

**REGIONAL DISTRICT OF BULKLEY-NECHAKO****RDBN FORESTRY COMMITTEE
(Committee of the Whole)
Agenda**

Thursday, August 20, 2015

<u>PAGE NO.</u>		<u>ACTION</u>
	<u>Agenda – August 20, 2015</u>	Adopt
	<u>Supplementary Agenda</u>	Receive
	<u>MINUTES</u>	
2-3	Forestry Committee Meeting Minutes - July 23, 2015	Receive
	<u>REPORT</u>	
4	Gail Chapman, CAO – Forestry/Wildfire Management/ Industry/Local Government/1 st Nations Forum	Receive
5-6	Gail Chapman, CAO – Pellet Plant Dryer Systems	Receive
	<u>CORRESPONDENCE</u>	
7	Conifex Timber Inc. – Conifex Announces Closing of Investment Agreement	Receive
8	Conifex Timber Inc. – Conifex Announces Acquisition of Sawmill Assets in El Dorado, Arkansas	Receive
	<u>DISCUSSION ITEM</u>	
	Community Forests Associations and Waste	
	<u>SUPPLEMENTARY AGENDA</u>	
	<u>NEW BUSINESS</u>	
	<u>ADJOURNMENT</u>	

REGIONAL DISTRICT OF BULKLEY-NECHAKO**FORESTRY COMMITTEE MEETING**
(Committee of the Whole)**Thursday, July 23, 2015**

PRESENT: Chair Rob MacDougall

Directors Taylor Bachrach
Eileen Benedict
Shane Brienen
Mark Fisher
Tom Greenaway
Dwayne Lindstrom
Thomas Liversidge
Bill Miller
Rob Newell
Mark Parker
Jerry Petersen
Darcy Repen
Gerry Thiessen

Director Absent Luke Strimbold, Village of Burns Lake

Staff Gail Chapman, Chief Administrative Officer
Cheryl Anderson, Manager of Administrative Services
Hans Berndorff, Financial Administrator

CALL TO ORDER Chair MacDougall called the meeting to order at 3:32 p.m.**AGENDA** Moved by Director Repen
Seconded by Director Miller**F.C.2015-5-1** "That the Forestry Committee Meeting Agenda of July 23, 2015 be adopted."

(All/Directors/Majority)

CARRIED UNANIMOUSLY**MINUTES****Forestry Committee Meeting**
Minutes – June 11, 2015 Moved by Director Petersen
Seconded by Director Benedict**F.C.2015-5-2** "That the Forestry Committee Meeting Minutes of June 11, 2015 be received."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

DISCUSSION ITEM

Plan for Proposed Workshop on Wildfire

Gail Chapman, CAO indicated that invitations have been issued to industry, First Nations, and local government to participate in a workshop. October has been identified as the most suitable time for most to attend. Al Gorley is available to facilitate the workshop at that time and has provided a draft agenda for comment.

Director Miller advised that OBAC is supportive of the workshop and staff is available to assist in the process. He noted that Brian Simpson, former Manager at the Wildfire Management Branch, recently presented at OBAC. Director Miller indicated that Mr. Simpson has been identified as a potential speaker on the draft agenda.

Mr. Miller expressed the importance of including First Nations.

CORRESPONDENCE

Ministry of Forests, Lands and Natural Resource Operations - Pricing Regime for Community Forest Agreements
 Moved by Director Thiessen
 Seconded by Director Brien

F.C.2015-5-3

"That the Forestry Committee receive the correspondence from the Ministry of Forests, Lands and Natural Resource Operations regarding the Pricing Regime for Community Forest Agreements."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

NEW BUSINESS

Pellet Plant Dryer Systems

Direction was given to staff to determine the type of dryer systems used at pellet plants in the region.

ADJOURNMENT

Moved by Director Thiessen
 Seconded by Director Greenaway

F.C.2015-5-4

"That the meeting be adjourned at 3:52 p.m."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

Rob MacDougall, Chair

Cheryl Anderson, Manager of
 Administrative Services

**REGIONAL DISTRICT OF BULKLEY-NECHAKO****FORESTRY COMMITTEE****Memorandum**

TO: Chair MacDougall and Forestry Committee Members

FROM: Gail Chapman, CAO

SUBJECT: Forestry/Wildfire Management/Industry Loc. Government/
1st Nations /Forum

DATE: August 12, 2015

At its June 11th, 2016 meeting, the Forestry Committee directed staff to organize a Forestry Forum which would focus on Wildland Urban Interface issues. The date that has been secured is **Tuesday, October 13, 2015**. Mr. Al Gorley has agreed to facilitate the event. A draft agenda was circulated at the July 23, 2015 Forestry Committee meeting.

Staff will keep the Forestry Committee apprised of further details leading up to the event.

RECOMMENDATION: (All/Directors/Majority)

Receive



**REGIONAL DISTRICT OF BULKLEY-NECHAKO
FORESTRY COMMITTEE
Memorandum**

TO: Chair MacDougall and Forestry Committee Members
FROM: Gail Chapman, CAO
SUBJECT: Pellet Plant Dryer Systems
DATE: August 11, 2015

At its meeting of July 23rd, 2015, the Forestry Committee directed staff to contact pellet plants in the region to inquire as to the type of dryer system that they have in place at their facilities.

The following are the systems presently being utilized:

- Premium Pellet, Vanderhoof, BC - Single Pass Dryer System (heated gas stream)
- Pinnacle Pellet, Houston, BC - Single Pass Dryer System (heated gas stream)
- Pinnacle Pellet, Burns Lake, BC - Single Pass Dryer System (heated gas Stream)

RECOMMENDATION: (All/Directors/Majority)

Receive



Products

Industrial Design, Build & Maintenance

Industrial Dryer Systems

Single Pass Dryers

Triple Pass Dryers

Flash Tube Dryers

TherMed® Dry Wood Fuel
Suspension Burners

Product Collectors

Storage and Metering Bins

Emission Abatement Solutions

Flue Gas Recirculation Systems

Particulate Control Equipment

Thermal Oxidizers

System Components

Drum Drives

Dryer Fans

Process Ductwork

Trunnion Wheels

Hammermills

Airlocks & Rotary Feeders

Surplus Equipment & Parts

Test Dry Your Product

Single Pass Dryer Systems

M-E-C Single Pass Dryer Systems are built with full length outer shell flighting and suspended flighting. M-E-C's proprietary flighting designs lift the product and cascade it through the heated gas stream. Our internal designs provide maximum production and assured moisture control.

Characteristics of M-E-C's Single Pass Dryer Systems:

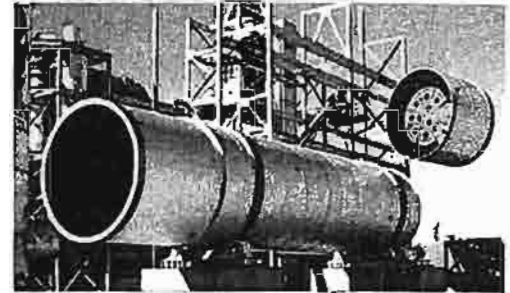
Effectively process products of varying sizes and densities

Larger single dryer capacities

Fully insulated with mineral fiber wool for maximum thermal efficiency

Specially designed three-zone flighting arrangement optimizes retention time and moisture control

Optimal inlet and outlet temperatures for maximum drying efficiency





CONFIFEX

CONFIFEX TIMBER INC.

NEWS RELEASE: via MARKETWIRE

FOR IMMEDIATE RELEASE

CONFIFEX ANNOUNCES CLOSING OF INVESTMENT AGREEMENT

August 5, 2015, Vancouver, B.C. - Confifex Timber Inc. ("Confifex") (TSX: CFF) announced today that its wholly-owned subsidiary, Confifex Inc., has closed the previously announced investment agreement with Canfor Corporation (the "Agreement"), pursuant to which Confifex Inc. issued a \$30,000,000 senior secured note (the "Note") to Canfor.

The Note has a term of five years, bears no interest for the first two years with interest of 5% per annum thereafter until maturity and will be secured by, among other things, a first lien on a forest licence with 200,000 m³ of annual cut held indirectly by a subsidiary of Confifex Inc. (the "Subsidiary"). Confifex Inc. can elect after 17 months to pay the principal amount of the Note by the transfer of all of the issued common shares of the Subsidiary. Additionally, Canfor has the option, exercisable after 12 months, to convert the Note into an ownership interest in the forest licence. The proceeds of the Note are planned to be used for general corporate purposes.

For further information, please contact:

Yuri Lewis
Chief Financial Officer
(778) 331-8687

About Confifex Timber Inc.

Confifex and its subsidiaries' primary business currently includes timber harvesting, reforestation, forest management, sawmilling logs into lumber and wood chips, and value added lumber finishing and distribution. Confifex's lumber products are sold in the United States, Chinese, Canadian and Japanese markets. Confifex has expanded its operations to include bioenergy production following the commencement of commercial operations of its power generation facility at Mackenzie, British Columbia.

Forward-Looking Statements

Certain statements in this news release may constitute "forward-looking statements". Forward-looking statements are statements that address or discuss activities, events or developments that Confifex expects or anticipates may occur in the future. When used in this news release, words such as "estimates", "expects", "plans", "anticipates", "projects", "will", "believes", "intends" "should", "could", "may" and other similar terminology are intended to identify such forward-looking statements. Forward-looking statements reflect the current expectations and beliefs of Confifex's management. Because forward-looking statements involve known and unknown risks, uncertainties and other factors, actual results, performance or achievements of Confifex or industry may be materially different from those implied by such forward-looking statements. Examples of such forward-looking information that may be contained in this news release include the use of proceeds of the Note. Forward-looking statements involve significant uncertainties, should not be read as a guarantee of future performance or results, and will not necessarily be an accurate indication of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, without limitation: any reallocation of the proceeds of the Note and other risk factors described in Confifex's 2014 annual information form, available on SEDAR at www.sedar.com. These risks, as well as others, could cause actual results and events to vary significantly. Accordingly, readers should exercise caution in relying upon forward-looking statements and Confifex undertakes no obligation to publicly revise them to reflect subsequent events or circumstances, except as required by law.



CONIFEX

CONIFEX TIMBER INC.

NEWS RELEASE: via MARKETWIRE

FOR IMMEDIATE RELEASE

Conifex Announces Acquisition of Sawmill Assets in El Dorado, Arkansas

August 6, 2015, Vancouver, B.C. - Conifex Timber Inc. ("Conifex" or the "Company") (TSX: CFF) announced today that it has completed the purchase (the "Purchase") of 100% of the outstanding shares and shareholder loans of a private Delaware company ("AcquisitionCo"). The consideration consisted of 100,000 common shares of the Company at a deemed price of CAD\$6.75, as well as the reimbursement of certain costs previously incurred by the vendor.

AcquisitionCo had the exclusive rights to acquire a sawmill and related facilities and equipment, including approximately 186 acres of land, located near El Dorado, Arkansas, United States (the "El Dorado Mill"). Concurrent with the closing of the Purchase, AcquisitionCo exercised its right to acquire the El Dorado Mill for total consideration of US\$21 million, comprised of US\$12.36 million in cash and an US\$8.64 million vendor mortgage.

Ken Shields, Chief Executive Officer of Conifex commented: "It's Important to Conifex to secure this ideal site and high quality infrastructure in one of the most advantaged softwood supply regions in North America." Mr. Shields further added, "The uncertainties flowing from the expiry and renegotiation of the Softwood Lumber Agreement could potentially impact the timing of the modernization and upgrade of our Canadian sawmills, while we expect the SLA will have less impact on capital expenditure decisions for mills located in the US."

The El Dorado Mill is situated in an area well regarded for its availability of high quality sawlogs within cost effective proximity and a skilled labor pool. The Company is currently completing its review to evaluate the optimal capital upgrade for the El Dorado site, following which management expects to determine the priority in which to rebuild its currently idled Mackenzie Site 1 mill or the El Dorado Mill. Over the longer term, the Company expects to undertake capital upgrades to rebuild both of these mills.

The common shares issued pursuant to the Purchase Agreement will be subject to a hold period expiring four months and one day following closing.

For further information, please contact:
Yuri Lewis
Chief Financial Officer
(778) 331-8687

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