FA 001828



DEC 1 2 2000

Chief Don Balsillie Deninu K'ue First Nations PO BOX 1899 FORT RESOLUTION NT X0E 0M0

Dear Chief Balsillie:

Application for a Timber Cutting Licence

There have been recent meetings and discussions with both parties on this issue over the past two weeks. It is our understanding since our letter dated December 1, 2000 to Mr. Daniel Patterson that Area 2 has been identified as uneconomical for the company. Further, we understand that Patterson Sawmill Ltd. has continued to offer compensation to both the Band and the affected trappers in Area I. The company has also offered to amend their timber cutting authorization and Land Use Permit to include the amount of timber needed for your mill from this years logging season. Mr. Eugene Patterson also offered his expertise to the community to help re-establish logging and milling enterprises in Fort Resolution.

We would also like to advise you that our earlier offer of assistance in reestablishing community logging and sawmilling enterprises can be available for the community should it be required. We look forward to discussions with you on the re-establishment of logging and milling enterprises in your community.

Sincerely

Robert McLeod Deputy Minister

c. Mr. Daniel Patterson Patterson Sawmill Ltd. Hay River