

Teal Cedar Ltd

Fraser TSA

314,380 M3/Yr

Tuesday, September 12, 2017

A. **General Comments**

- 1 TEAL continues to be 12% under representation of volume within the good economic zone and 8% overweight in the poor economic zone when compared to the residual TSA.
- 2 The age class opportunity is marginally below the TSA profile for second growth opportunities.
- 3 Slope class as a function of harvest method is for all account balanced to the residual TSA.
- 4 Species distribution is for all account balanced to the residual TSA.

B. **TEAL Volume Summary**

The AAC includes no FN partnership

314,380 M3

C. **Unresolved Issues**

- 1 The approximate 2 million m3 deficit in volume opportunity within the good economic zone should be a priority for resolution during the Phase II release by BCTS.

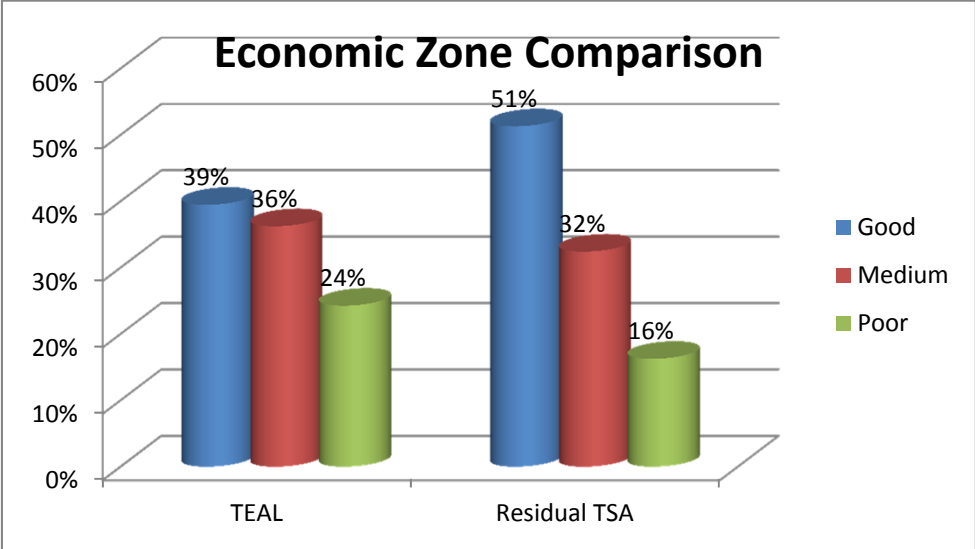
D. **Target Volume Position:**

	TEAL	Residual TSA
Total THLB Volume:	17,768,018	57,074,507
AAC Estimate	314,380	1,030,449
% of THLB Volume	31%	100%
% of AAC	31%	100%
Years of AAC	57	55
Other Comparisons Requested by Tenure Holders:		
Ave Market Value	\$ 96.81	\$ 99.30
Volume per THLB Ha	462.1	461.8
% old HB>70%	7%	8%

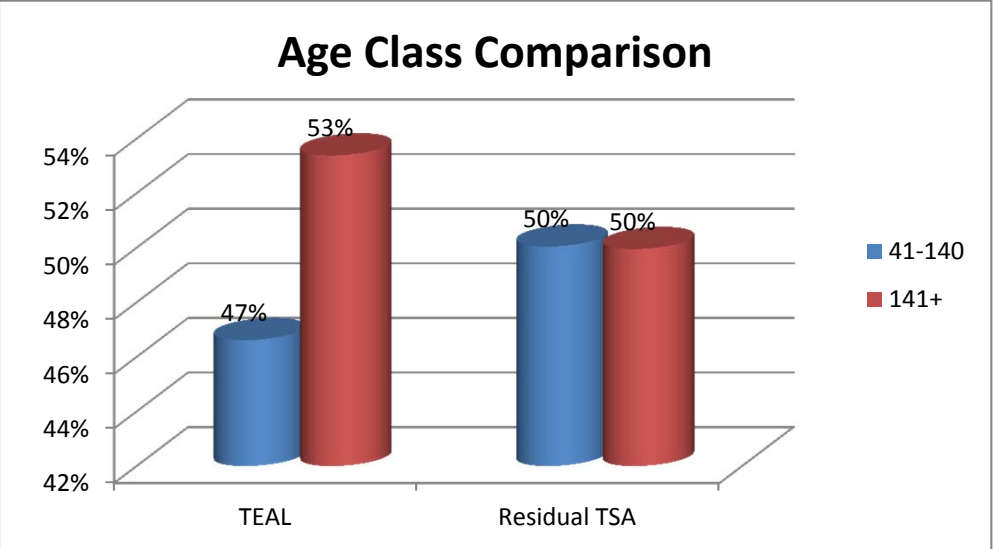
E. **Summary:**

The target of >50 years of AAC has been achieved in V3.1 through consolidations and release of areas to facilitate First Nation Woodland Licence areas. The total THLB volume opportunity is well matched as a % of the THLB area and % AAC. The re-allocation process results in a net gain of over 800,000m3 from the benchmarked position of which 1.9 million m3 were added into the Good Economic Zone and almost 800,000m3 were removed from the poorer economic zone. Regardless, version 3.1 has not fully resolved the inequity of opportunity based solely on the basis of economic zonation. In all other aspects their profile is well matched to the residual TSA.

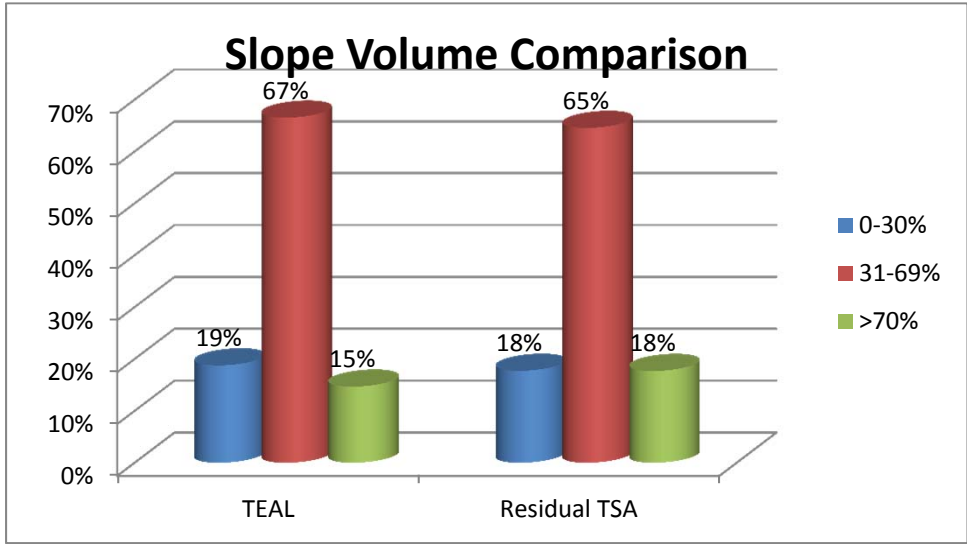
Comparison Graphs - TEAL Operating Areas Compared to Residual Fraser TSA



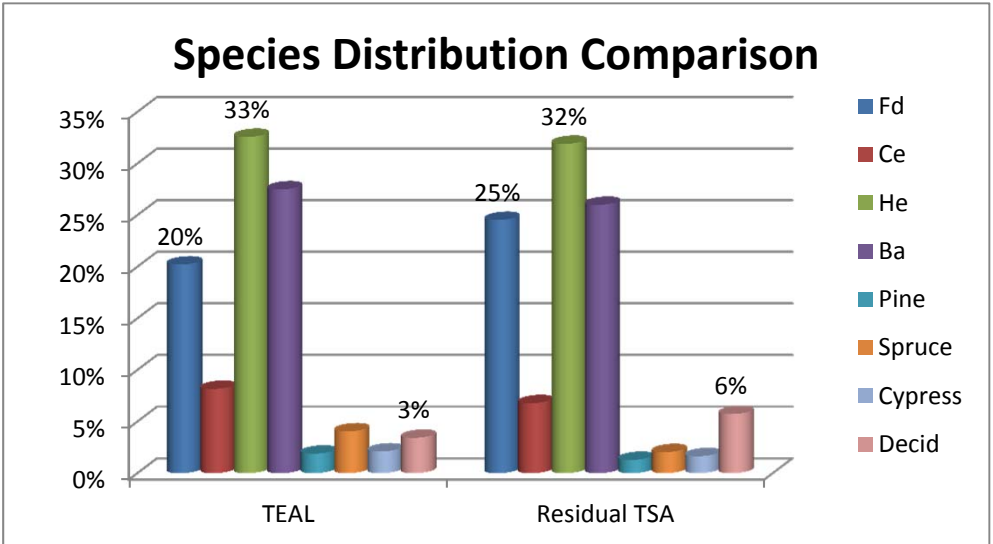
Economic Zone thlb Volume			
	Good	Medium	Poor
TEAL	39%	36%	24%
Residual TSA	51%	32%	16%



Age Class thlb Volume		
	41-140	141+
TEAL	47%	53%
Residual TSA	50%	50%



Slope thlb Volume			
	0-30%	31-69%	>70%
TEAL	19%	67%	15%
Residual TSA	18%	65%	18%



Species thlb Volume Distribution								
	Fd	Ce	He	Ba	Pine	Spruce	Cypress	Decid
TEAL	20%	8%	33%	28%	2%	4%	2%	3%
Residual TSA	25%	7%	32%	26%	1%	2%	2%	6%

Check
100%

Net change of Version 3 Operating Area as compared to 2015 Benchmark

Change Summary	Total THLB Area Difference +/-from Benchmark	Total THLB Vol	Slope Criteria		
			<30%	31-69%	>70+%
TEAL Cedar Ltd					
Good - Economic Zone					
41-140 Years	866	495,716	101,658	366,790	27,268
141+ Years	1,754	1,386,956	70,491	875,807	440,658
Good - Economic Zone Total	2,620	1,882,671	172,149	1,242,596	467,926
Medium - Economic Zone					
41-140 Years	-43	-46,932	6,030	-93,579	40,616
141+ Years	-92	-181,905	-14,418	-131,870	-35,616
Medium - Economic Zone Total	-135	-228,837	-8,388	-225,449	5,000
Poor - Economic Zone					
41-140 Years	-1,030	-222,753	-39,069	-165,018	-18,666
141+ Years	-1,312	-543,165	-140,349	-364,777	-38,039
Poor - Economic Zone Total	-2,342	-765,918	-179,418	-529,795	-56,705
TEAL Cedar Ltd	143	887,916	-15,658	487,353	416,221

check

143

887,916

-15,658

487,353

416,221

Timber Harvesting Land Base (THLB): Based on Fraser TSA TSR 4 Timber Supply Analysis using a compilation of the best available information.
August 2017 Version 3 - Licensee Operating Area Analysis Forest Cover Data Sources:
Vegetation Resource Inventory: Attributes projected to 2016
Change Detection Mapping: Denudation current to April 2017 using RESULTS forest_cover_inv_svw dataset and Landsat imagery
Burn Severity Mapping: Wildfire V10247 (Cougar Creek) & V10370 (Wood Lake) forest cover updated for Low, Medium & High severity burn

August 1, 2017 Licensee - Economic Zones	Total THLB Area (ha)	Total THLB Vol (m3)	Total Annual Yield (m3/yr)	Slope 0-30 %										Slope 31-69 %										> 69%												
				Slope THLB	THLB Volume (m3)								Slope THLB m3	Annual Yield	Slope THLB	THLB Volume (m3)								Slope THLB Volume	Annual Yield	Slope THLB	THLB Volume (m3)								Slope THLB Volume	Annual Yield
					FIR	CEDAR	HEMLOCK	BALSAM	PINE	SPRUCE	CYPRESS	DECIDUOU				FIR	CEDAR	HEMLOCK	BALSAM	PINE	SPRUCE	CYPRESS	DECIDUOU				FIR	CEDAR	HEMLOCK	BALSAM	PINE	SPRUCE	CYPRESS	DECIDUOU		
Teal Cedar Products																																				
Good																																				
41-140 Years	8,923	3,922,146	46,034	2,166	209,534	95,995	408,719	217,553	742	984	11,499	92,611	1,037,638	10,977	6,233	569,731	249,059	1,049,156	585,397	2,584	925	27,444	162,628	2,646,924	32,504	524	74,496	22,728	112,005	15,114	143	0	3,452	9,646	237,584	2,552
141+ Years	3,748	3,092,168	17,587	280	10,370	7,213	73,181	76,976	0	0	30,137	528	198,404	1,404	2,504	174,211	95,392	751,609	942,264	575	0	112,489	466	2,077,006	11,936	965	160,787	44,066	277,730	281,059	2,262	0	50,459	394	816,758	4,247
Good Total	12,672	7,014,314	63,621	2,446	219,903	103,209	481,900	294,529	742	984	41,637	93,138	1,236,042	12,381	8,737	743,943	344,451	1,800,766	1,527,661	3,159	925	139,933	163,094	4,723,930	44,441	1,488	235,283	66,794	389,735	296,173	2,405	0	53,911	10,041	1,054,342	6,800
Medium																																				
41-140 Years	7,784	3,026,039	31,279	1,444	128,738	56,507	227,367	72,810	430	4,619	1,398	156,975	648,844	5,727	5,233	509,956	189,128	807,939	307,461	6,175	22,415	5,355	134,525	1,982,954	21,426	1,107	152,238	61,875	134,440	19,921	2,214	1,261	1,756	20,537	394,242	4,125
141+ Years	4,915	3,415,146	18,576	461	16,335	23,523	128,646	143,031	48	3,964	10,026	44	325,616	1,863	2,980	127,271	239,188	959,092	751,704	368	6,529	72,443	795	2,157,389	11,455	1,474	146,439	223,909	367,751	151,251	132	383	42,051	224	932,141	5,258
Medium Total	12,699	6,441,186	49,854	1,905	145,073	80,030	356,012	215,841	478	8,583	11,424	157,019	974,460	7,590	8,213	637,228	428,316	1,767,031	1,059,164	6,543	28,944	77,798	135,320	4,140,343	32,881	2,581	298,677	285,784	502,191	171,172	2,346	1,644	43,807	20,761	1,326,382	9,383
Poor																																				
41-140 Years	6,232	1,334,504	17,042	1,994	129,563	19,266	23,261	144,975	49,242	46,124	50	9,966	422,445	5,363	4,122	354,842	21,701	36,494	207,246	165,947	84,317	79	16,675	887,300	11,355	116	11,691	1,081	759	4,254	4,695	1,940	0	338	24,758	324
141+ Years	6,849	2,978,014	19,209	1,698	189,778	25,382	88,712	220,941	28,319	147,771	385	2,168	703,457	4,683	4,725	562,743	70,691	300,389	686,655	62,303	380,346	5,838	2,427	2,071,391	13,347	426	64,242	6,039	42,746	58,367	11,449	19,638	651	34	203,166	1,179
Poor Total	13,081	4,312,518	36,251	3,692	319,341	44,648	111,973	365,916	77,560	193,895	435	12,134	1,125,902	10,046	8,848	917,584	92,392	336,883	893,901	228,250	464,662	5,916	19,103	2,958,692	24,703	541	75,933	7,121	43,504	62,621	16,144	21,578	651	372	227,924	1,502
Teal Cedar Products Total	38,452	17,768,018	149,726	8,043	684,317	227,887	949,885	876,286	78,781	203,462	53,495	262,291	3,336,405	30,017	25,798	2,298,754	865,158	3,904,680	3,480,726	237,952	494,531	223,647	317,517	11,822,965	102,024	4,610	609,893	359,699	935,430	529,967	20,895	23,222	98,369	31,174	2,608,648	17,685
HB Old >70% in Poor Econ Zone 1,178,905																																				

Residual TSA																																							
123,579	57,074,507	504,598		22,405	2,386,056	632,253	2,965,440	2,515,389	158,785	332,649	110,617	1,020,192	10,121,380	90,264	81,315	8,884,561	2,270,328	11,670,255	10,194,944	523,773	787,622	617,496	1,900.58	36,849,560	332,780	19,859	2,736,092	972,868	3,579,996	2,130,710	57,285	49,341	218,877	358,397	10,103,566	81,554			
				18%	24%	6%	29%	25%	2%	3%	1%	10%	100%		66%	24%	6%	32%	28%	1%	2%	2%	0%	100%	66%	16%	27%	10%	35%	21%	1%	0%	2%	4%	100%	16%			

Check 123,579 57,074,506

RESIDUAL FRASER TSA PROFILE			
Economic Zone		Species Distribution	
Good		Species	Volume % Dist.
41-140 Years	16,600,506	Fd	14,006,709 25%
141+ Years	12,682,955	Ce	3,875,448 7%
Good Total	29,283,461	He	18,215,691 32%
Medium		Ba	14,841,044 26%
41-140 Years	9,207,428	Pine	739,842 1%
141+ Years	9,298,700	Spruce	1,169,611 2%
Medium Total	18,506,128	Cypress	946,990 2%
Poor		Decid	3,279,171 6%
41-140 Years	2,755,539	Check	57,074,507 100%
141+ Years	6,529,378		
Poor Total	9,284,918		
Check		57,074,507	

Total Age Class				Slope Criteria	
41-140 years	28,563,473	50%		0-30	10,121,380 18%
>140+ years	28,511,034	50%		31-69	36,849,560 65%
Check	57,074,507			>70+	10,103,566 18%
Check				57,074,507	

TSA Total HB Old>70% Poor 301,464

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Benchmark 2015 - Licensee Operating Area Analysis Forest Cover Data Sources:

Vegetation Resource Inventory: Attributes projected to 2014

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Benchmark 2015 Licensee - Economic Zones	Total Summary					Slope 0-30%													Slope 31-69%													Slope >69%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
	AAC (m ²)	Yrs Supply	Total THLB Area (ha)	Total THLB Vol (m ³)	% Total Vol (m ³)	Slope THLB Area (ha)	THLB Volume (m3)								Slope THLB Area (ha)	% of Total Volume	Yrs Supply	Slope THLB Area (ha)	THLB Volume (m3)								Slope THLB Area (ha)	% of Total Volume	Yrs Supply	Slope THLB Area (ha)	THLB Volume (m3)								Slope THLB Area (ha)	% of Total Volume	Yrs Supply																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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Weighted Average Market Value of THLB Volume Position

17,768,018

Source 3month Vancouver Log Price

TEAL Group Ltd

Residual TSA Volume Total

17,768,018

Species	%	Volume	\$/m3	Total Value
Fi	20%	3592964	\$ 164.86	\$ 592,336,069.92
Ce	8%	1452744	\$ 232.55	\$ 337,835,691.55
He	33%	5789995	\$ 58.68	\$ 339,756,929.54
Ba	28%	4886979	\$ 58.68	\$ 286,767,904.73
Pine	2%	337627.7	\$ 49.15	\$ 16,594,399.39
Spruce	4%	721215.4	\$ 64.88	\$ 46,792,456.32
Cypress	2%	375510.3	\$ 122.81	\$ 46,116,418.40
Dec	3%	610981.8	\$ 88.11	\$ 53,833,610.13
<i>Check</i>		<i>17768018</i>		\$ 1,720,033,479.98
		AMV	\$	96.81

TSA Total

Species	Value	% Dist.
Fd	\$ 164.86	25%
Ce	\$ 232.55	7%
He	\$ 58.68	32%
Ba	\$ 58.68	26%
Pine	\$ 49.15	1%
Spruce	\$ 64.88	2%
Cypress	\$ 122.81	2%
Decid	\$ 88.11	6%
<i>Check</i>		<i>57,074,507</i>
		AMV \$ 99.30