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Mr. Daniel Patterson President Patterson Sawmill Ltd. **60 PATTERSON ROAD** HAY RIVER NT X0E 0R4

DEC 0 1 2000

Application for Timber Cutting Licence

The Department of Resources, Wildlife and Economic Development is in the process of reviewing your application for a timber cutting licence.

As you are aware, under the Mackenzie Valley Resources Management Act, the Department is required to conduct a preliminary screening of any application for a timber cutting licence. As part of this screening, the Department is required to conduct consultations with the public and affected First Nations. As such community support is a primary consideration for the Department when reviewing applications for timber cutting authorizations under the Forest Management Act.

The Deninoo Kue First Nation is currently developing a comprehensive proposal with respect to timber harvesting and milling. From discussions with both yourself and the Deninoo Kue First Nation of Fort Resolution, it is our understanding that the community may be prepared to support your application provided the following conditions be met:

- A one year authorization be issued which would be limited to a harvest of 10,000 m³ 1. of white spruce from the west side of area 2, to be harvested prior to March 31, 2001;
- Harvest program to address the impact benefits for community as outlined in your 2. proposal dated June 21, 2000.

Further consideration of this application is contingent upon provision of evidence that these concerns have been adequately addressed, such as an agreement with the community of Fort Resolution, as outlined in your proposal dated June 21, 2000, or other indication of community support for the proposed project.

Sincerely.

Robert McLeod Deputy Minister

C. Chief Don Balsille Deninoo Kue First Nation Government of the Northwest Territories, Yellowknife, NT Canada X1A 2L9

