



FOR IMMEDIATE RELEASE

Fort Nelson First Nation Secures Historic Forestry Tenures Commitment From B.C.

September 14, 2022 - Fort Nelson First Nation Territory - the Fort Nelson First Nation (FNFN) has secured a major forestry tenures commitment from the Province of B.C. Following extensive negotiations since 2017, the B.C. Ministry of Forests has set out a tenures offer with a total quantum of 1.26 million m³/yr, making it one of the largest forest tenures commitments ever made to a First Nation in history.

The commitment of forest tenures, including a First Nations Woodland Licence (FNWL), a Replaceable Forest Licence (RFL) and a number of Non-Replaceable Forest Licences (NRFL), is directed at enabling the construction and operation of the FNFN pellet facility project in partnership with Peak Renewables Ltd. (Peak). The pellet facility project will see the construction of a 600,000 metric/tonne/yr pellet plant in FNFN territory.

“This is the opportunity of a lifetime for our people,” said FNFN Chief Sharleen Gale. “We have worked hard to bring this tenures commitment home. With these licences, we are on the doorstep of creating a viable forest economy in our territory that will bring lasting benefits to our people and everyone in our territory for generations.”

The pellet plant, together with the associated logging operations, will provide significant employment and contracting benefits for FNFN members, other First Nations, the town of Fort Nelson and the Region.

“Peak is thrilled to see the Province of B.C. commit the forest tenures needed to bring this project one step closer to fruition,” said Peak Renewables CEO, Scott Bax.

Forestry planning for all tenures in the Fort Nelson Timber Supply Area (TSA) will be subject to the FNFN Land Management Framework (LMF), applied to long-term (minimum 20 year) forest plans. The LMF is directed at the protection of a wide range of values including: traditional use

areas and values, riparian values, wildlife and habitat values (including caribou and moose protection), old growth forest management, and landscape connectivity.

The adoption of the LMF represents a best practice for sustainable forestry management. FNFN and Peak have already applied LMF value constraints (including caribou protection) when generating the tenure configuration adopted in the recent tenures commitment. An ongoing commitment to forest regeneration will be a hallmark of the project.

“FNFN has a vision to balance economic security with respect for our traditions, culture and connections to our land,” said FNFN Lands Director Lana Lowe. “We developed the Land Management Framework to guide land use planning across a host of important cultural and ecological values and to establish a process that will allow us to fulfil FNFN’s Land Use Vision. The adoption of our LMF in forestry operations represents FNFN exercising our treaty rights and responsibilities to manage our land in line with our nation’s values and aspirations.”

The forest licences will crystallise with the substantial completion of the pellet facility. Before the construction of the new plant can begin, the railway between Fort St. John and Fort Nelson (owned by B.C., and currently sub-leased to CN) must be upgraded in order to be commercially viable. The project partners are working to build a coalition among interested parties, including the provincial and federal governments, to upgrade the railway.

“With the delivery of fibre commitments from the Ministry of Forests, our pellet facility project has huge momentum,” said Chief Gale. “Now, the very last piece of the puzzle is a commercially viable rail transportation option. In order for the forest opportunities to be realised, we need both the provincial and federal governments to unlock this opportunity by making a direct investment in the railway upgrade - doing so will be a recognition of our governments’ commitment to UNDRIP and true economic reconciliation.”

Historically, from 1974 onward, \$12.6 billion in oil and gas royalties and tenure sales has been taken out of FNFN territory by the B.C. government. Fort Nelson First Nation’s territory has contributed enormous wealth for others in B.C., while the local economy is now suffering.

“The needed capital is a fraction of the wealth that has been taken from our land,” said Chief Gale. “Without a contribution from B.C. and Canada, this once in a generation opportunity will be lost. The survival of our community depends on it.”

Backgrounder

Tenures Commitment from the B.C. Ministry of Forests

- In a July 2022 Letter of Commitment to FNFN Chief Sharleen Gale, the B.C. Ministry of Forests sets out a tenures offer with a total quantum of 1.26M m³/yr, making it one of the largest forest tenure commitments ever made to a First Nation in history.
- Previous to this, in June 2020, FNFN and the Northern Rockies Regional Municipality (NRRM) received an additional tenure commitment to support this project: the largest Community Forest Licence in B.C.
- In August 2021, B.C. approved the transfer of Canfor's forest licence (a Replaceable Forest Licence (RFL)) to Peak Renewables Inc., FNFN's project partner.

Global Wood Pellet Market

- The industrial wood pellet markets have been growing at an annualized rate of about 1.66 million metric tonnes per year from 2010 through 2021 ([source](#)).
- The global wood pellet market is expected to double in size within the next 8 years.
- There is increasing demand for pellets as a cleaner alternative to fossil fuels.
- The Intergovernmental Panel on Climate Change (IPCC), the world's leading authority on climate change, has recognized the significant GHG mitigation potential of biomass – as much as 80 to 90 percent.

FNFN Land Management Framework (LMF)

- The LMF is directed at the protection of a wide range of values including:
 - traditional use areas and values;
 - riparian values;
 - wildlife and habitat values, including caribou and moose protection;
 - old growth forest management; and
 - landscape connectivity.
- The LMF is designed to be used in long-term forestry planning (at least a min. 20 years) and land-use planning, and includes a mix of spatial constraints (such as caribou lines, and protection around village sites and traditional use areas) and ongoing monitoring of the environmental and traditional use integrity of land and water.
- More work will be done on land, water and treaty right protection for specific harvesting operations and with specific land users.

Jobs and Economic Benefits

- An estimated 1000+ jobs to be created during construction and throughout the life of the project, including:
 - 224 during railway upgrades construction (over approximately two years)
 - 400+ during pellet plant, terminal and transload facility construction (over two years)
 - 32 for railway operations (over 30 years)
 - 73 in pellet plant operation (over 30 years)
 - 350 in all aspects of forestry operations (harvesting, hauling, etc.)
- Additionally, increased economic activity will see more job creation in ongoing transload jobs, and other contract/entrepreneur opportunities.

Ongoing work with Neighbouring First Nations

- The Project and associated operations will also bring substantial opportunities for neighbouring First Nations.
- FNFN has been in discussions with neighbouring First Nations about the Project, including both the expected opportunities, as well as discussing land and treaty right protection.
- FNFN, and its project partners, are committed to ongoing discussions with neighbouring First Nations as the Project develops.

FNFN calls for B.C. to back up the Forestry opportunities with a commercially viable Railway

- Currently, the railway between Fort Nelson and Fort St. John is not operating at a standard that could service the Project (or be viable for other projects).
- An estimated \$60 - \$75 M is needed for infrastructure and line upgrades.
- In addition to the commercial benefits, the railway project will dramatically reduce GHG emissions (> 75%) by taking the equivalent of 51,000 trucks off the road annually, supporting Canada's goal of reducing emissions.
- B.C. will continue to own the rail line and CN will remain the leaseholder.