

Western Forest Products Inc. Completes Sale of an Incremental Ownership Interest in TFL 44 LP to Huumiis Ventures LP



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Western Forest Products Inc. →
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PORT ALBERNI, BC, May 3, 2021 /CNW/ - Huumiis Ventures Limited Partnership ("Huumiis"), a limited partnership beneficially owned by the Huu-ay-aht First Nations ("Huu-ay-aht"), and Western Forest Products Inc. (TSX: WEF) ("Western") announced today the completion of Huumiis' acquisition of an incremental 28 per cent ownership interest in TFL 44 Limited Partnership ("TFL 44 LP") and TFL 44 LP's general partner, TFL 44 General Partner Inc. ("TFL 44 GP") from Western, for \$22.4 million. With the completion of this transaction, Huumiis now owns a 35 per cent ownership interest in TFL 44 LP and TFL 44 GP, with Western owning the remaining respective 65 per cent.



"When we started down this road with Western a few years ago, we did so with the words and guidance of our elders in mind," said Tayii H̄awit̄ λiišin (Huu-ay-aht Hereditary Chief Derek Peters). "Our sacred principles of ʔiisaak (utmost respect), ʔuuʔaʔuk (taking care of), and Hišuk ma ʔawak (everything is one) continue to guide us as we focus on increasing our jurisdiction over our ḥahuui (traditional territory) and ensure the resources are managed sustainably to create wealth for our Nation, while also protecting those same resources for future generations. Working with Huu-ay-aht, Huumiis has persevered to ensure our values and vision are carried forward in TFL 44 LP. We are looking forward to Huumiis, as a wholly-owned Huu-ay-aht business, continuing on this path with Western."

"The finalization of this next step in the transaction is a historic milestone and positive step forward towards economic reconciliation," said Huu-ay-aht Chief Councillor Robert J. Dennis Sr. "We established Huumiis only a few years ago and now, as a result of this transaction, we have a Huu-ay-aht business with a significant ownership interest in the largest business that operates in Huu-ay-aht territory. It's exciting for me as the financial returns from this economic investment mean we can continue to provide the current programs and services to our people. And with that, I look forward to continuing our strong relationship with Huumiis, Western, the USW, and building relationships with other area First Nations."

"I'm thrilled to be celebrating the next phase of this very successful partnership today," said Don Demens, Western's President and CEO. "I'm excited because I believe the partnership is going to create benefits for Huu-ay-aht citizens and our employees, as well as the whole region, and I believe this is an example of how business can participate in reconciliation. Our relationship with Huu-ay-aht supports both our interests, and that is the foundation of creating this long-lasting partnership that will provide benefits for all of us well into the future."

"I'm incredibly proud of what we've accomplished together," said Shannon Janzen, Western's Vice President, Partnerships & Sustainability and Chief Forester. "I'm excited not only for Western and Huumiis, but also for our workforce, the USW, local communities, governments and First Nations as we celebrate another step towards a long-term vision for reconciliation and revitalization of the forest sector in the Alberni Valley."

"We are thrilled with the results of the hard work from all involved in putting this deal together," said John Jack, a director of Huumiis' general partner, Huumiis Ventures Corporation. "The mandate for Huumiis is simple – to acquire interests in TFL 44 LP. As part of this investment, we ensured that Huu-ay-aht's values and vision are top of mind in the process. Through formation of Huumiis and this successful acquisition, Huu-ay-aht's influence is finally meaningfully realized in TFL 44 operations. We took our deal to the Huu-ay-aht citizens, they voted yes. This is a great day for Huu-ay-aht."

The shared vision of Huumiis, Huu-ay-aht and Western includes a framework for opportunities for increased participation of area First Nations through tenure ownership, training and employment and business opportunities, sustained domestic manufacturing, integrated resource management planning, effective marketing and value-added product innovation, and participation of TFL 44 First Nations on an advisory committee to the TFL 44 GP Board. A vision for strong environmental stewardship is also shared, which will be enhanced by the collective implementation of the Huu-ay-aht-led Hišuk ma čawak Integrated Resource Management Plan ("IRMP").

"This combination of opportunities for participation of First Nations in TFL 44 LP goes above and beyond that of virtually any other forest company in BC. It also sets a standard for First Nation engagement which is in keeping with the *United Nations Declaration on the Rights of Indigenous Peoples*," said Chief Councillor Robert J Dennis, Sr.

"Huumiis' increased ownership stake in TFL 44 LP is something that our union fully supports as we believe it is in the best interests of Huu-ay-aht citizens and our members," said Brian Butler, President United Steelworkers ("USW") Local 1-1937. "This transaction led to the discussion and creation of the mutually beneficial agreement between the USW and Huu-ay-aht that will ensure there are more good paying jobs with benefits, pension and job security for all across TFL 44. On behalf of all USW members working on TFL 44, congratulations to Huumiis, Western and Huu-ay-aht for this positive next step and we look forward to continuing to work together."

The closing of this stage of the transaction paves the way for the next stage – the acquisition of a further 16 per cent ownership interest in TFL 44 LP and TFL 44 GP by Huumiis from Western, which would bring Huumiis' ownership interest to 51 per cent in both. This next stage is anticipated to close in the first quarter of 2023, subject to customary closing conditions, including approval by the BC Provincial Government and a further vote by Huu-ay-aht citizens at a People's Assembly.

In lieu of marking this historic closing in person due to COVID-19 restrictions, Huumiis, Huu-ay-aht, Western, USW, other area First Nations leaders and BC Provincial ministers are celebrating virtually. See the remarks and greetings in this video: https://youtu.be/XC_wUlvP07Y

About Huu-ay-aht First Nations and Huumiis Ventures Limited Partnership

Huu-ay-aht First Nations is an indigenous community located on the west coast of Vancouver Island in British Columbia. It is a part of the Nuuchahnulth Nation, formerly called the Nootka. Huu-ay-aht is a party to the Maa-nulth Final Agreement, a modern treaty that grants its five member-nations constitutionally-protected self-government as well as ownership, control

and law-making authority over their lands and resources. Huumiis Ventures Limited Partnership is a limited partnership formed under the laws of British Columbia that is beneficially-owned by the Huu-ay-aht First Nations. For more information, visit huuayaht.org.

About Western Forest Products Inc.

Western is an integrated forest products company building a margin-focused log and lumber business to compete successfully in global softwood markets. With operations and employees located primarily on the coast of British Columbia and Washington State, Western is a premier supplier of high-value, specialty forest products to worldwide markets. Western has a lumber capacity in excess of 1.1 billion board feet from eight sawmills and four remanufacturing facilities. The Company sources timber from its private lands, long-term licenses, First Nations arrangements, and market purchases. Western supplements its production through a wholesale program providing customers with a comprehensive range of specialty products.

Forward-Looking Statements and Information

This press release contains statements that may constitute forward-looking statements under the applicable securities laws. Readers are cautioned against placing undue reliance on forward-looking statements. All statements herein, other than statements of historical fact, may be forward-looking statements and can be identified by the use of words such as "believe", "can", "will", "anticipated" and similar references to future periods. Forward-looking statements in this news release include, but are not limited to, the potential benefits from the transaction, statements relating to the framework for reconciliation and revitalization in the Alberni Valley forest sector, the timing or anticipate closing of the next stage of the transaction and the selling of the additional incremental interest in TFL 44 LP in the future. Although such statements reflect Western management's current reasonable beliefs, expectations and assumptions as to, amongst other things, the reconciliation and revitalization framework, future supply and demand of forest products, global and regional economic activity and the consistency of the regulatory framework within which the Company currently operates, there can be no assurance that forward-looking statements are accurate, and actual outcomes, results and performance may materially vary. Many factors could cause our actual results or performance to be materially different including: general economic conditions; relations with First Nations groups; changes in annual allowable cut; changes in laws, regulations or public policy affecting the forest industry; and other factors referenced under the "Risks and Uncertainties" section of Western's Management's Discussion and Analysis in Western's 2020 Annual Report dated February 18, 2021, which is available on Western's website at www.westernforest.com. The foregoing list is not exhaustive, as other factors could adversely affect Western's actual results and performance.

Forward-looking statements are based only on information currently available to Western and refer only as of the date hereof. Except as required by law, Western undertakes no obligation to update forward-looking statements.

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