VIP LP - General Update

October 28, 2021

Existing Lease Agreements:

CVH (12 Acres): Business as usual.

Trans Mountain Pipe yard (30 Acres): Active

Trans Mountain Camp (35 Acres): Active

Treasures of the Forest (1.2 Acres): Active

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

Learning Center (0.2 acres+/-): Active

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

Simpcw FN (7 acres): Hauling hog fuel out of yard. No new material coming into the 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): No Activity

Downie Timber Ltd (1.5 acres): Camp is installed. Plan to operate for winter 2021/22.

Other: Water reservoir project is ongoing. New water intake and output lines are installed and backfilled. Pumps are on site. Pumphouse foundation is done and working on main pumphouse. Bladder is delayed until spring 2022.

Grants:

COVID: Business as usual

Mill Construction Update:

General Update:

- <u>Phase 1</u> is complete. Includes: log infeed, debarker, headrig, main waste conveyor, cut off saw, vibrating conveyor, metal detector, chipper, shaker screen and chip bins.
- Phase 2 is ongoing. Includes edger, infeed and outfeed. 80% complete
- Dust system: An engineer specializing in mill dust systems toured mill. Would like to see mill in operation before making plan.

Building:

- Building is complete.
 - Waiting on certification. Need to install exit signs, back ordered.
 - o Engineer is happy with construction.

Electrical:

- Phase 1 is complete.
- All control components/soft starts are installed in C-Can.
- BC Hydro meter was just installed.
- Will start on Edger next.

Hydraulics:

- Edger waiting for air and hydro to complete.
- Minor tweaks to Phase 1

General:

- VIP Staff: Darren and Sam.
- VIP Contractor Staff: Steve, Al and Rob.
- Crew working on guarding and conveyor sheeting in.
- General Plan is to start testing each piece of equipment. When we are satisfied that the mill will function, we can organize start-up.
- Testing has started.
 - First logs have been run through entire system on Oct 26.
 - Minor tweaking is required but overall success.
 - Long infeed. Done
 - Hog system. Done
 - Debarker. Done
 - Log transfer deck to saw. Done
 - Headrig Done.
 - Conveyors and shaker screen Done
 - Chipper
 - Air compressor
 - Chip bins
- 70 loads of Hemlock and spruce logs at mill site targeted for mill
 - Slowly trickling in hemlock sawlog mainly from VCF operations.
 - Agreed to purchase 20-30 load of Hemlock sawlog from Gorman Brothers from East Canoe. BCTS.
- Canfor and Domtar are main targets for chip markets. Steve to fill up bags of chips and deliver to get the communication moving.