



FOR IMMEDIATE RELEASE

Landmark Forestry Agreement will Support Increased First Nations Participation in a Stronger Vancouver Island Economy and Vision For the Future

October 23, 2023 – Victoria, British Columbia – The Tlowitsis, We Wai Kai, Wei Wai Kum and K'ómoks First Nations (the “Nations,” all member First Nations of the Nanwakolas Council), and Western Forest Products Inc. (TSX: WEF) (“Western”) have reached an agreement for the Nations to acquire a 34% interest from Western in a newly formed Limited Partnership (the “Partnership”) for \$35.9 million (the “Agreement”). The Province of British Columbia helped to facilitate the Partnership through Incremental Treaty Agreements with the Nations, all of whom are in Stage 5 of the British Columbia Treaty Process.

The formation of the Partnership and acquisition by the Nations is subject to various closing conditions, including subdivision and tenure transfer approvals from the British Columbia Ministry of Forests. Western and the Nations are working towards closing the acquisition in the first quarter of 2024.

The Partnership will consist of certain assets and liabilities of Western’s Mid Island Forest Operation, including Block 2 of Tree Farm Licence 39. The operations of the new Partnership will cover approximately 157,000 hectares of forest land in the traditional territories of the Nations near the communities of Campbell River and Sayward on eastern Vancouver Island. The Partnership will manage an allowable annual cut of 904,540 cubic metres of timber and includes a long-term fibre agreement to support Western’s British Columbia coastal manufacturing operations.

Tlowitsis, We Wai Kai, Wei Wai Kum, and K'ómoks, who share significant areas of their respective territories, have been stewards of their forests for millennia. Nanwakolas Council assisted the four Nations in concluding the Agreement. “This is a good day for everyone on Vancouver Island and the central coast,” says Nanwakolas Council President Dallas Smith. “For far too long, the very people who are the reason there were healthy, abundant forests here prior to colonization were excluded from participation in their continued sustainable management and any ability to benefit from them. Today we celebrate a significant step forward on the pathway to sustainable, effective resource management of our forests for the benefit of future generations. I applaud the Nations for taking this step. I acknowledge Western for stepping up into the Partnership and thank BC for helping make this happen.”

“Negotiations by K'ómoks towards the acquisition of an economically viable forestry operation began in 2021,” says K'ómoks Chief Ken Price, who is a registered forest technologist. “Historically, our people have always been involved in the forestry industry,” says Chief Price. “This forestry partnership agreement reflects not only a significant and meaningful incremental step forwards in our vision for economic wellbeing as a Nation, but our vision for a K'ómoks Treaty with the provincial and federal governments. K'ómoks would like to acknowledge Nanwakolas Council for its support of the Nations during the negotiations process, and our partners Tlowitsis, We Wai Kai, and Wei Wai Kum. As First Nations, we all look forward to taking our rightful place in forestry ownership and management in our territories.” The partnership achieves one of the “Winning Conditions” of reaching a K'ómoks Treaty and K'ómoks has put significant resources into the work that has led up to this point. “We thank Western for their work to make the Partnership happen, and the support for our negotiations over the years from the Government of Canada and from the provincial government.”

“For Tlowitsis First Nation, this Agreement represents a new way forward that is deeply meaningful,” says Tlowitsis Chief John Smith. “The opportunity to be on the ground working on our territories is huge - to

provide jobs for our young people, revenue to support our Nation, and simply a better way of doing business together, is priceless."

"We Wai Kai is making significant investments in forestry, including the development and growth of our logging company, Way Key," says We Wai Kai Chief Ronnie Chickite. "We appreciate the recognition by Western and British Columbia that we are an integral partner in the forest industry in our territory. This Agreement, and the Partnership it creates, is an important step forward for our Nation in participating meaningfully in the forest economy and taking back governance over our lands and resources."

"When we speak of reconciliation, here is a living, practical example of reconciliation on the ground," says Wei Wai Kum Chief Councillor Christopher Roberts. "We have raised concerns repeatedly over the generations about the immense value and wealth leaving our territory, with little to no benefit to our Nation. We have not been involved at the table in decision making. Finally, we took a stand four years ago that this must stop. We could not support the replacement of forest licences in our territory that don't have commitments to address our concerns. But things are changing. This agreement is proof that it is possible to address multiple interests and generate positive outcomes for all people that call our territory home. Provincial support for this new partnership aligns with the Action Plan on the *Declaration of the Rights of Indigenous Peoples Act*. It aligns with our demonstrated ability to take back control of our territories and manage them successfully to ensure a better future for our people. I thank Western for sharing that vision of the future with us; and congratulate all of the partners and parties involved. It was hard work, but will have lasting positive impacts that will increase for generations to come."

"The partnership is an excellent example of working together towards reconciliation," said Premier David Eby. "Incremental Treaty Agreements build trust, and ensure First Nations in the treaty process and the entire community experience benefits sooner. This agreement means opportunities are on the way for business, First Nations members and communities on northern Vancouver Island, proving that a rising tide lifts all boats."

"Tlowitsis, We Wai Kai, Wei Wai Kum and K'ómoks want to work innovatively and collaboratively with B.C. through the Incremental Treaty Agreements. They also wish to work with Western Forest Products, to have a lasting and positive impact on communities in north and central Vancouver Island that depend on the forestry industry," said Murray Rankin, Minister of Indigenous Relations and Reconciliation. "It is essential that these First Nations have a greater role in forestry, to advance their own economic goals and to advance reconciliation."

"Our agreement is another step forward in Western's ongoing commitment to economic reconciliation and setting a solid foundation that benefits workers, communities and shareholders," says Western's President and CEO Steven Hofer. "Together with our partners, we are ushering in a new era of forestry in this province – one where everyone has the opportunity to fully participate and benefit."

About Nanwakolas Council

The Nanwakolas Council provides its member First Nations with advocacy and information services, technical support, coordination, and advice to assist them in their decision-making work. That work includes reviewing applications for provincial tenures and permits referred to the member First Nation for their decision and watching over Aweenak'ola through the Ha-ma-yas Stewardship Network. Through Nanwakolas Council, the member First Nations come together to make decisions on matters in which they share common interests. They unite to uphold their Aboriginal rights and title, using the powerful collective voice on the Nanwakolas Council. The Nanwakolas Council engages with governments, industry, and partners of the member First Nations to protect the rights of the First Nations, and to ensure they are honoured and respected. For more information - www.nanwakolas.com

About Tlowitsis First Nation

The traditional territory of the Tlowitsis First Nation spans the coastal area of Northern Vancouver Island, Johnstone Strait and adjacent mainland inlets. From time immemorial until the 1960s, the Tlowitsis

occupied numerous sites throughout these lands. Seasonal travel routes, food processing locations, burial and cultural sites and other named places extend across the entire territory. Kalagwees, located on Turnour Island, was our primary winter residence.

The Tlowitsis were displaced from Kalagwees in the late 1960s, leading our people to be culturally and physically separated from our traditional territories. In the spring of 2018, the Tlowitsis finalized the purchase of a 635-acre property in the Strathcona Regional District, just south of Campbell River. It is here that we will be establishing a new home community for our citizens, known as Nenagwas, or “a place to come home to” in English.

About We Wai Kai First Nation

The We Wai Kai embrace their language and culture to build a proud, healthy, safe and self-sufficient community. We Wai Kai people support and encourage each other to thrive through following the footsteps of their ancestral history, as stewards of their lands and waters, while balancing their role in modern day society.

We Wai Kai's current population is approximately 1,200 Citizens, about 1/2 live on reserve (split between Cape Mudge Village and Quinsam Reserve), and the other 1/2 live off reserve. The Nation has 5 designated reserve lands covering 685 hectares (1,693 acres). We Wai Kai territory includes the east side of Vancouver Island from the Qualicum River in the south, to the Tsitika River in the north. Then on the mainland, from Toba Inlet to Jackson Bay, and all of the islands in between.

We Wai Kai's investments in forestry include the formation of its logging company and the acquisition of 7,600 acres of prime forest lands through an agreement with British Columbia. We Wai Kai continues to strive for economic self sufficiency through a principled and practical approach to resource development, balancing economic growth with conservation.

About Wei Wai Kum First Nation

The centre of Wei Wai Kum territory is Campbell River, on the east coast of central Vancouver Island in British Columbia. Based on the history of our ancestors, Wei Wai Kum territory today extends from the headwaters of Loughborough Inlet north of Campbell River to the Tsable River in the south. It goes westward to the chain of mountains on central Vancouver Island, and eastward midway through the Strait of Georgia.

The Wei Wai Kum First Nation (Campbell River Indian Band) engages in a range of social and economic programs, services and activities that promote the well-being and prosperity of our members. These include education, housing, health care, social development, and recreation. We also support activities that preserve and promote the Wei Wai Kum culture, such as training in the Lik'wala language and traditional dancing and singing.

Wei Wai Kum has learned a great deal over recent decades about forestry legislation, and about government and industrial forestry management practices in our territory. It became very clear to us that without our direct involvement in planning and decision-making, and significant benefits flowing to our Nation from forestry activities in our territory, we could no longer support the status quo. Coming to an agreement with Western, with the support of the provincial government to reach a deal that addresses our issues and concerns is encouraging. It shows the world what is attainable throughout our territory through working with different partners for a common goal: the wellbeing of our territory and our people, and the restoration of our rightful authority over our lands and waters.

About K'ómoks First Nation

For thousands of years Indigenous people occupied the shoreline of eastern Vancouver Island stretching from what is known today as Kelsey Bay in the north, down to Hornby and Denman Island in the south, and included the watershed and estuary of the Puntledge River. The people called K'ómoks today referred to themselves as Sahtloot, Sasitla, leeksun and Puntledge. They lived in Salmon River, Quinsam and

Campbell Rivers, Quadra Island, Kye Bay, Comox Harbour and estuary, Baynes Sound, and many other locations throughout the territory.

Today, K'ómoks is in Stage 5 of the BC Treaty Process, working towards its Final Agreement. In the course of its negotiations, K'ómoks set "Winning Conditions" for its treaty, including ensuring the economic success of the Nation. The steadfast commitment of K'ómoks to requiring the conditions be met has resulted in securing financial contributions from both BC and Canada towards meeting the Nation's vision for forestry and a long term wood supply.

Through its direct negotiations with the forestry sector in the last three years, K'ómoks gained knowledge and understanding of its forestry capacity requirements. This experience and the Nation's commitment to the Partnership negotiations has been a significant benefit in concluding the Agreement with Western and the First Nations partners and strengthening relationships in the forestry sector. The opportunity that the Partnership represents includes economic, social, stewardship and management of resources in the territory.

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 1.0 billion board feet from seven sawmills, as well as operates four remanufacturing facilities and two glulam manufacturing 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.

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Forward-looking Statements

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 "will", "intends" and similar references to future periods. Forward-looking statements in this news release include, but are not limited to statements relating to: the timing or anticipated closing of the Transaction, the potential benefits from the Transaction, the status and completion of the integrated resource management plan, the benefits from the integrated resource management plan and future allowable annual cut determinations for the Licence. Although such statements reflect Western management's current reasonable beliefs, expectations and assumptions, 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 an inability to close the Transaction (including, but not limited to, an inability to obtain the approvals required to close the Transaction); 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 our MD&A in our 2022 Annual Report dated February 16, 2023.