



July 11, 2006

Old Carnaby Forest License, Number: A16831

Backgrounder

INSIGHT

Benefits

- **Local Control**
- **Creation of a stable market for pulp logs improving the cost structure for saw logs.**
- **Improved utilization of fibre.**
- **Regional impact—stability for local sawmills.**
- **Provincial impact—FN Economic Development utilization of provincial chip surplus.**
- **Long term and renewable agreement.**
- **Promotes the local utilization of saw logs.**
- **The agreement provides a sound trade footing for both Sunwave and the Gitxsan.**

Since the acquisition by Sun Wave Forest Products Ltd.'s (SWFP) of the Prince Rupert Pulp Mill , and the Old Carnaby Forest License; Sun Wave and the Gitxsan Hereditary Chiefs (GHC) have en-

tered into negotiations for the purchase of the old Carnaby license. On June 20, 2006 the Gitxsan Simgiigyet met with Suzanne Xu the president of SWFP for an information ses-

sion. In this meeting SWFP stated they are not interested in getting into the logging business, they are only interested in purchasing the fibre from the licensee. The Gitxsan are currently negotiating the purchase of the old Carnaby Forest License. Should the Gitxsan be successful in the purchase of the License they will have control over the planning and management of the forest license area. The purchase will also open the door to new economic ventures for all Gitxsan and non-Gitxsan entrepreneurs.



License purchase Meeting on June 20,2006

Progress in License Purchase.

Although the process of formalizing an agreement with Sunwave, has not been reached yet; Cameron Stevens the Forester for Gitxsan Treaty Of-

fice and Ralph Michel a Former Skeena Cellulose employee have been contracted by SWFP to started conducting road assess-

ments with in the license area. In a recent meeting with Paul Veytmeyer, (a contractor for SWFP), stated that all Carnaby license files

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Meeting on June 20, 2006

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can be turned over to the Gitksan within the next two weeks.

Once the files are turned over to the Gitksan, Cameron will be able to start organizing and assessing priority work within the license area.

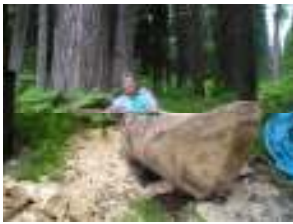
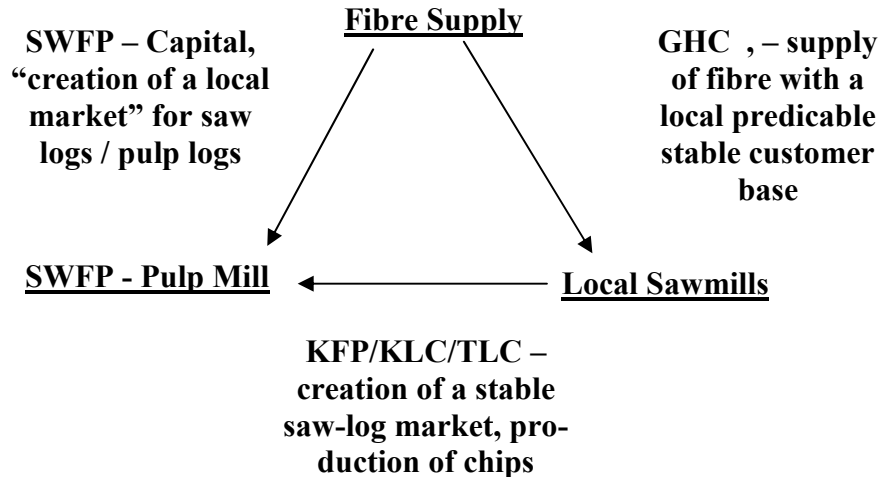
Cameron is also collecting names of individuals that have silvaculture survey experience; in order to compile a list of people that he can

contact for upcoming survey work.

If you do not have a background in silvaculture surveying, there will be a Basic Silvaculture Surveyors Course

on, August 14th-18th in the Hazelton area; interested individual should forward their name and Wilp affiliation to Cameron Stevens and the Gitksan Treaty Office.

Partnership Model



Beatrice Rabocz In her dugout Canoe Planter.

Planned outcomes:

The planned outcome of the partnership model is the creation of a stable market for pulp logs, which will assist in improving the cost structure for saw logs.

The improved utilization of resources will have positive impacts within the region's economic structure, adding stability for sawmills including: Kispiox Forest products,

Kitwanga Forest Products and Terrace Forest products. The improved market will also assist in the development of First Nations logging companies and/or secondary companies.

The Gitksan Hereditary Chiefs - Sun Wave Forest Products Model - A true partnership – creating a local market



Gitksan Hereditary Chiefs in Moricetown