

October 20, 2014

Tracey Braun, M.Sc.  
Director - Climate Change and Environmental Protection Division  
Environmental Approvals Branch  
123 Main Street, Suite 160  
Winnipeg, MB  
R3C 1A5

Dear Ms. Braun:

**RE: Extension of Environmental Act Licence # 2302 ER**

Tolko Industries Ltd. is requesting an extension of Environmental Act Licence (EAL) # 2302 ER to December 31, 2019.

On October 16, 2014, Mark Tamas and Murray Wilson of Tolko Industries met with Manitoba government representatives Alisa Ramrattan, Serge Scrafield and Jana Schott. They discussed the extension of the Forest Management Licence Area No. 2 (FMLA) and Forest Management Plan (FMP).

During the session unresolved land use issues within Manitoba were discussed. These issues pose significant barriers to currently developing the FMP at an ecosystem and landscape levels on FMLA No. 2. These issues have formed the basis for previous EAL extension requests in 2010, 2011, 2012 and 2013 and they remain unresolved at this time.

The unresolved processes include:

- 1) **Woodland Caribou Management.** Manitoba released a draft strategy in 2014 titled: *Conserving the Icon of the Boreal, Manitoba's Boreal Woodland Caribou (Rangifer tarandus caribou) Recovery Strategy*. The strategy identifies the need to develop Management Unit Action Plans. These action plans are not developed at this time by Manitoba Conservation and Water Stewardship (CWS) and will be integral to the development of a twenty year FMP.
- 2) **Landscape Planning Guidelines.** The CWS identified the need for Landscape Planning Guidelines in 2006. They have not been completed at this time and would form part of a twenty year FMP. Existing components of Provincial Forest Management policy and CWS guidelines may contradict forest management planning parameters required to address new provincial expectations. An extension will provide CWS time to develop and approve a landscape level planning guideline and address contradictions that may exist in Forest Management policy and guideline documents.

- 3) **Protected Area Initiative.** The Protected Area Initiative (PAI) established in 1990 has not been finalized for the FMLA No. 2. In 2010, Areas of Special Interest (ASI) were identified by CWS as priority areas for completion within the PAI. These include areas covered by FML No. 2. Planning by CWS continues on the establishment of these areas, however, they have not been finalized at this time. The uncertainty around the net available land base, resulting from this initiative, makes CWS wood supply analysis and the subsequent Twenty Year FMP planning unfeasible at this time. An extension is necessary to allow the initiative to be completed and integrated into the Twenty Year FMP.
  
- 4) **Forest Resource Inventories.** CWS Forestry Branch is currently developing a spatial wood supply analysis for Forest Management Units (FMU) and Forest Sections (FS). The associated strata based yield curves would be integral for landscape planning and the selection of a preferred management scenario within the CWS Twenty Year FMP planning framework. An extension will provide sufficient time for CWS to complete the update process for FML Area No. 2.

I refer to your previous extension approval letter to Tolko dated December 19, 2013. In the letter, you outlined three conditions for the extension.

- 1) By May 31, 2015 Tolko must, in relation to the development of the FMP for FMLA No. 2:
  - a) Develop and present to the FMP planning team for approval of the Director of the Forestry Branch, an updated Terms of Reference for the FMP;
  - b) Present to the FMP Planning team, Tolko's Objectives, Strategies for the FMP in draft form.
  - c) Complete and submit Tolko's draft block selection with the Saskatchewan River Forest Section for review by the FMP Planning Team.

**UPDATE:** Significant progress was made on a new Terms of Reference. Tolko will be working with CWS on developing a schedule for a new FMP subject to the current CWS unresolved planning initiatives outlined above. Block selection is subject to the same unresolved land use issues.

- 2) A valid Operating Plan must be maintained.

**UPDATE:** Our current Operating Plan expires in May of 2015. We plan to submit a new Operating Plan for approval in February 2015.

- 3) Adhere to the EAL.

**UPDATE:** Tolko has maintained compliance with the EAL.

If you have any questions regarding this matter, please contact the writer at (204) 617 0179 or by email to [doug.hunt@tolko.com](mailto:doug.hunt@tolko.com)

Sincerely,  
Tolko Industries Ltd.

A handwritten signature in blue ink, appearing to read 'D.H.', with a stylized flourish extending to the right.

Doug Hunt  
Woodlands Manager

Cc. Alisa Ramrattan, Government of Manitoba  
Murray Wilson, Tolko Industries Ltd.