

**Minutes of Tolko FMLA-FRAC Meeting
September 20, 2006
Tolko Woodlands Office, The Pas, Manitoba**

1. Welcome and Introductions

Fiona Donald, Inventory Forester with Tolko and FRAC Chairman, welcomed participants. Participants introduced themselves. Attendance is noted on Att. 1.

2. Review of Agenda

The agenda (Att. 2) was reviewed. No items were added.

3. Update on Forest Sector Developments

Doug Hunt, Tolko's Divisional Forester and Acting Woodlands Manager, provided updates on the following developments as they are impacting Tolko:

- Repairs to sawmill roof
- Canada-U.S. lumber agreement
- Current markets for lumber and paper
- Harvest of beetle-killed stands in B.C.
- Contractor issues

Also, a tree-planting ceremony was held on August 16, 2006 on the Woodlands office grounds recognizing Tolko's 500 millionth tree planted and was held in conjunction with the company's 50th anniversary of operations this year.

4. Proposed Amendments to 1997-2009 Forest Management Plan

Mike Paddock, Tolko's Planner for the Highrock and Saskatchewan River Forest Sections, reviewed areas that Tolko wants to have amended into its 1997-2009 Forest Management Plan. He explained the reasons why Tolko is applying to Manitoba Conservation for this amendment. Tolko will be holding public meetings in Flin Flon, Cranberry Portage and Sherridon the week of September 25/06 to get feedback on the proposed amendment.

Q&A followed.

5. Minutes of June 28/06 Tolko FMLA-FRAC Meeting

Minutes as noted were circulated. No changes were recommended.

6. Public Issues and Concerns Table

Fiona Donald distributed a table documenting issues raised by the public during phone calls or one-on-one June 1/06 to August 31/06 (Att.3).

Q&A followed.

7. Upcoming CSA Audits

The annual internal audit of Tolko's Sustainable Forest Management (SFM) Plan is scheduled for October 16/06. The annual third-party audit is scheduled for October 30/06. As in previous years, FMLA-FRAC members may participate in the third-party audit if they wish; contact Fiona Donald by October 27th.

8. Revisions to the 2005 SFM Annual Report:

Fiona Donald distributed the summary of changes to the 2005 SFM Annual Report (Att. 4). These are changes drafted since release of the 2005 SFM Annual Report dated June 27, 2005, and reflect issues identified internally by Tolko staff. Donald outlined the intent of each proposed change. Any comments on these changes are to be directed to Fiona Donald by October 27, 2006.

Q&A followed.

9. Proposed Changes to Sustainable Forest Management Plan Indicators

Fiona Donald distributed comments provided by FMLA-FRAC member Dan Soprovich (representing T.R.E.E.) (Att. 5) in response to Tolko's Summary of Proposed Changes to SFM Indicators (Att. 6).

Q&A followed. FMLA-FRAC members agreed with some of Soprovich's comments, but were unsure of his intent with others. They have requested that Soprovich present his comments in person at a future FMLA-FRAC meeting so that a common understanding can be achieved.

10. Field Trip

A field trip to two sites north of The Pas followed the FMLA-FRAC meeting. Paul Chapman, Tolko's Silviculture Forester, led the field tour. The first site demonstrated the factors that must be considered in meeting provincial Free to Grow standards, and how Tolko decides when some form of vegetation management must be undertaken on a site to meet those standards.

The second site was the Saskatchewan River Black Spruce and White Spruce Seed Orchards. Chapman reviewed how each of these seed orchards contributes toward meeting the needs of Tolko's forest renewal program in the Saskatchewan River Forest Section.

Information presented on the field tour is summarized in Att. 7.

NEXT MEETING OF FMLA-FRAC: NOVEMBER 29, 2006. NOTE THAT THIS HAS BEEN CHANGED FROM NOVEMBER 1, 2006.