

Cortes Island Activity Update: MARCH 2022

During January 2022, Mosaic hosted a public Zoom meeting with residents and various Cortes Island community groups. At the meeting, we shared our 3-Year Plan, reviewed several professional assessments, and answered community questions. We want to thank those who attended the Zoom meeting and for your engagement to-date.

This brochure update is to share additional information with the community. It includes next steps for community engagement, draft site-level maps that were presented earlier in the year, and answers to some of the common questions we've received.

We will continue engaging with the community, and invite those interested to one of two field walks (with a 12 person maximum at each) on April 21, 2022. The walks are an opportunity for in-person engagement and a chance to review some of the proposed harvest locations. You must pre-register to attend. To register, please contact Colin Koszman, Land Use Forester at Colin.Koszman@mosaicforests.com.

Please note, we are also planning to host an Open House this summer. Dates are being determined and will be shared with the community when available.

FAQ

Question: When are your activities planned?

To allow for more community engagement (including the upcoming field walks and an Open House), we are not considering any road or harvest related activities until after the 2022 summer wildfire season.

Question: How are your practices sustainable?
At Mosaic, we are certified by the Sustainable Forestry Initiative (www.forests.org), who define sustainable forestry as:

'Meeting the needs of the present without compromising the ability of future generations to meet their own needs by practicing a land stewardship ethic that integrates reforestation and the managing, growing, nurturing, and harvesting of trees for useful products and ecosystem services such as the conservation of soil, air and water quality, carbon, biological diversity, wildlife and aquatic habitats, recreation and aesthetics.'

In addition, our certification requires that we meet all the objectives, performance measures and indicators of the standard, and we are audited on these on an annual basis by third-party auditors. These audits include everything from our day-to-day operational activities to our strategic long-term planning and timber supply analyses.

For more information on the SFI Forest Management Standard, visit www.forests.org/forestmanagementstandard

Question: How do the proposed plans relate to annual growth?

Mosaic uses the latest research and information to make informed science-based decisions about cut levels and Mean Annual Increment (MAI).

Our Private Managed Forest Lands on Cortes Island contain some of the most productive growing sites in the area and cover approximately 1,085 hectares.

Each year's growth (MAI) can be as much as 10m³/hectare/year on certain lands. That means our land on Cortes Island grows up to 10,000m³ each year, and has been doing so without interruption from harvesting for the last 20 years.

Our proposed harvest includes approximately 11ha/year which is approximately 1% of our ownership on Cortes Island and less than 0.1% of the entire Cortes Island land base.

Question: When you harvest second growth, are you depleting the nutrients in the forest?

A local study led by several scientists with involvement from the University of British Columbia and Natural Resources Canada provides good insight into nutrient cycling in coastal B.C. forests. In summary, the study involved assessing the nitrogen cycling in clearcut and alternative silviculture systems and determined that harvest was unlikely to affect future site productivity. Various relevant scientific research studies are also referenced in this publication. This link provides this information: www.pubs.cif-ifc.org/doi/pdf/10.5558/tfc82844-6

Question: How is harvesting good for climate adaptation? Won't this harvest emit CO₂?

From a science-based perspective, trees, wood and logs are all part of the climate solution. There are many benefits to the climate from sustainably managed forests. Below is a link to a fact sheet from NCASI (National Council on Air and Stream Improvement) that outlines scientific information related to managed forests and climate change: www.ncasi.org/wp-content/uploads/2021/01/NCASI22_Forest_Carbon_YoungVsOld_print.pdf

In carbon accounting you must consider that non-wood construction materials rely on a greater use of fossil fuels and are not locally sourced. Also products made with fossil fuel-based materials store less carbon than when made with wood. Fossil fuels are required to produce lumber products, but our mix of tree ages mitigate our overall impact and younger forests sequester carbon at a faster rate than older forests. Mosaic has 3rd-party assurance of our supply chain footprint and considers the full scope and lifecycle of carbon in our strategic planning. We have many ongoing initiatives that focus on reducing our emissions and maximizing sequestration of the forests. Natural Resources Canada provides science-based information related to forest

management and wood products being part of the solution to climate change. www.nrcan.gc.ca/climate-change-adapting-impacts-and-reducing-emissions/climate-change-impacts-forests/mitigation/13097

Question: How long is Mosaic going to be on Cortes Island? What are your long-term plans?

Mosaic's goals for our Private Managed Forest Lands on Cortes Island are to manage them for long term forest management. Forest management includes selecting seed from our seed orchard, choosing appropriate seedlings for reforestation, monitoring stand tending and harvesting, and then repeating this cycle again.

Mosaic's overarching commitment is to sustainable forest practices and long-lasting community relationships. At this time, we have developed and shared our preliminary 3-Year Plan, and we will work with the community to develop plans beyond 2024 in the coming years.

Question: How are your plans going to affect the wildfire risk on Cortes Island?

Mosaic considers the risk of wildfire one of the greatest threats to our private managed forest lands and to adjacent communities. During the last five years, approximately 70% of the wildfires on our lands have been person-caused. In terms of our forest management, wildfire risk is mitigated by managing the amount of combustible materials in the forest (known as fuel load). Fuel load is reduced through harvest of primary products and through managing post-harvest materials. The Wildfire Act legislates us to abate the risk of wildfire, and we do this through very high fiber utilization standards, and by removing much of the post-harvest fibre for firewood and other minor wood products.

Mosaic dedicates considerable resources to wildfire management, including the following:

- > An agreement with the BC Wildfire Service for initial attack and cooperation on many levels.
- > Monitoring and studying weather using our 37 Mosaic weather stations (along with 25 other stations) while working with researchers from the University of Victoria and the Ministry of Forests to improve operations from a weather-related perspective.

- > Training staff and contractors annually and ensuring wildfire equipment is located at all our operations and caches.
- > Resourcing security patrols, overview flights and having heavy-lift helicopters on standby throughout the driest months.
- > Staging over 100 water tenders across our land base.
- > Restricting access during dry weather conditions to mitigate high-risk activities (smoking, ATV-use, dumping).
- > Working with various community groups during wildfire season to manage public access and liabilities.

Question: How are you going to ensure sensitive fish habitat and drinking water won't be impacted as a result of your road or harvest activities?

Maintaining drinking water quality and fish habitat on our lands is a legal requirement of the Private Managed Forest Land Act. Fish streams are also protected through the Fisheries Act. Mosaic has strict riparian protocols that are designed to exceed regulatory requirements and ensure water quality is protected.

For riparian areas on Cortes Island, we are voluntarily applying similar setbacks to those in the Forest Planning and Practices Regulation standards. We have had streams associated with our 3-Year Plan assessed by a Registered Professional Biologist. Mosaic will follow the recommendations provided by this fisheries expert and we will be looking for opportunities to support the enhancement work that has already been done on the lower reaches of Basil Creek.

We have a spatial inventory of all registered PODs (Point of Diversion) and water intakes. If any activity is planned within the vicinity of a water intake, Mosaic has a suite of protocols that take place, including:

- > Creating plans to ensure road construction or harvest activity will not negatively impact the intake,
- > Training staff and contractors in effective water management procedures, and
- > Contacting the water license holders and

reviewing proposed plans in detail.

Question: How are you working with other landowners and tenure holders to manage cumulative effects?

In terms of forest management, we are taking a similar approach to how other forest managers are operating on Cortes Island. We have been engaged with the forest managers and professionals leading this work to make sure there is effective communication and that our activities are coordinated and informed. We are also committed to the following:

- > For old forests on our Cortes Private Managed Forest Lands, Mosaic is voluntarily committing to not harvesting any stands greater than 200 years old, avoiding continuous old areas greater than 1ha in size and working to leave individual old trees standing whenever operationally feasible.
- > For riparian areas, we voluntarily apply setbacks that meet or exceed those in the Forest Planning and Practices Regulation standards.
- > We are respecting the existing SEI (Sensitive Ecosystem Information) as shown in our 3-Year Plan.

In addition, we're informed by the Cortes Landscape Unit Sustainable Resource Management Plan. This is a public document related to the Crown lands on Cortes Island that applies at the landscape level and helps inform professionals about landscape-level values associated with the area.

Mosaic Private Managed Forest Lands are less than 9% of the Cortes Island land base. Close to 25% of Cortes Island is allocated to Parks, Protected areas, and areas set aside for conservation (2,835ha).

Question: How are you going to engage with the community going forward?

Over the last number of years we have engaged with the Forest in Trust for the Children of Cortes Island Society, the Klahoose First Nation, the Cortes Community Forest General Partnership, the Strathcona Regional District Area Director and the Friends of Cortes Island Society to explore opportunities to work together. We will continue to be engaged with these organizations to support collaboration and projects of mutual interest. We

will also be engaging with the community during a field walk in April, a planned Open House in the summer, and by providing updates through the Cortes Island Tideline.

SUMMARY

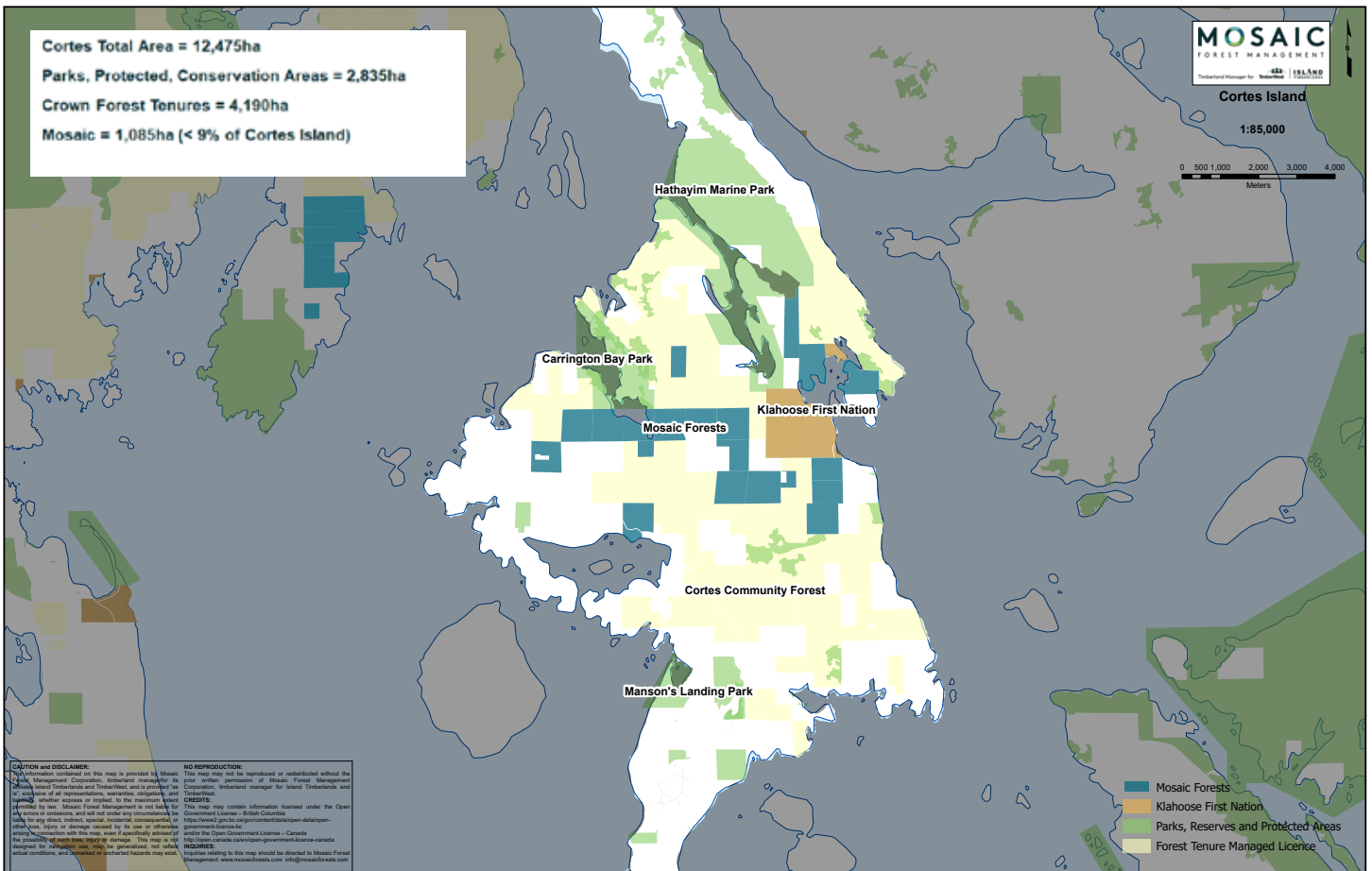
Thank you for your interest in our activities and plans. We will continue to share information with the community through the various community

groups, individuals we're engaged with, along with the Cortes Tideline and will provide another update once our Open House timelines are determined.

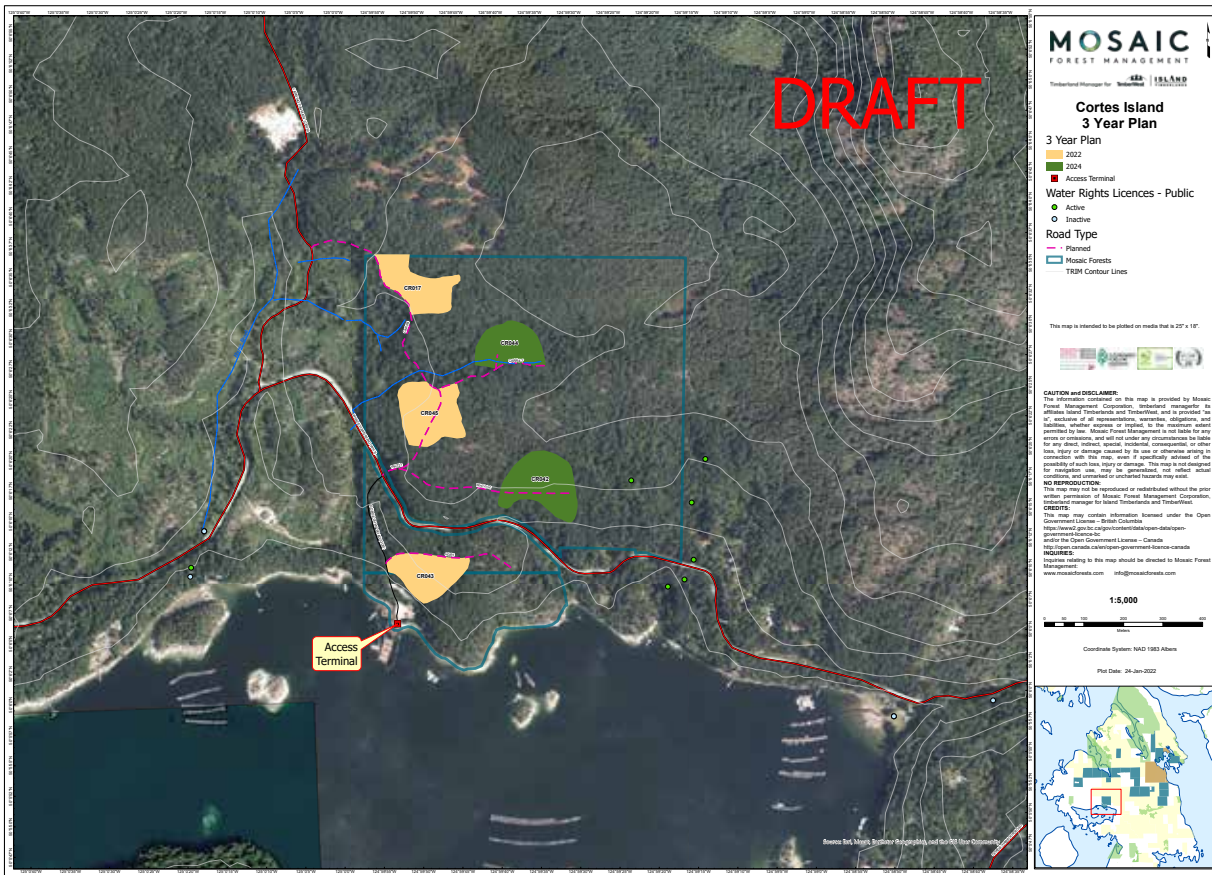
If you have any further questions about the activities we are planning, please contact Colin Koszman, Land Use Forester at Colin.Koszman@mosaicforests.com

DRAFT MAPS

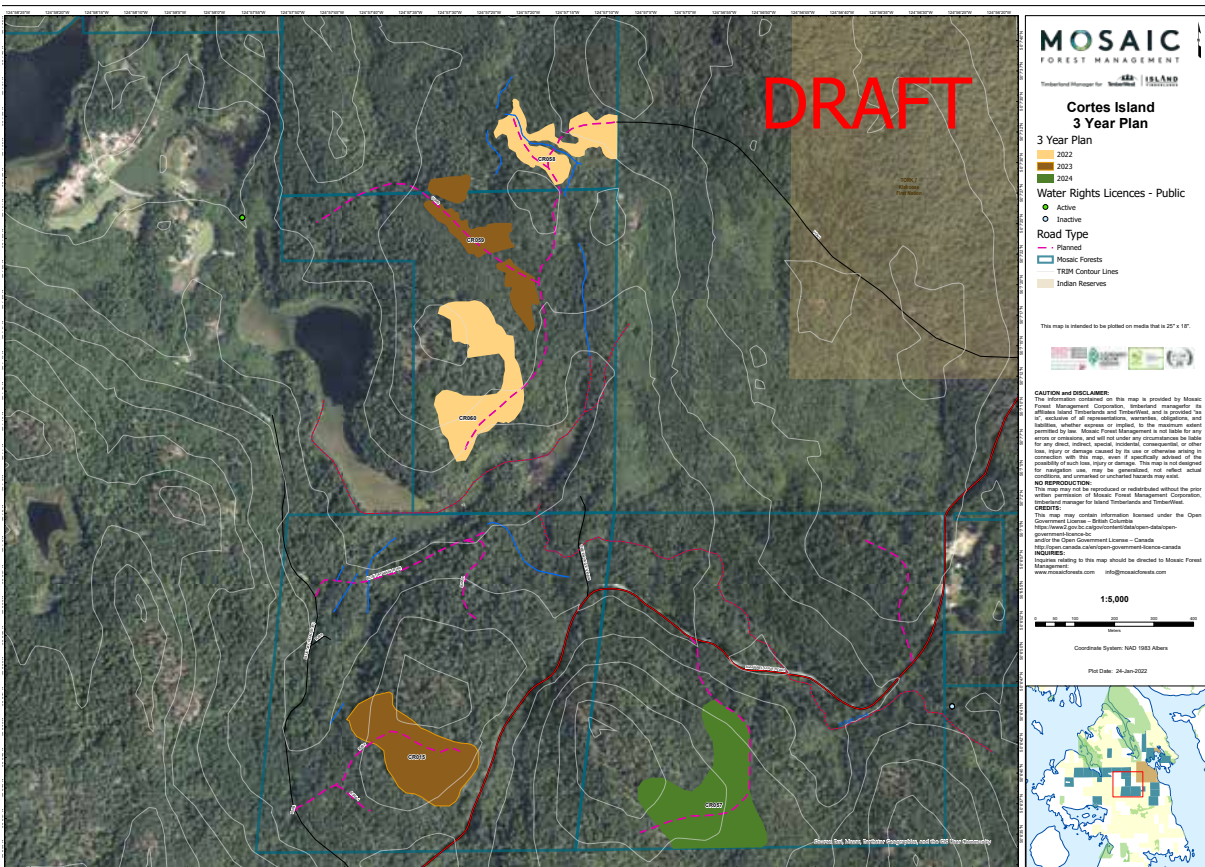
The following maps are draft only – no ribbons have been hung in the field and we will inform the community when the 2022 plan details have been confirmed after additional field work and engagement has been completed.



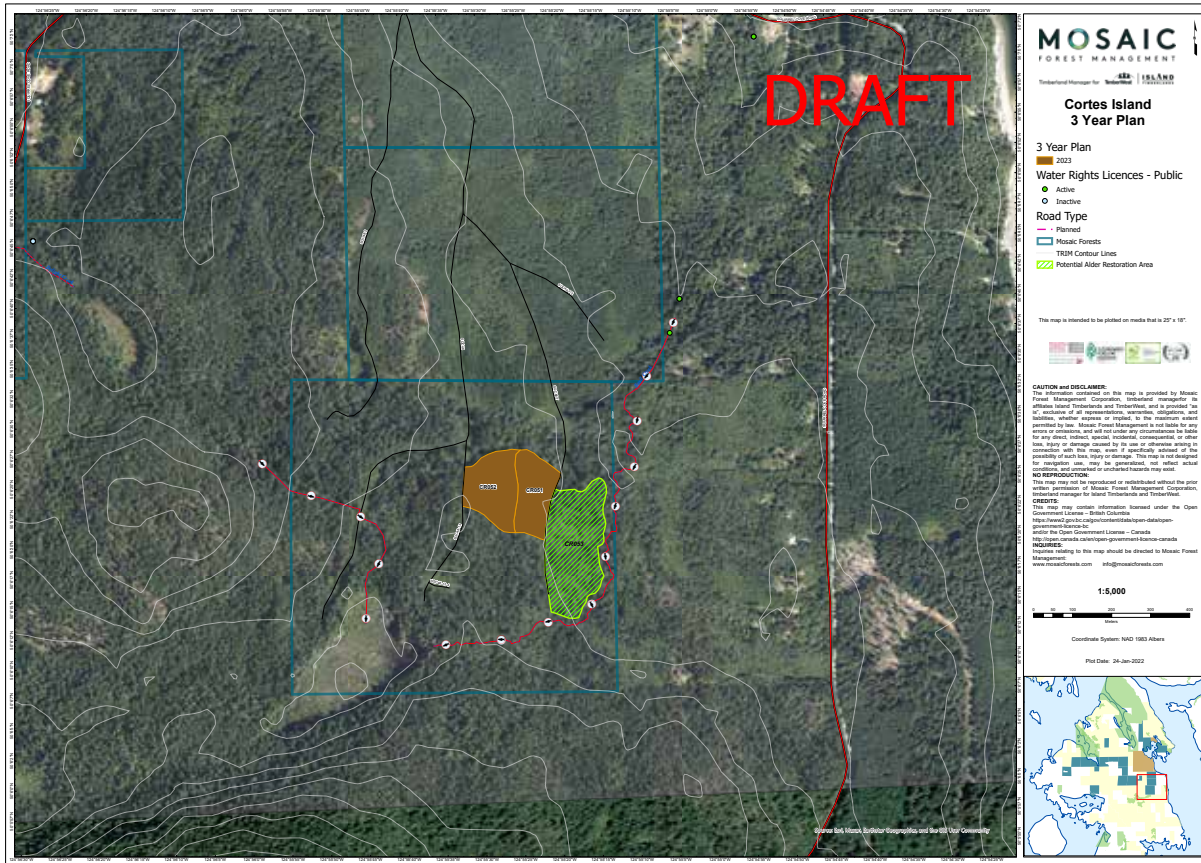
Cortes Island Overview Map



Cortes Island 3-Year Plan Map 1



Cortes Island 3-Year Plan Map 2



Cortes Island 3-Year Plan Map 3