

September 12, 2008

**Daishowa Marubeni International Ltd
Peace River Pulp Division**

FINAL ANNUAL OPERATING PLAN

INTRODUCTION

This plan for Compartment **FMA P130125** (located in Twp82-Rng15 and Rng16 W5) issued under **Forest Management Agreement 8900027** covers the operating period from September 12, 2008 to April 30, 2009.

The proposed location of manufacture for deciduous volume under the authority of this plan is the Daishowa Marubeni International Ltd., Peace River Pulp Mill located near Peace River, Alberta.

Incidental coniferous timber harvested as a result of deciduous harvesting operations, will be directed to Canadian Forest Products (CANFOR).

This plan is contingency volume for Community Based Value Added Corporation (CBVAC) and is not represented in table 7 of 2007 GDP as this volume is not scheduled for chipping operations.

Upon delivery to respective mill sites all material will be weigh scaled.

DECIDUOUS PRODUCTION (Quadrant)

Proposed Production for this timber year:

Deciduous Volume : 25,116 m³

Incedental Deciduous: 393 m³

Conifer Volume: 1,206 m³

Incidental Conifer: 3,837 m³

WOOD OPERATIONS

Deciduous operating conditions and merchantability standards are subject to the DMI Timber Harvest Planning and Operating Ground Rules, Operating Conditions listed in Section 5 of PRPD's General Development Plan and any additional Operating conditions listed in the Alberta Sustainable Resource Development (ASRD) Letter of Approval.

The coniferous operations and merchantability standards will comply with the Alberta Timber Harvest Planning and Operating ground Rules and any additional Operating conditions listed in the ASRD Letter of Approval.

ACCESS DEVELOPMENT

Prior to company use of any existing road, pipeline, power line, well site or other disposition held by a third party, the consent of the holder will be obtained.

Reclamation will be concurrent with completion of operations. The access development and reclamation will follow the company's weed control plan.

Licenses of Occupation:

Number	Held By	Road Class	Season of Operation
LOC890482	Daishowa Marubeni International Ltd	III	Dry-Weather
LOC900397	Daishowa Marubeni International Ltd	III	Dry-Weather
MLL910150	M.D. Northern Lights No. 22		

Road Construction

Class V Roads

In-block roads will be installed during the harvest of 2007/2008. The block roads will be reclaimed upon completion of hauling.

Road Number	Class	Frozen or Non-Frozen Operable	Tenure	Development Required	Reclamation
43	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and piling as required
46	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and piling as required
47	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and piling as required
48	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and piling as required
49	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and piling as required
50	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and piling as required
51	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and piling as required
52	V	Frozen	1 Year	Blade line, Pre-log and stump block roads	Rollback and piling as required

STREAM CROSSINGS

The table below lists the crossings to be utilized during this timber year. This table does not list crossings that are located on routes held under LOC by DMI or other companies.

The removal of crossings constructed with snow or logs fills will be removed after operations are completed.

The crossings listed in this table do not require any approval from Department of Fisheries and Ocean Canada or the Water Management Division of Alberta.

Crossing No.	Structure	Stream Class	Company
54	Snow Fill	Intermittent	DMI
57	Snow Fill	Small Permenent	DMI
58	Snow Fill	Intermittent	DMI
	Snow Fill	Intermittent	DMI

OPERATIONS

Coniferous harvesting will be mechanized and completed with a feller-buncher, grapple skidder, and stroke delimber with tree-length haul to sawmill.

Deciduous harvesting will be mechanized and completed with a feller-buncher, grapple skidder and, and a stroke delimber with tree-length to the mill.

TRAPPER NOTIFICATION

All Trappers will receive a copy of this Final AOP.

NUMBER	HOLDER	CONTACT DATE	METHOD	ISSUES
2038	Geoffrey Exner	Copy of Preliminary AOP	Registered Mail	
		Copy of Final AOP	Registered Mail	

DESIGN CONSIDERATIONS

The deciduous component of this plan was designed with objectives from the 1999 DMI Detailed Forest Management Plan and PRPD's 2007 GDP.

1. Implement a single-pass harvest system that utilizes natural stand boundaries as block boundaries to avoid potential fragmentation of the landbase.
2. Retain merchantable volume within harvested areas of retention outlined in PRPD's "Retention Strategy". This retention will contribute to the overall goal of retaining 15% at the landscape level. The actual retention for individual blocks will vary between 0 and 30%.
3. Design in-block roading to minimize road construction, reclamation requirements, and access throughout the area after harvest.

CUTBLOCK SUMMARY

The cutblock summary is listed below

Block Number	Total Area (ha)	DEC Vol (m³)	Inc Dec Vol (m³)	CON Vol (m³)	Inc Con Vol (m³)
43	31.3	4,544	0	0	776
46	29.0	6,343	0	0	1,148
47	2.6	572	0	0	103
48	6.1	1,130	0	0	193
49	6.4	1,444	0	0	261
50	15.8	3,466	0	0	625
51	23.9	4,241	0	0	524
52	20.5	3,377	393	1,206	207
Total	135.4	25,116	393	1,206	3,837

BLOCK SEQUENCING

These blocks are in a “Special Access Area” (SRD 2006). Access will be blocked during long periods of inactivity (periods exceeding 72 hr). The block sequence for this area will be 48, 49, 46, 50, 51, 52 and 43

There are a number of Protective Notations in the north east corner of this disposition. The protective notations are PNT 890422, PNT940274 (Ungulate Habitat Protection) PNT820603 (Insufficient Forage), PNT890318 (Active Landfill Site).

SLASH DISPOSAL

Slash disposal guidelines set out in section five of the 2008 GDP will be followed.

HISTORICAL RESOURCE CONSIDERATIONS

This plan’s operations will comply with the Alberta Historical Resources Act.

UNDERSTORY MANAGEMENT

Any additional areas of understory encountered during operations within these blocks will be assessed and protection measures implemented as indicated in DMI’s understory protection guidelines.

The inspecting Forest-Officer will be notified of any changes to the understory protection prescriptions

REFORESTATION PROGRAM

The Reforestation Table below outlines the proposed harvest system, silviculture system (strategy) and reforestation tactic for the blocks to be harvested.

Timber Year	Disposition	Block	Area (0.1 ha)	Pre-Harvest Assessment Completed	Frozen or Non-Frozen Operable	Proposed Harvest System	Silviculture System	Reforestation Tactic
2008	FMAP130125	43	31.3	No	Frozen	Tree-length	Clearcut	Leave for Natural Suckering
2008	FMAP130125	46	29.0	No	Frozen	Tree-length	Clearcut	Leave for Natural Suckering
2008	FMAP130125	47	2.6	No	Frozen	Tree-length	Clearcut	Leave for Natural Suckering
2008	FMAP130125	48	6.1	No	Frozen	Tree-length	Clearcut	Leave for Natural Suckering
2008	FMAP130125	49	6.4	No	Frozen	Tree-length	Clearcut	Leave for Natural Suckering

Timber Year	Disposition	Block	Area (0.1 ha)	Pre-Harvest Assessment Completed	Frozen or Non-Frozen Operable	Proposed Harvest System	Silviculture System	Reforestation Tactic
2008	FMAP130125	50	15.8	No	Frozen	Tree-length	Clearcut	Leave for Natural Suckering
2008	FMAP130125	51	23.9	No	Frozen	Tree-length	Clearcut	Leave for Natural Suckering
2008	FMAP130125	52	20.5	No	Frozen	Tree-length	Clearcut	Leave for Natural Suckering

The Table below outlines pre harvest strata polygons by the four cover types based upon the current Forest Inventory data.

Timber Year	DISPOSITION	Block	Area (Ha)	Map Inventory Type (pre-harvest)-ha			
				<u>C</u>	<u>CD</u>	<u>DC</u>	<u>D</u>
	FMAP130125	43	31.3	0.0	0.0	0.0	31.3
	FMAP130125	46	29.0	0.0	0.0	0.0	29.0
	FMAP130125	47	2.6	0.0	0.0	0.0	2.6
	FMAP130125	48	6.1	0.0	0.0	0.0	6.1
	FMAP130125	49	6.4	0.0	0.0	0.0	6.4
	FMAP130125	50	15.8	0.0	0.0	0.0	15.8
	FMAP130125	51	23.9	0.0	0.0	0.0	23.9
	FMAP130125	52	20.5	5.0	0.0	0.0	15.5
Totals:			135.4	5.0	0.0	0.0	130.5

ENDORSEMENT OF AOP BY FMA HOLDER

ENDORSEMENT OF AOP: FMAP130125 September 12, 2008

AOP prepared by:

Name: Trina Tosh

Name: _____

Position: Forest Resources Supervisor,
Planning

Position: _____

Signature: _____

Signature: _____

Date: _____

Date: _____

Contact Information:
Daishowa Marubeni International Ltd
Peace River Division
Postal Bag 6500
Peace River, AB T8S 1V5
(780) 624-7337

Contact Information:
Grande Prairie Division
Postal Bag 100
Grande Prairie, Alberta
(780) 538-7738