

## CMH

- Available resource in B.C. Coastal area to support 2 mills →  
CMH & WY GREENFIELD
- If we would own CMH:
  - GREENFIELD mill would require less capital & leverage CMH capabilities (cracking & surfacing)
  - Ability to manage RM costs
  - Eliminate potential of competitor "building-up" their market position, with the threat of expansion in WASH/OREGON through additional consolidation
  - Opportunity to export to North WA mills excess RM supply
  - Downside: Delta site isn't the most attractive, but is acceptable.
  - WASH Alder would most likely go away, which could also improve supply situation in No. Wash → 1-2 year situation

What's in the best interest of the shareholders & the employees



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IF WA. ALDER purchases CMT :

- log costs in No. Wash would continue to increase as they average down  
total log costs through imports of CANADIAN logs (we can't block  
until we build a mill)
- market leverage which most likely would reduce our realizations
- could purchase marginal WA/ore mills as they would  
increase market share.

Other issues

- Export parameters to do with the volume short term
- M-B Alder & what to do with the Delta property
- LEASE arrangements of personal gain from a sale to WA Alder
- Wayne Kidd's personal gain from a sale to WA Alder
- Wayne has threatened negative publicity if we disturb the deal.

CMH

> Nel surveillance on 3/28 - 3/30

• Have run out of logs several times

• Running reduced shift posture due to lack of logs

• CMH has made numerous calls to suppliers to increase cuts → this has been met with resistance

- Tubherent > only the minimum
- m-B > very little volume
- Dohlerman → low volume

• We've made it clear that we're not harvesting until we decide what we're doing → CMH has knowledge of this

• CMH has lost some recent bids to Polcar. Cutting on licenses had and working with natives. Prices increasing.

• Bottomline → Supply is ~~being~~ constructed and CMH is holding waiting until May 4 is OK.

• Major suppliers going around the Aldea. Will take a program to resume harvests using Aldea to reduce total stumpage values.

