

VIP LP - General Update

February 3, 2022

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. Lease has expired. Will start working on new lease soon.

Remcan (2 acres): No Activity

Learning Center (0.2 acres+/-): Active. Lease agreement has been signed.

Telus (1 acre): Telus working on plan to construct this est spring 2022.

Simpchw FN (7 acres): Lease has been extended for February for the land only.

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): Active

Marcon Inc (Shop): Marcon has started using the shop for gravel truck maintenance. Draft lease agreement has been sent to them.

Canfor (10 acres): We have signed a deal with Canfor to lease yard space and scales for reload purposes. They are hauling wood from a BCTS sale up Ptarmigan. Est to be complete, June.

Other: Working on a plan to upgrade the electrical in the shop.

Grants: None

COVID: Business as usual

Mill Construction Update:

General Update:

- Phase 1 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. Crew working on minimizing dust issues before we look at a dust system.

Building:

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

Electrical:

- Phase 1 is complete.
- **Have started on Edger.**

Hydraulics:

- Edger waiting for air and electrical to complete.

Projects:

- o Working on chutes for sawdust and hog to ensure material falls in bins. Windy conditions have spread waste material all over yard.
- o Added cooling system to hydraulic tanks to help keep them cool
- o Building doors have been completed.
- o Tweaking controls on headrig
- o Timber kickers onto slide were not strong enough and struggled on larger cants. Working on fix.

General:

- **VIP Staff: Darren and Sam.**
- **VIP Contractor Staff: Steve, Al, Rob and Chuck (electrician).**
- 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.
 - o Logs have been run through mill multiple times. After each log run we fix anomalies.
 - o Minor tweaking is required but overall success.
 - o Cants and timbers have come out to proper dimensions. Eg. A 16 ft long 6x6 is a 6x6 at both ends within acceptable parameters.

Log Inventories:

- +/-100 loads of Hemlock and spruce logs at mill site targeted for mill
 - o Slowly trickling in hemlock sawlog mainly from VCF operations.
 - o **Agreed to purchase 20-30 load of Hemlock sawlog from Gorman Brothers from East Canoe, BCTS. Sounds like the hemlock quality is poor so not expecting much.**
 - o **Purchasing hemlock sawlog from Carrier Lumber.**
- Canfor, Domtar and BKB are main targets for chip markets. BKB out of McBride is looking to bag the chips for domestic markets.