



AGM Presentation

Summary of Results for FY 2015

Nov.1st 2014 to Oct. 31st 2015

Topics

- Annual report
- Harvest Performance and New AAC Determination
- Financial performance FY 2015

Annual Report Summary

- We have committed to produce an Annual Report in our Management Plan (MP) and present it at the AGM.
 - Summarizes our activities in the previous year and documents the progress on the commitments we have made in the MP.
- Sections in report
 - Corporate Data
 - Mission & Vision Statement
 - Donations Report
 - Operations Manager's Report
 - Linking Objectives Report
 - MP commitments as it relates to 8 Provincial Goals
 - Audited Consolidated Financial Statements

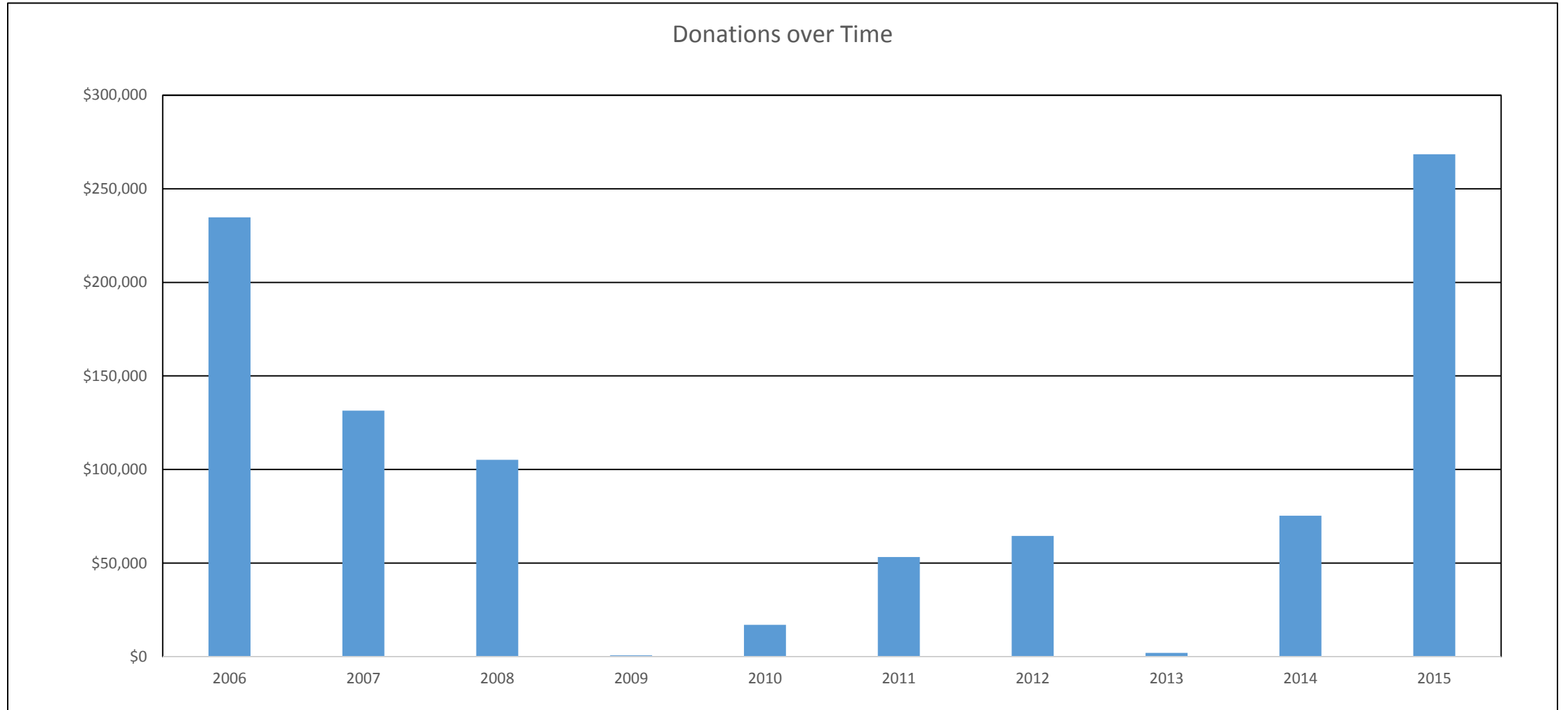
Key Stats

- 177,131 m³ was harvested.
- 59,537 hours of direct employment (about 32 full time jobs).
- Over 1 million trees planted 50/50 spruce/pine mix.
- \$ 136,460 was paid in stumpage to B.C. government.
- A total \$275,968 was donated to 37 different organizations in the community.
 - Additional \$6,630.00 in kind support
- \$182, 324.70 was distributed to WFN and BLB as part of the license agreement .
 - Total amount of \$364,649.
 - (applied to FY 2014. See note 8 in financial statement).

Key Stats (con't)

- As part of the Comfor's corporate objective of distributing 50% of the profits above a 5% net profit margin;
 - \$220,172 was donated to the Village of Burns Lake;
 - \$37,847 was donated to the WFN and BLB.
- \$192,592.50 was distributed to WFN and BLB as part of the license agreement for FY 2015.
 - Total amount of \$385,185.
 - (applied to FY 2015. See note 8 in financial statement).

Community Donations over Time



Linking of objectives report

- A table linking Comfor's 8 Values and Guiding Principles with:
 - Comfor's corporate objectives;
 - The 18 indicators for the British Columbia Community Forest Association;
 - The 8 Provincial Goals for the Community Forest Program and;
 - 57 MP commitments such as:
 - Develop and implement a Mountain Pine Beetle Mitigation (MPB) Project for the community forest.
 - Complete wildlife habitat modeling for important species and modeling of rare and sensitive ecosystems for use in forest management.
 - Provide financial or in-kind support to local organizations and First Nations in support of developing the FireSmart program.
 - Use improved data such as LiDAR for operational planning and to improve inventory information.
- There is a brief description under each guiding principle documenting what tasks have been completed or are being worked on.

Example of linking objectives report

BURNS LAKE COMMUNITY FOREST LTD.

Reporting Period: November 1, 2014 to October 31, 2015

SAFETY: Safety will be the highest priority for BLCF, its employees, contractors, and consultants while conducting work for and on behalf of BLCF. In addition, the safety of the public will be paramount within the BLCF tenure area.

| Corporate Objective Statement | British Columbia Community Forest Association Indicator | Province of B.C. Goals of the Community Forest Program | Management Plan 3 Commitments Appendix 10 |
|-----------------------------------------------|---------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Zero loss time for employees and contractors. | #14 Forest Worker Safety | Advocate for forest worker safety | Maintain a safety program for company employees. |
| | | | Ensure all active roads are signed and road channels clearly marked. |
| | | | Ensure all "active hauling " signs are kept current. |
| | | | Encourage all contractors and consultants working on behalf of the BLCF to be SAFE Certified. |
| | | | Incorporate an "active hauling" warning on the BLCF website. |
| | | | Status: All safety commitments are being met and are ongoing. |

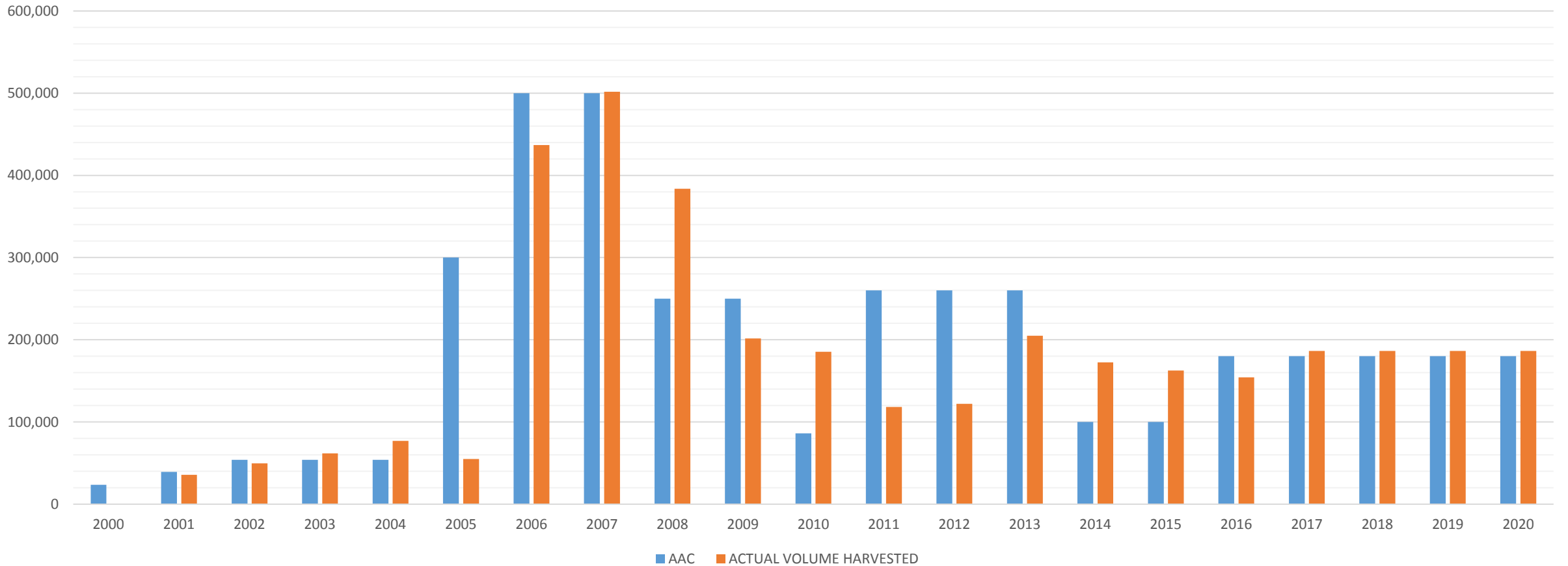
BLCF ensures all activities on the community forest are undertaken in a safe and secure manner. All safety plans are updated and reviewed annually, as well as regular safety meetings conducted. Zero time was lost due to accidents for employees and contractors this reporting period.

Harvest performance

- MP was recently approved and this resulted in a new AAC determination.
 - 225,000 m³ AAC. A maximum volume of 900,000 m³ can be harvested from 2016 to 2020.
 - Effectively 180,000 m³ AAC for five years dropping to 63,000 m³ AAC after 2020.
 - Maximum of 20% of the volume can be live trees or 180,000 m³ from 2016 to 2020. (36,000 m³ per year).
 - Part of the rationale for the determination was that we meet our MP commitments.

Harvest Performance over Time

BLCF harvesting performance
2017 to 2020 Forecasted

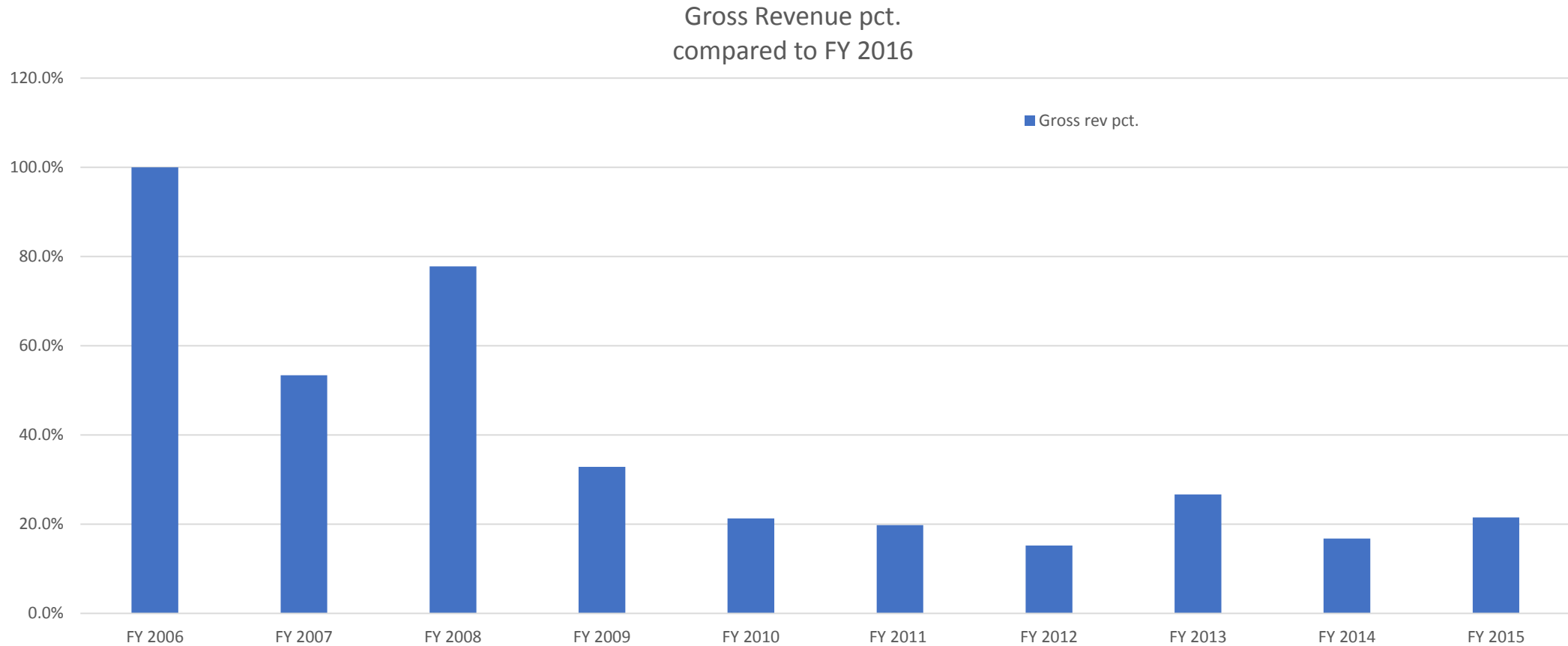


Financial Performance

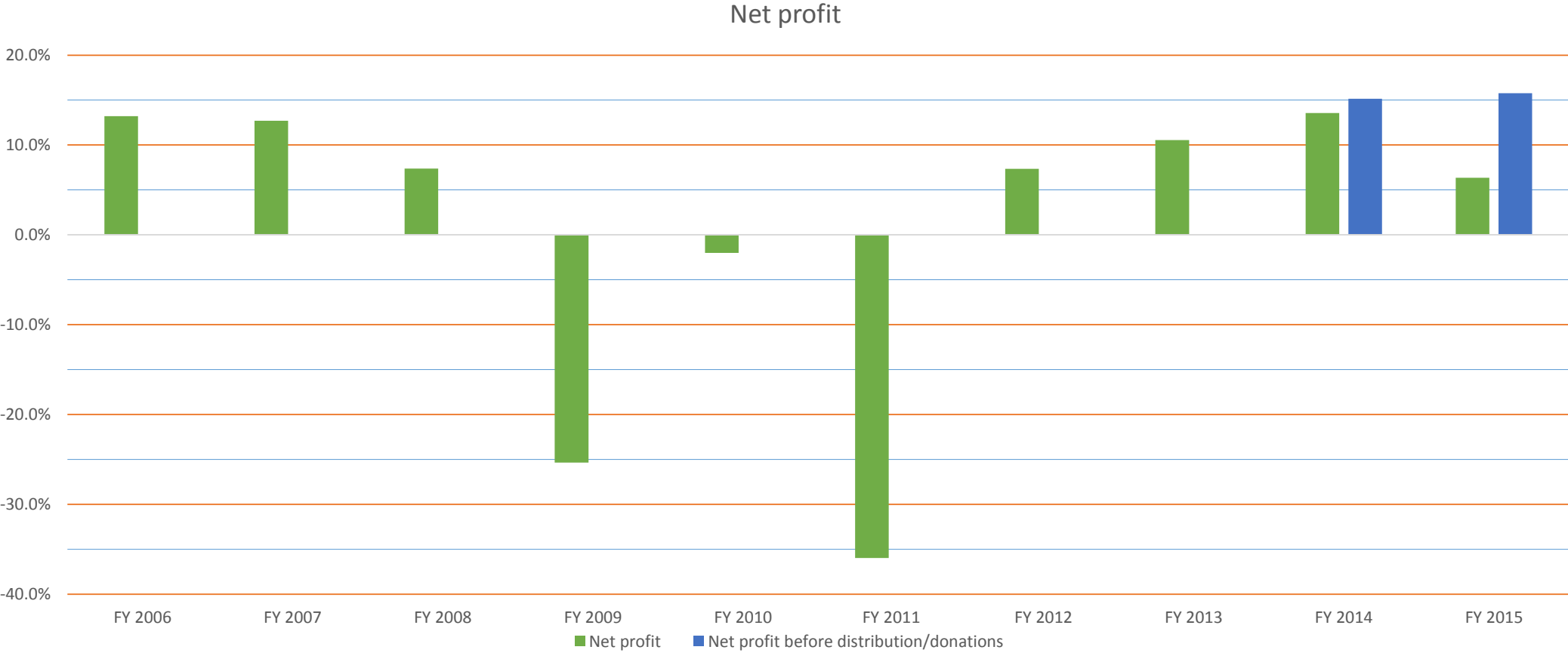
- FY 2015
 - Continuing Operations Revenue about \$6.1 million
 - Profit for the year after community donations and partner/shareholder distributions \$388,905.
 - Shareholder's equity about \$6.9 million.
- FY 2014 Income restated due to revenue distribution requirements of the Community Forest Agreement.
 - About \$365,000 was added to expenses for FY 2014.

Gross Revenue over Time

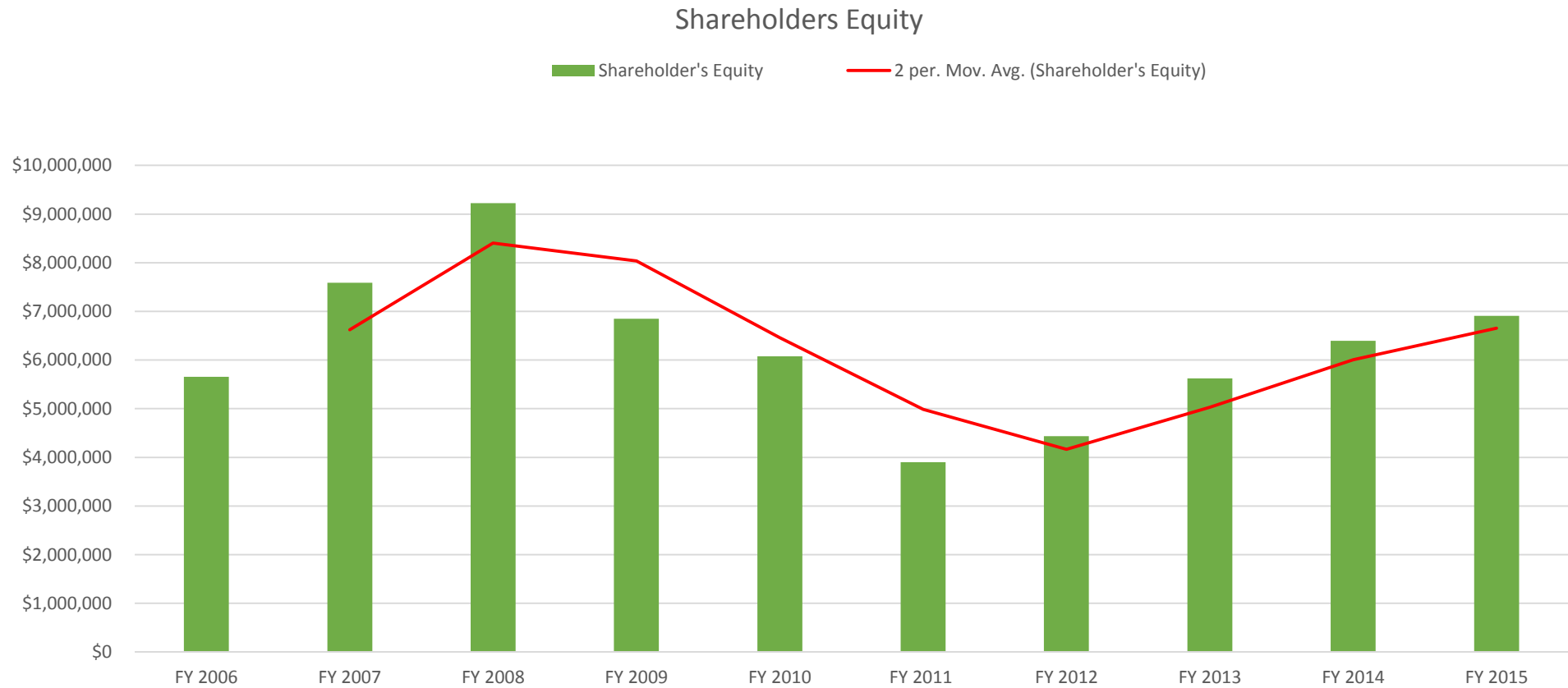
As It Relates to FY 2006



Net Profit Pct.

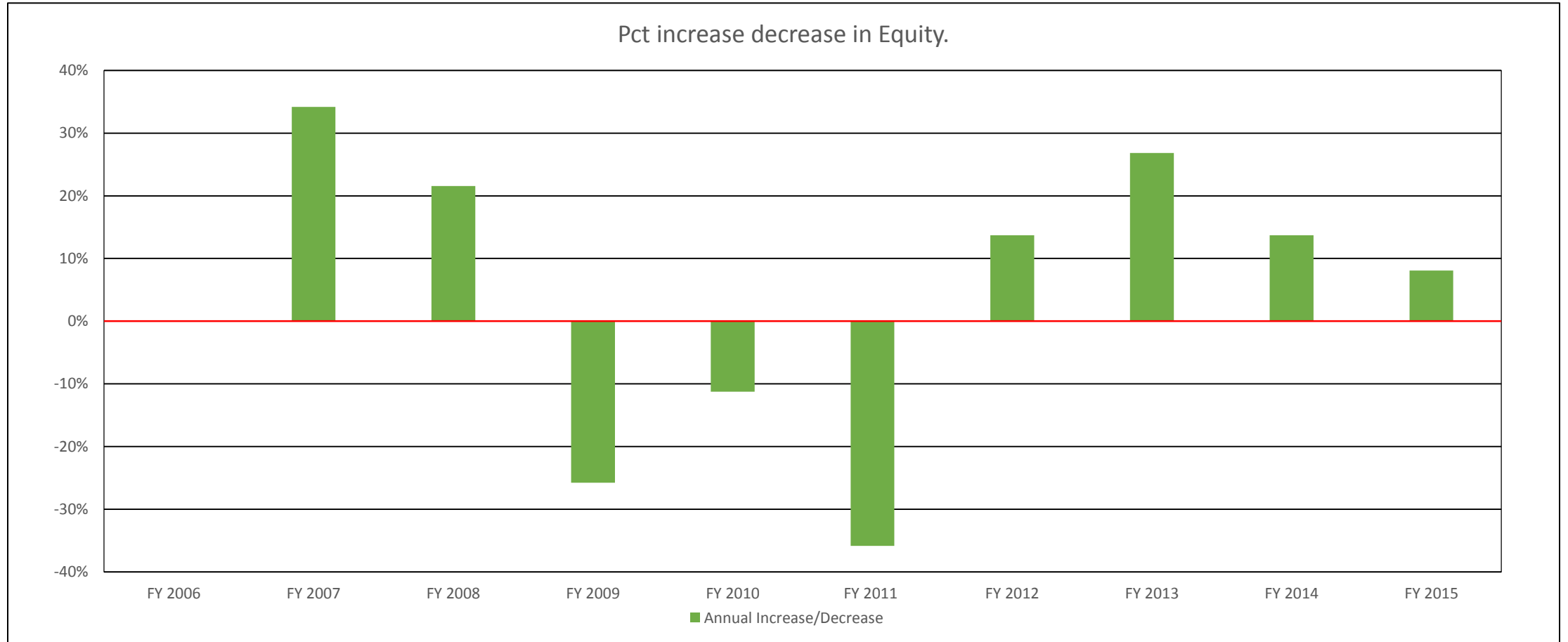


Shareholders Equity over Time



Pct Return on Equity

Year over Year comparison



Summary

- About \$276K was donated to local groups in the community.
- Over \$825K provided to BLB and WFN.
- About \$736K was realized by the shareholder, the Village of Burns Lake, in direct donations and increase in shareholder equity.

Key Performance Indicators

- Approved Management Plan in 2016
- Renewed 25 Year Forest License in 2015
- Significant fibre supplied to local processing facilities
- Renewed Mission, Vision, Corporate Objectives and Core Values
- Embarked on a significant Communications Strategy
- Developed corporate operating manuals for staff and the Board.
- Started FL certification efforts

Key Performance Indicators (con't)

- FN Partnerships and Economic relationships supporting new ventures
- Completed 1st year of a multi-year MPB Mitigation Project to mitigate downward pressure on AAC
- Reinstated donations to the community
- Significant cash distributions to FN Partners and the VBL Shareholder
- Increase in value of the company and the equity of the shareholder
- In our view the board and management of ComFor have delivered performance over the past two years ...

Looking Forward

- Risks
 - AAC partition. Not many stands left with 80% or more dead wood.
 - Reduced AAC after 2020.
 - Other forest health problems such as rusts or spruce beetle.
 - Wildfire risk due to dead wood.
 - Declining lumber market.
- Opportunities
 - Potential market for pulp.
 - Potential increase in the biomass market in the area.
 - Completing the projects in the Forest Management Program to mitigate impacts to the AAC

Questions?

Cheque Presentation