



Management Team Report January-Feb 2021

WOODLANDS

Log prices continue to improve. We are now firming up additional 2020 harvest projects to maximize our AAC and potentially catch up on 2020 undercut.

CP 42 / Schroeder Wildfire Project (FESBC)

5 Directors joined the January 25 field orientation for our active wildfire risk reduction logging and were able to chat and view with adjacent land owners. We are in the final 30% stretch of project completion scheduled for the end of February. This timing will be well aligned with the final FES reporting requirements by March 15.

Spring Schedule

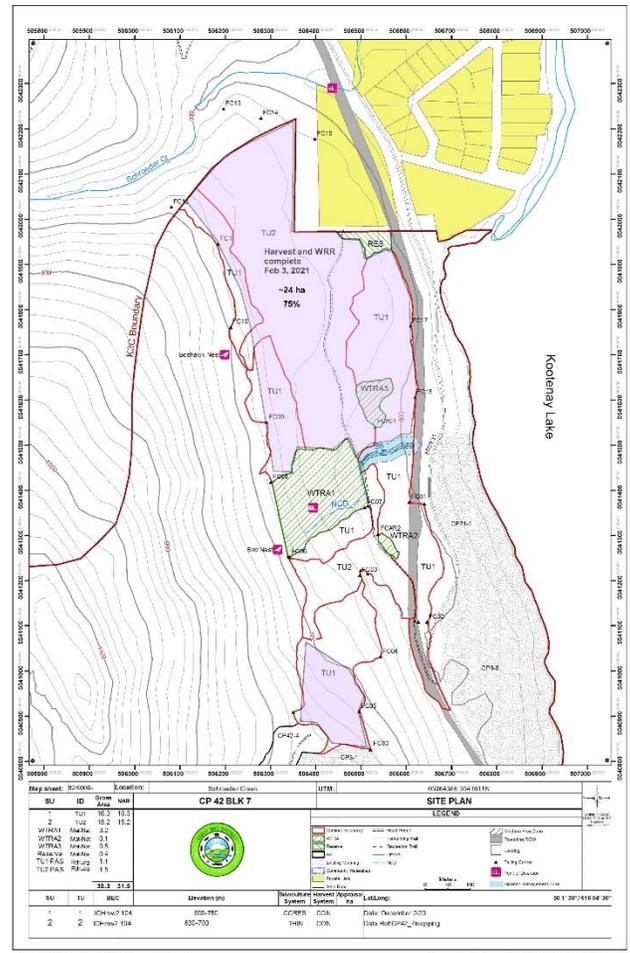
BCCFA and WRR new 2021 funding streams are still under review. Nonetheless, we will be busy with the completion of our 2020 allotment of the Kaslo-Shutty wildfire corridor until May. Low snowpack in the low-mid elevations raises some concern for a potentially dry spring / summer. We have decided to resume work at Branch 7 sooner than planned with hopes that we will be able to complete some pile & burn during freshet conditions. The earlier start will also shorten closures and traffic impact time our operations have for recreation users.

Tenure access to Nashville

The private land lot which restricts our access to the Nashville portion of our tenure has now been sold to Sunshine Logging Ltd., requiring KDCFS to renegotiate access.

Kootenay Lake Timber Supply Review (TSR) underway

Kaslo, Nelson and Creston are up for their 10 year TSR which will result in an updated AAC. This affects 5 major licensees: Kalesnikoff, Porcupine, Atco, Canfor and JH Huscroft. See AC Director's Office for information.



SILVICULTURE

2021 spring planting consists of only a small 34K contract in the high Cooper elevations, completing 2019 harvested CP41 and 37. The work has been awarded to Wildhorse Forestry Ltd. and will be a late spring project due to high elevation.

INTERNAL

We are using this low season time to track-set the KDCFS towards collaborative initiatives we aim to pursue in 2021, as we enter the second year of Covid restrictions. It is apparent that government lockdowns will continue this year and possibly intensify over new strains discovered. Should these restrictions negatively impact field operations, we want to be able to switch our energy efficiently towards other important business segments of KDCFS operations which lend themselves to remote communications. Such as improving existing or establishing new business opportunities and leading a foray into the murky waters of CF tenure politics.



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AGM

We have started communications with Grant Thornton LLP to complete our 2020 Annual Financials for the April 14 AGM. It is time for the Board to deliberate AGM resolutions needed for presentations to the Members.

Social Media and improved Community Communication 2021

We were sorry to see the much loved Winter in the Forest Festival cancelled under provincial Health Officer's Pandemic measures. Management has re-allocated a portion of the WITF budget approved in the annual budget towards the much needed and still outstanding Phase II work on our Website. This community oriented project will implement a valuable improvement in KDCFS to Community communication.

Management Team Recommendations

1. That the Board strike an AGM CTE to convene sometime between March 13-17, 2021
2. That the Board consider an AGM Resolution to add Lifetime memberships to the Society Bylaws (Dir. Mattes).
3. That the Board not proceed with the purchase of BBG sawmill based on information explored and provided.
4. That the Chair review Board Governance / Management Contract Relationship and Roles
5. That Management contract renewal is wrapped up.