NISOKAPAWINO FORESTRY MANAGEMENT CORPORATION

July 6, 2018

First Nations and Canadian Kraft Paper Industries form historic Forestry Management Company

The Pas, Manitoba, Canada, July 6, 2018—A historic partnership has been forged today between Nekoté (a corporation representing seven First Nations) and Canadian Kraft Paper (CKPI) in Manitoba. Under this 50-50 partnership, Nekoté and CKPI will form a new company called Nisokapawino Forestry Management Corporation (NFMC) to co-manage 8.7 million hectares of boreal forest; sharing responsibilities for forest management, maintaining sustainable forestry practices, protecting environmental values, and bolstering strong, local economies.

Nisokapawino is Cree for "two standing together," and evokes a meaning that is deeper than partnership. Nisokapawino will operate within a tenure designated as Forest Management Licence 2 (FML-2). It is the largest forest tenure in North America, which overlaps with the traditional territories of 9 First Nations, providing homes and livelihoods for thousands of people. It stores vast amounts of carbon and freshwater, has abundant rivers, wildlife, fish, and birds.

On behalf of Nekoté, Chief Clarence Easter of Chemawawin Cree Nation said: "I'm excited about the partnership. CKPI is the first company to recognize the value of working with First Nations. We wanted this equal partnership because they are operating in our backyard, and we make a living from our backyard—we have fishermen, trappers, berry pickers, medicine pickers. We have wildlife, like moose, that are important to us. By bringing Traditional Knowledge of our people, we can improve the process. This is just the start. Now the real work begins, with our communities...."

"We are very proud and happy to be part of this historic occasion," said Tony Zandos, Senior Advisor to CKPI. "At the time of the sale of the mill, CKPI and First Nations leadership identified a need for joint participation in forest management decision-making. It was agreed a Partnership would be formed that could meet the objectives of Nekoté with respect to meaningful participation in forest management and enhanced opportunities for access to employment, and business development and meet the objectives of CKPI with respect to access to reliable, low-cost fibre. Nisokapawino Forestry Management Corporation is pivotal in the continued success of this longstanding business in northern Manitoba to the benefit of northern Manitoba."

Since November 2016, CKPI and Nekoté have been working diligently to create

partnership agreements that improve communication with rightsholders and stakeholders on the FML, enhance understanding and opportunities around forest management decision making, and create better access to employment and business development opportunities.

Grand Chief Dumas, of the Assembly of Manitoba Chiefs, said "I'm very optimistic about this opportunity. It has the potential to create a template for how economic and environmental issues will move in the future, in a responsible and effective way, with proper participation of First Nations interests, to the benefit of everyone."

"It is a historic and proud moment for Opaskwayak Cree Nation and for Swampy Cree Tribal Council," states Onekanew Christian Sinclair. "The partnership opportunities with Canadian Kraft Paper Industries Ltd., demonstrates that our inherent treaty rights are reaffirmed, respected and acknowledged by signing this agreement. We look forward to a prosperous future for achieving economic success, this will set our foundation not only for today, but for future generations."

Nisokapawino will undertake the responsibilities associated with developing Forest Management Plans, Silvicuture and Renewal Plans and activities, and maintaining the CSA Z-809 Sustainable Forest Management and ISO 14001 Environmental Management System certifications. This includes commitments to community involvement and feedback as forest management plans are developed, which will strengthen engagement and create opportunities for community-based monitoring and oversight of existing operations.

"The seven First Nations that have come together on FML-2 to form the Nekoté corporation made certain a provision exists for other First Nations in the FML area to join us in the future." said Grand Chief Turner of the Swampy Cree Tribal Council. Nekoté is comprised of Chemawawin Cree Nation, Mathias Colomb Cree Nation, Misipawistik Cree Nation, Mosakahiken Cree Nation, Opaskwayak Cree Nation, Sapotaweyak Cree Nation, and Wuskwi Sipihk First Nation (who are all SCTC members). "We hope that as Nisokapawino becomes recognizable, Nekoté will grow."

CKPI will transition the work associated with the FMLA responsibilities to Nisokapawino over the next few weeks. Nisokapawino is expecting to be operational in that regard by July 23, 2018.

Canadian Kraft Paper Industries Limited is located in The Pas, Manitoba, Canada and focusses solely on the production of Unbleached Extensible Kraft papers. These high performance extensible papers are sold to converters throughout the world for various demanding applications.

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