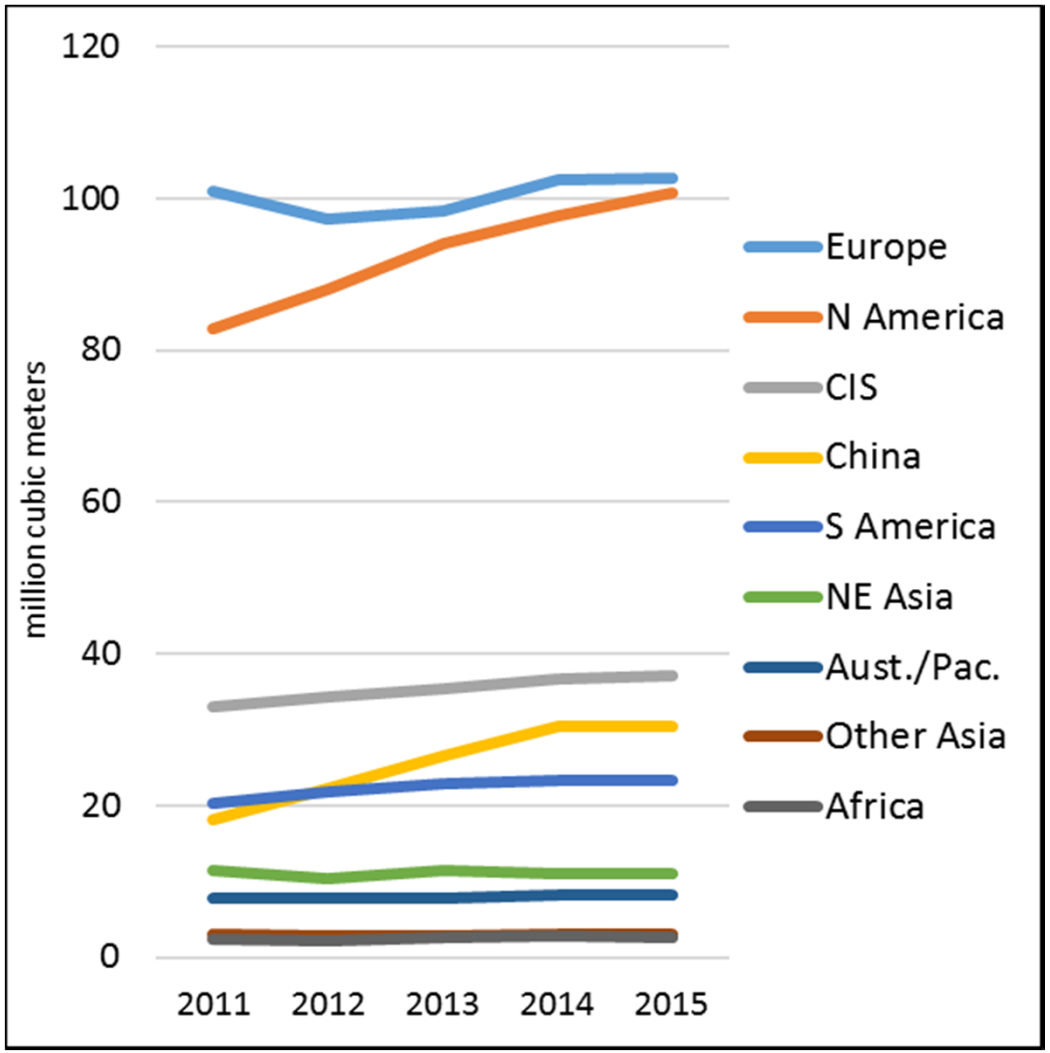
IDAHO FOREST

MARC BRINKMEYER, OWNER CEO

IDFG.COM

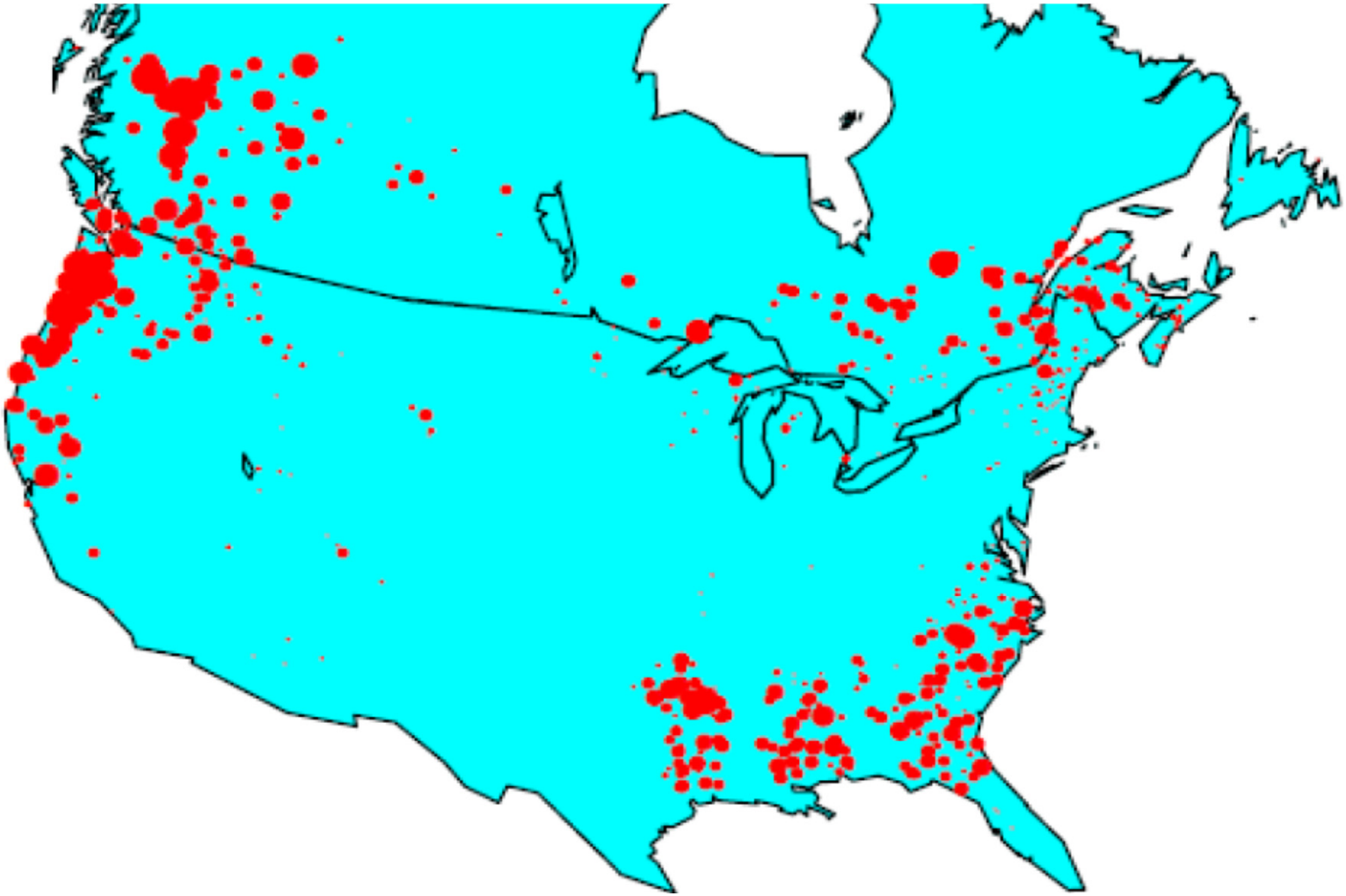
World Sawn Softwood Production



- Rising production driven mainly by N America
- N America: + 3.1% to 100.8m m^3 in 2015
- Europe largest producer @ 102.7m m^3 but zero growth in 2015
- Slow growth in CIS production, up 1.1% in 2015 to 37.1m m^3
- Strong growth in China levelled off at 30.5m m^3 in 2014 and 2015

Source: Forest Industries Intelligence Ltd analysis of FAOSTAT

LUMBER MILLS OF NORTH AMERICA



Idaho Forest Group Operating Area

	Cubic Meter Log Input	Lumber Capacity MMBF
Moyie Springs	492	200
Laclede	590	240
Chilco	812	330
Lewiston	812	330
Grangeville	590	240
	3,296	1,380

IFG Acquired St Regis Montana Operation in December 2017

IDAHO FOREST GROUP

U.S. Lumber Demand Forecast

Million Board Feet

Markets:	*2016*	*2017*	*2018*	*2019*
New Homes	14,719	16,437	17,754	19,875
Rep/Remodel	17,541	18,038	18,202	18,433
Non-Res.	5,356	5,686	5,887	5,294
Ind./Other	9,381	9,542	9,616	9,752
TOTAL	46,997	49,703	51,459	53,354

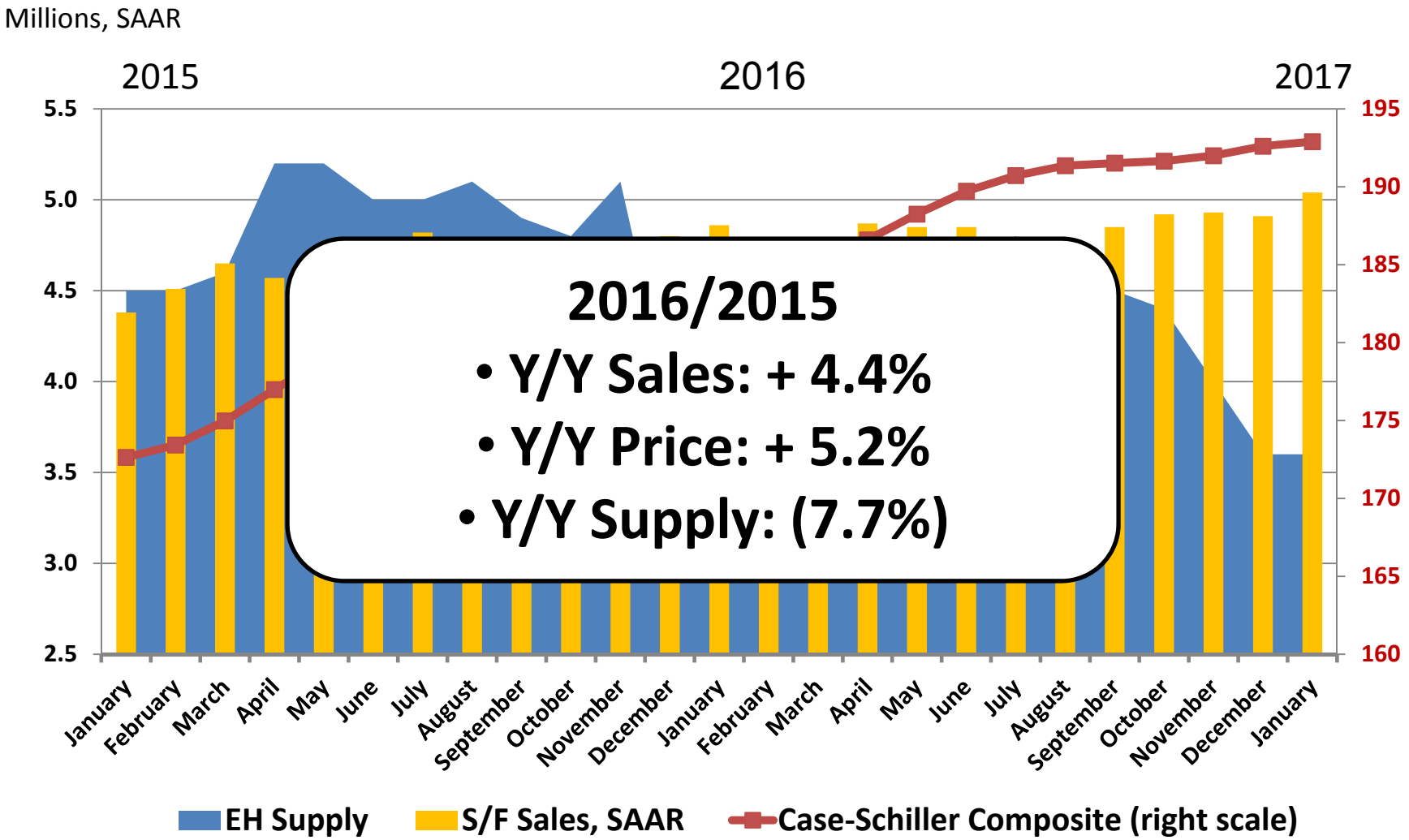
Source: WWPA

Home Construction Forecast

thousands	*2016*	*2017*	*2018*	*2019*
Single-family	782	880	972	1,135
Multifamily	392	425	410	402
Total	1,174	1,305	1,382	1,537
Manf Housing				
Shipments	81	96	110	104

Source: WWPA

S/F Home Supply Drops while Home Sales and Prices Climb



Source: NAR, S&P Global

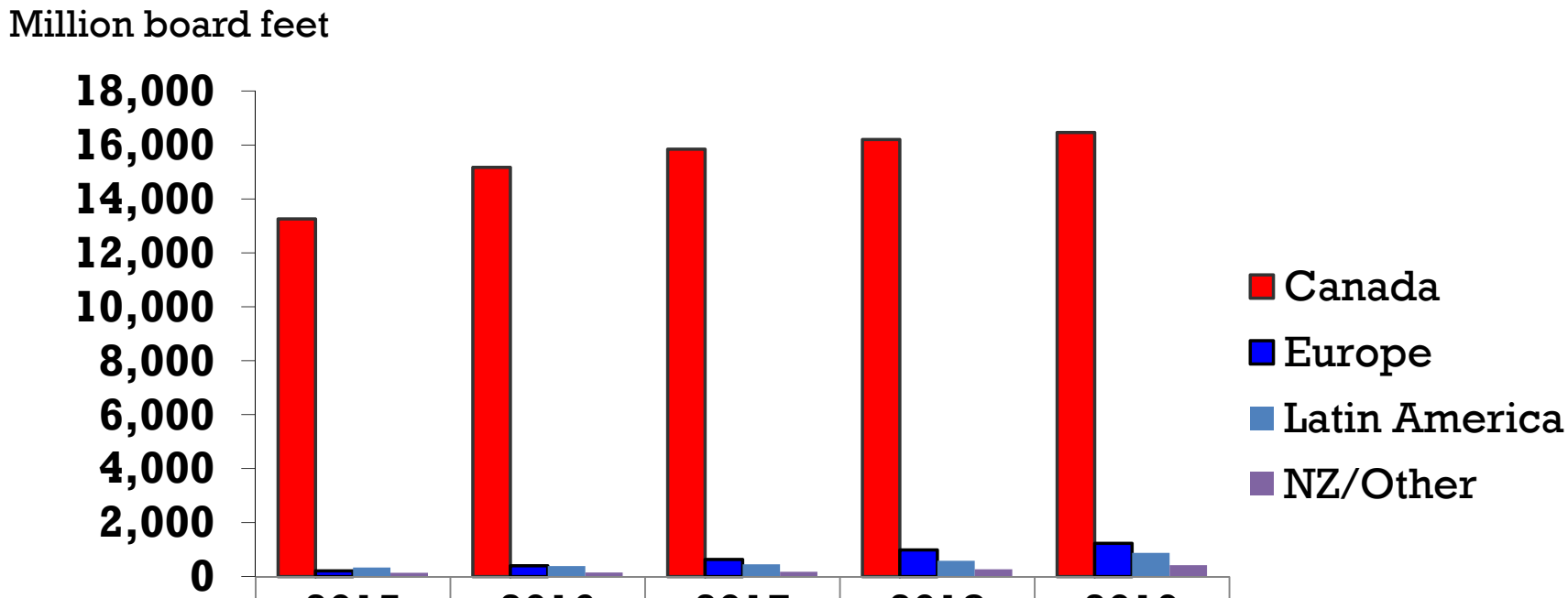
IDAHO FOREST GROUP

U.S. Lumber Production Forecast

MMBF	2016	2017	2018	2019
Coast	8,425	8,745	8,920	9,054
Inland	5,085	5,171	5,249	5,275
Redwood	463	482	501	511
South	17,261	18,297	18,937	19,695
NE/Lake States	1,493	1,523	1,538	1,553
TOTAL	32,727	34,218	35,145	36,088

Source: WWPA

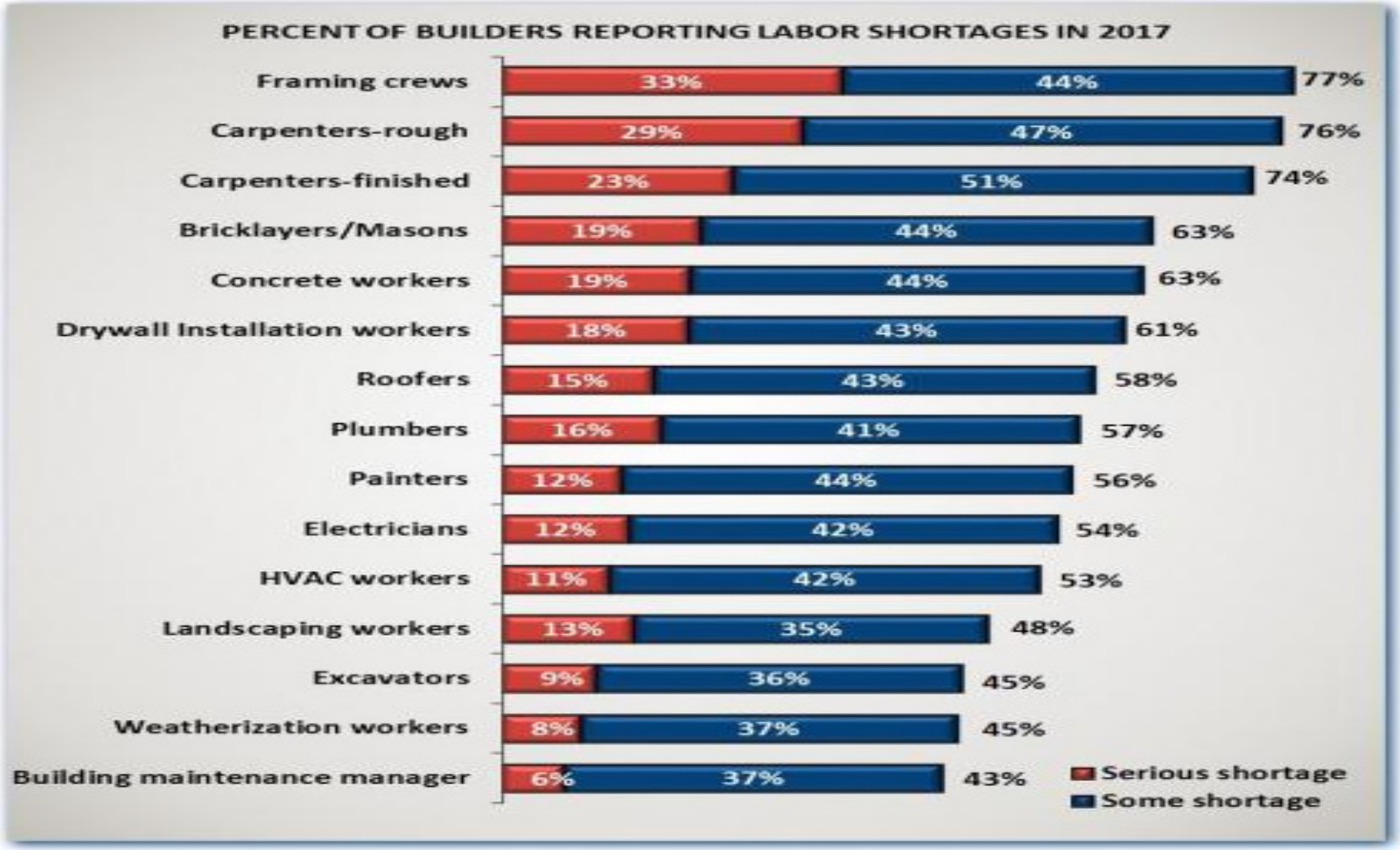
U.S. Lumber Imports Forecast



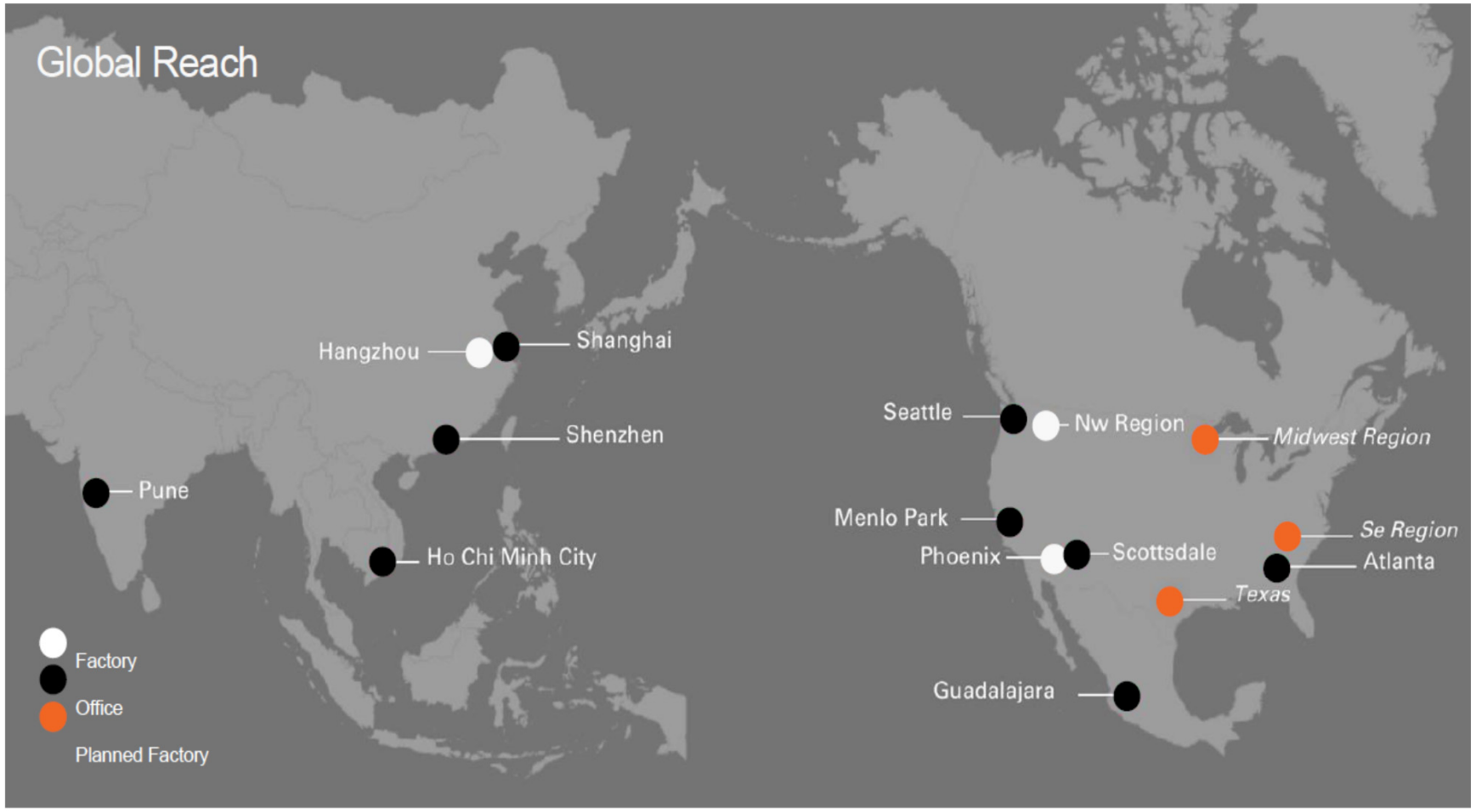
	2015	2016	2017	2018	2019
Canada	13,259	15,170	15,845	16,206	16,467
Europe	212	400	633	987	1,234
Latin America	334	391	454	585	877
NZ/Other	142	149	178	271	423

Source: USITC, WWPA

HOUSING CONSTRUCTION LABOR CHALLENGES



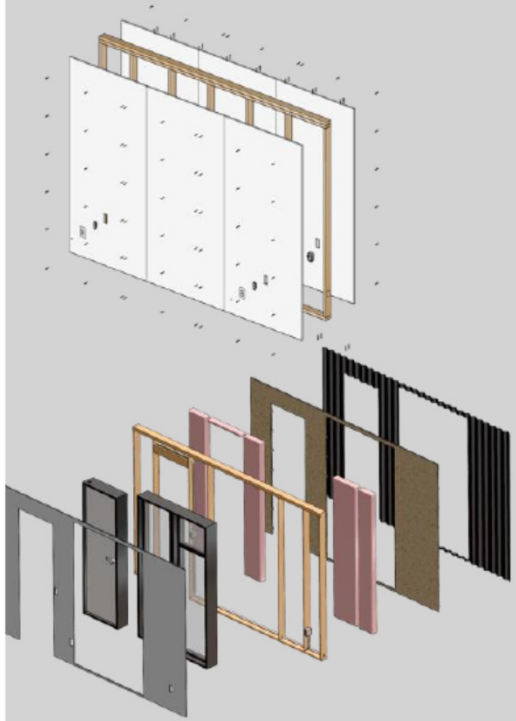
KATERRA


Global Reach
Hangzhou
Shanghai
Shenzhen
Pune
Ho Chi Minh City
Seattle
Nw Region
Midwest Region
Menlo Park
Phoenix
Scottsdale
Se Region
Atlanta
Texas
Guadalajara
Factory
Office
Planned Factory

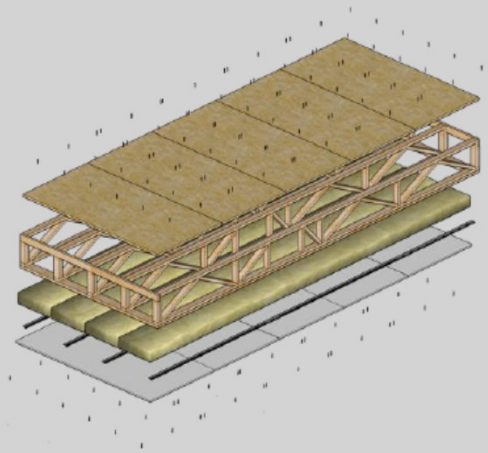
KATERRA

Factory Capabilities

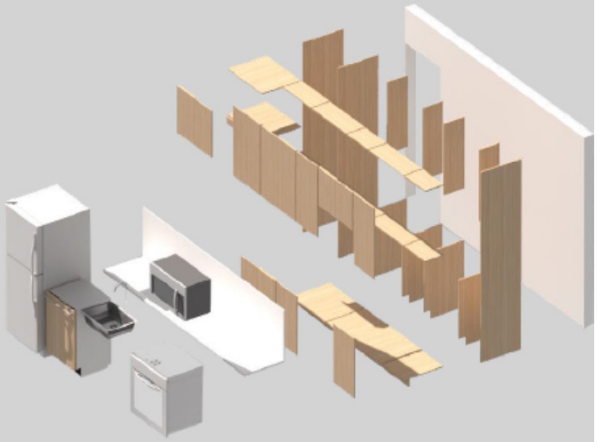
Interior/Exterior Wall Panels



Roof Truss and Floor Assemblies



Cabinet, Countertop, Interior Doors



KATERRA

Who We Are | What We Do | How We Do It

KATERRA

Softwood Lumber – Forecast

Product Group	2018	2019	2020
Softwood Lumber (Framing)	100 MMBF	250 MMBF	500 MMBF
Softwood Lumber (CLT)	60 MMBF	120 MMBF	240 MMBF
Structural Panels	60 MMSF	120 MMSF	300 MMSF

SOFT WOOD LUMBER BOARD PROGRAMS SUPPORTED

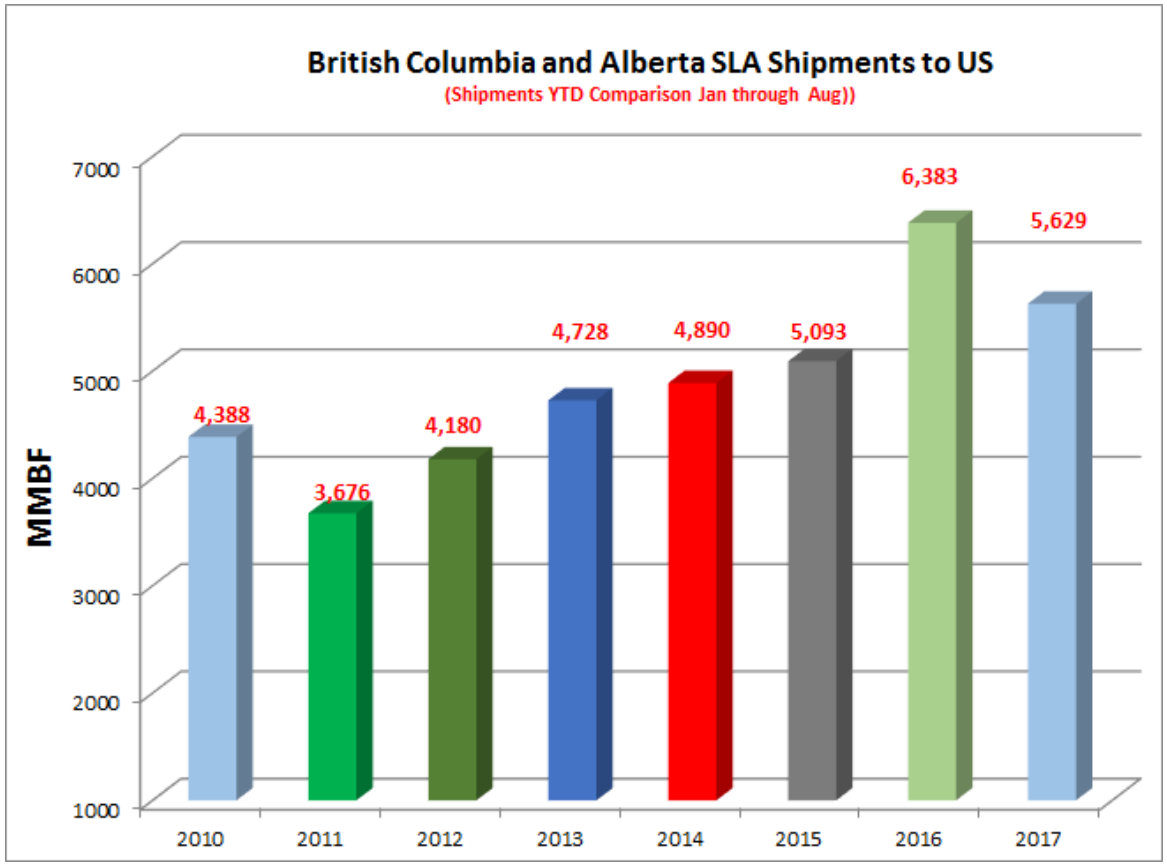
AMERICAN WOOD COUNCIL

reTHINK WOOD®

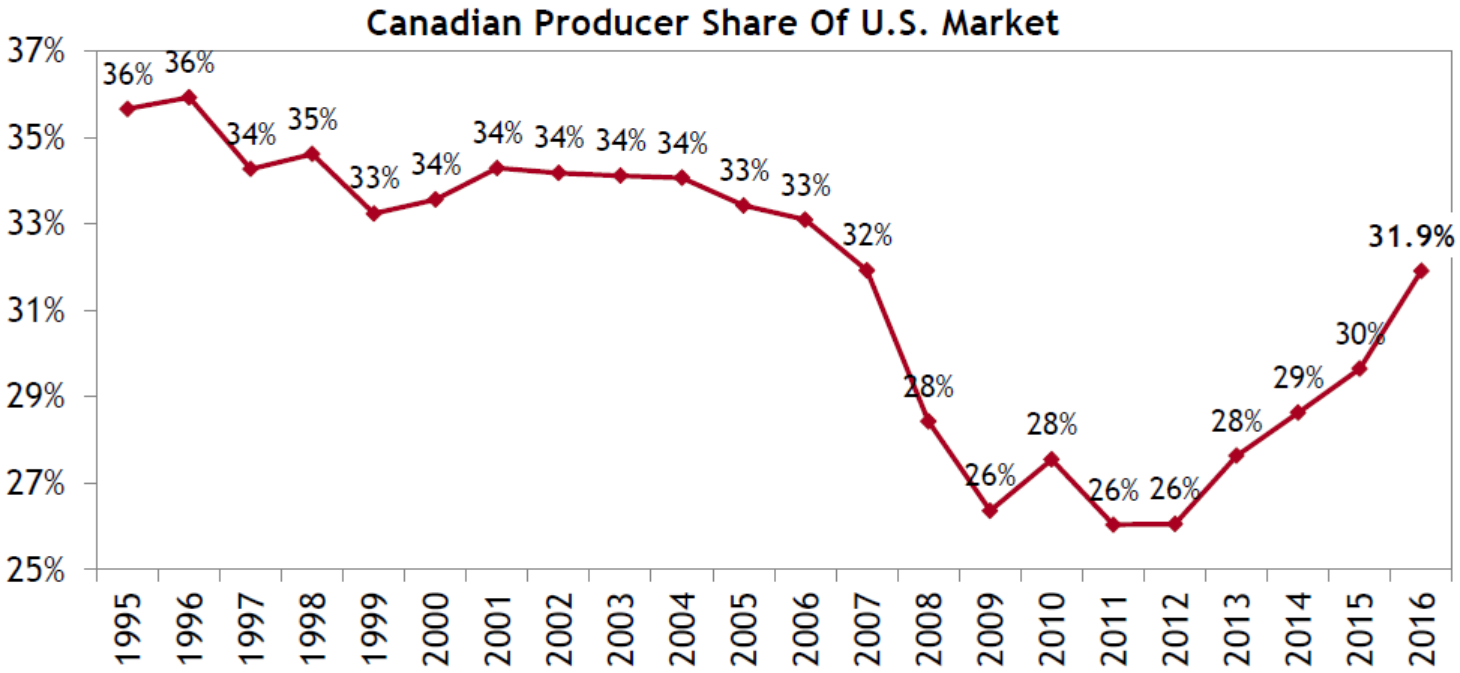
WoodWorks™
WOOD PRODUCTS COUNCIL

WOOD, NATURALLY

INNOVATION: TALL WOOD

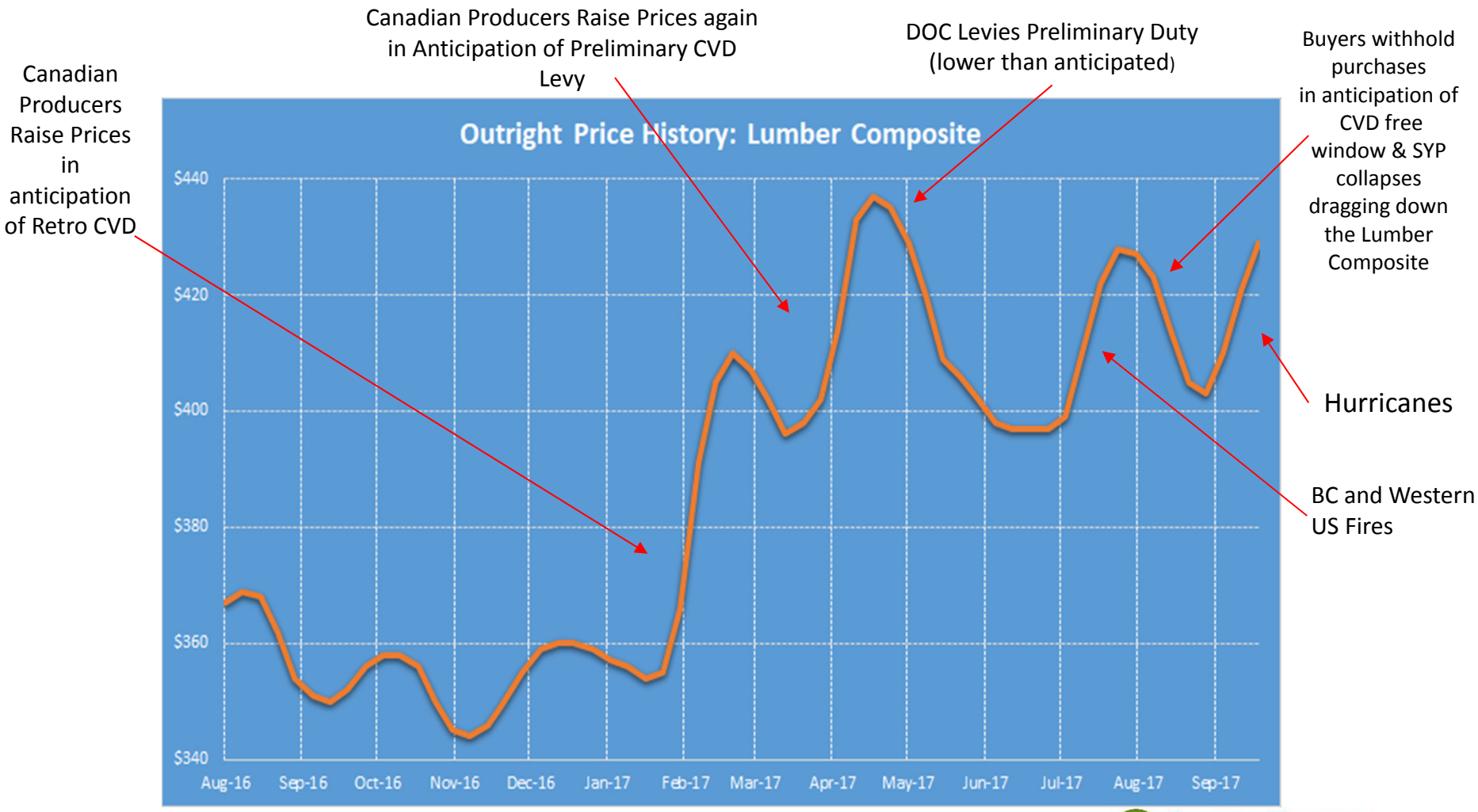

British Columbia and Alberta SLA Shipments to US
(Shipments YTD Comparison Jan through Aug))
MMBF
7000
6000
5000
4000
3000
2000
1000
4,388
3,676
4,180
4,728
4,890
5,093
6,383
5,629
2010
2011
2012
2013
2014
2015
2016
2017

Market Share Will Be The Key Issue When SLA Negotiations Resume



Source: Government of Canada, WWPA and CIBC World Markets Inc.

Current Events Impacting Market Price



U.S. Trade Law Schedule: Softwood Lumber

Canada/USA Softwood Lumber Trade Dispute
Countervailing Duty & Anti-Dumping Duty Timelines

	Jan '17	Mar-Apr '17	May-June '17	July-Sept '17	Nov '17	Dec '17	Jan 3 '18
Subsidy (CVD) Case	Critical Circumstances Retroactive CVD to [1] ~Jan 28 '17	DoC Preliminary CVD Determination [2] Apr 24 19.88% Duty	DoC Preliminary CVD Implemented Apr 28	DoC Preliminary CVD Discontinued ~Sept 1-Jan 3	→		Note: NO CVD or Cash Deposits ~Sept 1-Jan 3
					DoC Final CVD & ADD Determination Scheduled for Sept 6 but likely delayed		ITC Final [3] CVD & ADD Determination
ADD Case		Critical Circumstances Retroactive ADD Date [1] ~Mar 31 '17	DoC Preliminary ADD Determination [2] June 23 (Announced June 24)	DoC Preliminary ADD Implemented ~July 1		Preliminary ADD Discontinued ~Dec 27	← Note: NO ADD or Cash Deposits ~Dec 27-Jan 3

- CVD Prelim Duties start Apr 28; Stop ~Aug 31; Final Duties start Jan 3 '18
- ADD Prelim Duties start ~July 1; Stop ~Dec 24; Final Duties start Jan 3 '18

Wood Markets
Idaho Forest Group

Sales Summary

- In 2017 the lumber market experienced multiple events that pushed the market to the extreme high end of the historical price range.
- Buyers fear of a pullback kept speculative purchasing to a minimum which combined with good consumption has resulted in the pipeline being extremely thin the last six months.
- Production did not respond to the higher margins like it does normally due to a combination of factors (long wet spring followed by an early and severe fire season) that restricted reasource availability.
- Prior major market moves of this magnitude have always been followed by an equally (or deeper) pullback as the run up.
- Consensus forecasts for New Home Construction and Repair & Remodel call for mid single digit growth for 2018.