

October 27, 2010

Tracey Braun
Director Environmental Assessment & Licensing Branch
Manitoba Conservation
123 Main Street
Winnipeg, MB, R3C 1A5



Dear Ms. Braun:

I am following up to your letter dated June 19, 2009, re extension to our Environment Act Licence No. 2302ER. As indicated in my letter of April 28, 2009, the Company is still unable to develop and submit a new 20 year Forest Management Plan due to many unresolved land use issues on Forest Management Licence Area No. 2.

As noted in my recent letter to John Dojack (see attachment) the land use issues still remain unresolved. The Company will continue to develop and submit annual plans.

By way of this letter I am requesting Manitoba Conservation grant an extension to our environment licence which is set to expire on January 1, 2011.

If you have any questions please give me a call.

Yours truly

Doug Hunt
Woodlands Manager

DH:jt

cc Dave Knight
John Dojack

Enc.

October 26, 2010

Mr. John Dojack
Director of Forestry
Manitoba Conservation
200 Saulteaux Crescent
Winnipeg MB R3J 3W3

Dear Mr. Dojack:

I am writing this letter in follow-up to our past conversations regarding on going land use issues and their impact on the development of a new 20 year forest management plan.

Until the major land use issues are resolved to the point where forest management plans can be developed with some certainty that harvesting may occur, I can't support the Forestry Branch projected timelines for the completion of the next 20 year plan. Before I agree to your 20 year plan terms of reference I need to see some definitive progress around the following:

1. Proposed Protected Areas – need clarity on final boundaries especially the ones located near The Pas.
2. Woodland caribou habitat – need to determine the impact on future logging development - i.e. the proposed Dickstone road area.
3. Fire NW024 – what is the AAC impact to FMU 67 and what new areas will be set aside for caribou to offset their habitat destroyed by fire?
4. Forest Inventory – need to see final AAC volumes for Saskatchewan River forest section.
5. First Nation Resource Management – currently exert control over large tracks of the FML Area and are requesting revenue sharing.

Until these issues and concerns are resolved the Company will continue to focus on the development and submission of annual plans.

Yours truly,



Doug Hunt
Woodlands Manager
Tolko Industries Ltd

DH:jt

cc Dave Knight