VIP LP - General Update

June 1, 2021

Existing Lease Agreements:

CVH (12 Acres): Business as usual.

Trans Mountain (30 Acres): Business as usual.

Trans Mountain Camp (35 Acres): Active. Waiting for first hydro bill.

Treasures of the Forest (1.2 Acres): Quiet

BC Stone Corp (3 Acres): Active

Robson Valley Gourmet Mushrooms (0.2 Acres): Active

Dunkley (10 Acres): No Activity

Remcan (2 acres): No Activity

Veggie Container (0.2 acres+/-): Delivered and power, water and internet hooked up.

Telus (1 acre): Telus working on plan to construct this summer/fall.

Simpcw FN (7 acres): Actively hauling into yard.

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

TM Fallers (Room in Maintenance shop): Active

Robson Design Build Ltd. (2 acres): Started working on timbers for recreation bridges and other. Working on finalizing VIP lease agreement.

Other:

Trans Mountain is still planning to upgrade the VIP water reservoir. Upgrade is planned for spring. CN Lease that we inherited with mill site has been terminated. Will start talks with local CN manager for access lease agreement.

Greg McNee has installed a new septic tank at scales. Working well.

Grants: Searching for grants for an office renovation.

COVID: Nothing active.

Financials: Year end audit complete. Ready for board approval.

Mill Construction Update:

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

- Chip bins: Installed. Working on conveyor and controls.
- Air compressor: Have started installing.
- Dust system: Waiting on two estimates to make a call.
- Log infeed deck: Have started to install. Waiting on more lock blocks.

Building:

- Building is complete.
 - Waiting on certification.

Electrical:

- We have an operating permit from BC Hydro. Waiting for them to hook up to grid
- Swift Current Services electricians making good progress.
- Waiting for control components for inside C-Can.

Hydraulics:

- Headrig waiting for main power to complete
- Debarker waiting for main power to complete
- Edger waiting for air and hydro to complete.
- Cut off saw Hydraulics unit upgrade complete.

General:

- 4-U-All Crew has been reduced to 4 people
- Darren and Sam, VIP LP employees remain as is.
- Crew working on guarding and conveyor sheeting in.
- General Plan is to power up mill in mid June 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 for specific markets.
- Starting to work with chip markets. Canfor, Domtar are main targets but there are others.