

**Nawiinginokiima Forest Management
Corporation**

AGENCY BUSINESS PLAN

for the period of

2026-27, 2027-28 and 2028-29

November 25, 2025

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Executive Summary

Nawiinginokiima Forest Management Corporation (NFMC) is the first Local Forest Management Corporation (LFMC) to be formed under the *Ontario Forest Tenure Modernization Act, 2011* (OFTMA) and represents an important component of Ontario's overall plan for modernizing the Province's forest tenure and pricing system. We are one of two LFMCs in the province of Ontario, with the second one located on the Temagami Forest Management Unit (FMU).

Nawiinginokiima is an Ojibway word that means "working together", this is the core principle with which NFMC proudly operates under. The Agency was established to operate within a defined management area that includes the communities of Biigtigong Nishnaabeg First Nation, Netmizaaggamig Nishnaabeg First Nation, Hornepayne Indigenous community, and the Municipalities of Marathon, Hornepayne, Manitouwadge and White River.

NFMC's Agency Business Plan (BP) is prepared in accordance with the Agency Accountability Directive (AAD) and the Guide to Developing BPs for Provincial Agencies and describes: the Agency's mandate, priorities, programs, activities, and provides a financial budget for the next three years.

NFMC is a self-financing operational enterprise Crown Agency and primarily derives its revenues from the sale of Crown timber from its defined management area, consistent with the government-approved revenue model for LFMCs.

The revenues of the Agency are driven by the amount of timber harvested and sold. The ability of NFMC to meet the volume projections relies largely on the continued operation of our main customers White River Forest Products (WRFPP), Columbia Forest Products (Levesque), Lecours Lumber, and Hornepayne Lumber LP (HLLP). One of our long-term customers (AV Terrace Bay) shut down its operations for an undetermined period of time. This business plan assumes the Terrace Bay operations do not restart during the 2026-27 fiscal year.

It should be noted that the annual available spruce, pine, fir (SPF) volume on the Pic Forest is set at 675,000 m³ per year and the White River Forest is 346,000 m³.

Mandate

NFMC was established through regulation under the *OFTMA, 2011* on May 29, 2012 (per *Regulation 111/12*). The *OFTMA* outlines the generic structure for a LFMC and establishes key attributes including requirements for: corporate governance, general powers, financial management, the General Manager (GM), employees, etc. The *OFTMA* also states the objects of an LFMC as follows:

- To hold forest resources licenses and manage Crown forests in accordance with the Crown Forest Sustainability Act (CFSA) and to promote the sustainability of Crown forests;
- To provide for economic development opportunities for Indigenous peoples;
- To manage its affairs to become a self-sustaining business entity that optimizes value from Crown forest resources while recognizing the importance of local economic development;
- To market, sell, and enable access to a predictable and competitively priced supply of Crown forest resources; and
- To carry out such other objects as may be prescribed by regulation.

A Memorandum of Understanding (MOU) between the MNR and NFMC Board of Directors clarifies the roles, responsibilities, and operating relationships, consistent with the *OFTMA* and the Agency Accountability Directive (AAD).

NFMC received a new letter of direction for 2026-27. It is expected that the Agency will work on the objectives identified in the letter and therefore NFMC has included within this BP the necessary resources to work towards these objectives. The areas identified for NFMC to focus on in the mandate letter include:

OBJECTIVES: <i>Protect Ontario</i>	ACTION
1. Expand domestic partnerships within Canada, to promote the development of supply chains and economic opportunities across Canada and support economic resilience, particularly in light of ongoing U.S. tariff threats and economic uncertainty.	NFMC plans to promote our Strategic Initiatives Programs heavily in the coming year with the hopes of having our local forest industry leverage NFMC’s support to address current economic challenges. NFMC also plans to attempt to expand its customer base by reaching geographically outside of its management area and traditional customers.
2. Procure from Ontario and Canadian businesses whenever feasible.	NFMC follows mandated BOBI requirements with larger procurement initiatives, but we also always purchase Ontario products and services unless not available to us. We do not plan to reach outside of Canada for procurement requirements.

<p>3. Provide economic relief for Ontario families, consumers and businesses by freezing government fees and fares, unless approved by the oversight Minister.</p>	<p>NFMC follows the Ontario Stumpage Matrix when setting its fees for the mills, therefore we will follow government direction as posted.</p> <p>Additionally, NFMC is planning to be as efficient as possible with both our management fee and renewal rates in order to provide the lowest cost possible to our mills.</p>
<p>OBJECTIVES: <i>Deliver Better Services</i></p>	<p>ACTION</p>
<p>4. Focus on a user-centered client/customer experience by simplifying interactions, improving satisfaction and expanding and optimizing digital service offerings.</p>	<p>NFMC has created and maintains a portal where all mills and harvesters have access and are able retrieve the necessary information they need for all the harvest blocks within the current Forest Management Plan. This provides an efficient and timely method for operations to continue without interruptions.</p> <p>We plan on discussing with our customers other opportunities that we can explore to improve our deliverables.</p>
<p>5. Identify opportunities to enhance efficiency, improve services, drive innovation and achieve cost savings for the people of Ontario, including through the use of AI and other advanced technologies.</p>	<p>Throughout our Business Plan we mention our goal to seek new opportunities and markets in the forestry sector. We have aggressively budgeted for investment through our Strategic Initiatives Program with the goal of finding new innovative solutions in the industry.</p> <p>Internally, we plan to investigate and explore how AI can be used to provide long-term efficiencies and lowering our annual costs.</p>
<p>6. Eliminate unnecessary bureaucracy and red tape by applying lean methodologies or other modalities to achieve operational efficiency.</p>	<p>Our process have always been established with low bureaucratic requirements, however, many of our operational decision lie with a final approval from MNR. We will continue to work with both the District and Regional MNR offices to remove unnecessary bureaucratic processes within our sphere of influence.</p>
<p>OBJECTIVES: <i>Drive Innovation and Value for Money</i></p>	<p>ACTION</p>
<p>7. Find innovative solutions to use public resources efficiently and to effectively deliver on the agency's mandate while operating within agency's financial allocation, supported</p>	<p>NFMC has long established processes that are driven by regular financial reporting, effective internal controls and management practices. Our goal this year is to review these processes and</p>

<p>by accurate financial reporting, effective internal controls and proactive fraud management practices.</p>	<p>determine how we can be more efficient or effective. Our staff’s performance review goals reflect this initiative with an ‘all hands-on deck approach’.</p>
<p>8. Manage agency workforce with careful responsibility to stabilize expenditures and preserve long-term financial viability by:</p> <ul style="list-style-type: none"> a) strictly adhering to the hiring control parameters, including ceasing hiring for non-business critical and non-public-facing positions, including the use of consultants; b) operating within a defined maximum workforce size (including consultants); c) ensuring compliance with the Broader Public Sector Executive Compensation Act (BPSECA); and d) enhancing productivity and efficiency by using technology wherever possible. 	<ul style="list-style-type: none"> a) NFMC will have a policy in place that adheres to the hiring control directive; b) NFMC will establish a policy to ensure it operates within the defined maximum workforce and will file a Business Case should the need to change the workforce be required; c) NFMC will comply with the BPSECA; d) NFMC will review and evaluate opportunities for efficiencies using technologies.
<p>9. Create a span of control policy that recognizes different streams of work within the organization and sets minimum span of control benchmarks and provide it to the Minister for approval by March 31, 2026.</p>	<p>NFMC will create a Span of Control policy that adheres to the Ministry’s direction.</p>
<p>10. As communicated on August 14, 2025, provide to your oversight minister by October 1, 2025, the amended human resource policy, guideline or directive that adheres to the OPS in-office standard of four (4) days per week effective October 20, 2025, and five (5) days per week effective January 5, 2026, and work with your oversight ministry to address any office space constraints.</p>	<p>NFMC staff has been back in the office since 2021 but will create the policy to ensure that the official direction is in place adhering to the return to office direction.</p>

In addition to these government-wide priorities, I also expect NFMC to focus on:

- Sustainably managing the Pic Forest and the White River Forest, including the development and implementation of Forest Management Plans.
- Increasing wood utilization by removing barriers to accessing wood and maintaining and attracting new investment opportunities.

- Continuing to implement and improve strategic initiatives that focus on local and Indigenous community economic development.
- Promoting a strong working relationship with the Ministry of Natural Resources, other federal and provincial government departments, Indigenous and local communities forest industry, academia and non-governmental organizations to enhance forestry in Ontario.
- Working with the MNR to be a leader in the forest industry and forest sector.
- Maintaining a functioning board of directors that is trained on their roles, responsibilities and relationship with the ministry.

Vision Statement

As the first Local Forest Management Corporation in Ontario, our vision is to be recognized as a leading steward of our forests, fostering a sustainable and harmonious coexistence between people and nature.

Through unwavering dedication, we aim to inspire a world where forests are celebrated for their intrinsic value, ecological importance, and economic potential. Our commitment is one of responsibility, innovation, and collaboration, leading us towards ensuring the vitality of our forests for generations to come

Mission Statement

To hold forest resource licenses in accordance with legislation and to promote the sustainability of our forests.

To provide for economic development opportunities for Indigenous peoples.

To become a self-sustaining business entity and to optimize the value from resources while recognizing the importance of local economic development.

To market, sell, and enable access to a predictable and competitively priced supply of Crown Forest resources.

Economic Scan

The Nawiinginokiima Forest Management Corporation (NFMC), continues to enjoy numerous strengths, including a reliable and abundant wood supply, a skilled workforce guided by seasoned and committed leadership, and robust support from local communities and stakeholders. Additionally, as a Crown Agency and an SFL manager, NFMC leverages retained earnings to fund initiatives that bolster sustainability and socio-economic benefits for the management area and its residents. The company is well-positioned to balance forest sustainability, Indigenous economic development, and workforce training. However, it faces notable challenges, some intensified by the specific location of its forests and others reflective of broader struggles within the Ontario and global forestry industry.

Market availability for hardwood and biomass continues to be a significant test within the NFMC operating area. This is a broader regional issue impacting the utilization of mixed-wood forests throughout central Ontario. Though new investment interest offers potential for future market diversification, overall economic conditions have continued to hold these opportunities off for now. The corporation is also navigating market challenges for products more recently sought after, particularly those related to the pulp and paper industry.

Ontario's forestry sector is actively modernizing and pursuing diversification, though it also continues to face market challenges. Key trends include the expansion of the bioeconomy, increased use of wood in construction, and continued trade disputes with the United States. An ongoing trade dispute with the U.S. continues to create market uncertainty, with the U.S. increasing countervailing and anti-dumping duties earlier this year and have recently signed an executive order to increase tariffs by 10% starting October 14th. Ontario is working to grow and diversify markets by promoting new uses for wood, particularly mass timber and biomaterials. Examples include using biomass for renewable energy and developing bioproducts to replace single-use plastics as well as replacing coal as an energy source in the metals manufacturing industries.

The current economic outlook for forestry is defined by a shift from traditional wood products toward a more diversified and sustainable bioeconomy. While the industry faced challenges due to high interest rates impacting construction, the long-term outlook remains positive. High interest rates have slowed new housing construction, which temporarily lowered demand for solid wood products; high inflation and interest rates drove up operating costs and reduced investment across the sector. This has lowered profitability and forced companies to implement cost-cutting measures. Demand is expected to improve as construction activity picks up.

Volatile commodity prices continue to hinder the industry. The ongoing decline in demand for traditional paper products, like newsprint, continues to negatively affect the pulp and paper subsector. This, however, is being partially offset by growth in packaging products required by the online marketplace.

Although a case can arguably be made that these issues are greater exasperated for NFMC than other areas of the province due to population, access to markets and major centers, it is a province-wide challenge. Very few areas in the province are optimizing the use of their available wood fibre. Based on this, it will be difficult for NFMC to position itself as an ideal location for a new forest use startup or proposed project. Additionally, as a Crown corporation, the ability to be nimble and act directly when an opportunity presents itself adds

additional challenges not faced by all other forest managers. To help combat these economic threats, it is imperative that NFMC is allowed more access to utilize its retained earnings to encourage and support opportunities at a local level. This could include direct financial support for area First Nations or other partners who bring forth well-built business plans which align with the core objectives of NFMC.

A major focus in Canada is on expanding the bioeconomy, which converts wood residues and other lesser-used forest biomass into higher value bioproducts. There is a rising global demand for sustainable building materials, such as mass timber and engineered wood products. North America, Europe, and other regions are investing in these innovations to improve competitiveness and reduce the carbon footprint of construction.

While technical reliability and fiber availability are often prioritized in emerging bioeconomy businesses and products, input costs are frequently underestimated or overlooked. Sustainable feedstock costs for many potential projects are low, but the capital demands for greenfield or even brownfield construction can be substantial. These opposing factors often lead to project delays or halts. Scale and scalability are critical, yet finding the optimal balance is challenging. It's commonly believed that projects requiring more fiber will benefit from lower overall fiber costs. However, in practice, higher utilization increases feedstock costs, driven largely by the greater distances additional units must travel to reach the facility.

The provincial government is supporting growth through programs like the Forest Biomass Program and the Forest Sector Investment as well as the Provincial initiatives like the Sawmill Chip Support Program. These initiatives have helped the NFMC area mills manage chip stockpiles but unfortunately have not evolved into significant tangible, scalable, sustainable projects in our management area.

Further disruptions in the pulp and paper markets have led to mill closures and challenges with managing wood chip byproducts, in addition to the vast and significant reduction in consumption at Terrace Bay and Espanola, Kap Paper has recently announced its plans to idle its mill. Kap Paper was the last consumer of sawmill chips in Northeastern Ontario. This will further exhaust the efforts of area sawmills to remain operating.

These closures, coupled with Thunder Bay Pulp and Paper's downtime throughout 2025, demonstrates a continual decline and deterioration in the Ontario's forest sector. The province's annual consumption of Crown fibre continues to drop year over year. It has been estimated that in the 2025-26 operating year, less than 12 million m³ will be utilized, approximately 40% of what it was in the early 2000's.

Efforts made towards innovation and new technologies should not be shelved but a more urgent and immediate solutions to these issues needs to be addressed. NFMC can be a catalyst towards these solutions. All projects, big or small, that can help NFMC or the province should be received with enthusiasm, considered carefully, and championed at both the local and provincial levels.

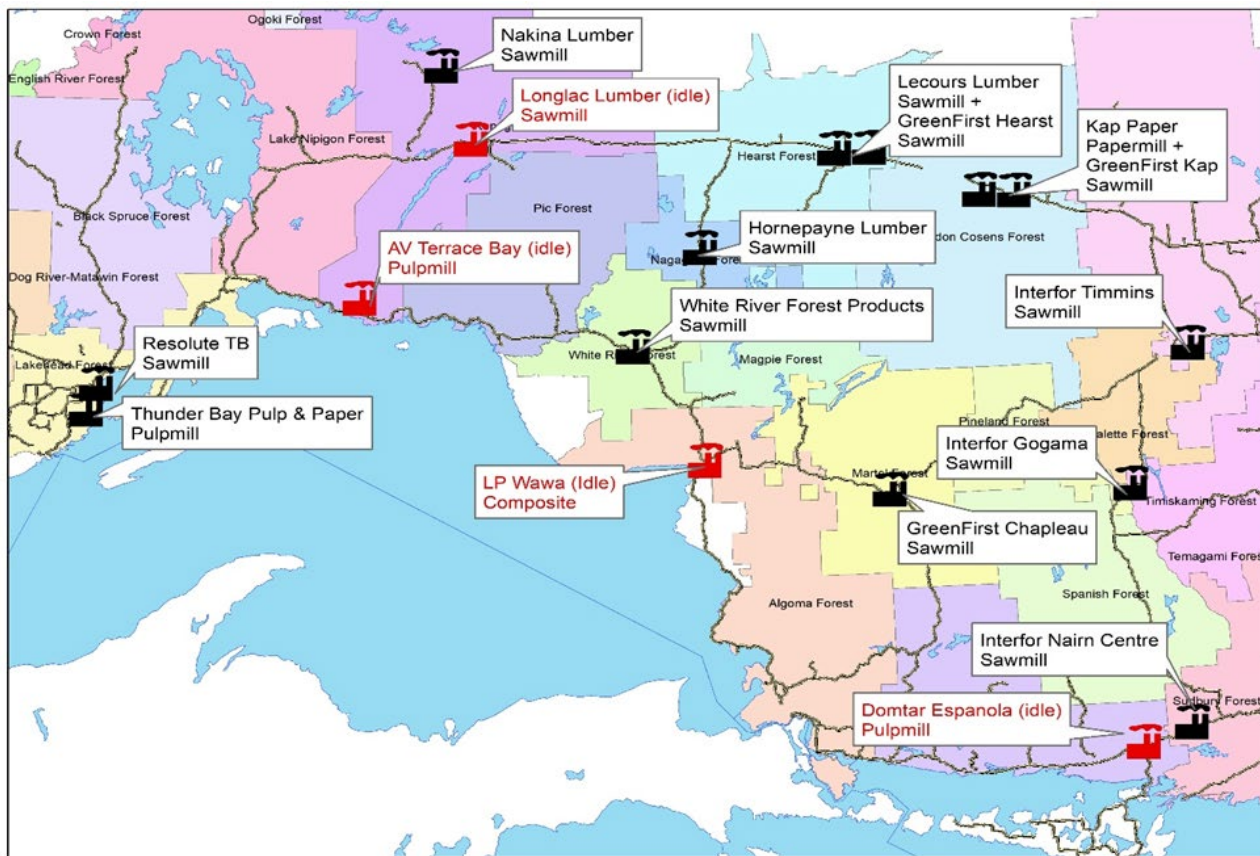


Figure 1 – Local sawmill residual at risk

Within the past year mills near the NFMC forests have fortunately been operating as they did. Very little by way of curtailments have occurred with some small exceptions. Planned temporary curtailments are scheduled for mills in the Northeast in order to reduce lumber inventory as well as residual products in hopes of reducing some supply and conserving cash.

Additionally, the area paper mill came extremely close to indefinite curtailments but was fortunate in receiving funding from both the provincial and federal governments. These funds will continue operations on a temporary basis in order to provide the company more time to explore alternative uses and products.

Although these mills are geographically distant from NFMC and do not consume our fibre directly, they have a cascading effect on the ones that do. The provinces' fibre consumption and logistics are very much intertwined and integrated.

Resources Utilized:

- Nrcan.gc.ca
- Statistics Canada
- NFMC most recent annual report
- Ontario Forest facts website
- 25-26 Roads funding allocation matrix
- Toronto Dominion bank publications
- Scotiabank publications
- Ontario Forest Strategy progress reports

Strategic Directions

NFMC's Strategic Plan provides management and staff with the future vision of the Corporation and the foundation of the goals and objectives the Agency wants to achieve. The Strategic Plan includes the period covered by this BP. The Plan is available on NFMC's website (<https://nfmcforestry.ca/>), and most aspects of the Strategic Plan are included throughout this BP.

The new Strategic Plan established NFMC's priorities for the 2024-2029 period. At a high level, the Strategic Plan's areas of focus include forests, indigenous communities, governance, economic development, and research and development.

Achieving the highest standard of sustainable forest management and financial self-sufficiency requires excellence in strategic business, forest management planning, operational planning and day-to-day, on-the-ground implementation by trained and competent employees and contract harvest workers. NFMC ensures that high-quality services and products are delivered to satisfied clients by a skilled and responsive workforce. A goal for NFMC has been to invest in the infrastructure of its forests, achieve third-party certification, and ensure continued sustainability through proactive forest management practices while actively marketing non-utilized timber.

NFMC's LFMC model was conceptualized and developed in collaboration with local municipalities and Indigenous communities with the understanding that the Agency's objects would support the development of local and Indigenous economic development opportunities within the management area. One of NFMC's priority areas has been the development of these opportunities. Goal fulfillment will be achieved by developing employment opportunities, fostering entrepreneurship, establishing partnerships through constant communication and support all while promoting the role of NFMC in the forestry sector.

Another strategic goal of the Agency has been to work with industry stakeholders to increase the human resource capacity in the forestry sector. To fulfill this goal, NFMC will assist industry stakeholders in investment strategies and respond to the economic challenges, implement the Forest Management Plan, and encourage collaborations that explore partnerships for forestry research. NFMC will continue to work

with industry stakeholders to increase harvesting capacity and will also provide stakeholders support to re-invest in the local mills, with the goal of being efficient and competitive in the global market.

NFMC continues to develop necessary strategies and explore opportunities to move forward with local and Indigenous economic development opportunities as they arise. These arrangements are typically approved under the processes identified in the Strategic Initiatives Policy (SIP). NFMC has a mandate that goes beyond forest management activities and includes initiatives aimed at supporting the forest industry and local communities. We also have a corporate social responsibility to strategically invest revenues in initiatives that are well thought out, financially responsible, play a key role and make a positive impact in growing the forestry sector surrounding the NFMC management area.

NFMC has incorporated the Ontario Forest Sector Strategy (FSS) into its new Strategic Plan. The vision of the FSS is: *“Ontario’s forest sector is a world leader in making and selling forest products from renewable, sustainable and responsibly managed forests. Ontario is a preferred location for investing in commodity and innovative forest products and advanced manufacturing.”* The pillars of the FSS’s vision are:

1. Promoting stewardship and sustainability;
2. Putting more wood to work;
3. Improving our cost competitiveness; and
4. Fostering innovation, markets, and talent.

As part of the FSS, the Government of Ontario acknowledges that First Nations communities have an important relationship with the land and exercise First Nation and treaty rights. The Province of Ontario and NFMC are committed to continuing to build strong, mutually beneficial relationships and partnerships with First Nations communities across the Province.

NFMC has developed a policy to help inform its economic development investments known as strategic investments. The SIP allows corporations in the management area to respond to economic opportunities and challenges according to their individual priorities and to pursue regional collaboration to advance common goals in order to strengthen the forest sector’s competitive advantages.

NFMC’s Board will give consideration to strategic initiatives on a case-by-case basis. All requests will be brought forward to the Board for consideration through the GM. The Agency may make funds available through the use of conditional contributions, service contracts, performance incentives or other measures specified by the Board. All strategic initiative requests made must include an official letter and detailed application from the proponent describing the project/initiative and commitment requested from NFMC, including a full cost breakdown of the project/initiative. The information required for Board approval will be gathered by the GM through correspondence with the proponent.

NFMC continually reviews its capital assets to assess their life cycle. The Board has proposed a strategic review of assets, especially forest access roads. The management area has a number of roads, bridges, and culverts that have been in place for decades and NFMC needs to plan for their replacement or develop a maintenance schedule to prolong their life.

NFMC will continue to move forward with the development of new directions and the implementation of the above noted strategies and strategic initiatives.

Overview of Current and Future Programs and Activities

NFMC’s management area is comprised of two FMUs: the Pic and the White River Forests. This area encompasses approximately 1.9 million hectares (ha) of productive Crown forest with an annual available harvest volume of over 1 million m³ of merchantable fibre and 200,000 m³ of biomass fibre annually based on current FMPs.

NFMC has an MOU with the MNR. The MOU outlines the responsibilities of the Minister, Deputy Minister, Chair of the NFMC, the Board, and the GM. The GM is accountable to the Board, through the Chair, for the management of the Agency’s operations and staff, while ensuring compliance with all applicable Acts, regulations, and directives. The Board, in turn, is accountable to the Minister, through the Chair, for oversight and governance of the Agency, setting goals, objectives and strategic direction for the Agency, also while ensuring compliance with all applicable Acts, regulations and directives.

The current NFMC Board includes representatives from Manitouwadge, Biigtigong Nishnaabeg First Nation, Marathon, Netmizaaggamig Nishnaabeg First Nation, and two members-at-large who broaden its functional knowledge base and experience. In 2025, there were changes to the Board of Director’s membership, including the appointment of a new Chair, Vice-Chair and member representative from the Town of Marathon. Biographies of Board members can be found on the NFMC webpage: <https://nfmforestry.ca/staff/>. The Board includes the below members:

Table 1. Current NFMC Board Members

Name	Position	Tenure	Community
Adam Brown	Chair	16/10/25-15/10/28	At large
Daryl Skworchinski	Director	16/10/25-15/10/28	Marathon
Jesse Gaudette	Director	06/08/23 – 05/08/26	Netmizaaggamig Nishnaabeg First Nation
Grant Goodwin	Director	14/08/25 – 13/08/28	Manitouwadge
Joanne Michano	Director	06/08/23 – 05/08/26	Biigtigong Nishnaabeg First Nation
Laird Van Damme	Vice-Chair	19/09/25 – 17/09/28	At large

NFMC will provide training opportunities to the Board based on identified needs, governance requirements, as well as the specific requests of individual members. NFMC will continue to work with the MNR to ensure governance requirements for new and existing Board members are met annually. In addition, Board members have the opportunity to request specific training at any time and training requirements are discussed regularly at Board meetings.

NFMC’s management recognizes the need for trust and transparency when dealing with communities and its forest industry partners. As such, NFMC is committed to making presentations to municipal Councils,

Chief and Council, and Local Citizen Committees (LCCs), holding regular operations meetings with contractors and mills to develop harvesting plans, and to consult industry stakeholders in developing the budget for the upcoming year.

NFMC will continue to establish best practices in forest management, health and safety, finance, and LFMC management. NFMC will disseminate its best practices as it shares its practices and experiences with stakeholders. NFMC's Health and Safety Program continues to meet the Safe Work Ontario certification via Workplace Safety North. In addition, we maintain a program of standardized forest access road signage and radio use protocols to ensure forest roads are as safe as possible for all users.

NFMC's operating expenses for 2026-27 are budgeted at \$9.74 million. Roads and Strategic Initiatives make up \$7.30 million of this amount, wages and benefits are the next highest expenditures. In addition, NFMC utilizes contractors to cover key activities. NFMC's main office is located in Marathon, with a satellite office in White River.

NFMC is projecting deliveries to be slightly up compared to the 2025-26 budget for both the Pic Forest and White River Forests. Deliveries for 2026-27 (primarily softwood) are budgeted for 547,000 m³, which is expected to generate \$3.32 million in revenue for NFMC. Detailed financial information can be found in the document section entitled 'Financial Budget.' NFMC's renewal program for the Pic Forest is budgeted at \$1.30 million and the White River Forest budget is \$0.90 million for 2025-26.

Resources Needed to Meet Goals and Objectives

NFMC is an operational enterprise and is exempt from income taxes under the Income Tax Act. The Agency is self-financing and does not require funds from the Provincial government to carry out its operations.

NFMC's revenues are derived from the sale of Crown timber from the management area. The Agency needs to market and sell sufficient volumes of Crown timber to cover its operating costs and will scale the operations in accordance with the revenue it generates from the sale of timber. The Corporation has met its operating reserve targets and has resources for other components of its mandate (see detailed financial summary, Appendix I).

We are strategically positioned to be more successful in achieving our objectives by increasing annual utilization of the prescribed sustainable annual harvest level of all species of over 1 million m³ per year. Increasing production will require improved demand for both softwood and hardwood, and better pricing for wood in more distant geographic areas of the management unit. We would also need to increase contractor and supervisory capacity to reach further afield. During the term of this BP, we will remain diligently aligned with our strategic direction while implementing programs and providing the financial and human resources necessary to continually improve.

NFMC will continue to establish appropriate mechanisms and structures to ensure that activities associated with forest management planning, forest renewal, and forest operations including harvesting and road construction and maintenance remain ongoing and completed successfully.

The Pic and White River Forests are primarily dominated by conifer, although there is a large component of mixed wood stands. NFMC's silviculture strategy has always been aimed at increasing the productivity

of the forest through our silviculture programs while adhering to the requirements of the Forest Management Plans, this will continue. As part of the silviculture program, NFMC will develop options to treat/retreat stands that do not meet the planned renewal objectives.

The majority of renewal activities will be charged directly to the Forest Renewal Trust (FRT) account for direct contractor reimbursement. NFMC will also seek reimbursement from the FRT for its direct expenditures on items such as wages for our silviculture staff, use of trucks and ATVs, and purchases of items such as forestry supplies and equipment. For 2026-27, NFMC plans to request renewal rates of \$7.50/ m3 for SPF and \$0.48/ m3 for biomass, poplar and birch on the Pic Forest and renewal rates of \$2.00/ m3 for SPF and \$0.50/m3 for biomass, poplar and birch on the White River Forest. The final rates will be determined based on discussions with NFMC’s customers and in consultation with MNR’s Northwest and Northeast regions during the forest renewal charge process. NFMC’s board of directors will be presented with an opportunity to review the renewal budget before it is submitted to the MNR for approval.

In order to accomplish its goals and objectives, the Agency has access to several sources of revenue which are summarized in Table 2 below. It is important to note that some of these sources of revenue, such as the Provincial Forestry Roads Access Program (PFARP), the FRT, and the Forestry Futures Trust (FFT) are designated for specific purposes and are not generally available to NFMC to cover its day-to day costs and expenditures. While NFMC is responsible for the management and implementation of these Programs on its management area, the Agency will only be able to access funding to support eligible costs that it has incurred specifically for the delivery of these Programs.

Table 2. Financial Resources Available to NFMC

Resource	Details	NFMC goals and objectives	Funds Available
LFMC Revenue Model	Timber sales revenues and management fees from wood sales remain with NFMC to further its objects.	<ul style="list-style-type: none"> • Sustainable forest management. • Economic development for communities and Indigenous people. • Timber marketing and sales 	<ul style="list-style-type: none"> • Annual timber sales and management fees estimate revenues of approx. \$3.32 million.

Forest Renewal and Forestry Futures Trusts	Funding for eligible renewal and silviculture activities. Majority of funding flows as a direct reimbursement to contractors.	<ul style="list-style-type: none"> Reinvesting in and improving the forest assets. Sustainable forest management. 	<ul style="list-style-type: none"> Revenues approx. \$2.20 million.
Provincial Forest Access Roads Program	Funding allocation to support construction and maintenance of forest access roads. Majority of funding flows as a direct reimbursement to contractors.	<ul style="list-style-type: none"> Cost competitive, affordable wood supply. Continuous and predictable supply. 	<ul style="list-style-type: none"> MNR's PFARP 2026-27 expected to be up compared with prior levels (approx. \$2.80 million) due to increased funding.
Industrial Road Maintenance Agreement	NFMC has signed an agreement with the Ministry of Transportation to maintain the Caramat-Manitouwadge Industrial Road.	<ul style="list-style-type: none"> Reinvesting in and improving the forest asset. Economic development for communities and First Nations people. 	<ul style="list-style-type: none"> Revenues estimated at \$0.45 million.

LFMC Revenue Model

NFMC revenues are derived from the sale of Crown timber from the management area. The Company needs to market and sell sufficient volumes of Crown timber to cover its operating costs. NFMC will operate under a revenue model where the price it charges for Crown timber is determined by market factors. During the course of this BP, NFMC will use Ontario's stumpage matrix to determine the prices it sets for timber harvested. The Agency will use this revenue to cover its costs, satisfy its obligations, and to undertake activities consistent with its objects and mandate.

NFMC will also generate revenues directly from management fees from the Pic and White River Forests. The revenue from management fees is expected to be approximately \$840,000 for the upcoming year. Management fees are calculated on a breakeven basis and are designed to cover operating costs related forest management activities, excluding renewal costs. As harvested volumes change on the forest, the management fee will be affected accordingly on a dollar per m³ basis. This revenue may vary based on product (i.e. no management fee is currently charged on biomass) or mills (i.e. commitment versus non-commitment holders). Based on the delivered volume forecast, the rate for 2026-27 is targeted to be \$1.53 per m³ which is a decrease compared to the budgeted rate for 2025-26.

Forest Renewal Trust Funds

The Forest Renewal Trust (FRT) account(s) for the management units will fund eligible silviculture activities as well as the associated support and administration costs incurred by NFMC in designing and delivering its various silviculture programs. Applicable forest renewal charges will continue to apply and be paid into the FRT for wood harvested from the management area. NFMC will follow the established principles and processes for setting renewal charges, which are set by MNR and will ensure that the necessary budgeting and invoicing procedures are in place.

NFMC is planning to spend more than \$2.2 million on renewal and support activities for 2026-27 on the Pic and White River forests. The major activities are tree planting, site preparation, and herbicide application. The program includes the planting of over 1.48 million trees covering approximately 1,000 ha. The majority of activities are expected to be funded by direct contractor reimbursement from the FRT. In these cases, NFMC does not receive funds from the FRT and these transactions are not recognized as expenses or revenues.

Provincial Forest Access Roads Funding (PFARP)

As the SFL holder, NFMC is responsible for managing arrangements for the construction and maintenance of a majority of the forest access road infrastructure on the management area. This public road infrastructure represents a large capital investment and benefits many users, including First Nation communities, hunters, anglers, trappers, campers, cottagers, mining companies, tourism operators, utility and railway companies, and the general public. It also provides the rural infrastructure for emergency preparedness and response.

The PFARP is a program established by the Ministry to assist the forest industry in the cost of construction and maintenance of forest access roads used by the public. The Program is based on a reimbursement to forest companies for invoiced amounts of road construction and maintenance costs on eligible multi-use primary and secondary forest access roads. NFMC manages approximately \$2.80 million in roads funds that are used to maintain or construct hundreds of kilometers of primary and branch roads on both forests. Future funding levels are unknown, but NFMC and its partners will ensure the Government is aware of how valuable the Program is and the importance of maintaining its funding. The loss of funding would have a negative impact on the forest industry working on the management area, just as it will on other FMUs.

Caramat-Manitouwadge Industrial Road Agreement

As part of its mandate to encourage local economic development, NFMC has an agreement with the Ministry of Transportation (MTO) for the maintenance of the Caramat-Manitouwadge Industrial Road. NFMC receives payment from MTO for re-imbusement of costs incurred, including staff time and vehicle KMs. We anticipate costs to be approximately \$0.45 million annually on maintenance to keep the road open and accessible by the travelling public. NFMC utilizes a local First Nation contractor to perform road maintenance, thus providing an economic opportunity to the First Nation's community. It has been a great partnership since 2015. Our website contains a section giving the public the ability to view the current travel condition of the road and allows them to provide feedback to NFMC should the road require areas that may need immediate attention.

Risk Identification, Assessment, and Mitigation Strategies

NFMC is an operational enterprise Agency with a Board of Directors and GM that are responsible for making operational decisions. As a Crown Agency, there is a need to regularly identify, assess, and manage any risks to the achievement of Agency, Ministry, and/or Government objectives. At the corporate level, risk evaluation is part of annual strategic BP exercises involving the Board of Directors, senior managers, and staff with program responsibilities. To do this, NFMC follows the risk assessment and risk management process outlined in the Agencies and Appointments Directive’s (AAD) “Guide to Risk-Based Approach and Risk Reporting Under the Agencies and Appointments Directive, January 2021.” The requirements for risk assessments under the AAD’s approach are:

- Assessing risks for each Agency in each of the specified corporate risk categories;
- Keeping a record of the risk assessments for each Agency by risk category; and
- Reporting to Treasury Board (TB)/Management Board of Cabinet (MBC) on each Agency’s high-risk categories including a description of each high risk, the reasons it is a high risk and what management plan is in place to manage the risk.

The TB defines risk assessment as “at a minimum, analyzing the risks typically involves assessing the likelihood of the risk occurring and the impact on objectives should the risk occur.” The assessment will enable NFMC to map risks on a quadrant (low risk, low impact; low risk, high impact; high risk, low impact; high risk, high impact) that will assist in prioritizing the risks that need to be the focus of active responses and in assigning responsibility for those risks (e.g., high risk, high impact items would likely be expected to receive active ongoing attention from senior management and the Board of Directors).

NFMC reports its risks quarterly and the circumstances at the time will dictate the risk elements identified as well as what the risk level is and the impact of each element. Table 3 below provides a summary of key risk elements. The Agency completes its Risk Assessment Report and Risk Management Plan and submits it to the Corporate Management and Information Division (CMID) per the AAD. Additional information can be found in Appendix III, NFMC 2024-25 Risk Analysis Details.

Table 3. Risk Elements Summary

Risk Title	Risk Description
<i>Governance</i>	<i>Insufficient number of board members to meet quorum due to delays with appointments/reappointments.</i>
<i>Accountability/ Governance</i>	<i>Ability to achieve objects - Risk that NFMC’s Strategic Plan goals and objectives are not met or BP does not reflect objectives.</i>
<i>Accountability/ Governance</i>	<i>Financial stability - Risk that NFMC is unable to market and sell sufficient volumes necessary to generate revenue for the Agency; risk of customers unable to pay stumpage arrears.</i>
<i>Legal/Contractual/ Compliance</i>	<i>Ensuring responsible and compliant operations - Risk that NFMC operations are not compliant with applicable rules and regulations.</i>

<i>Legal/Contractual/Compliance</i>	<i>Contractual compliance - Risk associated with NFMC entering into various agreements and contracts with third-party service providers to facilitate forestry operations including forest management, harvesting, renewal and road building.</i>
<i>Operational</i>	<i>Contractor risk – major contractor unable to supply mills.</i>
<i>Operational</i>	<i>Harvest risk – areas are removed from approved FMP resulting in less volume available for harvest.</i>
<i>Operational/Regulatory</i>	<i>Ability to meet expectations of stakeholders and partner First Nation communities.</i>
<i>IT</i>	<i>Dependence on obsolete systems – Risk associated to NFMC ensuring it has the latest IT systems taking into consideration cyber security and operational efficiencies.</i>
<i>Workforce/Skill Shortage</i>	<i>Attracting talent - Risk that NFMC is unable to attract qualified personnel to fill vacancies.</i>

Liability Protection and Insurance

The Agency will maintain insurance appropriate for a prudent business in similar circumstances to the Agency including comprehensive general liability insurance and Directors and Officer’s obligation insurance.

Operating Reserve

The mandate of the Agency requires operating as a self-financing business, which includes establishing and maintaining an operating reserve to ensure continued sustainability in response to variations in economic cycles. The NFMC Board has historically set the goal to increase the operating reserve in each year of the BP, until we reach the maximum allowable amount.

Funds held in the operating reserve shall be used only in a manner consistent with the objects of the Agency as set out in Section 5 of the OFTMA and By-Law #3 of the Agency. No money shall be transferred to or from the operating reserve without a Board resolution.

The operating reserve stays at approximately \$12.0 million, having reached the goal of maximizing the operating reserve. The operating reserve is expected to remain at the same level over the term of the business plan. It should be noted that unforeseen events may impact NFMC’s goal to maintain its operating reserve at the maximum amount and may force the Board to alter direction during the term of this BP or in subsequent years. However, to mitigate unforeseen events, NFMC has set aside money in the budget to address unforeseen events and developed an Unforeseen Events Policy. Currently, NFMC has operating reserve money held in Guaranteed Investment Certificates at varying terms. These investments are locked into rates higher than inflationary pressures NFMC expects to see in the coming years.

Environmental Policy

NFMC recognizes environmental protection as one of our guiding principles and a key component of sound business performance. Risk at the operational level is evaluated within NFMC's environmental and

SFM system and mitigated by a suite of management system procedures and operational controls, including, but not limited to monitoring and on-site supervision by competent NFMC employees and contractor supervisors. As part of NFMC's Environmental Policy, an ongoing commitment was made to provide quality forest products and related services in a manner that ensures a safe and healthy workplace for employees and minimizes the potential impact on the environment. In addition, NFMC will continue to operate in compliance with environmental legislation at the relevant federal, provincial, and municipal levels and strives to use pollution prevention and environmental best practices.

Obtaining and maintaining forest certification has been identified as a priority for NFMC to support the sale and marketing of available wood supply from the management area. The Agency's key customers have indicated a strong desire to have certified wood available under a third-party certification system. NFMC is currently third-party certified the White River Forest. Options are being explored for third-party certification on the Pic Forest.

Human Resources and Staff Numbers

The Chair and the Board of Directors are accountable to the MNR's Minister for NFMC's mandate. Our staff are public servants for a "public body" but are not Ontario Public Service employees. We have developed internal human resources policies (i.e. overtime, travel, vehicle plan, etc.) that are Board approved. In addition, NFMC has recognized that there is a large pool of knowledge available from consultants/service providers/subject matter experts it can draw from. The Agency will continue to use consultants for specialized tasks where NFMC's staff may not be experienced or have the resources to complete.

Our unique mandate requires specialized administrative functions including a forest products business-focused financial department and systems support. The Agency maintains a small Information Technology/Information Management department (with a significant investment in GIS specialization) that supports finance, administration, forest and wood measurement data, management planning and reporting activities. Our workforce is highly skilled and highly mobile in today's economy. NFMC has historically experienced high rates of turnover as these skilled employees leave for positions which may offer better pay and benefits or for family-related reasons.

NFMC maintains a workforce which includes 12 FTE's, three of which are considered executives and one additional position NFMC considers a member of management. The approved organizational chart is presented in Figure 2. However, not all positions within the organizational chart are filled as NFMC manages Human Resource needs on an ongoing basis. This Business Plan does not include filling one GIS position. As a result, NFMC plans to outsource certain GIS tasks on an as needed basis.

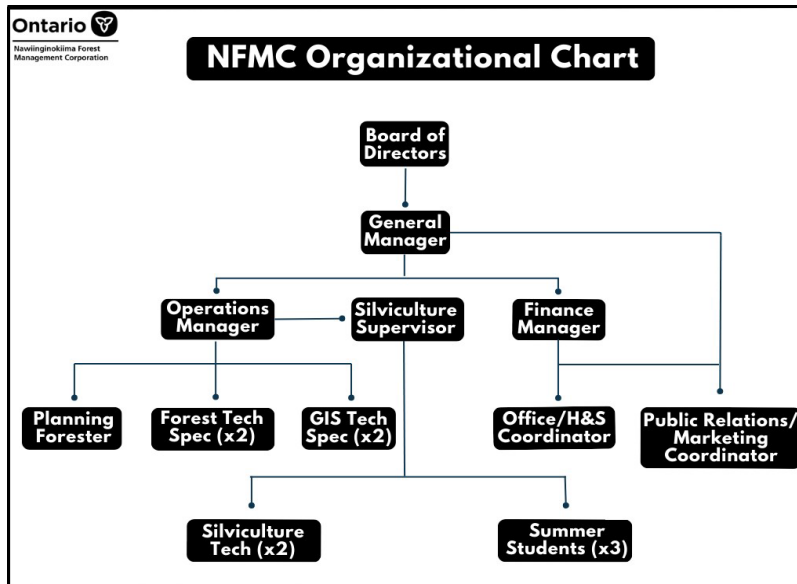


Figure 2 – NFMC Organizational Chart

Skilled and experienced employees are critical to the Agency’s business continuity and the delivery of our various programs. The risk the Agency faces is not being able to attract and retain qualified and motivated employees, potentially resulting in performance issues as well as risk to business and service continuity.

Additionally, as part of our recruitment and retention strategy, we are concerned with the Executive compensation that is outdated and requires review to ensure we remain in-line and competitive within the industry. Our non-executive salaries have been recently updated and remain competitive.

The Agency is committed to the health and safety of its employees and manages a comprehensive Health and Safety Program. NFMC provides a range of health and safety related training courses to its staff. We are also committed to having an accident-free workplace through effective administration, awareness creation, and training of our staff and contractors. To honor these commitments and to comply with provincial legislation and the Occupational Health and Safety Act (2024), the Agency’s comprehensive Health and Safety Program is audited and endorsed by Workplace Safety North (WSN) annually. We consider our Health and Safety Program an evergreen document and regularly update it as required to ensure continued employee and contractor safety in our management area. To further cement our Health and Safety Program and promote safe work practices in forestry, we have established a partnership with WSN to provide complimentary training to the various stakeholders in our management area.

We do not harvest or deliver wood from our management area directly to our various customers, however, that does not reduce our concern about the demographic shift facing the forest industry. The reality facing today's businesses is that many skilled workers are approaching retirement age. Replacing the knowledge base will be difficult and certainly not timely and therefore business and service continuity is at risk. Disruptions to service levels and uncertain delivery are costly, to mitigate this, we continuously are looking to assist the industry to develop and implement strategies to support recruitment and training of employees within the forest management and harvesting contractor workforces.

Performance Measures

NFMC's core business and primary performance measures consist of harvest volume and area-based forest management programs (also referred to as forest renewal or silviculture) and financial results. Harvesting is described as total volume in m³ of forest products sold in the term while performance measures for forest management programs are in ha of treatment or quantities (i.e., thousands of tree seedlings, hectoliters of seed).

The Agency will adhere to operational performance measures and targets to ensure the achievement of our goals and objectives as well as achievement of the objects for the Agency as described in the OFTMA and as required under the AAD. Examples of how the performance measures relate to the goals of NFMC and the performance targets are outlined in Table 4.

Table 4. NFMC Performance Measures

Goal	Outcome or Output based Performance Measure <i>(Outcome being a target based on activities addressing value or impact; Output being hard target usually represented in value)</i>	Standard/Target
World class forest management company	<ul style="list-style-type: none"> • Are the forests being managed sustainably per audits/certification standards, etc.? • Has the renewal program met or exceeded the commitments made in the approved FMP? • Has NFMC invested in R&D to improve forest management? 	<p>Pic and White River Forests certification obtained/maintained.</p> <p>Favorable audit findings.</p> <p>Engage on at least one R&D project during fiscal year.</p>
Becoming financially self-sufficient	<ul style="list-style-type: none"> • Does the Agency have sufficient cash flow to support its operations? • Has an appropriately sized operating reserve been established? • Are accounts receivable collected in a timely manner? 	<p>Approximately over \$12 million in NFMC's operating reserve maintained throughout BP.</p> <p>No aged accounts receivable listing beyond 90 days.</p>

<p>Extending scope of usage</p>	<ul style="list-style-type: none"> • Have commitments volumes been made available and/or utilized? • Has wood been made available to new entrants? How much? • Has utilization of available timber over operational period improved and/or new markets been developed? 	<p>100 percent of commitment volume made available.</p> <p>Make at least one open market sale initiative.</p> <p>Explore new markets through engagement with current and potential customers.</p>
<p>Meeting governance requirements</p>	<ul style="list-style-type: none"> • Board of Directors meet frequently to perform effective and timely governance. • Training opportunities 	<p>At least four Board meetings per fiscal year.</p> <p>At least one Board training opportunity for Board of Directors.</p>
<p>Building new local forest related industry</p>	<ul style="list-style-type: none"> • Have local economic development opportunities been created/supported by NFMC operations? • Responsive to new local non-timber business initiatives that may come forward. 	<p>Support new industry startups or expansion of existing industry, through NFMC's Strategic Initiatives Program by supporting at least one initiative during the year.</p>
<p>Renewal of the Forest</p>	<ul style="list-style-type: none"> • Plant trees to replace harvest to ensure sustainability. 	<p>Plant 1,400,000 trees during the tree plant season.</p>
<p>Building and Maintenance of Forest Roads</p>	<ul style="list-style-type: none"> • Construct roads for forestry allowing access for recreational and cultural access to the forest • Monitor forest roads to mitigate potential environmental damage and erosion 	<p>150km of forest roads constructed</p> <p>900km of forest roads monitored</p>

Establishing a new baseline for First Nation engagement	<ul style="list-style-type: none"> • How have communities' interests been represented by NFMC operations and decisions? • Have Indigenous economic development opportunities been developed? 	Increase First Nations economic development opportunities through NFMC's Strategic Initiatives Program by supporting at least one initiative during the year.
Engaging the Community in forestry	<ul style="list-style-type: none"> • How have communities' interests been represented by NFMC operations and decisions? 	<p>Attend at least four events during the year.</p> <p>Award 16 scholarships to local students in post-secondary education.</p> <p>Support at least 20 local events through NFMC's Donations & Sponsorship Program.</p>

The Agency uses a more comprehensive set of measures internally and has the capacity to “drill down” for details. For example, in the forestry section the Agency has established a proactive approach with annual project management schedules (i.e. to make sure legislative requirements are met) and silviculture tracking to make sure performance targets are met.

Financial Budget

The financial results of the Agency are driven by the amount of timber harvested and sold. The ability of NFMC to meet the volume projections relies largely on the continued operation of our main customers including the mills of White River Forest Products, Lecours Lumber, Columbia Forest Products (Levesque), Hornepayne Lumber LP and the currently idled AV Terrace Bay. The volume forecasts are completed by NFMC's management team based on information provided by representatives from primary forest product mills. It should be noted that the SPF volume on the Pic Forest from the LTMD is set at 675,000 m³ per year and the White River Forest is 346,000 m³.

While NFMC's customers do have operational challenges, NFMC is also seeing short term challenges due to the Pic Forest losing FSC certification. NFMC will continue to pursue recertification.

Table 5. Committed volumes to be harvested (m³) 2026-27

	Pic Forest	White River Forest	Total
WRFP	150,000	220,000	370,000
Lecours	75,000		75,000
Levesque (Veneer)	15,000	12,000	27,000
HLLP	25,000		25,000
Other	50,000		50,000
TOTAL	315,000	232,000	547,000

It is important to note that our sawmill customers continue to struggle to find a market for residual chips. A solution to the AVTB idling would materially impact on our budget. It is projected that the mills will continue to explore solutions to address this issue and NFMC will work with its customers where applicable. NFMC has adopted a conservative approach and kept future years estimated volumes relatively low compared to allowable volumes (Table 6 & 7).

Table 6. Estimated delivered volumes (m³) 2027-28

	Pic Forest	White River Forest	Total
WRFP	150,000	200,000	350,000
Lecours	75,000		75,000
Levesque (Veneer)	15,000	12,000	27,000
HLLP	25,000		25,000
Other	75,000	-	75,000
TOTAL	340,000	212,000	552,000

Table 7. Estimated delivered volumes (m³) 2028-29

	Pic Forest	White River Forest	Total
WRFP	150,000	200,000	350,000
Lecours	75,000		75,000
Levesque (Veneer)	15,000	12,000	27,000
HLLP	25,000		25,000
Other	75,000	-	75,000
TOTAL	340,000	212,000	552,000

NFMC is working closely with existing and proposed commitment holders to ensure wood supply is made available consistent with any commitments and obligations identified by the MNR. The Agency is working to maximize the total fibre volume from the forest and may consider arrangements that make available residual fibre (e.g., sawmill chips) in exchange for roundwood. The demand for softwood is growing, however, the lack of markets for hardwood remains a challenge.

NFMC's expenditures are anticipated to exceed revenue (Table 8), however, this is due to NFMC wanting to be aggressive with its Strategic Initiatives and investing in our communities and forests. It should be noted that the Agency is financially sound, having built equity mainly due to the Residual Value revenues generated during a valuable economic climate. The projected deficit is not a concern to our financial viability moving forward.

Table 8. Estimated Net Income 2026-27 to 2028-29 (\$000)

	2026-27	2027-28	2028-29
Revenue	\$7,465	\$7,360	\$7,445
Expenditures	\$9,740	\$7,220	\$8,480
Excess (Deficit) of Revenue over Expenses	(\$2,275)	\$140	(\$1,035)

NFMC's revenues are derived from the sale of Crown timber from the management area. The Agency needs to market and sell sufficient volumes of Crown timber to cover its operating costs.

Table 9. Estimated Revenue 2026-27 to 2028-29 (\$000)

	2026-27	2027-28	2028-29
Management Fees	\$840	\$880	\$885
Timber Sale Charge	\$2,480	\$2,530	\$2,580
Forest Access Roads	\$3,225	\$3,000	\$3,000
Forest Renewal Activities	\$430	\$440	\$450
Union Dues	\$40	\$40	\$40
Other	\$450	\$470	\$490
Total Revenue	\$7,465	\$7,360	\$7,445

Forest Renewal Activities relate to the recovery of administrative costs on forest renewal activities on the management areas. NFMC recovers these costs periodically from the trust accounts held by the MNR for each forest.

Other revenue, which is primarily interest earned on bank balances, will remain high but begin to decline as the Bank of Canada's monetary policy has shifted towards rate cuts. By 2027-28 NFMC assumes rates will settle around the Bank of Canada's target inflation rate of 2%. NFMC will continue to pursue investments within the Ministry and NFMC's investment policies when management deems it to be a good decision.

At various times in the last few years NFMC has received Residual Value revenue on fibre deliveries when the price of pulp and softwood lumber exceeded the benchmark. The factors that determine when residual value is charged are unpredictable and beyond the control of NFMC, therefore residual value revenue is not included in the company's revenue estimates.

Management fees are calculated on a breakeven basis. Management fees are designed to cover operating costs related to forest management activities. As volumes increase, the management fee is expected to decrease on a dollar per m³ basis. The management fee may vary based on product (i.e. no management fee is currently charged on biomass) or mills (i.e. commitment versus non-commitment holders).

The expenditures are expected to increase over time (Table 10) due to business decisions and inflationary increases assumed at 0-2.5% annually. Total expenditures are estimated to exceed \$9.6 million in 2026-27 combined for both management units.

Table 10. Estimated Expenditures 2026-27 to 2028-29 (\$000)

	2026-27	2027-28	2028-29
Amortization	\$30	\$30	\$30
Automobile & Travel	\$265	\$265	\$265
Board of Directors	\$20	\$20	\$20
Contractors	\$20	\$20	\$20
Forest Certification	\$35	\$35	\$35
Forest Management	\$155	\$105	\$90
HR & Training	\$30	\$35	\$35
Office & Subscriptions	\$85	\$85	\$85
Professional Fees	\$95	\$95	\$95
PR & Marketing	\$60	\$70	\$70
Rent	\$75	\$75	\$75
Roads	\$3,225	\$3,000	\$3,000
Strategic Initiatives*	\$4,075	\$1,770	\$3,000
Wages & Benefits	\$1,510	\$1,555	\$1,600
Union Dues	\$40	\$40	\$40
Other	\$20	\$20	\$20
Total Expenditures	\$9,740	\$7,220	\$8,480

*An annual allocation of funding has been earmarked to support the development of strategic initiatives for the Agency consistent with its objects (Table 11). These strategic initiatives remain in development as previously described, and could, as an example, include opportunities to fund forest R&D, bursaries, cultural activities, educational/capacity building programs and support opportunities for local and First Nation economic development.

Table 11. Estimated Strategic Initiative expenditures 2025-26 to 2027-28 (\$000)

	2026-27	2027-28	2028-29
Community & Capacity Development	\$200	\$200	\$200
Harvester Capacity Initiatives	\$400	\$0	\$0
Other Forestry Capacity Initiatives	\$1,750	\$500	\$500
NFMC Internal Initiatives	\$150	\$20	\$0
Road Infrastructure Initiatives	\$575	\$50	\$1,300
Other	\$1,000	\$1,000	\$1,000
Total	\$4,075	\$1,770	\$3,000

All capital expenditures are fully funded from NFMC through the revenues generated from the sale of wood from the management area. Planned capital expenditures are presented below. For the balance of the current planning horizon, NFMC is budgeting annually for capital associated with the Agency's need for computer equipment and servers, office equipment, purchase of a forestry road on the Pic Forest (currently owned by private company), and other items to meet NFMC's expanding operational need. NFMC is anticipating \$16,000 in technological capital expenditures in 2026/27.

Information Technology / Electronic Service Delivery Plan

We perform most of our Information Technology (IT) functions internally or through a service provider. Our IT infrastructure supports forest management planning, data management, and maintains operational and administrative systems required to fulfill the Agency's statutory mandate. Capital expenditures are planned to update servers and personal computing devices with field applications. The largest single component of the organization's IT costs relates to computer software (i.e. annual fee for geographic information (GIS) systems and technical support). The primary IT resource user is the geographic information system department with most GIS services performed in-house. Accounting records and web services are also managed internally.

We maintain a website (nfmcforestry.ca) and procedures are in place to ensure the site meets or exceeds the province's accessibility requirements. The website includes information such as the Agency's Strategic Plan, BP, background on our operations, the Board of Directors and staff, the management area, forestry operations, procurement opportunities, and employment opportunities. Various NFMC policies are also posted on the website.

Initiatives Involving Third-Parties

This Agency BP includes commitments to third-parties for economic development, research, bursaries, cultural activities, and educational programs. The activities and organizations meet the expectations, requirements and objectives outlined by the Board and Ministry through various documents. Many of

these opportunities are good news stories representing a dynamic and collaborative approach to providing social, economic, and environmental benefits.

NFMC engages with third-party corporations with work such as our annual tree plant, site preparation, spray and supplemental aerial photography programs. In addition to the details within the issued Request for Proposals, agreements are executed with these companies that outline the expectations and requirements of NFMC. Our staff directly supervise and monitor the results by benchmarking them against the agreements and expectations.

NFMC's annual budget includes financial and in-kind support to conduct research on methods to improve forest utilization and information systems. The Agency may also provide funding and staff support for sustainable forest management, wildlife habitat, environmental programs, advanced regeneration, road building, etc.

We offer financial support via scholarships and bursaries to high school and post-secondary students from local communities who enter the forestry/natural science disciplines at college or university level. While eligibility for said scholarships and bursaries prioritizes the forestry sector, other areas of study will also be considered on a case-by-case basis.

In addition to the above activities, NFMC plans to conduct tours and provide presentations to interested groups, including local elementary and high school students along with students from various colleges and universities in Northern Ontario. Other initiatives that arise throughout the year are brought forward to the Board for discussion.

NFMC maintained its third-party forest management certification on the White River Forest. Maintaining the certification of the forests under our management is considered a major accomplishment that demonstrates the commitment to manage the forests sustainably, support our industry partners, and help facilitate local community and First Nation economic development. Currently the Pic Forest remains uncertified, but our goal is to review our options for certification and work towards this commitment.

The GM and Board ensure that NFMC's staff, contractors, and customers understand the Agency's commitment to certification. Our staff work diligently to ensure the annual third-party surveillance audits are a success; this includes work by field techs to ensure the Agency's renewal and harvesting activities comply with the results and high level of standard for both compliance and health and safety purposes that we have come to expect.

The LFM's model was initiated and developed in collaboration with local and First Nation communities with the understanding that the Agency's objects would support the development of local and First Nation economic development opportunities within the management area. NFMC continues to explore necessary strategies and opportunities to move forward with local and First Nation economic development opportunities on an ad hoc basis. Other initiatives may include activities that improve the road infrastructure and access on the FMUs. By improving road access, NFMC expects to increase volumes delivered from the management area and revenue received.

Implementation Plan

This Agency BP guides NFMC's achievement of objectives and commitment to undertake sustainable forest management practices. Implementation of the guidance provided by this plan is entrusted with the Board and staff of NFMC through the conduct of their respective roles and responsibilities for oversight, accountability, and program delivery. NFMC's implementation plan is essentially comprised of four key documents:

- The 2024-2029 Strategic Plan which highlights at a high level the goals and objectives of the Agency as envisioned by the Board of Directors;
- Two FMPs that guide the forestry part of the Agency's business in ensuring that its forests are sustainably managed for current and future generations, while providing the necessary economic benefits to the local and First Nations communities thus providing opportunities to thrive in the Northern Ontario economic climate; and
- The Agency BP (this document) which highlights how the financial resources will be acquired and used to meet the expectations of NFMC Board, the Ontario Government, its local communities, First Nations, and industry stakeholders.

NFMC will focus on ten initiatives during the 2026-27 fiscal year:

1. Play a key role in First Nations economic development opportunities on the management area;
2. Continue the implementation the Board approved Strategic Plan approved that guides the vision and direction of the Crown Agency;
3. Maintain an effective First Nations Relations Committee as a sub-committee of the Board with regular meetings advancing the objectives related to First Nation economic development, opportunities, participation and management within the NFMC management area;
4. Advance silviculture initiative related to climate change - testing the planting of trees from southern seed zones;
5. Explore ways to support the local forest industry and communities during this tough economic and geo-political times;
6. Explore partnership opportunities with educational institutions targeting the human resource constraints NFMC and the forest industry are currently facing within the management area;
7. Finalize the purchase of the Fry Road;
8. Continue discussions with potential partners on a hardwood utilization solution for the management area; and
9. Explore and support new strategic initiatives that support the long-term economic viability of our communities, forest industry and residents.
10. Explore opportunities to provide unutilized fibre to new/existing customers through initiatives such as open market opportunities or direct business to business negotiations.

In addition to the above initiatives, NFMC will regularly review the harvest capacity on the management area and work with industry stakeholders to increase and maximize the harvest opportunities to meet the needs of the Agency. There has been historically a consistent high demand for SPF by local mills, however,

to encourage the use of utilized resources, we will work with new entrants and support initiatives that make sense for the communities, mills and forest sustainability. We remain focused on efficiencies to maintain a competitive management fee and renewal rate. In addition, NFMC will work with its contractors to develop cost effective silviculture treatments that enhance forest health and productivity.

Communication Plan

The LFMC model was initiated and developed in collaboration with local and First Nations communities. The Agency has identified the following communication objectives to support this document:

- Provide accurate and timely communication for customers, suppliers, Board members and staff;
- Enhance awareness through stakeholder engagement; and
- Anticipate and mitigate potential issues including local and First Nation economic development concerns.

Key messages to support these objectives include:

- Maintain forest sustainability while maximizing value from the management units;
- NFMC is “open for business” and our wood is competitively priced;
- Working with our industry partners is key to creating a prosperous forestry sector environment;
- Committed to provide economic development opportunities to First Nation communities; and
- Partnerships will lead to innovative initiatives.

NFMC is developing strategies to increase its effectiveness in communicating with stakeholders, communities, First Nations, and the public. The operations and planning staff of the Agency regularly attend LCC meetings and provide updates on our operational activities on the management area. During planning, annual work scheduling, and other processes, NFMC supports the MNR’s consultation sessions through active participation and discussion with local communities. We remain committed to regular and ongoing communications with First Nation Chiefs, Councils, and staff, as well as Municipal Mayors and Councils. We plan to meet, at least once a year, face to face with local communities, providing opportunities to discuss needs and concerns. In addition, an annual presentation of the AWS is made to the communities on the management area to provide a venue for feedback and concerns regarding upcoming NFMC operations. This is in addition to our ongoing efforts at maintaining regular communications with First Nations’ key staff members.

NFMC has a full-time Public Relations and Marketing Coordinator position to help achieve a mandate that goes beyond forest management activities and includes initiatives aimed at supporting the forest industry and local communities. Through various communication tools, including social media platforms (Facebook and Twitter), our website, and face to face meetings, the Agency will promote its Strategic Initiative Program (SIP). Our outreach strategies are monitored through review of social media software analytics, which gives us the ability to determine their effectiveness, if they aligned with our expectations and decide on future strategies based on the results.

Through the SIP, the Agency has a corporate social responsibility to strategically invest revenues in initiatives that are well thought out, financially responsible, play a key role and make a positive impact in

growing the forestry sector surrounding the NFMC management area. In addition, our Scholarship Program is intended for local students, encouraging studies in the forest and resource management fields. Lastly, through the Donations and Sponsorship Program, the Agency supports local community events. NFMC will continue to support the initiatives that best meet the intent and vision of these programs.

The Community Relations and Marketing Coordinator will be responsible for attending local schools and promoting the forest industry and the Agency; specifically, targeting high school, college, and university students with information regarding career opportunities on the management area and the benefits of forestry to our local Communities. NFMC has provided annual educational field trips and will continue to do so. Our Public Relations and Marketing Coordinator will work to expand these opportunities for our local communities and the students within them.

Notice to Readers

NFMC believes that the expectations reflected in this report are reasonable, but no assurance is given that such expectations will be correct. The Plan relied upon information available in the autumn of 2023 regarding raw material, process requirements, operating levels, and infrastructure requirements, etc. Forward-looking information is based on NFMC's beliefs and assumptions based on information available at the time the assumption was made and on the company's experience and perception of historical trends, current conditions and expected further developments as well as other factors deemed appropriate in the circumstances. Readers are cautioned that there are risks and uncertainties related to such information and actual results may vary. Important factors that could cause actual results to differ materially from those expressed or implied in the report include, without limitation, changes in government and regulatory policy, changes in market conditions or the overall economy, and changes in the company's financial position or BPs.

It is important to note the management area which NFMC is responsible for under its SFL's, includes the unceded territories of Biigtigong Nishnaabeg and Netmizaaggamig Nishnaabeg. The two First Nation communities are not signatories to the 1850 Robinson-Superior Treaty, and they have asserted (in court) that they have never surrendered, lost in war, or forfeited their lands, waters, forests, minerals, resources, or title and that their Aboriginal Title is intact on NFMC's management areas. Biigtigong and Netmizaaggamig are engaged in negotiations with the Provincial and Federal Governments to resolve their claims.

NFMC intends to act in good faith in its relations with the affected First Nation communities. We will uphold appropriate and ongoing consultations and accommodations with due regard to Canadian and International law. This BP assumes that discussions between the First Nations and both levels of Governments will continue and progress throughout the BP period. Should situations arise from these discussions that significantly influence the business of the Agency, we will alter our plans accordingly.

Appendix I – NFMC Forecast Financial Summary

Nawiingokiima Forest Management Corporation

Projected Statement of Operations and Accumulated Net Assets

Forecasts for Fiscal Years 2026-27 to 2028-29

	2025-26	2026-27	2027-28	2028-29
	FORECAST	BUDGET	BUDGET	BUDGET
Revenue				
Management Fees	\$780,000	\$840,000	\$880,000	\$885,000
Timber Sale Charge	\$2,000,000	\$2,480,000	\$2,530,000	\$2,580,000
Forest Access Roads	\$3,560,000	\$3,225,000	\$3,000,000	\$3,000,000
Forestry Futures	\$152,000	\$0	\$0	\$0
Forest Renewal Activities	\$496,000	\$430,000	\$460,000	\$470,000
Union Dues	\$35,000	\$40,000	\$40,000	\$40,000
Other Revenue	\$750,000	\$450,000	\$440,000	\$460,000
Total Revenue	\$7,773,000	\$7,465,000	\$7,350,000	\$7,435,000
Expenses				
Amortization	\$25,000	\$30,000	\$30,000	\$30,000
Automobile & Travel	\$270,000	\$265,000	\$265,000	\$265,000
Bad Debt/Recovery of Bad Debt	\$0	\$0	\$0	\$0
Board of Directors	\$20,000	\$20,000	\$20,000	\$20,000
Contractors	\$65,000	\$20,000	\$20,000	\$20,000
Forest Certification	\$30,000	\$35,000	\$35,000	\$35,000
Forest Management	\$205,000	\$155,000	\$105,000	\$90,000
Forestry Futures	\$150,000	\$0	\$0	\$0
HR & Training	\$12,000	\$30,000	\$35,000	\$35,000
Office & Subscriptions	\$70,000	\$85,000	\$85,000	\$85,000
PR & Marketing	\$90,000	\$95,000	\$95,000	\$95,000
Professional Fees	\$70,000	\$60,000	\$70,000	\$70,000
Rent	\$75,000	\$75,000	\$75,000	\$75,000
Roads	\$3,560,000	\$3,225,000	\$3,000,000	\$3,000,000
Strategic Initiatives*	\$1,085,000	\$4,075,000	\$1,770,000	\$3,000,000
Wages & Benefits	\$1,340,000	\$1,510,000	\$1,555,000	\$1,600,000
Union Dues	\$35,000	\$40,000	\$40,000	\$40,000
Other	\$25,000	\$20,000	\$20,000	\$20,000
	\$7,127,000	\$9,740,000	\$7,220,000	\$8,480,000
Excess (Deficit) of Revenue over Expenses	\$644,000	(\$2,275,000)	\$140,000	(\$1,035,000)
Transfer to reserve	\$0	\$0	\$0	\$0
Change in Unrestricted Net Assets	\$644,000	(\$2,275,000)	\$140,000	(\$1,035,000)

*Strategic initiatives	2025-26 FORECAST	2026-27 BUDGET	2027-28 BUDGET	2028-29 BUDGET
Community & Capacity Development	\$ -	\$ 200,000	\$ 200,000	\$ 200,000
Harvester Capacity Initiatives	\$ 760,000	\$ 400,000	\$ -	\$ -
Other Forestry Capacity Initiatives	\$ 20,000	\$ 1,750,000	\$ 500,000	\$ 500,000
NFMC Internal Initiatives	\$ 90,000	\$ 150,000	\$ 20,000	\$ -
Road Infrastructure Initiatives	\$ 165,000	\$ 575,000	\$ 50,000	\$ 1,300,000
Other	\$ 50,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
TOTAL	\$ 1,085,000	\$ 4,075,000	\$ 1,770,000	\$ 3,000,000

Nawiinginoiima Forest Management Corporation

Variance Analysis

2025-26 Approved Budget vs 2025-26 Forecast

	2025-26	2025-26		
Revenue	APPROVED BUDGET	FORECAST	VARIANCE	EXPLANATION
Management Fees	\$857,000	\$780,000	\$77,000	No open market wood anticipated
Timber Sale Charge	\$2,293,000	\$2,000,000	\$293,000	lower volumes vs budget
Forest Access Roads	\$2,650,000	\$3,560,000	\$(910,000)	Additional funding announced
Forestry Futures	\$0	\$150,000	(\$150,000)	White River fire – not in budget
Forestry Futures	\$373,000	\$496,000	(\$123,000)	More contractor costs paid directly by NFMC
Forest Renewal Activities				
Union Dues	\$38,000	\$35,000	\$3,000.00	
Other Revenue	\$650,000	\$750,000	\$(100,000.00)	increase to investments
Total Revenue	\$6,861,000	\$7,771,000	(\$910,000)	
Expenses				
Amortization	\$21,000	\$ 25,000	\$(4,000)	
Automobile & Travel	\$271,000	\$270,000	\$1,000	
Bad Debt/Recovery	\$-	\$-	\$-	
Board of Directors	\$24,000	\$20,000	\$4,000	
Contractors	\$70,000	\$65,000	\$5,000	
Forest Certification	\$71,000	\$30,000	\$41,000	
Forest Management	\$49,000	\$205,000	\$(156,000)	Outsourcing FMP work
Forestry Futures	\$-	\$150,000	\$(150,000)	White River fire - Not budgeted for
HR & Training	\$32,000	\$12,000	\$20,000	Less training and minimal recruitment costs
Office & Subscriptions	\$91,000	\$70,000	\$21,000	Less forestry supplies anticipated
PR & Marketing	\$89,000	\$90,000	\$(1,000)	
Professional Fees	\$74,000	\$70,000	\$4,000	
Rent	\$76,000	\$75,000	\$1,000	
Roads	\$2,653,000	\$3,560,000	\$(907,000)	New funding announced
Strategic Initiatives*	\$3,905,000	\$1,085,000	\$2,820,000	Projects budgeted haven't materialize
Wages & Benefits	\$1,324,000	\$1,340,000	\$(16,000)	Vacancy offset but higher wages
Union Dues	\$38,000	\$35,000	\$3,000	
Other	\$26,000	\$25,000	\$1,000	
Total Expenses	\$8,814,000	\$7,127,000	1,687,000	
Excess (Deficit) of Revenue over Expenses	(\$1,953,000)	\$644,000	(\$2,597,000)	
Transfer to reserve	\$-	\$-	\$-	
Change in Unrestricted Net Assets	\$ (1,950,000)	\$644,000		

Nawiinginokiima Forest Management Corporation

Projected Statement of Financial Position

Forecasts for Fiscal Years 2025-26 to 2028-29

	2025-26	2026-27	2027-28	2028-29
	FORECAST	BUDGET	BUDGET	BUDGET
Current Assets				
Cash	6,794,642	4,265,976	3,917,726	2,230,642
Accounts Receivable	3,008,417	2,772,083	2,613,333	2,620,417
Prepaid Expenses	50,000	50,000	50,000	50,000
Investments	21,603,000	24,603,000	22,660,000	25,890,000
	<hr/> 31,456,059	<hr/> 31,691,059	<hr/> 29,241,059	<hr/> 30,791,059
Long term assets				
Capital Assets	80,000	70,000	60,000	50,000
Long-term investments	3,000,000	500,000	3,100,000	525,000
	<hr/> 3,080,000	<hr/> 570,000	<hr/> 3,160,000	<hr/> 575,000
Total Assets				
(including operating reserve*):	34,536,059	32,261,059	32,401,059	31,366,059
Obligations & Liabilities				
Current obligations:				
Accounts payable & accruals	1,000,000	1,000,000	1,000,000	1,000,000
Net Assets Summary				
Unrestricted	21,569,460	19,294,460	19,434,460	18,399,460
Restricted*	11,966,599	11,966,599	11,966,599	11,966,599
Total Net Assets	<hr/> 33,536,059	<hr/> 31,261,059	<hr/> 31,401,059	<hr/> 30,366,059
Total Liabilities & Net Assets	<hr/> 34,536,059	<hr/> 32,261,059	<hr/> 32,401,059	<hr/> 31,366,059

Nawiinginokiima Forest Management Corporation

Projected Statement of Cash Flows

Forecasts for Fiscal Years 2025-26 to 2028-29

	2025-26	2026-27	2027-28	2028-29
	FORECAST	BUDGET	BUDGET	BUDGET
Cash flows from operating activities				
Excess revenues over expenses	644,000	(2,275,000)	140,000	(1,035,000)
Accrued Interest	(250,000)	(250,000)	(250,000)	(250,000)
Amortization of capital assets	25,000	30,000	30,000	30,000
	419,000	(2,495,000)	(80,000)	(1,255,000)
Change in non-cash working capital				
Accounts receivable	(494,420)	236,333	158,750	(7,083)
Prepaid expenses	57,722	-	-	-
Accounts payable & liabilities	(84,445)	-	-	-
	(521,143)	236,333	158,750	(7,083)
Cash flows from investing activities				
Acquisition of capital assets	(27,476)	(20,000)	(20,000)	(20,000)
Purchase of investments	(2,499,498)	(250,000)	(407,000)	(405,000)
	(2,526,974)	(270,000)	(427,000)	(425,000)
Increase (decrease) in cash	(2,629,117)	(2,528,667)	(348,250)	(1,687,083)
Cash, beginning of year (excl reserves)	9,423,759	6,794,642	4,265,976	3,917,726
Cash, end of year (excl reserves)	6,794,642	4,265,976	3,917,726	2,230,642

Appendix II – NFMC Operating Costs for Operating Reserve Calculation

	2026/27
Amortization	\$30,000
Automobile & Travel	\$265,000
Board of Directors	\$20,000
Contractors	\$20,000
Forest Certification	\$35,000
Forest Management	\$155,000
HR & Training	\$30,000
Office & Subscriptions	\$85,000
PR & Marketing	\$95,000
Professional Fees	\$60,000
Rent	\$75,000
Wages & Benefits	\$1,510,000
Other	\$20,000
TOTAL	\$2,400,000
Low Range	\$4,800,000
Upper Range	\$12,000,000

Appendix III - NFMC 2025-26 Risk Analysis Details

	Risk	Risk Score	Risk Mitigation Plan
BOARD MEMBERS	<i>Insufficient number of board members to meet quorum due to delays with appointments / re-appointments.</i>	Impact Major	<i>All Board members are currently within their appointment period. Four members were either appointed or re-appointed during 2025. Two members' appointments will expire in summer of 2026.</i>
Category <i>Governance</i>		Likelihood Rare	
		Total Score Low	
CORPORATE GOALS	<i>Ability to achieve objects - Risk that strategic plan not completed, and BP does not reflect objectives.</i>	Impact Moderate	<i>NFMC has worked with the MNR to ensure the SFL BP and Agency BP are comprehensive and meet all the requirements.</i> <i>NFMC also has an approved Strategic Plan that aligns with the Objects and Mandate of the Corporation.</i>
Category <i>Accountability/ Governance</i>		Likelihood Unlikely	
		Total Score Low	
FINANCIAL STABILITY	<i>Risk that NFMC is unable to market and sell sufficient volumes necessary to generate revenue for the agency.</i> <i>Risk of customers unable to pay stumpage arrears.</i>	Impact Moderate	<i>Financial statements are reviewed monthly by management. Concerns are discussed and monitored regularly in an attempt to be proactive and avoid/minimize year-end financial concerns.</i>
Category <i>Finances</i>		Likelihood Low	
		Total Score Low	

ABILITY TO MEET STAKEHOLDER EXPECTATIONS	<i>Risk that the Agency does not meet the expectations of Stakeholders and partner First Nation communities.</i>	Impact Moderate	<i>Agency works closely with all stakeholder and our Indigenous partners to understand and try to meet expectations. While at times difficult to achieve, we continue to strive for the best balance between expectations and agency responsibilities.</i>
Category <i>Accountability/ Governance</i>		Likelihood Low	
		Total Score Medium	
ENSURING RESPONSIBLE & COMPLIANT OPERATIONS	<i>Ensuring responsible and compliant operations - Risk that NFMC operations are not compliant with applicable rules and regulations.</i>	Impact Moderate	<i>NFMC staff is in the field daily, touring operations and ensuring Health and Safety and Compliance requirements are met to our expectations.</i>
Category <i>Legal / contractual / compliance</i>		Likelihood Unlikely	
		Total Score Low	
CONTRACTUAL COMPLIANCE	<i>Risk associated with NFMC entering into various agreements and contracts with third party service providers to facilitate forestry operations including forest management, harvesting, renewal and road building.</i>	Impact Minor	<i>NFMC has retained outside legal support and in specific instances, financial advice.</i>
Category <i>Legal / contractual / compliance</i>		Likelihood Unlikely	<i>NFMC has a number of contractual obligations that are required in order to move our business forward and meet our responsibilities. At times issues can arise while work is being performed.</i>
		Total Score Low	

CONTRACTOR RISK	<i>Harvest risk – areas are removed from approved FMP resulting in less volume available for harvest.</i>	Impact Minor	<i>While continuously working with our Indigenous Communities and the Ministry on land claim discussions, there is a potential that harvest areas may be removed temporarily or permanently. At this time this isn't a significant concern as our harvest levels are low. This could change in the coming months.</i>
Category Operational		Likelihood Unlikely	
		Total Score Low	
CONTRACTOR RISK	<i>A major contractor unable to supply mills.</i>	Impact Moderate	<i>One contractor on the management area provides most of the harvest levels today. The contractor continues to operate and is doing fine at this time. There are concerns with human resource capacity but no major decrease in performance is expected.</i>
Category Operational	<i>The limited harvester base on the NFMC management area presents some downside risk to NFMC. NFMC relies upon one primary contractor.</i>	Likelihood Unlikely	
		Total Score Low	
DEVELOPMENT OF IT INFRASTRUCTURE	<i>Dependence on obsolete systems. Risk of data loss or security breach impacting critical systems.</i>	Impact Moderate	<i>Systems are kept up-to-date and cloud based solutions are implemented to ensure no loss of data.</i>
Category <i>Information and Information Technology</i>		Likelihood Unlikely	<i>Anti-virus and data breach protections are also in place and kept current.</i>
		Total Score Low	
ATTRACTING TALENT	<i>Attracting and retaining qualified</i>	Impact	<i>Skilled and experienced employees are critical to</i>

Category <i>Workforce/Skill Shortage</i>	<i>employees and/or service providers that meet the intent of supporting locally based economic development may be difficult given the remote location of the management area.</i> <i>NFMC's unique mandate requires specialized administrative functions including a forest products business-focused financial department and systems support. NFMC workforce is highly skilled and is highly mobile in today's economy. NFMC experiences high rates of turnover as these skilled employees leave for positions which may offer better pay and benefits or for family related reasons.</i>	Moderate	<i>business continuity and delivery of required programs and support functions.</i> <i>NFMC has established an HR committee whose mandate includes reviewing compensation to ensure NFMC remains competitive and is able to attract skilled employees.</i> <i>The agency has also used professional services for recruitment support, in addition to the strategic use of contractors.</i> <i>NFMC has recognized the need to grow skills internally and is preparing for this through staff training and development.</i>
		Likelihood Low	
		Total Score Medium	