

## Overview of 2021

### Valemount Community Forest Limited Partnership

#### 2021 Financials:

- We have a total revenue of \$9.1 million
- Total expenses of \$7.7 million
- Total net earnings for 2021 of \$1.45 million
- Total net earnings for 2020 was of \$1.2 million.
- Markets throughout 2021 were strong and volatile. We send wood tenders out twice a year and we had lots of interest and our timing was good.
- We harvested roughly 90,000m<sup>3</sup> in 2021 compared with 100,000m<sup>3</sup> in 2020.
- In the summer/fall of 2021 the inflation, specifically fuel started to rise dramatically. This increased our expenses and decreased our profits. Luckily the markets stayed strong.

#### 2020 Highlights:

- VCF has two community forest licences a woodlot and a small forest licence.
  - o K2T has a cut of 48,000m<sup>3</sup>/year
  - o K5Q has a cut of 47,000m<sup>3</sup>/year
  - o FL A93987 has a cut of 2300m<sup>3</sup>/year and will be operated mostly in Carrier Lumber operating areas in the Robson Valley.
  - o Woodlot 0277 has a cut of 2000m<sup>3</sup>/year
  - o Total cut per year of roughly 100,000m<sup>3</sup>
- VCF has harvested a total of roughly 90,000m<sup>3</sup> during 2020 from both community forests licences utilizing 3 different logging contractors. All local.
- VCF did not harvest under our forest licence in 2020. We currently have a cutting permit submitted with 2 blocks totaling roughly 11,000m<sup>3</sup> with wood targeted for CVH Ltd, VCF mill and export markets.
- We have another cutting permit planned with the majority of the work completed. We will start working on a CP submission soon.
- New investment will be directed into our older plantations to ensure that they are growing at a rapid pace. Brushing and spacing will help to maximize growth. This work will increase local employment and allow us to offer work at times of the year that are generally quieter. This will allow us to offer work more consistently through out the year to the benefit of local workers
- We are currently commercial thinning a 40–50-year-old plantation down the East Canoe up the A road. The goal is to space the plantation to maximize growth while harvesting the understory targeting trees with defect and less valuable tree species. We hope to have a healthy mixed stand of SxFdCwPI when complete.
- We purchased woodlot 277 in 2018. We have submitted a forest inventory, management plan and cutting permit. We hope to have all approvals this fall and harvest our first block late 2022.

- The government introduced an old growth deferral process with a large amount of proposed old growth polygons scattered across the area. These areas accounted for roughly 20% of our operating area and specifically targeted old growth cedar which is what CVH Ltd relies on for their operations. This has led to much confusion and instability. We are working with First Nations to try and resolve the issue.
- We planted roughly 500,000 trees on logged blocks in 2021 up from 330,000 in 2020.
- We invested money into the Dave Henry main access roads over the past couple years. We have installed bridges at 9.2km and 15.5km, blasted rock at 8km, re-established road to the back and have prebuilt road into future blocks.
- We invested money into the Yellowjacket mainline in 2021 and are starting the same road re-establishment works. We have opened up quad access to the end of the road, have completed bridge engineered surveys and have a solid plan to bring the mainline into useable status. The spruce beetle is progressing from the Hugh Allen to the Ptarmigan with the Yellowjacket next in line. The drainage is relatively clean of beetles as of now but we want to be ready to react if necessary. No logging up the Yellowjacket is planned at this time.
- Local contractors completed the vast majority of this work and include: loggers, truck drivers, road builders, road maintenance contractors, scalers, surveyors, tree planters, slashers, brushers and road and block development contractors. Roughly 35-40 local contractors.
- This past winter we harvested up the West canoe, Westridge and Packsaddle. The Westridge areas are leading spruce and balsam stands set for export to markets in Prince George and Kamloops. The West Canoe and Packsaddle areas are wood planned for a mix of export and local manufacturing.
- Currently we are commercial thinning up the East Canoe and are getting ready to harvest up the West Canoe.

#### Recreation:

- We are finding greater use of our operating areas due to the increased quality of the road systems.
- We are extremely happy to see the 5-Mile recreation area doing so well, it's a great success storey. Well done VARDA and all the people associated that helped.
- The 5-Mile road fix from 2020 has slumped again. A Geotech engineer was on site May 30 to inspect and come up with a plan to fix. We hope to have the road fixed soon.
- In winter 2022 we harvested ski runs for the Valemount ski society. Home of a future family ski hill.
- We are working with YORA in upgrading roads and establishing new trails from time to time.

#### Staff:

- The VCF LP has a total of 4 full time staff members.
- Claudia Frost has been hired to take over the finances as controller and works along side Betty Hardy who has been with the VCF for the past 8 years. Together we have a dynamite accounting team.