United Steel Workers Union, employees, suppliers, the provincial government and contractors to identify means to reduce costs at Tackama and establish a business case to keep Tackama operating. Through the contributions of the union, employees, contractors and suppliers and policy changes announced by the provincial government a business case was made to continue operations at Tackama. The business case was predicated upon Tackama realizing the intended cost savings and continued positive performance of plywood markets.

Although Tackama had performed very well and achieved record production targets, Canfor Corporation reassessed Tackama's situation and announced on October 8th, 2008 that due to the continued poor demand and low prices for plywood across North America, it would be closing indefinitely the Tackama plywood plant in Fort Nelson. The market conditions and future outlook for plywood prices were not encouraging, with no evidence of a turnaround in the near future and consequently Canfor decided to curtail production to address the reduced market demand. The indefinite shutdown of the Canfor mills continued throughout 2009/2010. As of the date of completion of this report, the canfor mills in Fort Nelson remain indefinitely closed.

The closure of the PolarBoard mill, followed later by the closure of the Tackama mill affects local forest management, the PRISM and Public Advisory Group in the following ways:

- Reduced and/or no operational harvesting activities affects reporting of certain measures, rendering reporting on current status of much of the indicators as static until resumption of harvest activity;
- Cessation of harvest activities reduces the economic benefit of forest management to the region;
- Layoff's and staff re-location renders data collection difficult;
- Reduced activities has reduced the need to continue with frequent PAG meetings, resulting in reduced numbers of meetings and field tours;
- Difficulty in attracting new PAG members and promoting general interest in forestry in the community.

Overview of Achievements Canfor

For the 2009 reporting year the following list describes the results achieved:

- ✓ 51 of the 61 measures were achieved (84%),
- ✓ 5 measures are pending (8%),
- ✓ 5 of the indicator objectives were not met (8%).

The overview of target achievements in this section captures Canfor's performance measures. BC Timber Sales is responsible for reporting their achievements through their Annual Report. Figure 2 below compares the 2009 measure achievement to previous reporting periods and Table 1 shows the status of each individual measure. A slight decrease in measure performance for the 2009 reporting year is noticeable, due to an increase of measures not being met and an increase in pending measures, which is explained partly through the decrease in activity in all areas due to the indefinite shutdown of the Canfor mills and due to the fact that certain data was not available at time of reporting. Measures that were not met will be discussed during the upcoming Management Review and actions will be identified that should result in improving trends.

With the shutdown of the Canfor mills in Fort Nelson, no Canfor harvest activities took place in 2009. Some measures did not contain new data when linked directly to harvest activities and those often refer to the 2008 data instead. It is anticipated that the following 2010 Annual Report will continue to provide minimal reporting of measures that are directly affected by harvest activities. A column has been added to Table 1 to identify the measures that are recommended to be deferred for reporting until harvesting activities resume. Prior to temporarily removing measures that are linked to harvest activities, it is recommended that the matter be discussed with the PRISM group and consensus be achieved in regards to reporting prior to compiling the 2010 report.

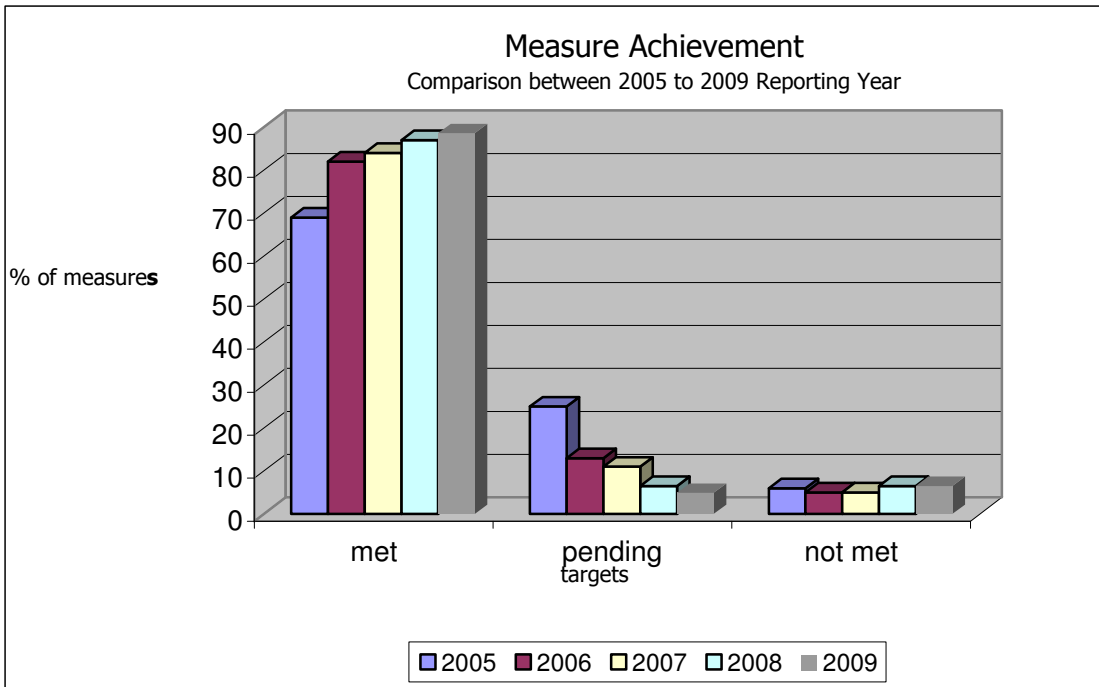


Figure 2: Comparison of measure achievement Canfor 2005 to 2009

Following is a summary of 2009 measures:

Table 1: Summary of Canfor's 2009 measure status

Measure		Target Met	Target Pending	Target Not Met	Recommend to not report in 2010
1-1.1	Ecosystem Representation	✓			✓
1-1.2	Seral Stages	✓			✓
	Habitat Elements				
1-2.1a	Dead standing trees	✓			✓
1-2.1b	Stand Level Retention	✓			✓
1-2.1c	Coarse Woody Debris	✓			✓
1-2.1d	Riparian areas	✓			✓
1-2.1e	Shrub areas	✓			✓
1-2.1f	Hardwood areas	✓			✓
1-3.1	Vertebrate Species Populations	✓			
1-3.2	Management Strategies	✓			
1-4.1	Protected Areas	✓			
1-4.2	Special Sites – Biological Significance	✓			
1-4.3	Management Activities Consistent – Muskwa-Kechika	✓			✓
1-4.4	General Wildlife Measures	✓			
1-5.1	Stream Crossings – Surveyed WQCR		✓		✓
1-5.2	Stream Crossings – Installed/Removed	✓			✓
1-5.3	Stream Crossings – Inspections/Mitigation measures	✓			✓
1-6.1	Conifer Seeds – accordance with regulation			✓	
1-6.2	Aspen Regeneration – Natural Regeneration	✓			
2-1.1	Site Index	✓			
2-2.1	Forest Converted to Non-Forest Land use	✓			
2-2.2	Long Term Detrimental Soil Disturbance	✓			
2-2.3	Landslides	✓			
2-2.4	Response to Oil and Gas information requests	✓			
2-3.1	Regeneration Delay	✓			
2-3.2	Compliance with Regeneration Standards			✓	
2-3.3	Compliance with Free Growing	✓			
2-4.1	Treatment plans for natural disturbance events	✓			
2-4.2	Percent of catastrophic natural disturbance events	✓			✓
3-1.1	Carbon stored in trees and non-tree Vegetation	✓			✓
3-3.1	Carbon Sequestration	✓			✓
4-1.1	Total Value of Timber Harvested	✓			✓
4-1.2	Timber Supply Certainty	✓			
4-2.1	Direct Employment	✓			✓
4-2.2	Indirect/Induced Employment	✓			✓
4-2.3	Dollar Value of BCTS Timber Sales and Advertised Volumes for Sale	✓			
4-3.1	Fees Paid by Forest Industry	✓			
4-4.1	Opportunities for First Nations	✓			
4-4.2	BCTS timber sales bids, Small Scale salvage and NRFL's	✓			
4-5.1	Factors Influencing Competitiveness of Forest Industry			✓	
4-5.2	Competitive Primary Milling Facility			✓	✓
5-1.1	Potential for Marketed Non-Timber Benefits		✓		✓
5-1.2	Marketed and Market Activity of Non-Timber Forest Resources	✓			
6-1.1	Employment by Broad Sector – Local Economy	✓			✓
6-1.2	Employment by Industry		✓		✓
7-1.1	Stakeholder Analysis	✓			
7-1.2	Communication with the Public	✓			
7-1.3	Effective Public Advisory Group	✓			
7-1.4	Equitable and Inclusive Deliberation Process	✓			
7-1.5	Perception of PAG to Forest Management Reponse to Stakeholder Input	✓			
8-1.1	Information Sharing First Nations	✓			
8-2.1	Culturally Important Sites	✓			
8-3.1	Opportunities for First Nation's to Comment on Forest Management Activities	✓			

Measure		Target Met	Target Pending	Target Not Met	Recommend to not report in 2010
8-3.2	First Nation's Involvement during Archaeological Assessments	✓			✓
9-1.1	Area and Percentage of Forests Managed for Recreation Activities	✓			
9-2.1	Compliance with Visual Quality Objectives	✓			
9-3.1	Unique or Significant Places and Features and Protected Areas	✓			
9-4.1	SAFE Companies Certification and Registration	✓			
9-4.2	Number of All Injuries	✓			
9-4.3	Number of Serious Injuries	✓			
9-4.4	Number of Fatalities	✓			
		54	3	4	

Continuous Improvement

To facilitate reporting and continuous improvement of the measures and targets in the SFM Plan, and to ensure that data is collected in a timely and orderly fashion, each measure will be recorded and tracked. This will occur either in Canfor's 'GENUS Environment' module or in a separate database specific to the measure. GENUS acts like a warehouse for most SFM tasks, tracking responsibilities, due dates, and progress comments.

1-1.1 - Ecosystem Representation

Measure 1-1.1 The number, size and type of distinct habitat types in both the THLB and NHLB	
Target	Results
1. 100% of rare ecosystem clusters (< 2000 ha) will be reserved from harvest.	No harvest activities occurred in the 2009 reporting period and this measure can therefore be considered met.
2. Where less than 50% representation in the NHLB of uncommon ecosystem clusters (defined as < 1% abundance in the CFLB) management strategies to maintain representation will be developed and implemented.	
3. Develop and implement management strategies to maintain representation of red and blue listed ecosystem communities with a low or very low resilience to disturbance.	

Target Met		
Yes ✓	No	Pending

References
<ul style="list-style-type: none"> Ecosystem Representation Analysis March 31, 2005_Forest Ecosystem Solutions Ltd. Sites of Biological Significance Standard Operating Procedure _ Dec. 11, 2007

1-1.2 - Seral Stages

Measure 1-1.2 Percent area by old and mature+old seral stage by Landscape Unit and BEC variant for crown forest land base (CFLB) affected by forest management operations	
Target	Results
Show improving trend of meeting targets as per Provincial Non Spatial Old Growth Order (NSOGO) and LUPG	The seral report is unchanged from the last report dated Dec. 9th, 2009 (which was reported in the 2008 Annual Report), because no harvesting activities occurred since then. The following shows the results from the previous 2008 SFM Annual Report: Table 3 summarizes the results recorded in this reporting period relating to targets for 'mature + old' and 'old' seral stages. A relative comparison of the results of this reporting period to those in the previous reporting period, indicates that an improving trend toward meeting targets as per NSOGO and the LUPG was achieved in most biogeoclimatic variants. The trend between 2005 and 2008 can be seen in Figure 3, Figure 4 and Figure 5. harvest activities over the last 4 years have occurred exclusively in the BWBSmw2 variant. Note that no harvesting occurred in 2009. The trend within the BWBSmw2 variant was slightly decreasing for mature and old seral stages, but significantly increasing for old seral stage. Some variation exists for the other variants due to the fact that harvesting did not occur in those variants and that natural disturbances (i.e. wildfires) took place.

Table 2: Seral stage distribution in the Fort Nelson DFA

	NHLB vs THLB Comparison		Mature + Old	Old	Total (Ha)
	NHLB	THLB	Current	Current	
	(Ha)	(Ha)	(Ha)	(Ha)	
Total 2008	6,772,631	1,109,626	3,013,182	1,361,900	7,882,257,

Table 3: Summary of seral stage distribution for mature+old and old

	Mature + Old Summary			Old Summary			Drawn Down Old Summary		
	Count of Target Met	Count of BEO/BEC	% Target Met	Count of Target Met	Count of BEO/BEC	% Target Met	Count of Target Met	Count of BEO/BEC	% Target Met
BWBS dk 1	12	12	100%	12	12	100%	12	12	100%
BWBS dk 2	33	38	86.8%	32	38	84.2%	34	38	89.5%
BWBS mw 2	118	126	93.7%	114	126	90.5%	116	126	92.1%
BWBS wk 2	1	2	50%	0	2	0.0%	0	2	0.0%
BWBS wk 3	34	39	87.2%	23	39	59.0%	25	39	64.1%
SWB mk	47	47	100.0%	6	47	12.8%	9	47	19.2%
SWB mks	34	34	100.0%	7	34	20.6%	8	34	23.5%

Target Met		
Yes ✓	No	Pending

Recommendations and Next Steps
The Integrated Land Management Bureau (ILMB) is working towards the establishment of Old Growth Management Areas (OGMA) for the Fort Nelson TSA, in an effort to replace the legal requirement to adhere to the NSOGO. Upon the establishment and implementation of OGMA's within the Fort Nelson TSA, Canfor will revise this measure and related provisions within the FSP to address this change.

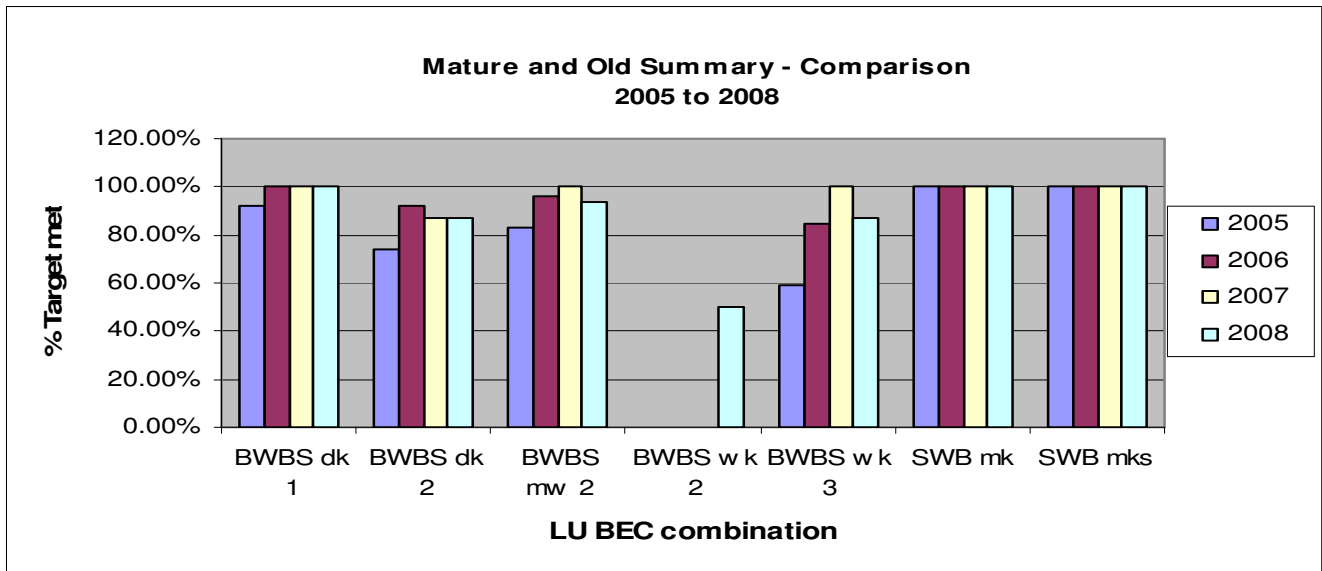


Figure 3: Seral stage distribution 'mature and old'

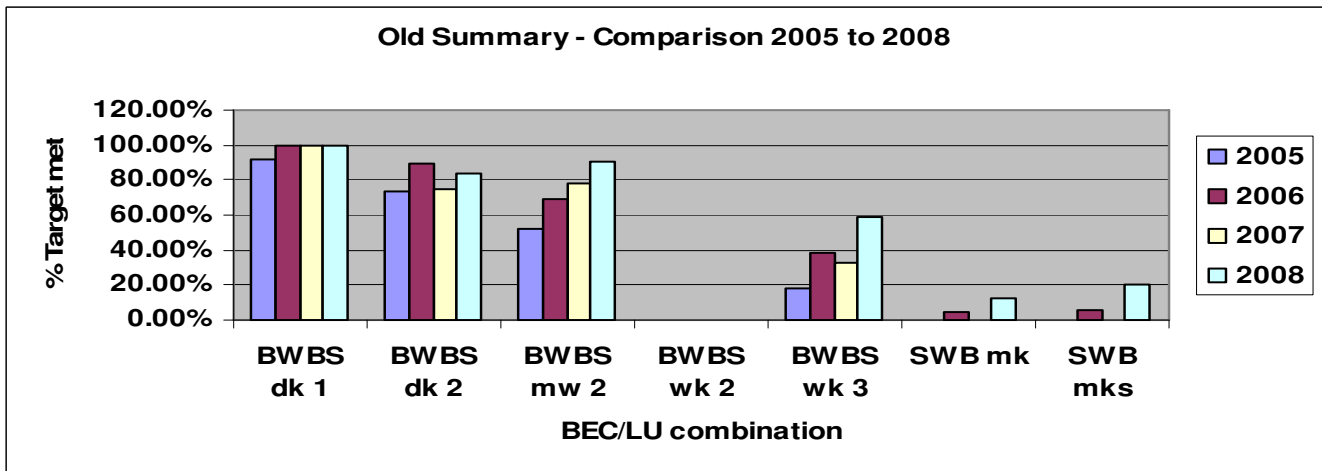


Figure 4: Seral stage distribution 'old'

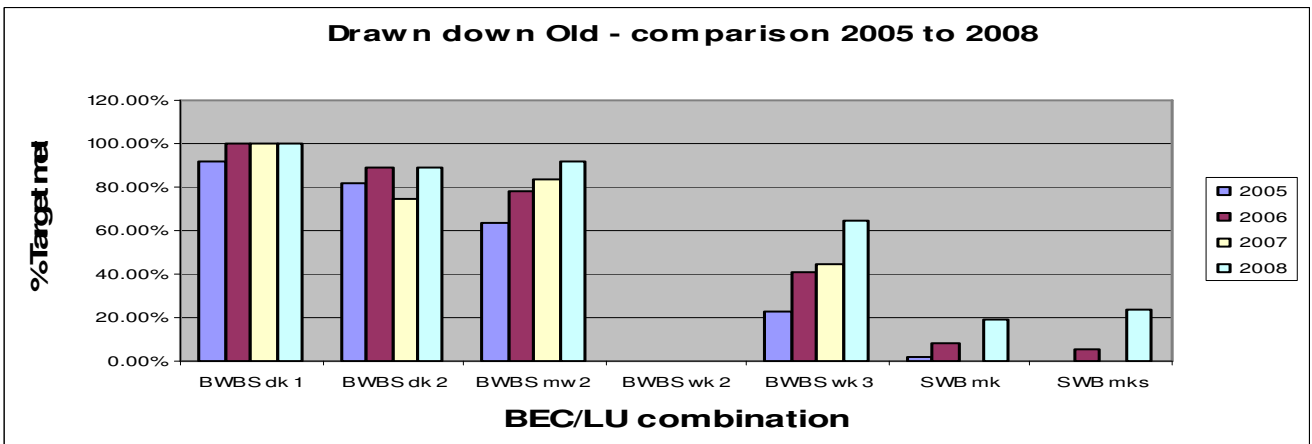


Figure 5: Seral stage distribution 'drawn down old'

1-2.1 a) - Dead Standing

Measure 1-2.1a Dead standing trees on harvested areas in the THLB	
Target	Results
Average of ≥ 7 snags and/or live trees/ha where prescribed after harvesting in THLB (-2)	No harvest activities occurred in the 2009 reporting period and this measure can therefore be considered met.

Target Met		
Yes \checkmark	No	Pending

References
<ul style="list-style-type: none"> • Snag SOP Feb. 21, 2006 SFM reporting checklists • "Wildlife Trees and Coarse Woody Debris: Baseline Data and Procedural Considerations for the Fort Nelson TSA" prepared by Silvicon Services Inc. and Manning, Cooper and Associated Ltd. March 31, 2006

1-2.1 b) - Stand Level Retention

Measure 1-2.1b Stand Level Retention by Landscape Unit and BEC Variant	
Target	Results
100% conformance with locally developed targets as identified in respective licensee's FSP's	No harvest activities occurred in the 2009 reporting period and this measure can therefore be considered met.

Target Met		
Yes \checkmark	No	Pending

Recommendations and Next Steps
<p>Although there is no reporting for this period, the recommendation made in previous SFM Annual Reports to realign the target statement(s) for this measure in order to improve transparency, simplify reporting, and better represent practices currently employed for managing stand level retention (CP balancing), should be considered once harvest activities resume. It could be considered to report out on completed cutting permits (i.e. CPs that expire within the reporting period), rather than on an individual block basis by LU/BEC combination. This recommendation is based on difficulties achieving the target during normal operations as demonstrated in the previous SFM Annual Reports.</p>

References
<ul style="list-style-type: none"> • previous SFM Crystal report SFMP 1-2.1b stand level retention by cutting permit • previous SFM Crystal report SFMP 1-2.1 b stand level retention • Forest Stewardship Plan

1-2.1 c) - Coarse Woody Debris

Measure 1-2.1 c Coarse Woody Debris (CWD) on harvested areas in the Timber Harvest Land Base (THLB)	
Target	Results
Coarse woody debris: Interim > 4 logs (2m or greater length; 7.5 cm or greater top diameter)/ha after harvesting (0)	No harvest activities occurred in the 2009 reporting period and this measure can therefore be considered met.

Target Met		
Yes ✓	No	Pending

Recommendations and Next Steps
Although there is no reporting for this period, recommendations made during the 2008 SFM Annual Report should be considered once activities resume. The recommendations were based on findings of an internal audit, conducted by Carruthers Forest Solutions Ltd. December 2008, to consider adding both, length and diameter, to the measure as a surrogate for CWD quality. This would allow a more meaningful evaluation of the significant waste volumes reported.

References
<ul style="list-style-type: none"> • "Wildlife Trees and Coarse Woody Debris: Baseline Data and Procedural Considerations for the Fort Nelson TSA" prepared by Silvicon Services Inc. and Manning, Cooper and Associated Ltd. March 31, 2006. • FMS Internal Audit Report December 15th, 2008 by Carruthers Forest Solutions Ltd.

1-2.1 d) - Riparian Areas

Measure 1-2.1 d Riparian areas in the Timber Harvest Land Base (THLB)	
Target	Results
Riparian reserve zone standards will meet or exceed strategy/standards as defined in approved FSP/FDPs(0)	No harvesting occurred and no new roads were constructed during the curtailments of Canfor's operation; only maintenance activities were taking place. In regards to infractions to any riparian reserve zones of S1 to S3 streams, no incidents occurred in 2009. The target has been met.

Target Met		
Yes ✓	No	Pending

1-2.1 e) - Shrub Areas

Measure 1-2.1 e Shrub areas across the Crown Forest Land Base (CFLB)	
Target	Results
Sustain current baseline shrub habitat % in the THLB (0.5%) while tracking the	The shrub habitat report is unchanged from the last report dated Dec. 10th, 2009 (which was reported in the 2008 Annual Report), because no harvesting occurred in 2009. The following shows the results from the 2008 SFM Annual Report:

trend in the NHLB (using updated inventory information)	Shrub areas are defined as stands less than 20 years old. Table 4 shows that in the 2008 reporting period 1.55 % of shrub areas exist in the THLB compared to 1.39 % in 2006. The target appears has been met. Discrepancies in reporting occurred due to updated inventory information and a reduction in the THLB area. Inventory data was updated since the development of the first version of the SFM Plan, which provided the baseline data for setting targets. The original data source came from the Fort Nelson TSR3 data package. Since inventory updates occurred in 2006, THLB analysis was conducted in- house by GIS analysts. The newer baseline reported in the 2006 Annual Report (in-house) showed a significant increase in the THLB (almost double). It did not occur until the 2007 reporting period that the reporting for the THLB/NHLB in the 2006 report seemed unrealistic and this resulted in a request for new analysis for the 2008 reporting period. Currently it is not possible to follow the same analysis as in the TSR3 process to obtain areas for THLB and NHLB, as very detailed steps as to the order of net-downs are required. Those steps can hardly be matched with the "in-house analysis" capabilities. Therefore, there is a drastic difference in the THLB/NHLB and shrub areas shown between the previous reporting years and the 2008 reporting year. The THLB analysis data for 2008 shall be considered the new baseline data to compare shrub habitat for coming reporting years. Due to the change to the THLB area and the fact that hardly any harvesting took place in 2008, and no harvesting in 2009, the impact to shrub habitat is negligible and the target can be considered achieved.
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Table 4: Shrub areas across the CFLB

2006-2007	CFLB		THLB		NHLB	
	Ha	%	Ha	%	ha	%
TSA total	5,568,036	100	2,318,456	41.6	3,249,580	58.4
Stands less than 20 years - 2006 baseline	92,675.9	100	32,143.0 (1.39% of THLB)	34.7	60,532.0	65.3
Stands less than 20 years – 2007 reporting period	92,675.7	100	31,449.3 (1.36% of THLB)	33.9	61,226.4	66.1
2008	CFLB		THLB		NHLB	
	Ha	%	Ha	%	ha	%
	5,983,199	100	1,109,813	18.5	4,597,939	76.8
Stands less than 20 years – 2008 Reporting period	192,518.8	100	17,235.1 (1.55 % of THLB)			

Target Met		
Yes ✓	No	Pending

1-2.1 f) - Hardwood Areas

Measure 1-2.1 f Hardwood areas across the Crown Forest Land Base (CFLB)	
Target	Results
Sustain 43% (5%) of the stands as pure or hardwood leading in the THLB while tracking the trend in the NHLB (using updated inventory information)	The report on hardwood areas across the CFLB is unchanged from the last report dated Dec. 10th, 2009 (which was reported in the 2008 Annual Report), because no harvesting occurred since then. The following shows the results from the 2008 SFM Annual Report: As shown in Table 5, 77.7 % of total hardwoods are accounted for in the THLB. The value exceeds the identified target. Inventory data was updated since the development of the first version of the SFM Plan, which provided the original set of baseline data for setting targets. The original data source came from the Fort Nelson TSR3 data package. Since inventory updates occurred in 2006, THLB analysis was conducted in house by GIS analysts. The newer baseline reported in the 2006 Annual Report (in-house) showed a significant increase in the THLB (almost double). It did not occur until the 2007 reporting period that the reporting for the THLB/NHLB in the 2006 report seemed unrealistic and this resulted in a request for new analysis during the 2007 reporting period. The GIS analysts informed of the difficulties to follow the same TSR3 analysis process, as very detailed steps as to the order of net-downs are required. Those steps can hardly be matched with the "in-house analysis" capabilities and a variance should be expected. Due to the big differences in data for the size of the THLB and NHLB within the past two years, it is crucial to develop a reliable analysis that can provide meaningful baseline data or, the analysis could be reported out with the next TSR analysis. Canfor has harvested only conifer leading stands in the 2008 reporting period, and no harvesting was conducted in 2009 the measure can be considered achieved.

Table 5: Hardwood areas across the CFLB

2008 reporting year	CFLB		THLB		NHLB	
	Ha	%	Ha	%	ha	%
TSA total	9,859,321	100	1,109,814	100	3,374,227	100
Pure Hardwoods ¹	1,071,994	10.9	657,375	59.2	414,619	12.3
Hardwood-leading mixed ²	452,116	4.6	205,060	18.5	247,055	7.3
Hardwoods total	1,524,110	15.5	862,435	77.7	661,674	19.6
Pure Conifers ³	3,583,672	36.3	224,182	20.2	2,460,273	72.9
Conifer Leading mixed ⁴	532,327	5.4	23,197	2.1	229,428	6.8
Conifer total baseline	4,115,999	41.7	247,379	22.3	2,689,701	79.7
Other	4,219,212	42.8	0	0	2,829,174	254.9

¹ Pure hardwood stands containing deciduous volume greater or equal to 80%

³ Pure conifer stands containing conifer volume greater or equal to 80%

³ Conifer leading stands exceeding or equal to 50% conifer volume

² Hardwood leading stands exceeding or equal to 50% deciduous volume

References

- SFM crystal report measure 1-2.1f

Target Met

Yes ✓	No	Pending
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Recommendations and Next Steps

Since the current 2004 baseline is not reflective of the actual hardwood component within the THLB, the target of 43% should be adjusted to the appropriate baseline. The need to establish a reliable baseline that will remain consistent over time is crucial in order to identify meaningful changes over time. The target to this measure should be reviewed with the PRISM.

1-3.1 Vertebrate Species Populations

Measure 1-3.1 Recommended vertebrate species populations remain productive relative to baseline	
Target	Results
Baseline Population Productivity not to be negatively impacted by forest management activities.	Data for songbird and woodpecker populations and habitat associations in the Fort Nelson DFA has been gathered in 2009 and a report has been completed for the 4 th consecutive year. In order to obtain statistical valid data, long-term monitoring is required, baseline data analysis is planned after completion of 5 years of data collection. Preliminary analysis completed in 2009 found that the overall avian abundance seems to be stable within the Fort Nelson Forest District, while species richness appears to be increasing in the area. Provided that FIA funds become available and the project is approved, Canfor will initiate another season of data collection in 2010. Upon completion of the data collection, an analysis will be done of the previous years data to identify a baseline and any trends. Preliminary data analysis indicates that the target has been met.

Target Met		
Yes ✓	No	Pending

References
<ul style="list-style-type: none"> • "Selection of Potential Indicator Species of Vertebrates to monitor the effects of practices on Forest Habitat in the Fort Nelson Timber Supply Area" by Isabell Houde, Dec. 2004. • Completed final report on the 3rd year songbird monitoring: "Canada Warbler Habitat Sampling in the Fort Nelson Forest District, March 2009, completed by Cooper, Beauchesne, and Associates Ltd. • Completed final report on the 4th year songbird monitoring: "2009 Forest Songbird and Woodpecker Monitoring in the Fort Nelson Forest District", January 20th, 2010, completed by Cooper Beauchesne, and Associated Ltd.

Recommendations and Next Steps
Selected indicator species for the Fort Nelson DFA are currently songbirds and woodpeckers based on the report from Isabell Houde, Dec. 2004. At the time of preparation of this report pending revisions to the FIA program have not been fully implemented and FIA funding for monitoring in 2010 has not been confirmed. Analysis of data collected to date is required to develop a scientifically sound baseline regarding songbird activity, provided FIA funding will be available. A specific measure and target need to be developed once the baseline information becomes available.

1-3.2 - Management Strategies

Measure 1-3.2 Percentage of Schedule One Species at Risk management strategies that are followed	
Target	Results
100% (0)	No harvest activities occurred in the 2009 reporting period that resulted in the identification and management of species at risk. No species at risk sightings were reported or noted during road maintenance or silviculture activities, thus no management strategies were required to be followed.

Target Met		
Yes ✓	No	Pending

References

- Species at Risk Standard Operating Procedures, Dec. 5th, 2007
- Management Guidelines for Species and Plant Communities at Risk in the Fort Nelson Forest District, Gilbert Proulx, Nov. 30, 2005
- A Field Guide to Species and Plant Communities in the Fort Nelson Forest District, G. Proulx, 2006

1-4.1 - Protected Areas

Measure 1-4.1

Amount of forest management activities (harvesting or road construction) within government designated protected areas

Target	Results
Zero hectares of forestry related harvesting or road construction within Class A parks, ecological reserves or LRMP designated protected areas	The total TSA area (based on TSR III) is 9,868,067 ha; the total percentage of land base of government designated protected areas in the TSA is unchanged from the last reporting period in 2008, remaining at 9.7%. Zero hectares of forestry related harvesting or road construction within Class A parks, ecological reserves or LRMP designated protected areas occurred during the reporting year.

Target Met

Yes ✓	No	Pending
Yes ✓	No	Pending

References

- <http://www.env.gov.bc.ca/bcparks/>
- <http://www.northernrockies.org/>
- http://www.env.gov.bc.ca/bcparks/eco_reserve/html
- Sites of Biological Significance Standard Operating Procedure _ Dec. 11, 2007

Table 6: Parks and protected areas in the Fort Nelson DFA

Parks and Protected Areas	Total Area (ha)	Area within DFA (ha)
<i>Andy Bailey Regional Park</i>	196	196
<i>Dall River Old Growth Provincial Park</i>	644	644
<i>Denetiah Provincial Park</i>	97,908	13,324
<i>Dune Za Keyih Provincial Park and Protected Area</i>	347,789	63
<i>Fort Nelson River Ecological Reserve</i>	121	121
<i>Goguka Creek Protected Area</i>	435	435
<i>Grayling River Hotsprings Ecological Reserve</i>	1,421	1,421
<i>Hay River Protected Area</i>	2,324	2,324
<i>Hornline Creek Provincial Park</i>	298	298
<i>Jackpine Remnant Provincial Park</i>	148	148
<i>Kledo Creek Provincial Park</i>	6	6
<i>Klua Lakes Protected Area</i>	28,040	28,040
<i>Kotcho Lake Ecological Reserve</i>	64	31
<i>Kotcho Lake Village Provincial Park</i>	34	34
<i>Kwadacha Wilderness Provincial Park</i>	114,444	38
<i>Liard River Corridor Provincial Park and Protected Area</i>	88,989	81,202
<i>Liard River Hotsprings Provincial Park</i>	1,082	1,082
<i>Maxhamish Lake Provincial Park and Protected Area</i>	27,516	27,516
<i>Muncho Lake Provincial Park</i>	86,079	86,079
<i>Northern Rocky Mountains Provincial Park</i>	665,709	665,709
<i>Parker Lake Ecological Reserve</i>	259	259
<i>Portage Brule Rapids Ecological Reserve</i>	724	724
<i>Portage Brule Rapids Protected Area</i>	428	428

Parks and Protected Areas	Total Area (ha)	Area within DFA (ha)
<i>Prophet River Hot Springs Provincial Park</i>	185	185
<i>Prophet River Wayside</i>	113	113
<i>Redfern – Keily Provincial Park</i>	80,771	65
<i>Scatter River Old Growth Provincial Park</i>	1,178	1,178
<i>Smith River Falls- Fort Halkett Provincial Park</i>	254	244
<i>Smith River Ecological Reserve</i>	1,326	1,289
<i>Stone Mountain Provincial Park</i>	25,690	25,690
<i>Tetsa River Regional Park</i>	115	115
<i>Thinahtea North Protected Area</i>	3,674	3,674
<i>Thinahtea South Protected Area</i>	16,705	16,709
<i>Toad River Hotsprings</i>	423	423
TOTAL:	1,595,092	959,807

Target Met		
Yes ✓	No	Pending

1-4.2 - Special Sites - Biological Significance

Measure 1-4.2	
The percentage of identified and documented sites of special biological significance that are managed for	
Target	Results
100% (0)	Since no harvest activities took place in 2009, no new sites of biological significance were reported and therefore no management strategies to incorporate those sites apply at this time. No other sites of biological significance have been reported during the 2009 silviculture season.

Target Met		
Yes ✓	No	Pending

Comments
Site of biological significance are defined as rare, uncommon and red/blue listed ecological communities (reported out on in measure 1-1.1), raptor stick nests (Northern Goshawk and Bald Eagle), significant mineral licks and wallows, grizzly bear denning sites, maternity roost or hibernacula (dens used for hibernation) of the Northern Long-eared Myotis, protected areas and reserves. Canfor contractors are required to adhere to operational controls (Standard Operating Procedures, contract standards), which include the requirement to provide information on stick nests and mineral licks to Canfor.

References
<ul style="list-style-type: none"> Sites of Biological Significance and Protected Areas Standard Operating Procedure (Dec. 15, 2007).

1-4.3 - Management Activities Consistent - Muskwa-Kechika

Measure 1-4.3 The percentage of forest management activities consistent with legal objectives for Muskwa – Kechika management area	
Target	Results
100% (0)	Canfor met the target as no harvesting and/or road building activities occurred in or adjacent the Muskwa-Kechika management area. Consequently, forest management activities are consistent with legal objectives for Muskwa-Kechika management area.

Target Met		
Yes	No	Pending

Comments
No harvesting occurred by Canfor in the Muskwa-Kechika management area in the past and no harvesting occurred within the reporting period. Canfor's Forest Stewardship Plan (FSP) has not proposed any Forest Development Units (FDUs) in the Muskwa-Kechika management area. The FDU/FSP content map shows that the Muskwa-Kechika management area is entirely outside of proposed FDUs.

1-4.4 - Management Activities Consistent - Legal Objectives

Measure 1-4.4 The percentage of forest management activities consistent with legal objectives and general wildlife measures of approved Wildlife Habitat Areas (WHA) and Ungulate Winter Range (UWR)	
Target	Results
100% (0)	There are currently no approved UWR or WHA areas in the Fort Nelson TSA. Canfor's FSP includes results for management of wildlife habitat for winter survival of Boreal Caribou and Rocky Mountain Elk. Canfor's operations were consistent with the results proposed in the FSP.

Target Met		
Yes	No	Pending

1-5.1 - Stream Crossings - Surveyed WQCR

Measure 1-5.1 The percentage of Canfor/BCTS constructed surveyed stream crossings identified with a high WQCR rating on forestry roads within the DFA for which participants are responsible (WQCR – Water Quality Concern Rating)	
Target	Results
10% or less of forestry related stream crossings with a high WQCR	Canfor reduced its liabilities of operating roads during the time of indefinite mill closures through the transfer of roads back to the government. The transfer included several mainlines (ML), such as the Liard ML, Poco Komie ML, Patry ML winter section, Tsimah ML, Luyben ML and the Kiwigana ML. In spring 2010 a request for surrender has been made by Canfor to the Ministry of Forests and Range for a total of 61 roads sections. Some of the roads or sections of the road permit will eventually be transferred to Oil and Gas companies operating in the area. A detailed list of surrendered roads is located in the FSJ Canfor office. Therefore, Canfor will not be conducting WQCR surveys on these roads mainline roads and it is recommended, that WQCR surveys on any other ML roads will be suspended, until harvesting operations resume or unless the ML road permit is held by Canfor and is used for silviculture access. The measure is therefore pending.

Target Met		
Yes	No	Pending

Recommendations and Next Steps

Resume WQCR surveys with re-opening of Canfor mills or upon Canfor's use of mainline roads held under road permit by Canfor to gain access to complete silviculture activities.

References

- Road Surrender List_Fort Nelson_2010.xls – Canfor office FSJ Jim Schilling
- Stream Crossing Quality Index Field Manual Oct. 2006, P. Beaudry and Associates Ltd.

1-5.2 - Stream Crossings – Installed/Removed

Measure 1-5.2

The percentage of Canfor constructed stream crossings installed/removed to design/standards

Target	Results
100% conformance (0)	There were no stream crossings installed or removed within cut blocks or access roads, since no harvesting and road construction occurred in 2009. Maintenance work along most roads focused on cleaning/re-shaping ditch lines and constructing cross ditches to move water away from the road surface, however, no crossings were installed or removed, therefore the measure was met.

Target Met

Yes ✓	No	Pending
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1-5.3 - Stream Crossings – Inspections/Mitigation measures

Measure 1-5.3

The percentage of Canfor constructed stream crossing inspections and resulting mitigation measures completed according to schedule

Target	Results
100% (-10%)	No crossings were installed or removed and therefore, no formal inspection reports were completed for this measure. Not resulting from an inspection, measures were taken to seed the stream bank of a bridge crossing on the 1754 road (25 kg of seed were applied). Measure 1-5.1 clarifies that Canfor is in the process of transferring the majority of roads back to the Ministry of Forests (MFR). A significant amount of those roads have been inspected jointly with the MFR. In addition, Canfor has provided resources to observe the road conditions and to initiate road maintenance, if deemed necessary. However, since no stream crossings were constructed or removed, Canfor has met this measure 100%.

Target Met

Yes ✓	No	Pending
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1-6.1 - Conifer Seeds

Measure 1-6.1 The percentage of seeds for coniferous species collected and seedlings planted in accordance with the Tree Seed and Cone Regulations or Chief Forester's Standards for Seed Use	
Target	Results
100% compliance with regulation	Canfor's 2009 planting program totaled 254,570 trees, with 12,960 seedlings planted outside their elevation ranges, which amounts to 5.09%. The Chief Foresters Standards for Seed Use allows for a 5% variance of seedlings, which can be planted outside the seed transfer guidelines within one year. Unfortunately, the 2009 plant exceeds the allowable limit by only 0.9% and therefore, the target has not been met. Canfor has not collected cones since 2004 therefore the cone collection standards are not applicable for this reporting period.

Target Met		
Yes	No <input checked="" type="checkbox"/>	Pending

Recommendations and Next Steps
The Chief Foresters Standards for Seed Use, enabled under FRPA, allows for up to 5% of the seedlings planted in a year to be outside the seed transfer guidelines. The 5% variance, which is policy established in law is not reflected in the target of the SFM Plan. A recommendation to the PAG should be to revise the target to state compliance with Chief Foresters Standards for Seed Use (allow variance of 5%).

References
<ul style="list-style-type: none"> Silviculture files: "2009 Contract summary summit" Kristine.Bock@Canfor.com

1-6.2 - Aspen Regeneration - Natural Regeneration

Measure 1-6.2 The percentage of natural regeneration of aspen	
Target	Results
100% (0)	No calculations were completed for this measure as in 2009 Canfor relied on natural regeneration as the only method used for regenerating aspen. Therefore the target is achieved. Planting aspen has not been adopted by Canfor or BCTS as an operational method of regenerating aspen.

Target Met		
Yes <input checked="" type="checkbox"/>	No	Pending

2-1.1 - Site Index

Measure 2-1.1 Site Index by inventory type group for harvested areas	
Target	Results
Average post-harvest site index (at free growing) will not be less than average pre-harvest site index on harvested blocks.	Harvesting has the potential to cause continual degradation of site quality over time. The Site Index (SI) is commonly used as an indicator of site productivity. The higher the Site Index for a given species in a given region, the higher the productivity or the quality of the site. Approximate age of reported blocks remain 5 to 20 years old. Canfor has the same types of issues with site index estimations as during the previous reporting years. The main issue still involves the different sources of SI and different methods used to identify SI. Pre-harvest SI's were taken from old forest cover maps that were initially classified by site class (P,L,M, and G) and then changed to a site index that corresponded to the site class (site conversion method). For example a medium site class could have a site index from 15 – 22 depending on variables. The majority of our surveys now use the site conversion table, which assigns a standard site index for an area based on leading species and site series. This difference usually accounts for the small differences in pre and post harvest SI numbers. There are a few blocks that have a significantly higher pre-harvest SI. Based on file reviews of the blocks it appears that the pre-harvest SI may have been overestimated. The remaining openings have site index estimates that are close to the site index range for the site index conversion method. It is also noticeable that the site index cannot be determined for some openings, because the original forest cover to determine the stand type was not available. As more blocks approach free growing, Canfor will likely continue to encounter this issue.

Table 7: Canfor pre and post harvest SI

CP/TSL	Block	Free Growing Site Index	Pre-harvest Site Index
562	4A	15	17
547	554A	15	0
541	532	15	16
141	1164	20	16
46	247	15	0
94	1091	15	0
547	554B	15	0
538	520	15	0
98	419	15	0
115	470	15	0
48	234	15	17
89	439B	15	18
130	1169	20	16
120	487	20	16
521	553	15	12
419	4668	20	0
316	683	20	0
71	615	15	0
416	813	20	23
77	500	15	0
95	1089A	15	0
89	439A	16	0
135	1170	15	0
603	569B	15	0
157	90	20	0
561	1C	15	24
531	1A	15	14
416	819	20	0
53	129A	18	0
130	37	20	15
316	903	15	15
150	4900D	20	0
81	130	16	0
129	4600	20	20
98	419	18	0
547	555	15	12
53	129A	15	0

CP/TSL	Block	Free Growing Site Index	Pre-harvest Site Index
145	4960	20	23
90	1076	15	0
67	286B	15	18
115	473	15	0
48	234	16	17
88	3220	15	0
541	531	15	0
95	1086	15	0
98	420A	15	0
313	378	15	0
583	6071	18	20
A52998	P89	20	0
A54023	P272	20	11
A56317	P350	20	0
A56832	P213	20	0
A56834	P201	20	9
A56835	P102	20	21
A56837	P800	20	0
A56837	P815	15	0
A56839	P4801	18	22
A56842	P6072	18	0
A56843	P89A	20	0
A61538	P185	20	0
A61538	P181	20	0
A62090	P2481	20	21
A65230	P3318	20	19
A37214	P6093	18	0
A67220	P2112	20	0

Target Met		
Yes /	No	Pending

References
<ul style="list-style-type: none"> Crystal report SFMP 2-1.1. (dated May 2010)

2-2.1 - Forest Converted to Non-Forest Land use

Measure 2-2.1 Area of THLB converted non-forest land use through forest management activities	
Target	Results
1% (+1%)	No harvest activities or road construction occurred in the 2009 reporting period that resulted in the conversion to non-forest land. The current THLB is 2,318,456 ha. Canfor met the target as the area converted to non- forest use is 0 %.

Target Met		
Yes ✓	No	Pending

2-2.2 - Long Term Detrimental Soil Disturbance

Measure 2-2.2 The percent of long term detrimental soil disturbance as a result of forest management activities	
Target	Results
0% (+2%)	Long term detrimental soil disturbance as a result of forest management practices has not been detected and reported during the reporting period. The target of 0% was met. Canfor's FMS Incident Tracking System (ITS) is used to track all incidents related to the environmental aspect of soil productivity. No incidents were reported. Long-term soil disturbance is defined for blocks with compaction or water table issues lasting approximately 10 years post harvest or post-silviculture activities. As the majority harvest activities occur on frozen and flat ground, detrimental soil disturbance is rarely an issue.

Target Met		
Yes <i>✓</i>	No	Pending

2-2.3 - Landslides

Measure 2-2.3 Number of hectares of landslides resulting from forestry practices	
Target	Results
< 10 cumulative ha in the THLB for slides >0.5 ha in size (0.5 ha) annually	Zero landslides resulting from forestry practices were reported in Canfor's Forest Management Incident Tracking system (ITS) for the reporting period. The target has been met.

Target Met		
Yes <i>✓</i>	No	Pending

2-2.4 – Response to Oil and Gas Information Requests

Measure 2-2.4 Number of information requests from oil and gas companies and agencies responded to	
Target	Results
100% (10% variance)	Canfor responded to all 52 Oil and Gas referrals, which related to potential impacts on cutblocks, with an average respond time of 5.2 business days. In addition it is noteworthy to mention that 57 requests for road use agreements were made by land agencies for the use of Canfor's permitted roads and that Canfor's responded with a completed agreement on average within 3.9 business days. This measure has been met.

Target Met		
Yes <i>✓</i>	No	Pending

References
<ul style="list-style-type: none"> Canfor Oil and Gas Tracking Sheet (Reg Gardner, Canfor Ft. St. John)

2-3.1 - Regeneration Delay

Measure 2-3.1 Percentage of area meeting Regeneration Delay	
Target	Results
100% of area planted within 2 years (2); naturally regenerated: 4 years (1 year/FSP and 0 year/FDP)	During the 2009 reporting period, the average regeneration delay for conifer blocks was 3.4 years, which is an increase of 1.4 years compared to the previous reporting period. Considering a variance of 2 years, the target has been met for artificial regeneration. The average regeneration delay for deciduous openings was 3.5 years, a slight improvement of 0.3 years compared to the previous reporting period. The target of 4 years for deciduous management has been met. The overall average for both, conifer and deciduous openings for meeting regen delay is 3.5 years. This measure has been met.

Target Met		
Yes ✓	No	Pending

References
<ul style="list-style-type: none"> Crystal report SFM measure 2-3.1 (dated May 25th, 2010)

2-3.2 - Regeneration Standards

Measure 2-3.2 The percent of area in compliance with regeneration standards set in operational plans	
Target	Results
100% (10%)	<p>This measure was not met as compliance was measured at 84.4%, which is an improvement of 11.4 % from the previous reporting period. Amendments and/or action plans have been submitted for all blocks that did not meet the regeneration delay date.</p> <p>Although a variance of 10% is allowed to account for delays in the submission and approval process to address administrative limitations, the measure has still not been met.</p> <p>It should be recognized, however, that an improving trend towards meeting the target is noticeable, largely due to the focus of the relatively new "Silviculture Forest Management Group" focus on areas that are NSR.</p>

Target Met		
Yes	No ✓	Pending

Recommendations and Next Steps
Site Plan amendments and/or action plans have been submitted to the MFR for all blocks that did not meet the regeneration delay date. The Silviculture Management Group shall continue to focus on preparing and submitting Site Plan amendments and/or action plans and implementing actions, where required to regenerate all current not satisfactory stocked areas.

2-3.3 - Free Growing

Measure 2-3.3 The percent of area in compliance with free growing standards set in operational plans	
Target	Results
100% (10%)	<p>Taking into account the variance of 10%, Canfor met this target as 90.1% of the area met free growing standards. The 10% variance allows for delays in the submission and approval process to address administrative limitations. Out of 3,265.07 ha, 324.31 ha did not meet the requirements. The following openings were not declared free growing at time of reporting:</p> <p>CP 544 Block 500B: an amendment has been submitted to the MOFR and it was requested to declare the block as is;</p> <p>CP 89 Block 437 is in fact free growing, but has not yet been declared due to administrative backlog. The opening will be declared in 2010.</p> <p>A56837 P356A and A56837 P815: Action plans for both blocks have been submitted to the MOFR;</p> <p>A61535 Block P811: A Site Plan amendment is pending. The performance in meeting free growing standards has improved significantly since the last reporting period and it is anticipated that it will continue to meet the target in the future.</p>

Target Met		
Yes ✓	No	Pending

References
<ul style="list-style-type: none"> Crystal report SFM measure 2-3.3 (run June 2010)

2-4.1 - Treatment Plans for Natural Disturbance Events

Measure 2-4.1 The percent of significant detected natural disturbance damaging events in the THLB which have treatment plans prepared and implemented	
Target	Results
100% within the first year of detection	<p>The MOFR has assessed natural disturbance in the DFA through annual aerial surveys in summer of 2009.</p> <p>Of the identified 12 disturbances, all were found to be significant (>500 ha) and those are shown in Table 8. The majority of incidents for 2009 were attributed to Venturia, which was randomly located over several operating areas. Isolated locations with no potential road access will not be monitored, however, there are some areas closer to existing cutblocks that warrant monitoring due to access and potential impacts on existing blocks. Salvage opportunities might be minimal should affected stands be immature. Due to the fact that potential road access exists to the Western Balsam Bark Beetle area, monitoring has been chosen as a treatment plan. One of the two incidents of Aspen Leaf Miner was deemed appropriate to monitor, due to its close location to the Alaska Highway south of Prophet River Village. Again, salvage opportunities might be limited in the future if immature Aspen stands are affected. A major natural burn occurred in 2009 in the Smith River/Liard area. Since the burn nearly affects an entire BCTS sale unit, it seemed appropriate for BCTS to monitor the area for potential salvage opportunities. However, three other natural burns occurred within the Muskwa-Kechika Management. Harvest activities are not permitted within the MK-MA at this time, hence no salvage treatment plans were developed. It should be noted, that the identified significant forest health areas are not always fully contained within the timber harvesting land base (THLB); some areas only cover a small percentage of the THLB, while</p>

the remaining areas are located in the non harvest land base (NHLB); A summary of the existing (including pre 2009) areas with treatment plans are shown in **Table 9**, showing that 13 significant areas of Western Balsam Bark Beetle, 5 significant areas of large Aspen Tortrix, 1 area of significant Spruce Budworm attack, 4 significant areas of Venturia, 1 significant Aspen Leaf Miner area and one severe natural burn area were identified.

Table 8: Significant natural disturbances listed by forest health factor for 2009

Forest Health Factor	Operating Area	Severity	Number o Incidents	Total Affected Area (ha)	Estimated % of THLB	Treatment Plans Developed
Venturia (DLV)	Desan	low	1	1,629.0	20	No
Venturia (DLV)	Catkin	low	2	1,440.0	97	Yes (Monitor)
Venturia (DLV)	Klua	low	1	534.5	95	Yes (Monitor)
Venturia (DLV)	North Dunedin	low	1	507.9	20	Yes (Monitor)
Western Balsam Bark Beetle (IBB)	Torpid	traces	1	961.0	20	Yes (Monitor)
Aspen Leaf Miner (ID6)	Desan	low	1	1,212.0	20	No
Aspen Leaf Miner (ID6)	Bougje	moderate	1	833.5	30	Yes (Monitor)
Natural burns	Smith River	Severe	1	23,764.1	55	Yes (Monitor)
Natural burns	Various in the Muskwa Kechika Management area	severe	3	11,721.9		No

Significant natural disturbances listed by Forest Health Factor; (NB , DLV, ID6, NB) detailing the number of significant incidents (i.e. incidents >500 ha), the total area affected within the DFA and the total area on which treatment plans have been developed for the 2009 forest health information.

Table 9: Summary of significant natural disturbance events with treatment plans up to 2009

Areas with Treatment plans from previous years forest health assessments				
Disturbance_ID	# of incidents : 500 ha	Severity	Area Affectec (ha)	Location
Western Balsam Bark Beetle	13	From traces to low	22,308	All areas have treatment plans
Large Aspen Tortrix	5	From low to moderate	10,156	All areas have treatment plans
Spruce Budworm	1	low	872.73	Areas have treatment plans
Venturia	4	low	2,482.4	Areas have treatment plans
Aspen Leaf Miner	1	moderate	833.5	Area has treatment plan
Natural burn	1	severe	23,764.1	Area has treatment plan

Target Met

Yes ✓	No	Pending
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References

- "Identification and Management of Natural Disturbance in the Fort Nelson TSA SOP"
- Natural disturbance tracking access database (see BCTS files)
- <http://www.for.gov.bc.ca/hfp/health/overview/2009.htm>

2-4.2 - Catastrophic Natural Disturbance Events

Measure 2-4.2 The percent of catastrophic natural disturbance events (>500ha) as a result of forest management practices	
Target	Results
0% (0)	Forest activities have not triggered any catastrophic events during the reporting period. Canfor's Incident Tracking System (ITS) did not show records of catastrophic events, such as landslides, wind-throw or long-term detrimental soil disturbances, fires etc. The main causes of natural disturbances recorded were caused by fire and insects, and are reported out in measure 2-4.1. The target of 0% has been met.

Target Met		
Yes ✓	No	Pending

References
<ul style="list-style-type: none"> Natural Disturbance Reporting Form Incident Tracking System (ITS)

3-1.1 - Carbon Stored in Trees

Measure 3-1.1 The level of total ecosystem carbon stored in trees and non-tree vegetation (above ground biomass and roots) present in the THLB and NHLB current allowable cut	
Target	Results
Maintain or increase the CFS-CBM derived baseline of 1,75mega tons total ecosystem carbon on the productive CFLB (+/- 10%)	The CBM-CFS3 is a landscape-level forest carbon accounting framework and simulates carbon dynamics above and below ground. The results of this model showed that under the base case, total carbon storage fluctuates between 1,752 MT and 2,005 MT over a 250 year forecast. Table 10 : CBM model carbon storage shows the results of carbon storage by THLB and NHLB based on the CBM. Remodeling will occur with the next TSR (every five years).

Table 10 : CBM model carbon storage

Carbon storage	Current Carbon Total Mega tones (MT)
Timber Harvesting Land Base	496
Non-harvestable Land Base	1256
Total Timber Land Base	1,752

Target Met		
Yes ✓	No	Pending

References
<ul style="list-style-type: none"> Fort Nelson DFA Carbon Phase 1 Report, March 31, 2006 by Forest Ecosystem Solutions Ltd. Fort Nelson DFA Carbon Phase 2 Report, May 19, 2006 by Forest Ecosystem Solutions Ltd.

3-3.1 - Carbon Sequestration

Measure 3-3.1 Average sequestration rate in the THLB and NHLB at current annual allowable cut	
Target	Results
Maintain or increase the CFS-CBM derived baseline sequestration rate of 0.93 MT carbon per year in the THLB and 0.55 MT carbon per year in the NHLB (+/- 10%)	The CBM-CFS3 is a landscape-level forest carbon accounting framework and simulates carbon dynamics above and below ground. The results of this model showed that under the base case, carbon sequestration rates fluctuates between -3.96 to 5.00 MT over a 250 year forecast. Table 11: CBM model carbon sequestration, shows the results of the current carbon sequestration rate by THLB and NHLB based on the CBM. Remodeling will occur with the next TSR (every five years).

Table 11: CBM model carbon sequestration

Carbon Sequestration	Current Sequestration Rate in Total Mega tones (MT)
Timber Harvesting Land Base	0.93
Non-harvestable Land Base	0.55
Total Timber Land Base	1.47

Target Met		
Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Pending <input type="checkbox"/>

References
<ul style="list-style-type: none"> Fort Nelson DFA Carbon Phase 1 Report, March 31, 2006 by Forest Ecosystem Solutions Ltd. Fort Nelson DFA Carbon Phase 2 Report, May 19, 2006 by Forest Ecosystem Solutions Ltd.

4-1.1 – Harvest volume

Measure 4-1.1 Harvest volume as percentage of long-term timber supply (AAC)		
Target	Results	
100% of AAC apportionment harvested annually, annual variance allowed based on current cut control provisions	Canfor did not resume harvesting in the 2009 reporting period. Canfor's apportionment of the current AAC is 1,163,716 cubic meters. The intent of this measure is to ensure that harvest levels do not exceed the AAC set for the Fort Nelson TSA. Due to the indefinite shutdowns of both Canfor mills, no harvesting took place and cut control provisions have therefore not been exceeded. The measure has been met.	
Target Met		
Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Pending <input type="checkbox"/>

4-1.2 - Timber Supply Certainty

Measure 4-1.2 Timber Supply Certainty - Annual Allowable Cut (AAC)	
Target	Results
No change or increasing (report every five years)	The TSR3 data package for the Fort Nelson TSA was completed and approved by the Ministry of Forests and Range in 2004. A determination of the AAC was made in November 2006 by the Chief Forester. Effective November 10 th , 2006, the new Allowable Annual Cut (AAC) for the Fort Nelson Timber Supply Area (TSA) is 1,625,000 cubic meters, an increase of approximately eight percent. The additional AAC was apportioned in February 2009 as shown in Table 12. The major change compared to the previous apportionment has been the inclusion of non-replaceable forest licences and an increase in the Forest Service

	reserve volume.
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Table 12: Fort Nelson TSA AAC and apportionment effective February 26, 2009

Form of Agreement	Conventional		Deciduous-leading		Total	
	m ³	%	m ³	%	m ³	%
Forest Licence – Replaceable	553,716	34.07	0	0	553,716	34.07
Forest Licence – Non-Replaceable	83,000	5.11	0	0	83,000	5.11
BCTS - Timber Sale Licence	299,668	18.44	0	0	299,668	18.44
Pulpwood Agreement - Timber Sales	610,000	37.54	0	0	610,000	37.54
Community Forest Agreement	18,000	1.11	0	0	18,000	1.11
Forest Service Reserve	60,616	3.73	0	0	60,616	3.73
Total:	1,625,000	100	0	0	1,625,000	100

Target Met		
Yes <i>✓</i>	No	Pending

References
<ul style="list-style-type: none"> http://www.for.gov.bc.ca/hth/apportionment/Documents/APTR011%20Fort%20Nelson.PDF

4-2.1 –Direct Employment

Measure 4-2.1 Direct employment in the forest industry	
Target	Results
Report out number (track trend)	<p>The data to report on this measure were obtained from Canfor’s training records and employment records for the mills. For forestry operations, Canfor employed directly 81 people. The Polarboard mill employed in 2009 three salaried employees and six hourly personnel; The Tackama mill employed one salaried employee and eleven hourly personnel. The Woodlands office in Fort Nelson employed one salaried staff. The employment numbers of contractors in the operational areas of silviculture, road maintenance and planning staff is based only on training records; those activities are mainly carried out in the summer month (May to August) and constitute only part-time employment. The trend of employment in the forest industry is declining due to the indefinite shut down of the Canfor mills. The minimal harvesting activities carried out in 2008 resulted in a small overall planting program.</p> <p>Statistics Canada also provides a source of labour force for logging and forest products. For the 2006 census the forest and logging and forest products industry employed 460 people, which is a reduction of 9.8% compared to the 2001 census data, with 510 employees. In the same time frame employment in the Mining and mineral products increased by 47. 2 %.</p>

Table 13: Canfor’s direct employment in the forest industry

Activity	Fort Nelson TSA employmen 2008	Fort Nelson TSA employment 2009
Harvesting, Hauling, Road Maintenance	11	1
Silviculture (Surveys, Planting, Herbicide, Burning)	114	51
Layout/Assessments (block development, archaeological)	35	0
Forest Investment Account/ SFM related work	8	7
Mill employees plus Woodlands staff (PolarBoard, Tackama)	24	22
Total	192	81

Target Met		
Yes <i>J</i>	No	Pending

References
<ul style="list-style-type: none"> FMS training records/accounting http://www.northernrockies.ca/assets/Residents/PDFs/BCStats_FN-community-facts.pdf

4-2.2 – Indirect and Induced Employment

Measure 4-2.2 Indirect and induced employment associated with direct forest industry employment	
Target	Results
Report out (track trend)	The data specific to this measure was not available from BC Stats. The TSR3 (2004) data for the Fort Nelson TSA reported out that the average indirect/induced forest sector employment is 298 person-years. This number, however, is not reflective of the current status due to the indefinite shut-downs of both Canfor mills (PolarBoard and Tackama) in 2008. Indirect and induced employment has been drastically reduced since then but not yet captured in statistics.

Target Met		
Yes <i>✓</i>	No	Pending

4-2.3 – Dollar Value of BCTS Timber Sales and Advertised Volume for Sale

Measure 4-2.3 Dollar value of BCTS Timber Sales and total timber volume advertised for sale by BCTS	
Target	Results
Report out (track trend)	BCTS Fort Nelson advertised four timber sale licenses (TSL's) totaling 54,758 m3. No bids were received and nothing was sold. The amount advertised in the previous 2008 reporting period was 148, 250 m3 and nothing was sold either. The trend in the past two years is that less volume is being advertised (36.9 % of 2008 volume) and no bids were received in 2008 and 2009.

Target Met		
Yes <i>J</i>	No	Pending

4-3.1 – Stumpage

Measure 4-3.1 Stumpage paid by Fort Nelson TSA licensees	
Target	Results
Stumpage is paid (report annually)	The total stumpage/timber rent paid by Canfor during the reporting period was very small due to the fact that no harvesting took place. Within the reporting period there was a stumpage adjustment credit for \$596.00. Local and provincial taxes don't apply, as Woodlands does not pay Federal or Provincial taxes because Canfor's net income is zero. The target has been met, as 100% of fees due were paid annually to municipal governments and paid on time.

Target Met		
Yes <i>J</i>	No	Pending

References

- Laurie Graham (Canfor accountant): Laurie.Graham@Canfor.com

4-4.1 – Forestry Related Contracts Entered Between First Nations and Licensees

Measure 4-4.1	
Forestry-related contracts and total dollar value of these contracts, entered into by TSA Forest Licensees with either local First Nations or their companies or their members	
Target	Results
Report out number (track trend)	No contract was entered into between Canfor and a local First Nations or their companies or members. The trend is unchanged from 2008.

Target Met		
Yes ✓	No	Pending

4-4.2 – Bids Won by First Nations and Awards Directed to First Nations through BCTS

Measure 4-4.2	
Number of BCTS timber sales bids won by, Small Scale Salvage tenures awarded to and Non Replaceable Forest Licences (NRFLs) won by or awarded to either local First Nations or their companies or their members	
Target	Results
Report out number (track trend)	BCTS advertised four contracts, none of which were awarded to First Nations. Nothing was sold within the reporting period. For more details refer to the BCTS 2009 SFM Annual Report. The number of sales has increased compared to the 2008 reporting period, however, none were awarded to First Nations and none of those were sold. With the downturn in the forest industry and the indefinite shutdown of the Canfor mills in the DFA, activities are minimal.

Target Met		
Yes ✓	No	Pending

4-5.1 – Factors Influencing Competitiveness of Forest Industry

Measure 4-5.1	
Perceptions of Canfor, BCTS and other local manufacturing facilities' senior managers about local events and factors influencing main drivers of competitiveness of Fort Nelson area forest industry	
Target	Results
Rating of satisfactory of higher	A survey to solicit input for this measure has been developed in September 2009 and has been administered to Canfor and BCTS management, respectively. The results and associated comments to each questionnaire are shown in Table 14 and Table 15. The majority of ratings are below the threshold of 'satisfactory' and therefore the target has not been met. The questionnaire was developed and administered during the 2009 reporting period, but already included in the 2008 report (data is the same). The next questionnaire will be administered in the 2010 reporting period.

Table 14: Summary Perception Survey

Question	Very Unsatisfied	Unsatisfied	No Opinion	Satisfied	Very Satisfied
1. Are you satisfied that the local wood supply is adequate in terms of species mix, piece size and distribution in relation to manufacturing facilities to maintain a competitive forest industry in Ft Nelson?				X XX	
2. Does the local access infrastructure (rail, public roads, PDR's and forest roads) provide adequate access to forest resources and markets to allow for a regionally competitive forest industry?				XXX	
3. Is the local labour pool adequate (overall) to ensure a competitive forest industry?	X		X		
A) Number of workers available?	X	X	X		
B) Level of training of workers?	X	XX			
4. Is the market for timber products conducive to encourage and maintain a competitive forest industry?	X	XX			
5. Overall, are you satisfied that there is a competitive forest industry in the Fort Nelson area?	X	XX			

Table 15: Summary of comments to questions of perception survey

Question #	Comments
1	<ul style="list-style-type: none"> The deciduous (aspen) timber resource in Fort Nelson is considered among the very best in Canada All the mills have shutdown in Fort Nelson and BCTS is waiting for start-up again to be able to sell timber. Lots of wood supply still available in the Fort Nelson area. However, much of this supply is far away locations which makes it costly to access, especially during this tough economic downturn in the forest industry.
2	<ul style="list-style-type: none"> There is a lack of all weather roads in Fort Nelson. This makes access to the forest resource difficult. Rail and all weather highway access link Fort Nelson to markets. The distance from Fort Nelson to southern markets puts Fort Nelson at a competitive disadvantage regionally and provincially. With the large basket of green timber in Fort Nelson BCTS is looking to be a leader in green wood sales in the future once the pine beetle runs its course in B.C.
3	<ul style="list-style-type: none"> There is a definite lack of supply of skilled workers, trades people and professionals with experience working in the forest industry in Fort Nelson. We compete with operations in southern regions for skilled workers. There need to be more than one mill running in Fort Nelson to encourage a competitive forest industry in the area. With the shutdown of the Canfor operations [both mills and woodlands] much of the available local workers has diminished as laid off workers left Fort Nelson.
4	<ul style="list-style-type: none"> The current market is not conducive to maintaining a competitive forest industry in Fort Nelson. When the current low prices for products are combined with the higher costs to access markets, Fort Nelson is at a distinct disadvantage in comparison to other regions in BC. There is a lack of BCTS registrants loggers in Fort Nelson to create a good competitive market.
5	<ul style="list-style-type: none"> Given the current depressed economic conditions globally and in the forest industry specifically, Fort Nelson is not able to compete with southern regions in BC that are much closer to markets (reduced transportation costs).
Other comments	<ul style="list-style-type: none"> Due to tough economic times, it is difficult for forest operations to operate in a competitive manner because of the isolation of Fort Nelson and the distance to the buying markets. The railroad system has not helped matters as they appear to have little interest in working with customers in the Fort Nelson area.

Target Met		
Yes	No ✓	Pending

Recommendations and Next Steps
<p>The results in Measure 4-5.1 and 4-5.2 are reflective of the current downturn in the forest industry and influenced by the indefinite shutdown of the two major Canfor mills in Fort Nelson in 2008. Improvement in the global economy generally and in the US housing market specifically are required in order to once again render forest operations in Fort Nelson as economically viable and competitive with the BC interior forest industry. These changes are beyond the control of Canfor and BCTS .</p>

4-5.2 - Competitive Primary Milling Facility

Measure 4-5.2 A competitive Primary Milling Facility is sustained	
Target	Results
Minimum of 1 (0)	The Fort Nelson Canfor operations, Polarboard (OSB) and Tackama (plywood) mills remain indefinitely closed in 2009 due to a continued poor wood product market. The 2009 reporting period marks the first time that Canfor could not sustain a minimum of 1 competitive primary milling facility in the DFA, and the target has therefore not been met.

Target Met		
Yes	No <i>√</i>	Pending

5-1.1 - Potential for Marketed Non-Timber Benefits

Measure 5-1.1 List of existing and documented potential for marketed non-timber benefits	
Target	Results
1 (0) list exists	Measure 5-1.1 has been identified as a knowledge gap and entered into Canfor's Incident Tracking System. The project is partially completed; a report was developed by Royal Roads University March, 2006: "NTFP indicator development for the Fort Nelson DFA – Phase 1A Prelim. Report. A Forest Investment Account project tender was submitted in July 2008 to continue with the project with the intention to have the project completed in 2009. The Forest Investment Accountant (FIA) administration rejected the project in September 2008 and clarified that Non Timber Forest Products (NTFP) projects were not eligible for FIA funding until such time as the Ministry of Forests completes a review of the standards that are applicable to the completion of these projects. This measure will remain pending for the 2009 reporting period until the development of standards by the government to guide the completion of NTFP inventory and research projects and until the resumption of Canfor's harvest operation. The dates for resumption of harvest activities and development of NTFP project standards are both indefinite at this time.

Target Met		
Yes	No	Pending <i>√</i>

Recommendations and Next Steps
The project to develop a list of existing and documented potential for marketed non-timber benefits should be further pursued once the standard to guide Non Timber Forest Products projects has been developed by the Ministry of Forests and Range and once harvest activities resume.

5-1.2 – Marketed and Market Activity of Non-Timber Forest Resources

Measure 5-1.2 Amount of marketed non-timber forest resources and/or amount of non-timber forest resource market activity by industries	
<ul style="list-style-type: none"> • Hunting (hunter days and animals harvested) • Trapping (traplines and furbearers harvested) • Tourism (number of commercial recreation tenures) • Range (Number of range tenures and total Animal Unit Months –AUM’s) 	
Target	Results
Report out number (track trend)	<p>Hunting data is shown in</p> <ul style="list-style-type: none"> • Table 16 and the data was provided from the Ministry of Environment; shown are the hunting statistics for resident and non-resident hunters for the Peace Region (management unit 7b) from hunter sample and guide declarations made in 2008; specific Fort Nelson DFA data is currently not available. <p>Trapping data is shown in</p> <ul style="list-style-type: none"> • Table 17 (source: Ministry of Environment); the data includes all traplines within the Peace Region and shows animals and furbearers harvested in 2008. • Commercial recreation tenures: Overall there are 25 tenures with over 69 individual sites. The sites listed in Table 18 reflect the number of sites being used by commercial recreation operators. Sites can be anything from a small hunting cabin to a river corridor, to a horseback trail, depending on the activity type. The 2009 data is unchanged from 2008. • For the Fort Nelson DFA there are 25 active range tenures and a total of 12,217 AUM’s. The 2009 data is unchanged from 2008.

Table 16 Hunting statistics for resident and non-resident hunters 2008 Peace Region

	Total resident hunters	Total resident hunter days	Total resident kills	Total resident male kills	Total resident female kills	Total resident juvenile /or unknown sex kills	Percent of total resident kills male	Percent of total resident kills female	Percent of total resident kills juvenile	Total non resident hunters	Total non resident hunter days	Total non resident kills	Total non resident male kills	Total non resident female kills	Total non resident juvenile /or unknown sex kills
W.T. deer	1899	19235	1029	751	257	21	73	25	2	77	400	37	37	0	0
Moose	5142	38470	1216	1192	0	12	98	0	1	336	1886	205	205	0	0
Caribou	259	1986	25	25	0	0	n/a	n/a	n/a	52	303	25	25	0	0
Goat	151	1176	37	24	13	0	n/a	n/a	n/a	109	501	72	59	11	2
Sheep	651	4752	114	114	0	0	n/a	n/a	n/a	121	834	88	88	0	0
B. Bear	694	5599	133	121	12	0	91	9	0	101	603	56	37	18	1
G. Bear	196	1535	38	27	10	1	n/a	n/a	n/a	42	239	25	21	4	0
Cougar	0	0	0	0	0	0	n/a	n/a	n/a	0	0	0	0	0	0
Wolf	854	10454	245	201	34	10	82	14	4	145	1342	15	11	3	1

Table 17 Animals and furbearers harvested on traplines in 2007 and 2008

	Beaver	Blackbear	Bobcat	Coyote	Fish	Fox	Lynx	Marten	Mink	Muskrat	Otter	Raccoon	Skunk	Squirrel	Weasel	Wolf	Wolverine
2007	250	1	0	126	90	16	181	1836	25	37	2	0	0	781	680	24	18
2008	563	2	0	127	81	47	358	4279	56	148	34	0	0	528	622	14	43

Table 18 Commercial recreation tenures in the Fort Nelson TSA

2007 Data	Number of sites (e.g. small hunting cabin, river corridor, horseback trail)
15 tenures	Containing each 1 site
1 tenure	Containing 10 sites
1 tenure	Containing 6 sites
2 tenures	Containing 8 sites each
1 tenure	Containing 9 sites
1 tenure	Containing 4 sites
2 tenures	Containing 2 sites each
2 applications in queue with multiple sites	1 application with 3 sites 1 application with 2 sites
TOTAL	Overall 25 tenures with over 69 individual sites

Target Met		
Yes ✓	No	Pending

References
<ul style="list-style-type: none"> Hunting/Trapping: Lori Jeffrey (MOE): Lori.Jeffrey@gov.bc.ca Commercial recreation tenures: Heather Mc Rae (ILMB): Heather.MacRae@gov.bc.ca Range: Sonja Leverkus (Range officer Fort Nelson): Sonja.Leverkus@gov.bc.ca

6-1.1 - Employment by broad Sector - Local Economy

Measure 6-1.1 Employment by broad sector (such as manufacturing, professional services, etc.) for the DFA	
Target	Results
Report out (track trend)	The labour force for broad industry sectors in Fort Nelson is shown in Table 19. The current information source was taken from the Stats Canada Community Profile 2006 Census. since the information in Table 19 is the first report so far that shows the broader categories, no trend can be established at this time.

Table 19 Labour force Fort Nelson 2006

	2006 Census Fort Nelson total (person)
Agriculture, forestry, fishing, hunting	170
Mining and oil & gas extraction	345
Utilities	105
Construction	275
Manufacturing	500
Wholesale trade	170
Retail trade	390
Transportation & Warehousing	355
Information & cultural industries	45
Finance and Insurance	40

	2006 Census Fort Nelson total (person)
Real estate & rental & leasing	120
Professional, scientific & tech. services	95
Management of companies & enterprises	0
Admin & support, waste mngt & r remediation	140
Educational services	235
Health care and social assistance	135
Arts, entertainment & recreation	40
Accommodation & food services	315
Other services	175
Public administration	210
Total labour force 15 years and over (all industries)	3,890

Target Met		
Yes <i>√</i>	No	Pending

References
<ul style="list-style-type: none"> • Stats Canada site Community profile; • http://www.bcstats.gov.bc.ca/data/cen06/profiles/detailed/59059000.pdf

6-1.2 – Employment by Industry

Measure 6-1.2 Employment by industry (such as forestry, tourism, high technology, etc) for the DFA	
Target	Results
Report out (every five years)	This measure is supposed to provide a more detailed insight of the employment demographics within the Fort Nelson DFA, such as specific to forestry, tourism etc. However, detailed data was not available for reporting due to the fact that there are no standard data products available that provide employment statistics by industry. Canfor chose not to report out on the 2006 census information. The only way to obtain such data is by a custom tabulation of the census database and based on the current curtailment condition and difficult economic situation the additional costs are not deemed acceptable. The measure is deemed pending, until purchasing of data is warranted with the re-opening of the indefinite shut down divisions.

Target Met		
Yes	No	Pending <i>√</i>

References
<ul style="list-style-type: none"> • Stats Canada site Community profile; http://www12.statcan.ca/english/census06/data/profiles/community/Details/Page.cfm?Lang=E&Geo1=CSD&Code1=5959005&Geo2=PR&Code2=59&Dataom=

7-1.1 - Stakeholder Database

Measure 7-1.1 Implementation and annual update of a comprehensive stakeholder database of affected and interested parties	
Target	Results
Target completion date September 30 th (to complete annual updates of the database), (Variance 1 month later)	A comprehensive Stakeholder Analysis has been completed in March 2003 and updated in November 2004. With the development of the COPI database (Creating Opportunities for Public Involvement) the old version of the Stakeholder Analysis has been rolled into the COPI database, which is regularly being updated by the users. Trapline and Guide Outfitter information is updated yearly by their respective government agencies and is forwarded to Canfor. As staff becomes aware of address or status changes, the COPI database is updated.

Target Met		
Yes <i>✓</i>	No	Pending

7-1.2 – Communication with the Public

Measure 7-1.2 Number of methods used by licensees to communicate with the public on sustainable forest management on an annual basis, in addition to responding to written inquiries	
Target	Results
Minimum of three methods (such as SFMP web page or field trips or school visits or newspaper publication, etc)	Opportunities to communicate with the public were extremely restrained due to the indefinite shutdown of both Canfor mills within the DFA and further reduction of Woodlands staffing to one person. Only two methods to communicate to the public on sustainable forest management were completed in the 2009 reporting year, which was done by discussion of the 2008 Annual report at PAG meetings, posting the annual report to Canfor's external website and posting of external CSA Audit results for Canfor's Forest Management Group (which includes Fort Nelson) on Canfor's external website: http://www.canfor.ca/resources/sustainability/Canfor_FMG_Update_Report_Nov_2009.pdf Due to a lack of other initiatives, this measure has not been met.

Target Met		
Yes <i>✓</i>	No	Pending

7-1.3 - Effective Public Advisory Group

Measure 7-1.3 The existence of an effective public advisory group (PAG)	
Target	Results
One PAG having a written terms of reference and meeting a minimum number of 4 times per year	<p>The Fort Nelson public advisory group, the PRISM (Public Response for Informed Sustainable Management), represents many of the interests of the community and continues to meet, albeit of the indefinite shut down of all Canfor operations in the Fort Nelson DFA. The PRISM has a written terms of reference (TOR), which has been reviewed in March 2010, and section 2b of the TOR states that: "Meetings will be held at a minimum quarterly, or more often as required, except in situations of indefinite operational shutdowns caused by market conditions or events substantially out of the control of the participants."</p> <p>The PRISM met three times within the reporting period. The amount of meetings was slightly reduced due to the reduced amount of activities that took place during the period of indefinite shutdowns of the Canfor mills. The reduced amount of meetings qualifies as a variance to the stated target of a minimum of four meetings per year, as it is embedded in the approved TOR. The target can be considered being met. The fact that adequate numbers of PAG members (to meet quorum) attended the meetings during the reporting period shows that the PRISM still has momentum and interest in continuing with the process and can be considered an active and effective Public Advisory Group.</p> <p>With the introduction of the draft CSA-Z809-08 standard (2008 CSA standard), efforts are underway to align the current draft SFM Plan to meet the requirements of the new 2008 CSA standard, once the official version of the standard becomes available. The alignment of the SFM Plan to the new standard and discussions of anticipated changes will require more frequent meetings in the coming reporting year. The last PRISM meeting identified 5 tentative meeting dates (plus an additional field trip in late spring) to account for the workload involved in the revision of the SFM Plan.</p>

Target Met		
Yes ✓	No	Pending

Reference
<ul style="list-style-type: none"> • PRISM meeting summary May 21, 2009 – PAG survey • PRISM meeting summary November 19, 2009 – PAG survey • PRISM meeting summary March 11, 2010 – no survey • Terms of Reference March, 2010

7-1.4 - Equitable and Inclusive Deliberation Process

Measure 7-1.4 The conduct of an open public process prior to Government approval of operational plans, or any major amendments.	
Target	Results
1 (0) Process	<p>No harvest activities were conducted in 2009 and no planning activities were conducted that would have triggered a referral process with First Nation for planned blocks/roads or would have involved archaeological assessments. There were no amendments to the FSP within the reporting period that would require public notification. However, the broader public, First Nations, Trappers, Guide Outfitters and other Stakeholders have had an opportunity to provide input to the following processes, which involved mainly silviculture activities:</p> <ul style="list-style-type: none"> • Pesticide Use Application in August 2009: "Notification of Intent to Treat" was advertised in the Fort Nelson Newspaper and the public had an opportunity to provide comments and discuss any concerns. In spring of 2009 Canfor also contacted First Nations and provided opportunities for input in the development of the new Pesticide Management Plan for 2009 to 2014. Pesticide application notifications were sent out to affected Stakeholders and First Nations; • In addition, the Fort Nelson Public Advisory Group PRISM and the processes of the meetings have addressed this measure as well as it pertains to deciding on the SFM approach for the DFA. PRISM meetings are held in an open format following the agreed upon terms of reference. PRISM meetings are open to the public. Discussions and decisions are tracked in the meeting summary notes. The meeting notes are distributed during following meetings and approved by PRISM. <p>This measure has been met.</p>

Target Met		
Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Pending <input type="checkbox"/>

7-1.5 – Perceptions of PAG to Forest Management Response to Stakeholder Input

Measure 7-1.5 Perceptions of members of the Fort Nelson Public Advisory Group (PRISM) about response of forest management to input from stakeholders	
Target	Results
80% of responses have ratings of "3" or better	<p>Satisfaction surveys are completed by the PRISM bi-annually, which provide an opportunity for the PAG to express concern/comment on various aspects of the meetings, such as facilitation, logistics and the effectiveness of the PRISM meetings. PAG members have an opportunity to express their concerns on the survey forms and orally in conversation with the facilitator. In addition, the PAG members satisfaction with the PRISM meetings is evaluated at the end of each meeting through soliciting input from participants on how they felt the meetings went. "Climate goal assessments" have been completed in previous reporting years after each meeting to assess the general atmosphere and value of the individual meetings. However, due to the reduced amount of meetings since the curtailment of the Canfor operation, satisfaction of the PRISM meetings were assessed through the more detailed PAG satisfaction surveys, instead of the more general "climate goal assessments". The detailed PAG surveys were completed during the May and November 2009 PRISM meetings and a survey was omitted for the March 2010</p>

meeting. Therefore, the climate goal assessments are not shown in this year's report (refer to the 2008 Annual Report for climate goal assessments up to 2008). The results of the satisfaction surveys and their trends compared to previous years are shown in

Figure 6 to Figure 8.

A revision to this measure and target was made in October 2007, to reflect the perceptions of members of the Fort Nelson Public Advisory Group about response of forest management to input from stakeholders. The survey forms were revised and will be most meaningful when harvest operations in Fort Nelson resume, at which time the participants will be seeking input from stakeholders and the PAG with regard to proposed forest management plans.

Target Met		
Yes ✓	No	Pending

Reference
<ul style="list-style-type: none"> • PRISM meeting summary May 21, 2009 – PAG survey • PRISM meeting summary November 19, 2009 – PAG survey • PRISM meeting summary March 11, 2010 – no survey

Recommendations and Next Steps
The bi-annual PRISM surveys and climate goal assessments are conducted on a regular basis, the survey forms have been refined to include a specific question that captures the perception of the PRISM to the response of forest management to input from stakeholders and the PAG. The revised survey forms will be administered in 2010.

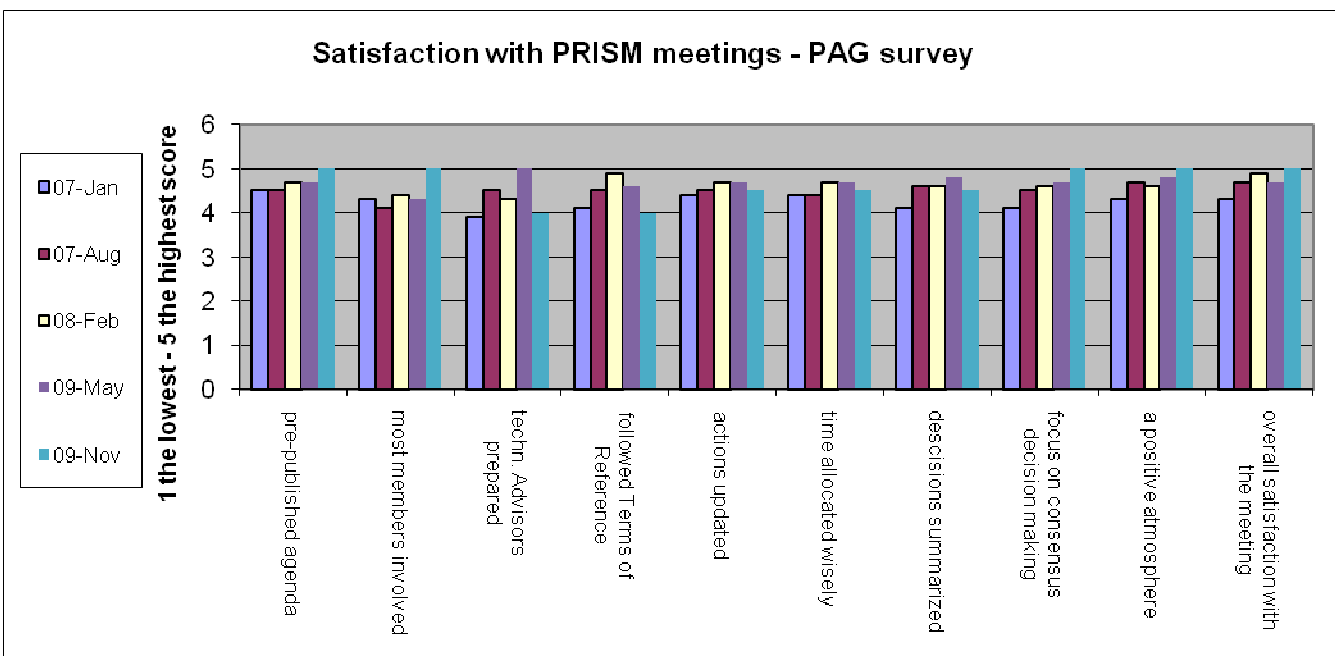


Figure 6: PAG satisfaction survey with meetings

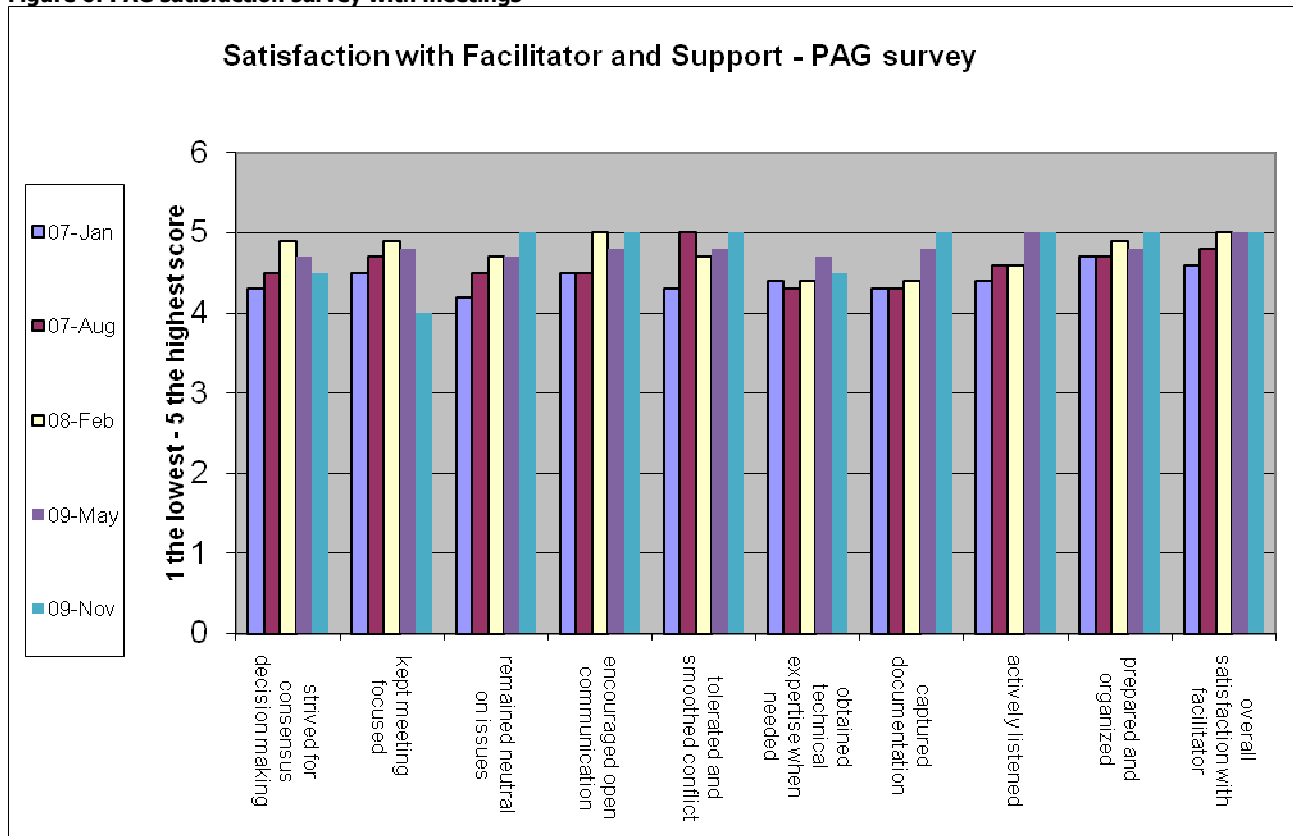


Figure 7: PAG satisfaction survey with facilitation and support

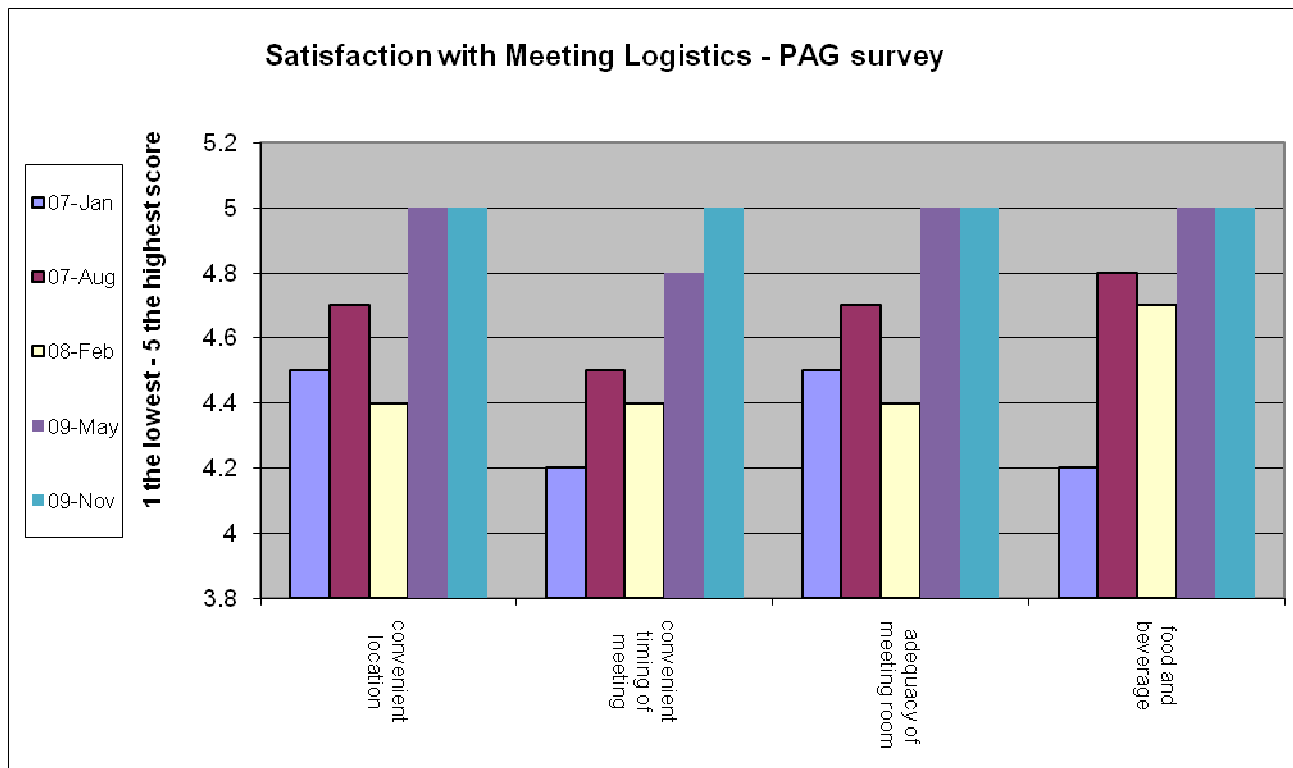


Figure 8: PAG satisfaction survey with meeting logistics

8-1.1 – Information Sharing First Nations

Measure 8-1.1 Percent of cutblocks where information sharing has met current legal requirements related to Aboriginal title and rights, or treaty rights	
Target	Results
100 %	<p>Canfor has committed in its Forest Stewardship Plan Section 5.9.2 that it would on an annual basis, communicate to affected First Nations the approved general areas of timber harvesting and road construction, if any, that are proposed for the year. All timber harvesting blocks and road location proposed for inclusion in the FSP, not having previously undergone First Nations review and consultation, are identified to the affected First Nation(s) prior to inclusion in Canfor's FSP. To provide an opportunity to review and comment on the proposed blocks and road locations, Canfor committed to a 60-day review period to allow for the review and submissions of comments to Canfor.</p> <p>Canfor has ceased all harvest/road building activities since the indefinite shutdowns of the Canfor mills in 2008. No planned future blocks/road locations were identified and therefore no information sharing with First Nations was required. Once harvesting will resume in the future, Canfor will continue to follow the process that has been used in the past to ensure successful information sharing. The process is as follows:</p> <ul style="list-style-type: none"> • Development of a FSP Referral Package Matrix to record and summarize the distribution of documents and maps sent to an individual First Nation or stakeholder group • Referral package tracking (Canada Post). Referral package tracking will be initiated to ensure the delivery and acceptance of packages by intended recipient in a timely manner • Follow up communications (telephone, email, etc.) to be conducted to ensure package delivery, and to offer assistance in the review of the referral package • Follow up person to person meetings offered with recipients of referral packages and/or designate in an effort to provide assistance in the review of the referral package • Maintenance of an FSP Referral Tracking Log, documenting relevant correspondence, meetings, phone calls, etc. <p>In addition, First Nations have been informed of planned herbicide treatments within the reporting period. A Pest Management Plan Consultation Log has been developed in March 2009 to track correspondence, information sharing and any concerns in the development of the new 2009 Pest Management Plan. This measure can be considered met, since no new blocks were identified that required information sharing with First Nations.</p>

Target Met		
Yes <i>√</i>	No	Pending

8-2.1 – Culturally Important Sites

Measure 8-2.1 Percent of specific (confirmed) culturally important sites as identified by First Nation's that are addressed by forest management planning	
Target	Results
100% (0)	<p>No archaeological overview and impact assessments were conducted in the 2009 reporting period, as harvesting did not occur and no new blocks were designed or proposed. Therefore no information sharing occurred with First Nations.</p> <p>The process is that First Nation representatives are invited and accompany the archaeological team in the field for all blocks/roads that would be assessed. For areas with overlapping territories, representative of each First Nation would be invited. During the information sharing processes of proposed blocks/roads that would be scheduled for inclusion into Canfor's Forest Stewardship Plan, Canfor staff would share the location and all information of blocks/roads that were relevant and solicited input from affected First Nations in regard to culturally important sites.</p> <p>The Memorandum of Understanding (MOU) between Prophet River First Nations (PRFN) and Canfor is currently on hold due to the indefinite mill closures, which entails lack of staff and resources and greatly reduced amount of operational activities – no harvesting or road building has occurred since the mill shutdown in 2008. Canfor met with PRFN to discuss planned herbicide activities and provided an opportunity for Prophet River First Nation representatives to participate in a flight to view all blocks planned for chemical brushing in summer 2009 that were located within the enhanced consultation zone (50 km radius around the reserve at Prophet River Village) to identify any areas of concern. The measure has been met, since there were no active and/or planned harvesting or road activities that would have required First Nations consultation in addition to archaeological assessments and no areas of concern with regard to herbicide treatment were identified during the discussions with PRFN.</p>

Target Met		
Yes <i>J</i>	No	Pending

8-3.1 – Opportunities for First Nation’s to Comment on Forest Management Activities

Measure 8-3.1		
Number of opportunities provided to affected First Nation’s to comment on forest management activities (May include: referrals, presentations, workshops, meetings, or other)		
Target	Results	
1 per forest management activity: Harvesting (1) Herbicide-application (1) Road construction (1)	<p>There were no harvest notifications due to the indefinite shutdowns of the Canfor mills in 2008 and ceasing of all harvest and road construction activities.</p> <p>One invitation to each affected First Nations was provided to solicit comments/input into the draft 2009-2014 Pest Management Plan (PMP), which encompasses the vegetation management practices and strategies for its operations within the Fort Nelson Forest District. Each First Nation band was invited to participate in the review of the PMP (the process PMP development started at the end of the 2008 Annual Report reporting period and continued into the first quarter of the 2009 Annual Report reporting period).</p> <p>One notification of the 2009 herbicide application with map and commencement dates for each affected First Nations, Trappers and Guide Outfitters;</p> <p>In addition to the above notifications and invitations to comment, Prophet River First Nation’s representatives and Canfor staff conducted a site visit and fly over of the 2009 herbicide spray blocks, that were located within the enhanced consultation zone (50 km radius around the reserve).</p>	
Target Met		
Yes ✓	No	Pending

8-3.2 – First Nation’s Involvement During Archaeological Assessments

Measure 8-3.2		
Percent of Archaeological Impact Assessments where First Nation’s involvement has been sought		
Target	Results	
100%	<p>Due to the indefinite shutdowns of the Canfor mills during the reporting period, no harvesting and new road construction took place. No new blocks/roads were proposed or developed for harvesting in 2009 and therefore, archaeological overview and impact assessments were not required or conducted. First Nation’s involvement in archaeological impact assessments has been done successfully in previous years and the process will continue with the resumption of harvesting activities. The process involves that First Nation representatives are invited to accompany the archaeological team in the field for all assessed blocks. For areas with overlapping territories, representatives of each First Nations will be invited. The archaeological impact assessment service provider will keep a First Nation participation log that shows which First Nation representative was present on what blocks and what the outcome of the assessment was. The measure has been met 100%.</p>	
Target Met		
Yes ✓	No	Pending

9-1.1- Forests Managed for Recreation Activities

Measure 9-1.1 Number of forest recreation sites and trails and their facilities and access routes (includes parks and protected areas, MOFR recreation sites, ecological reserves, recreation trails, and motorized routes)	
Target	Results
No reduction from forest management activities change or increasing (relative to baseline status); Baseline information (from 2006 Annual Report): Parks and Protected areas – 23; MOFR Recreation sites – 5; Ecological Reserves – 6; Recreation Trails – 22; Motorized Routes - 7	Table 20 shows the areas and percentage of forests managed for recreation activities within the Fort Nelson DFA, which constitutes the baseline information as shown in the 2006 SFM Annual Report. No reduction to the sites listed in Table 20 from forest management activities occurred within the reporting period. No harvesting or silviculture activities took place in any of the sites.

Table 20: Area and percentage of forests managed for recreation activities

Parks and Protected Area	Area (ha)	Maintaining Agency	Activity Type
Northern Rocky Mountains Provincial Park	665,709	BC Parks	wildlife viewing, fishing, boating, hunting, camping, hiking, horseback riding, photography
Stone Mountain Provincial Park	25,179	BC Parks	wildlife viewing, fishing, boating, hunting, camping, hiking, horseback riding, photography
Liard River Corridor Provincial Park	88,989	BC Parks	fishing, hiking, camping, horseback riding, canoeing, river boating, wildlife viewing, hunting, ATV use, photography
Liard River Hot Springs Provincial Park	1,082	BC Parks	camping, picnicking, swimming, biking, hiking, wildlife viewing (Park closed Aug 1 st – May 1 st)
Hyland River Provincial Park		BC Parks	no information on BC Parks site
Smith River/ Fort Halket Provincial Park	244	BC Parks	picnicking, hiking, boating, fishing, biking, wildlife viewing, hunting
Scatter River Old Growth Provincial Park	1,178	BC Parks	camping, fishing, horseback riding, hunting, ATV
Maxhamish Lake Provincial Park and Protected Area	27,516	BC Parks	camping, swimming, boating, fishing, hunting, ATV, snowmobile
Thinahtea Protected Area	20,379	BC Parks	camping, boating, fishing, wildlife viewing, hunting
Kotcho Lake Village Provincial Park	34	BC Parks	camping, swimming, boating, fishing
Jackpine Remnant Provincial Park	148	BC Parks	camping, hunting
Andy Bailey Regional Park*	196	BC Parks	camping, picnicking, swimming, boating (non-motorized), fishing, biking, wildlife viewing (changed status from Provincial to Regional park)
Goguka Creek Protected Area	435	BC Parks	hunting
Hay River Protected Area	2,324	BC Parks	camping, fishing, horseback riding
Klua Lakes Protected Area	28,040	BC Parks	camping, boating, fishing, horseback riding, wildlife viewing, hunting, snowmobile
Muncho Lake Provincial Park	86,079	BC Parks	camping, picnicking, hiking, swimming, boating, fishing, biking, wildlife viewing, scuba diving, waterskiing, hunting,
Toad River Hot Springs Provincial Park	423	BC Parks	camping, boating, fishing, horseback riding, hunting
Tetsa River Regional Park*	115	BC Parks	camping, boating, fishing, biking (changed status from provincial to regional park)
Homeline Creek Provincial Park	298	BC Parks	camping, hiking, horseback riding, hunting
Prophet River Hot Springs Provincial Park	185	BC Parks	camping, fishing, wildlife viewing, hunting
Prophet River Wayside Provincial Park*	113	BC Parks	camping, biking, wildlife viewing (CLOSED 2007)
Denetiah Provincial Park	97,908	BC Parks	camping, hiking, swimming, boating, fishing, horseback riding, hunting
Dall River Old Growth Provincial Park	644	BC Parks	camping, hiking, boating, fishing, horseback riding, hunting
* cooperatively managed by a community, society or other partner			
Total Area	1,047,218		
Percentage of DFA	10.61		
MOF Recreation Sites	Area (ha)	Maintaining Agency	Activity Type
West Lake	82	MOF User maintained	
Muskwa River Boat Launch	151	MOF User maintained	

Parks and Protected Area	Area (ha)	Maintaining Agency	Activity Type
Tuchodi River		MOF User maintained	No longer in existence
Gathto Creek	108	MOF User maintained	
Beaver Lake	65	MOF User maintained	
Total Area	406		
Percentage of DFA	0.0041		
Ecological Reserves	Area (ha)	Maintaining Agency	Activity Type
Grayling River Hot Springs Ecological Reserve	1421	BC Parks	hiking, nature observation, photography
Portage Brule Rapids Ecological Reserve	724	BC Parks	hiking, nature observation, photography
Smith River Ecological Reserve	1326	BC Parks	hiking, nature observation, photography
Fort Nelson River Ecological Reserve	121	BC Parks	hiking, nature observation, photography
Parker Lake Ecological Reserve	259	BC Parks	hiking, nature observation, photography
Kotcho Lake Ecological Reserve	64	BC Parks	hiking, nature observation, photography
Total	3915		
Percentage of DFA	0.0397		
Recreation Trails	Length (km)	Maintaining Agency	Activity Type
Teetering Rock Trail	12	MOF	hiking, viewpoint, camping
Tetsa Bridge #1 Trail	4		hiking, biking, bird watching
MacDonald Creek Trail (Stone Mtn.)	21	BCParks	hiking, horseback riding, camping, fishing, wildlife viewing
Baba Canyon Trail	5		hiking, viewpoint
Wokpash Trail (Northern Rocky.Stone Mtns)	70	BCParks	hiking, viewpoint
Petersen Canyon	6		hiking, biking
Mineral Licks Trail	0.7	BCParks	hiking, biking, viewpoint, wildlife viewing
Teeter Creek Trail	0.6		hiking, fishing
Smith River Falls Trail	0.7	BCParks	hiking, fishing, viewpoint
Tsimeh Lakes Trail	16	FN Cross Country Ski Club	Cross country skiing, hiking
Fort Nelson Demonstration Forest	13	FN Cross Country Ski Club	cross country skiing, hiking, biking
Dunedin Trail	7.5		hiking, mountain biking, horseback riding
Summit Ridge Trail	2.3		hiking, viewpoint
Summit Peak Trail	5	BCParks	hiking, viewpoint
Flower Springs Trail	6	BCParks	hiking, camping
Summit Tower Trail	6		hiking, mountain biking, viewpoint
Erosion Pillar Trail	0.5	BCParks	hiking, viewpoint
"The Cut" Trail	6		hiking, mountain biking, viewpoint, wildlife viewing
Red Rock Canyon	3		hiking
Old Alaska Highway	2	BCParks	hiking, mountain biking, viewpoint
Stone's Sheep Trail	2.5	BCParks	hiking, wildlife viewing
Boulder Canyon	2.3		hiking
Total length	192.1		
Total Area	38.4	(an average width of 2m is used for area calculation)	
Percentage of DFA	0.0004		
Motorized Routes	Length (km)	Maintaining Agency	Activity Type
Wokpash Corridor	54		ATV, snowmobiling, horseback riding, biking, hiking
Yedhe Trail	36		ATV, snowmobiling, horseback riding, biking, hiking
West Toad Corridor	23		ATV, snowmobiling, horseback riding, biking, hiking
Nonda Creek Corridor	25		ATV, snowmobiling, horseback riding, biking, hiking
Liard River Corridor	56		ATV, snowmobiling, horseback riding, biking, hiking
Mould Creek Tower Road	15		ATV, snowmobiling, horseback riding, biking, hiking
Smith River Road	47	MOF	ATV, snowmobiling, horseback riding, biking, hiking
Total length	256		
Total Area	256	(an average width of 10m is used for area calculation)	
Percentage of DFA	0.0026		
Total Area of Forest Managed for Recreation Activities	1,051,720		Percentage of DFA: 10.6578

MOF referred sites are currently maintained by the Ministry of Tourism, Sport and the Arts.

Target Met		
Yes ✓	No	Pending

9-2.1 - Compliance with Visual Quality Objectives

Measure 9-2.1 Number of non-compliance with specified Visual Quality Objectives (VQOs) levels within a Scenic Area due to timber harvesting or road construction	
Target	Results
Zero (variance of 1)	No harvesting took place during the reporting period, therefore no new impacts on specified Visual Quality Objectives occurred. Silviculture activities did not impact on any existing VQO's. To date, Canfor has not been notified by the MOFR of any non-compliance issues regarding Visual Quality Objectives.

Target Met		
Yes ✓	No	Pending

9-3.1 - Unique or Significant Places & Features & Protected Areas

Measure 9-3.1 Compliance with documented management strategies on all existing and newly discovered unique or significant places, features and protected areas	
Target	Results
Sites will be identified and tracked; 100% compliance with documented management strategies (10% variance)	A Standard Operating Procedure for sites of biological significance defines sites of biological significance for the purpose of the Fort Nelson SFM Plan as outlined in measure 1-4.2. A mapping layer does exist as a tracking and operational tool to overlay or to add parks, recreation sites, trails and eco reserves. No new unique , significant places features or protected areas were identified within the reporting year. Baseline data of <i>existing</i> unique or significant places and features, excluding sites identified in measure 1-4.2, are listed in Table 21. Canfor did not undertake harvesting/road building activities within the reporting period therefore no impact to any existing unique or significant places occurred.

Table 21: 2004 Baseline information of existing unique or significant places and features

Baseline information 2004	
Wokpash Hoodoos	Davie trail
Francois	High trail
Nelson Forks trading post	Simpson trail
Kotcho Lake village site	Contact creek
Fossil Creek Liard River confluence	Wooden oil derrick on Liard River
Parks, recreation sites, trails and eco reserves mentioned in 9-1.1	Steamboat lookout
Skooks landing	Allen's lookout
Sleeping Chief Mountain	
Target Met	
Yes ✓	No
	Pending

9-4.1 – SAFE Companies Registration and Certification

Measure 9-4.1 SAFE Companies registration and certification	
Target	Results
Canfor is registered and certified as SAFE company. All Canfor harvesting contractors are registered as SAFE companies	<p>Canfor Fort Nelson Division has been certified as a SAFE company since December 2006. A re-certification audit was conducted in the fall of 2009 and Canfor was re-certified under the SAFE Companies Program with no conditions placed on the re-certification.</p> <p>Seven contractors were hired during the reporting period. The contractors conducted silviculture activities (planting/chemical brushing, surveys), road maintenance or activities implemented largely through the Forest Investment Account, such as completing Vegetation Resource Inventory, Bird Monitoring and compilation of SFM Annual Report. All three silviculture contractors were SAFE certified. Three contractors were hired in the Fort Nelson DFA to conduct planning activities: Two of those conducted field activities and were SAFE certified, one contractor completed only office work and was exempt from being SAFE companies certified. Only one contractor conducted road maintenance and was SAFE certified as well. The measure has therefore been met.</p>

Target Met		
Yes ✓	No	Pending

References
<ul style="list-style-type: none"> BC Forest Safety council: http://www.bcforestsafe.org/safe_companies/whos_safe.html Peace-Liard Woodlands OH&S Program 2009

9-4.2 – Number of All Injuries

Measure 9-4.2 Number of all injuries (including serious injuries)	
Target	Results
Less than previous three year average of number of injuries (until zero injuries achieved); Number of injuries by Worksafe BC forest industry category	<p>The previous three- year average (From April 2006 to March 2009) of all injuries, which includes fatalities, serious and less serious injuries, is four. The number of all injuries within the 2009 reporting period (April 1/09 to March 31/10) is zero. One near miss was recorded in June 2009, but did not result in any injuries. This measure has been met, since the number of injuries is less than previous three- year average of number of injuries.</p> <p>Worksafe BC data request (for 2008 data only) does not show claims specifically tailored to the Peace –Liard Regional District. Worksafe BC accepted claims for non-HCO claims (time loss claims refer to Non-Health-Care only (non-HCO), which includes claims with a short and long term disability, or survivor benefit) for the following Prevention Administrative Region based on the reporting employer operating location for a claim, which is not necessarily an indication of the region in which the actual injury occurred:</p> <p>Prevention Administrative Region Prince George: in 2008: 145 claims accepted, with a total of 922 claims between 2004 and 2008.</p> <p>Prevention Administrative Region Fort St. John: in 2008: 12 claims accepted, with a total of 116 claims between 2004 and 2008. The Worksafe BC data includes forestry-related</p>

	subsectors, such as log towing, log hauling, forest management services, wood and paper products, marine log salvage, helicopter logging, chemical brushing and weeding, chemical tree thinning and spacing
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Target Met		
Yes ✓	No	Pending

References
<ul style="list-style-type: none"> • WCB data request: Dave Lachance: Dave.Lachance@worksafebc.com (604-214-6983) • Canfor Safety Pages • Source: BIA (Business & Information Analysis) as of Jan. 2010; Statistical Services as of February 5, 2010

9-4.3 – Number of Serious Injuries

Measure 9-4.3 Number of serious injuries	
Target	Results
Less than previous three year average of number of injuries (until zero serious injuries achieved); Number of serious injuries by Worksafe BC forest industry category	<p>The previous three-year average (From April 2006 to March 2009) of serious injuries (defined as requiring medical aid) is two. The number of serious injuries within the 2009 reporting period (April 1/09 to March 31/10) is zero. This measure has been met, since the number of injuries is less than previous three- year average of number of serious injuries.</p> <p>Worksafe BC data request (2008 data only) does not show claims specifically tailored to the Peace –Liard Regional District. Worksafe BC accepted serious injury claims for the following Prevention Administrative Region based on the reporting employer operating location for a claim, which is not necessarily an indication of the region in which the actual injury occurred:</p> <p>Prevention Administrative Region Prince George: in 2008: 55 claims accepted, with a total of 364 claims between 2004 and 2008. Prevention Administrative Region Fort St. John: in 2008: 6 claims accepted, with a total of 59 claims between 2004 and 2008.</p> <p>A serious injury claim is defined as a “Non Health Care Only” claim first paid in the month of injury or three months following which meets on or more of the following conditions: 1). 28 or more days wage loss paid in the month of injury or three months following; 2). Equivalent health care payments in the same time period; 3). Fatal claim; 4). Coded with one of 275 selected ICD9 Medical Diagnosis codes. The Worksafe BC data includes forestry-related subsectors, such as log towing, log hauling, forest management services, wood and paper products, marine log salvage, helicopter logging, chemical brushing and weeding, chemical tree thinning and spacing</p>

Target Met		
Yes ✓	No	Pending

References
<ul style="list-style-type: none"> • WCB data request: Dave Lachance: Dave.Lachance@worksafebc.com (604-214-6983) • Canfor Safety Pages • Source: BIA (Business & Information Analysis) as of Jan. 2010; Statistical Services as of February 5, 2010

9-4.4 – Number of Fatalities

Measure 9-4.4 Number of fatalities	
Target	Results
Zero; Number of fatalities by Worksafe BC	There were no fatalities during the reporting period. WorkSafe BC accepted 2 fatal claims for the Peace-River Liard Regional District in 2008. The data request included the subsector "Forestry" (7030) and units "Log Towing" (732024), "Log Hauling" (732044) and "Forest Management Services" (763015) combined.

Target Met		
Yes ✓	No	Pending

References
<ul style="list-style-type: none"> • WCB data request: Dave Lachance: Dave.Lachance@worksafebc.com (604-214-6983); • Source: BIA (Business & Information Analysis) as of Jan. 2010; Statistical Services as of February 5, 2010 • Canfor Safety Pages

