General Update

July 7, 2016

Harvesting:

The summer harvesting plan has been completed with the bids in from the tender. Three tenders: SPF (37,000m3), Cedar (7000m3) and Douglas Fir (5000m3).

Tender outcome:

SPF - W10 and W14 wood to Carrier

SPF – The rest of the SPF to Canfor Vavenby with a small volume of large diameter Spruce sold to specialty mill (yet to be determined).

Cedar - sold to Gilbert Smith

Douglas Fir - 20 loads of house logs sold separate with the remaining volume sold to Canfor Vavenby.

Mickelson is harvesting on blocks W10 and W14 up the Westridge. Wood has been sold to carrier as part of the tender. The next block is the BCTS sale at 52km

Bachrach is logging up Dave Henry on 985A. SPF wood sold to Carrier and douglas fir to Larry Simpson.

CVH Ltd. is logging on new community forest K5Q (first block!) on block WC08. Cedar going to CVH, spruce sold to Hauers and douglas fir to Larry Simpson

Schapansky is logging the cable portion of the BCTS sale

Jerry Plummer is lined up to log douglas fir for Larry Simpson soon.

Roads:

Dave Antoniuk has graded the Westridge, 5 mile, West Canoe and Dave Henry.

The work on the East Canoe FSR has been completed and is in good/decent shape.

Cliff Jackman has upgraded the road from 0 to 12km on the West Canoe FSR and is contracted to upgrade to 35km.

The packsaddle road has been deactivated. David Craig

VCF staff is working on a plan to upgrade West Canoe to 50km and other road projects for pre development.

VCF staff is working on a plan to build connector road into the Dave Henry.

VCF has made a deal with the government to take over the West Canoe FSR. In return for the take over the government will replace the 10km washed out bridge with an 18m bridge, brush the road from 26 to 47km and will re deck the Canoe River Bridge.

Mill Site:

- 1. Green by Design MOU, Lease and fibre agreements signed!
- 2. Borealis geothermal MOU has been signed and working on a grant application.
- 3. Cedar Valley Holdings MOU and lease signed! Will start working on load agreement soon.
- 4. The cant mill is waiting patiently to begin talks.
- 5. Mike Widdell has approached VCF with the hope of moving his post operation to the VCF yard and to enter into a fibre agreement with VCF. We will continue this process.

Green by Design is going to complete the engineering design of the VIP. They are planning a trip to the VIP for July 21.

Amec Foster Wheeler is working on a plan and cost estimate to complete a phase 2 environmental study of the goe park area.

Upgraded the weight monitor on the Scales which will allow the Stone Company to run trucks over the scales and print tickets.

Planning/Other:

The inventory should be completed soon with some deliverables to come shortly. The TSR work has started and is planned for completion by fall

The FSP and CP for K5Q have been approved!! The CP is good until 2020!!

4 blocks have been awarded to Greenstar for layout and development concentrating on pine areas. Next area for Greenstar is to layout a hemlock block and an aspen block for Green by design.

Optimum Resources has been awarded road layout and survey of a large gully that would access the Carrier developed blocks up the Dave Henry.

Optimum Resources has been awarded a contract to layout and develop three areas for the Forest Licence. One small area up Small River and douglas fir block by the old McBride golf course and a spruce hemlock block by Crescent Spur. The Hemlock area is on hold until we get a sign from Green by Design that it is OK to spend money on the project. FN referrals have been sent out for all these areas.

Silviculture:

Tree planting has been completed for season. We are reviewing deliverables and submitting into RESULTS.

A regen survey plan for the fall is now priority.

VCF staff will review aspen area in our blocks this summer/fall for possible treatment next year.

Other:

*** A Barbeque is planned in Valemount at the park for July 25. Janey and Jody from the Village are lined up to organize. Shirley Bond and Bob Zimmer are expected to attend. More details to come.