VIP LP - General Update

February 24, 2021

Existing Lease Agreements:

CVH (12 Acres): Business as usual.

Trans Mountain (30 Acres): Business as usual.

Trans Mountain Camp (35 Acres): Active. Caputo and sons have installed a meter on camp hydro main intake. Waiting for first hydro bill.

Treasures of the Forest (1.2 Acres): Quiet

BC Stone Corp (3 Acres): Quiet for winter.

Robson Valley Gourmet Mushrooms (0.2 Acres): Active

Dunkley (10 Acres): No Activity

Remcan (2 acres): No Activity

Veggie Container (0.2 acres+/-): Waiting for C-Can to be delivered. Est late March

Telus (1 acre): The Regional District asked Telus to relocate the tower on our site to just south of the office. We gave our approval for the change. We now need to go through the paperwork and process again.

Simpcw FN (7 acres): No Activity.

VCF LP (Office, Maintenance Yard, scales and scale yard): Business as usual.

Sort Yard:

Building inventory through clean-up loads. Will haul out loads as volume gains.

All oversize Sx has been sorted for piano, Fuso and VIP Mill/Dunkley wood. Fuso has marked roughly 7 loads for purchase and one load of Piano wood has been set aside.

A mix of spruce, hemlock and fir has been set aside and available for the VIP mill.

Other:

Grants:

Financials: Year end audit is ongoing.

Mill Construction Update:

All main components are installed with the exception of the following:

- Chip bins (Planned for spring) Chip bins and conveyor are in the yard. Cement pad poured.
- Will start looking at air compressor purchased from Edgewater next shift to see if it will work for us. Needs some parts and TLC.
- Dust system: Need to get an engineer to start working on dust plan. This plan will explain what needs to be installed.
- After building is set up, we will need to build a ramp for loader access to log infeed deck.

Building:

- Building is complete. An engineered certification will be completed in the spring.

Electrical:

- Electricians are making good progress with running lines, setting up cable trays, shut offs at each major component and working on controls in the C-Can.
- Stationary transformer has been shipped from the USA and should show up soon.

Hydraulics:

- Headrig is very close to complete
- Debarker is very close to complete
- Edger small hydraulic unit upgrade complete. Needs to hook up.
- Cut off saw Hydraulics needs small unit and to be hooked up.

General:

- Crew has been reduced to 5 people
- Darren and Sam, VIP LP employees remain as is.
- Crew working on guarding and conveyor sheeting in.
- Met with the three groups: 4-U-All, Electricians and Hydraulics
 - We have a rough estimate of \$600,000 to complete the mill and extra if we run into major issues once we start testing equipment with power.
- General Plan is to power up mill in April and start testing each piece of equipment. When we are satisfied that the mill will function, we can organize start-up.
- We can hot log wood into the mill June targeting wood types/markets.
- Debarker area will be sheeted in to stop dust and debris from entering mill area. Planned for next shift.
- An advertisement for a mill manager should be advertised shortly.