



Simpw Resources Group and the Arrow Group of Companies Form a New Partnership in River City Fibre LP

The new partnership represents a significant investment in which the Simpcw First Nation is strengthening its involvement in the commercial development of natural resources harvested within Simpcw Territory.

KAMLOOPS, BRITISH COLUMBIA – May 4, 2023 – Simpcw Resources Group (SRG), the economic-development arm of the Simpcw First Nation, has announced a significant equity investment in a whole-log chipping facility located in Kamloops, British Columbia. The acquisition transaction closed on May 1 and SRG and the Arrow Group of Companies (the Arrow Group) now operate the facility under a newly formed limited partnership, River City Fibre LP.

"We strive to identify business opportunities that align with Simpcw cultural-heritage values while promoting economic growth," states Paul Donald, Chief Executive Officer of SRG. "As a Nation, we place significant emphasis on actively participating in forest management and stewardship. With this investment in the whole-log chipping facility, we are excited to expand our activities across the forestry value chain and enhance the benefits that Simpcw receives from the responsible development of natural resources within Simpcw Territory."

A significant portion of the logs chipped at the River City Fibre facility are harvested on Simpcw's traditional territory within the Secwepemc Nation. Simpcw Resources Group is a regular supplier of pulp logs to the plant from various owned licenses. The SRG forestry department based in Clearwater manages all phases of these operations and provides consulting services to other license holders.

"Across Canada, we are seeing a push to increase local and Indigenous community participation in the forest-based economy," says Tim Bell, the Arrow Group's Executive Vice President. "The Arrow Group has been building successful partnerships with Indigenous communities for more than 30 years. This equal-equity partnership with SRG reflects our corporate commitments to the promotion and practice of sustainable resource management and the creation of meaningful relationships with our Indigenous neighbours around economic reconciliation, training and employment, and capacity development."

The Arrow Group is a leader in transportation, logistics, environmental and forest residual management and acquired River City Fibre in 2016. The Arrow Group made significant capital investment in the facility in 2022, adding a large chipper and upgrading the electrical system, plant control systems, and the plant in- and out-feed conveyors. The company also partnered with Kruger Inc. last year to build an enclosed electric conveyor system to move wood chips from the facility to Kruger's chip yard, located directly across the street. The conveyor eliminates 40 to 50 truckloads every day and is estimated to reduce greenhouse gas emissions from the operation by approximately 400 tonnes annually.

Kruger is one of Canada's leading manufacturers of pulp and paper products and acquired the Kamloops Mill in June 2022.

"Building sustainability in our fibre supply chain is a strategic and operational priority for our mill," says Roman Gallo, Kruger's Senior Vice President and Chief Operating Officer, Pulp and Paper. "We also have a long-standing commitment to responsible sourcing. Our contract with River City Fibre helps us achieve our operational and community-focused objectives and we are excited to be developing our relationships with the Arrow Group, SRG, and the Simpcw First Nation."

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About the Arrow Group of Companies

The Arrow Group of Companies is a leader in transportation, logistics, environmental, and forest residual management. The Arrow Group is a privately owned company with a track record of success for 103 years.
<https://www.arrow.ca/>

About the Simpcw Resources Group

Simpcw Resources Group (SRG) is a diversified construction resource company comprised of multiple professional operational services while preserving the Simpcw culture with respect to the environment.
<https://simpcwresourcesgroup.com/>

About Kruger Inc.

Founded in Montreal in 1904, Kruger Inc. is a major provider of tissue products, 100% recycled containerboard, corrugated packaging, publication papers, specialty papers, pulp, renewable energy, and cellulosic biomaterials. The Company is also a leader in paper and paperboard recycling in North America. www.kruger.com