

Mosaic Forest Management Update

Presentation to the Town of Lake Cowichan Mayor and Council

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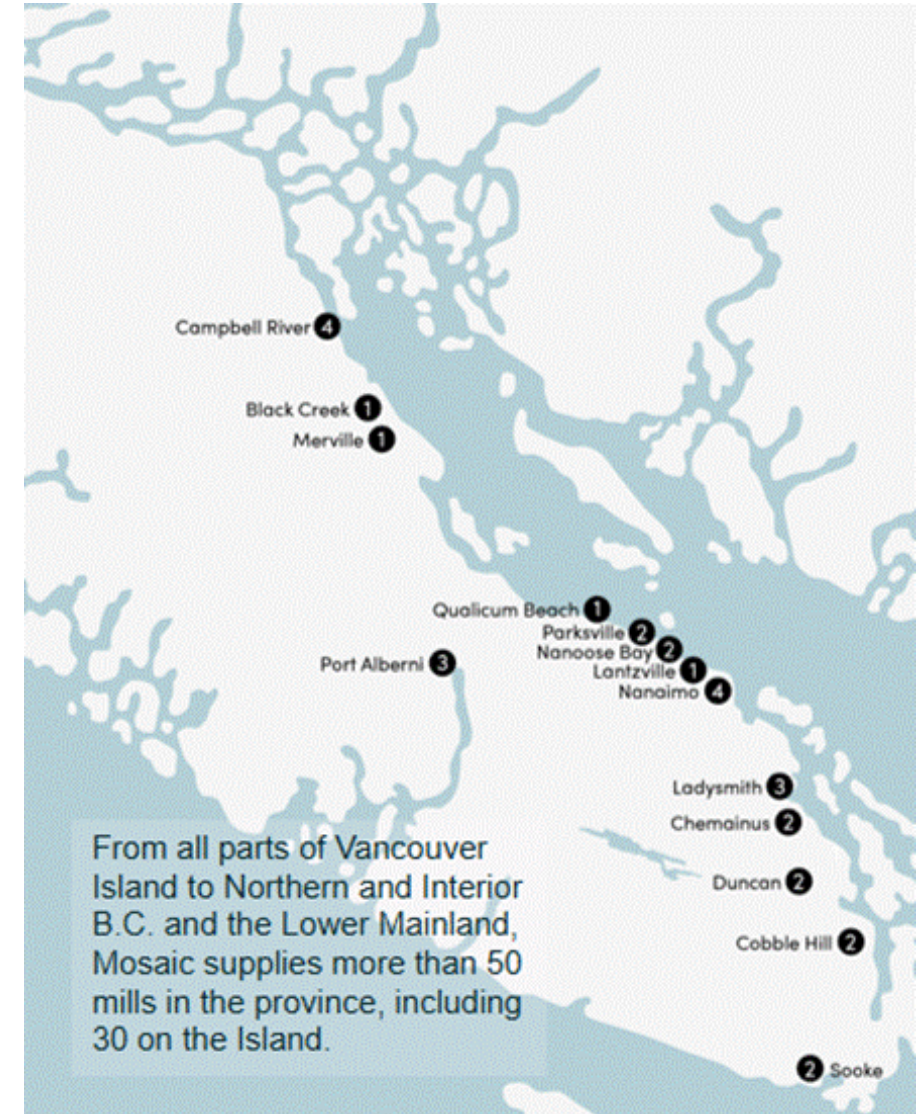
March 10, 2026

MOSAIC
FOREST MANAGEMENT

Who We Are

We are 100% Canadian owned. We create value through world-class diversified lands management, maximizing the potential of land-based opportunities and pursuing meaningful partnerships with First Nations and communities.

- Land manager of private and public lands across the BC Coast
- ~2,000 employed in operations
- Serving over 50 local mills + international customers
 - Majority of supply stays domestic; all logs first offered domestically at below international prices
 - Top supplier to Coastal BC pulp mills



Supporting the Economy

Mosaic is proud to work with B.C. companies of all sizes across Vancouver Island and beyond.

\$470 Million

Total annual supply chain spend.

700+ BC Companies

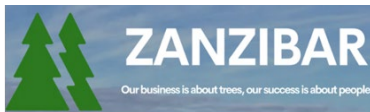
Vendors in 80 communities across B.C.

\$28.5 Million

Indigenous related businesses and expenditures

30 Indigenous Vendors

Increasing capacity in the sector with 30 indigenous-affiliated vendors.

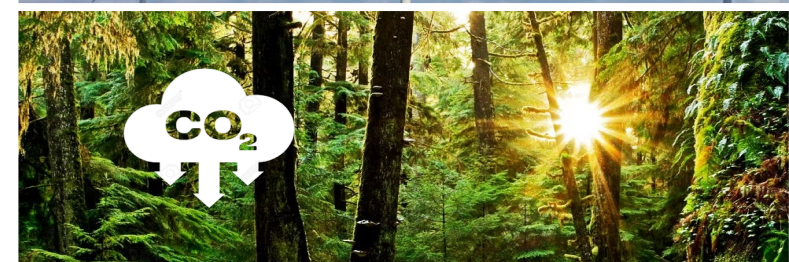


Strategic Transformation

Mosaic is evolving from a traditional forestry company into a diversified lands manager, creating long-term value for both our owners and for the British Columbians whose pension investments depend on our success.

- ✓ **Timberlands:** Stable fibre supply supported by adaptive forest management and world-class seed orchard.
- ✓ **Real Estate:** Selective land sales and development partnerships.
- ✓ **Renewable Energy:** Project siting and land leasing for multiple projects.
- ✓ **Natural Capital:** Carbon credits, watershed services, conservation easements and biodiversity offsets.
- ✓ **Recreation & Access:** Sustainable recreation and tourism models that balance community use with stewardship

This evolution is about strengthening forestry within a multi-product land solutions portfolio – not replacing it.



Koksilah Watershed Pilot

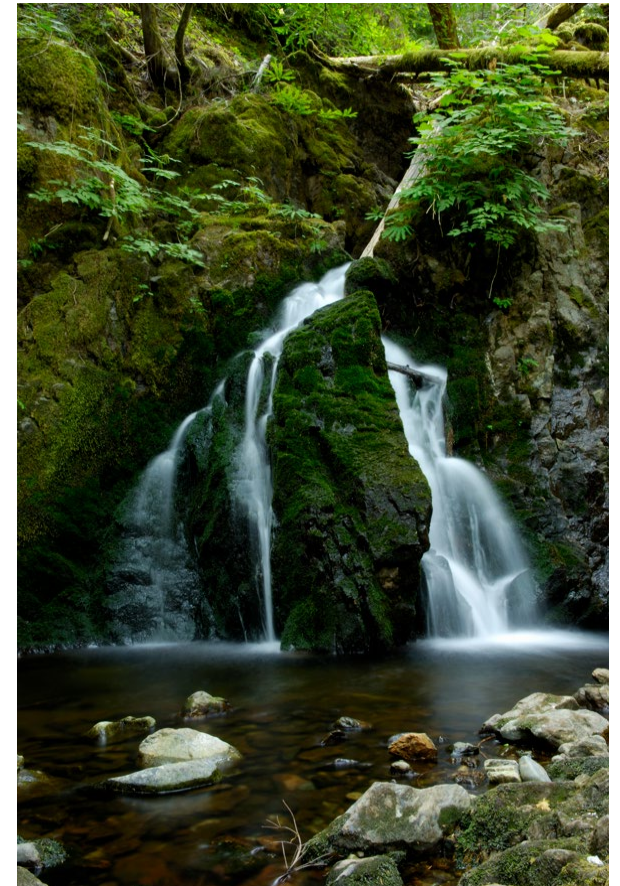
Testing an Integrated Working Forest Model at Scale: A multi-year pilot demonstrating how working forests can deliver economic performance and environmental resilience by integrating watershed services, carbon programs, renewable energy, recreation and real estate activities alongside timber production.

On-the-Ground Shifts (2026+):

- Longer forest growth periods
- Water-focused harvest design
- Enhanced stream and wetland protection
- Reduced road footprints
- Multi-year monitoring of streamflow, water temperature, water quality and key indicators of riparian and aquatic habitat condition.

Why It Matters:

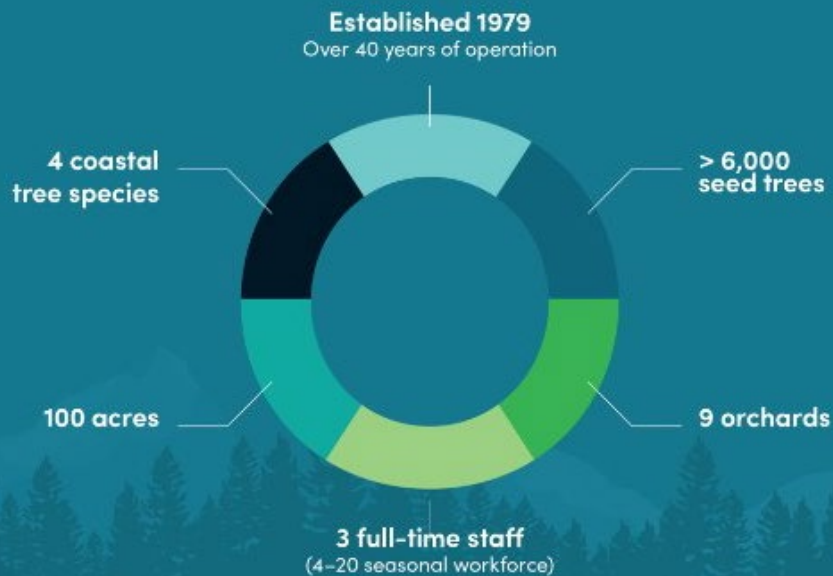
- Tests scalable tools for integrated land management
- Supports the G2G agreement signed by Cowichan Tribes and the Province (May 2023) to develop B.C.'s first water sustainability plan in the Koksilah Watershed
- Helps to shape the enabling policy frameworks
- Demonstrates that private forest lands can provide public benefits



Sustainable Forest Management

Mosaic's **foresters, biologists, geologists, hydrologists, and operations specialists** collaborate to manage species, plan with the landscape in mind, protect riparian areas and sensitive ecosystems, and nurture new forest stands for successful growth

Mount Newton Seed Orchard



- Independent third-party certification of all forest lands under the Sustainable Forestry Initiative®
- Planted 9 million seedlings of local species in 2025
- Support community science and local university led research focused on changing climate and drinking watersheds

Mosaic Wildfire Prevention & Response

Mosaic takes extensive measures to reduce the risk of wildfire, and we have comprehensive response procedures when wildfires occur.

Prevention & Preparedness:

- Partnership with BC Wildfire Service & fire departments
- 100+ wildfire trucks, water systems, extinguishers, pumps
- Weather stations, hotspot tracking, sensors, drones
- Fuel management - chipping, burning, firewood permits
- Access limits, operational pauses

Wildfire Response:

- Trained attack teams & fire wardens
- Helicopter rapid attack capability
- Daily aerial & ground patrols
- Staged equipment with pumps & hoses
- Pre-positioned equipment in high-risk zones



Mosaic's Wildfire Protection Team Leads



Mount Underwood Wildfire (Photo by B.C. Wildfire Service)

Watershed Management

Protecting **water quality** is central to our forest management practices, **sustainability commitments** and our **community partnerships**.

- Professionals, science and detailed analysis leads management practices
- Annual Purveyor Meeting information sharing, including water quality monitoring
- Collaboration and data sharing through partnerships with indigenous, local and provincial governments
- Mosaic sits on the Community Collaborative Advisory Table for the Xwulqw'selu / Koksilah Watershed and Water Sustainability Plan (XWWSP).
- Supporting soft engineering approaches in the Chemainus Watershed e.g. Beaver dam analogs

MOSAIC Sustainable Stewardship from the Ground Up
FOREST MANAGEMENT

Community Drinking Watersheds

JANUARY 2024

Mosaic Forest Management identifies protecting water quality as a top priority in our management practices and sustainability commitments across our forest lands. In particular, several communities on Vancouver Island have licences to draw water from sources within our private managed forests, and protecting drinking water sources is a key shared accountability between Mosaic and community water managers.

WHAT IS A WATERSHED?
A watershed is any area of land that catches rain or snow and drains into a body of water. In this document, we are speaking specifically about community drinking watersheds, which are defined as the specific drainages that feed community water sources.

HOW IS DRINKING WATER REGULATED?
Drinking water in British Columbia is heavily regulated along the whole supply chain from source to tap. Water purveyors are responsible for delivering safe drinking water that meets the standards prescribed in the Drinking Water Protection Act and the Drinking Water Protection Regulation, as well as conditions of their operating permits. Regional Health Authorities are responsible for oversight to ensure compliance, and both the Health Authority and the water purveyors undertake extensive, mandated water testing and monitoring.

As a managed forest owner, Mosaic is prohibited from negatively impacting drinking water quality by the provisions of the Private Managed Forest Land Act. We also maintain formal relationships with licensed

DID YOU KNOW?

Management of drinking water quality and sources is heavily regulated in British Columbia.

Community drinking sources can be located within public or private lands in B.C.

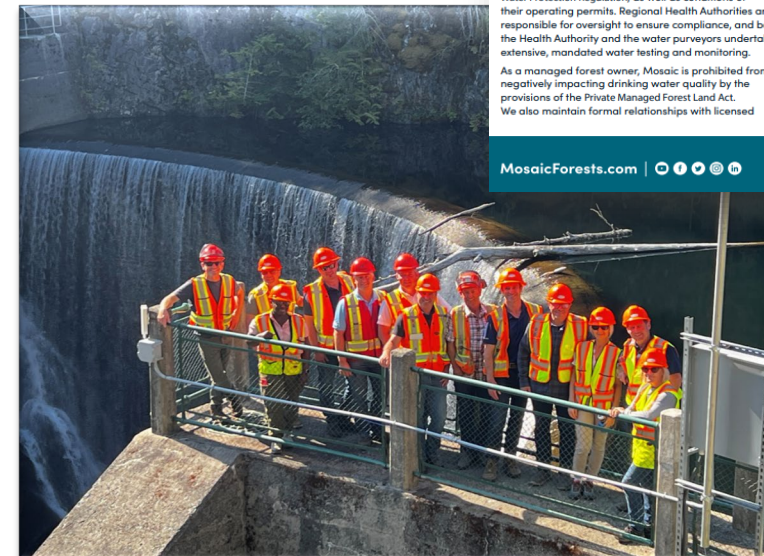
Mosaic maintains collaborative relationships with water purveyors with licences to draw water from within our lands. We partner and modify plans and practices based on risks and consultation with community water managers.

water purveyors, and share information on our planned activities. We are responsible for ensuring forest practices do not negatively impact water quality in the drainages associated with a water licence, and make any necessary amendments to planned activities based on our consultation work with relevant authorities and communities.

PRIVATE MANAGED FOREST LAND ACT:
"...a primary forest activity must not cause a material adverse effect on the quality of drinking water that may affect human health at the point of diversion of a drinking water intake."

MosaicForests.com |

Programme of Sustainable Forestry
Sustainable Forestry
Sustainable Forestry
Sustainable Forestry
Sustainable Forestry



Community Partnerships

Mosaic is grateful for the strong relationships we have built across Vancouver Island. In 2025, we were proud to support many not-for-profits and organisations with community, environmental, and educational initiatives.

4MILE CREEK HATCHERY

About Us

The 4Mile Creek Hatchery started in 1977 raising chum salmon and has been raising chinook since 1979. It is currently operated by us, the 4Mile Creek Enhancement Society, a non-profit organization and registered charity.



Male chinook salmon
Chinook hold cultural significance to First Nations and are a keystone species of Pacific Northwest ecosystems.

Our goals are to rebuild San Juan salmon stocks, enhance community capacity and economic returns within the San Juan River area, promote education and public stewardship, and contribute to salmon harvest opportunities.

We run the hatchery through collaboration with Pacheedaht First Nation, Mosaic Forest Management and Fisheries and Oceans Canada and operate entirely on donations, grants and in-kind contributions.

Salmon enhancement is a year-round activity:



1 In the Fall we are capturing broodstock, enumerating returning salmon while our fish fence on the river is in operation, doing egg takes and fertilizing the eggs.

2 From Fall to Winter the eggs incubate and hatch into alevin. In late Winter they swim up as fry and ponding and rearing take place through Spring. When the young salmon are big enough they are marked and released.

3 Pacific Salmon

You will find all six of the Pacific salmonid species in the San Juan River: chinook, coho, chum, sockeye, pink and steelhead.

Chinook in particular have declined in the San Juan River and are a species of special concern in Canada.

4 Hatchery staff and volunteers, Pacheedaht First Nation fisheries, and Fisheries and Oceans Canada working together to pull in a seine net to large net used to capture fish holding what will be the hatchery's chinook broodstock (parents of the fish raised at the hatchery).

5 Sorting through potential broodstock. Every fish is identified, sexed and recorded before being placed into holding pens between Fairy Lake and the San Juan River.

6 A female chinook being checked for spawning readiness. Spawning-ready hatchery staff can tell by feel if the fish is ready to lay eggs soon or will need more time.

4 Thousands of newly fertilized chinook eggs in an incubation tray at the 4Mile Creek Hatchery.

5 Gravel boxes. Fertilized eggs (the stage where eyes are visible inside of the egg) are placed into these boxes to hatch. The gravel mimics a natural salmon reed (the gravel "nest" a female salmon lays her eggs into in the wild) allowing for a more natural developmental process.

6 Fry are moved from the gravel boxes into bins where they will remain, being fed multiple times a day by hatchery staff and volunteers, until their release in Spring.

THANK YOU TO OUR PARTNERS:

and to all of those who donate to us!

Want to support our work?
DONATE THROUGH CANADA HELPS TODAY!



United Way
British Columbia

1ST LAKE COWICHAN
Cub Scouts

SEARCH+RESCUE
COWICHAN

BC FOREST
DISCOVERY CENTRE

Operated by the BC Forest Museum

Indigenous Partnerships

Partnerships with First Nations and Indigenous partners is woven into everything we do. Our success depends on building and fostering meaningful, collaborative, and long-term relationships

Indigenous Partnerships in Action:

- **Gold-level PAIR certified** – first and only private timberlands owner in Canada
- **\$28.5 million** in annual **Indigenous procurement** – supporting Indigenous businesses and capacity
- **19+ partnership agreements** advancing shared stewardship and economic opportunity
- **Ongoing investments** in scholarships, training, and community initiatives

Partnerships around the Town of Lake Cowichan:

- **Partners in reconciliation:** facilitated transfer of 312 hectares of land near Skutz Falls to Lyackson First Nation and Cowichan Tribes
- **Enhancing Indigenous procurement opportunities:** long standing forestry contracts with Khowutzun Forestry Services.
- **Ec Dev Through Partnerships:** long-standing purchase program with Quala:Yit Community Forest
- **Supporting communities:** log donations to Quw'utsun Secondary School & Tsow-Tun Le Lum Healing Centre

We're shifting beyond transactional relationships to tangible, co-benefits with First Nations through Collaborative Development Agreements

Access Refresh Initiative

The Opportunity:

- Move beyond conflict to shared-use innovation
- 7,600+ responses
 - Most agree with gates but want predictable, safe public access

Our Strategic Response:

- Hired partnering third-party consultants – *RC Strategies and Legacy Tourism Group*
- Continued engagement with government, First Nations, communities, and recreation groups
- Exploring large-scale recreation partnerships + signature destinations | enhanced tools and programs (i.e., digital platforms for real-time access information)
- Balancing community access with wildfire risk, liability and operational needs.



Our working forests are recreation destinations that create jobs, tourism, support communities and operations.

Thank you

We appreciate your time and interest

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FOREST MANAGEMENT

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