

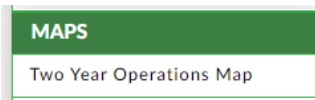
AV Group NB Inc. Forest Management Plan Summary

Why do a Forest Management Plan?

A Forest Management Plan (FMP) is a long term, holistic view of a forest that takes into account the sustainable management of multiple values. The FMP ensures that the three pillars of sustainability are taken into account, Social, Environmental and Economic, allowing areas to be set aside for wildlife, people and the overall environment, while ensuring a sustainable wood supply for our manufacturing facilities. AV Group has many affected stakeholders who use our Freehold Land including: Communities who have trail networks and warming shacks for skiing, hiking, snowmobiling, all-terrain vehicles; outdoors folks are permitted to hunt, fish and gather non-timber forest products.

How Large is the AVG Freehold Forest and Where is it Located?

AV Group NB inc. owns approximately 43,585 hectares of land (about 107,700 acres) which is mostly located in York County. Our full land holdings can be viewed on our website under the sustainability page, <https://av-group.ca/sustainability/> and then by clicking on the link for the two years operation map in the map section.



The AVG owned land shows up in an orange on the map.

Which Areas does AVG Protect?

As part of third party forest certification AV Group undertakes a process of identifying High Conservation Value Forests (HCVF) as well as forest types that are in low supply. All wetlands, streams and lakes are protected by applying a minimum 30 m wide buffer along their high water mark. There are multiple Ducks Unlimited ponds on our land as well as other parcels set aside with other NGO's. A good example of protected land is Pokiok Park which has HCVFs, a Ducks Unlimited project, a pristine river and multiple hiking trails that are used extensively by the local community.

How is the Volume of Timber Harvested Each Year Determined?

Every 5 years AV Group does a modelling exercise for the forest using a program called Woodstock. Current forest inventories are modelled (stand age, stand type, prior treatments if any) and each individual stand is matched up to a yield curve. The model simulate growth of the current forest and determines sustainable volume of wood that is available to harvest every year for 80 years. This ensures the forest will be sustainably harvested all while maintaining protected areas.

How Much Timber will be Harvested Each Year?

The sustainable volume of wood that can be harvested on this area is 50,900m³ of hardwood and 40,803m³ of softwood each year. This equates to about 750 hectares each year, about half of which will be selectively harvested and the remainder will be clearcut.

What does AV Group NB Inc. do to Ensure this is Sustainable?

The most important decision we make is on how we manage our tolerant species sites so that they can remain in a tolerant state while yielding fiber, this is done through selection harvest. We also asses all of our land after harvesting to ensure it is fully regenerated. To maintain softwood forests AVG



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will plant 50 hectares each year on softwood sites that are not regenerating to softwood and we will thin 350-400 hectares a year to ensure the proper species are in place to meet all of our objectives.

How do Individuals and Communities Fit in to this Equation?

Any person, or group can comment or suggest changes to the AV management plan. All of these requests are considered and when possible worked into the plan. Many of our best protected sites were brought forward by stakeholders and are now part of our protected area network.