



Lakeland Mills Ltd.

Questions and answers about the decision to rebuild the Lakeland Mills sawmill

Q: What kind of mill will you be building?

A: Design development has not been completed yet, so we don't know exactly what the mill will look like. We will make further details available about the new mill as we are able.

Q: What is the timeline for the rebuild?

A: At this point, we expect to start construction this summer and be complete by summer 2014. We will have a better idea of specific dates as design progresses.

Q: Will it be located at the same site?

A: Yes, this mill will be located on the same site. Building the new mill on the same site allows us to integrate it with the existing planer mill and energy system, which are still operational.

Q: What products will the mill produce?

A: We will be producing the same products as we manufactured before (stud lumber and board stock) but will be adding the capability to manufacture metric sizes in addition to the American Lumber Standard products. This will provide access to markets not previously supplied by Lakeland, such as Southeast Asia, and primarily China.

Q: What will the new mill's production capacity be?

A: There is still more work to be completed on the mill design and engineering before we can confirm the production capacity.

Q: What was the production capacity of the old mill?

A: The previous mill's capacity was approximately 225 million board feet per year.

Q: How many jobs will be available?

A: At this point we believe there will be a need for about 100 employees on two shifts.

Q: How does that compare to previous job numbers?

A: Previously, we had 160 employees operating on three shifts.

Q: Why will there be fewer jobs?

A: The anticipated mill design and the potential equipment to be installed suggests that fewer people will be required than in the previous mill on a shift by shift basis.

Q: How will you decide who gets hired back and who doesn't?

A: We will work with the United Steelworkers to ensure our hiring practices meet the terms of our collective agreement.

Q: Do you have enough timber to supply the mill?

A: Yes. Lakeland Mills Ltd. has a 250,000 m³ volume-based tenure. Additionally, we have access to 505,000 m³ from Winton Lumber.