



# COAL • VALLEY • MINE Newsletter

June 2008

Bag 5000, Edson Alberta T7E 1W1

Coal Valley Mine Staff wish you a safe, healthy and relaxing summer!



## CVM Proposed Expansion

### Application for Yellowhead Tower/Mercoal West

The Mercoal West and Yellowhead Tower mine expansion application for Coal Valley Mine was prepared by Coal Valley Resources Inc. (CVRI) and submitted to government decision makers in March 2008. The application provides the Energy Resources Conservation Board and Alberta Environment with the necessary information to determine whether or not approval to develop and operate the project is within the public's best interest. The application has been prepared to also meet the requirements of two federal government departments from which approvals will also likely be required—Fisheries and Oceans (Fisheries Act) and Transport Canada (Navigable Waters Protection Program, NWPP).

The application is available for review by the public and consists of the following five volumes:

#### Volume I

- Project Introduction
- Geology
- Mining and Development Plan
- Environmental Impact Assessment Methodology and Summary
- Reclamation Plan
- Stakeholder Consultation
- Environmental Protection and Enhancement Act Application
- Water Act Application

#### Volume II Appendices to Volume I:

- Public Consultation
- Existing Approval
- Comprehensive Study Checklist
- Evaluation of Reclaimed Wetland & Riparian Resources
- Sustainability of End Pit Lakes
- Vegetation Development on Reclaimed Lands
- Consultants' reports on Air Quality and Fisheries

#### Volume III Consultants' reports on:

- Groundwater
- Historical Resources
- Human Health

#### Volume IV Consultants' reports on:

- Hydrology
- Mammalian Carnivores
- Noise
- Socio-economic
- Soils

#### Volume V Consultants' reports on:

- Surface Water Quality
- Traditional Ecological Knowledge and Land Use
- Vegetation, Wetlands and Biodiversity
- Wildlife

In this newsletter ...updates on:

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#### CVM Contact Information

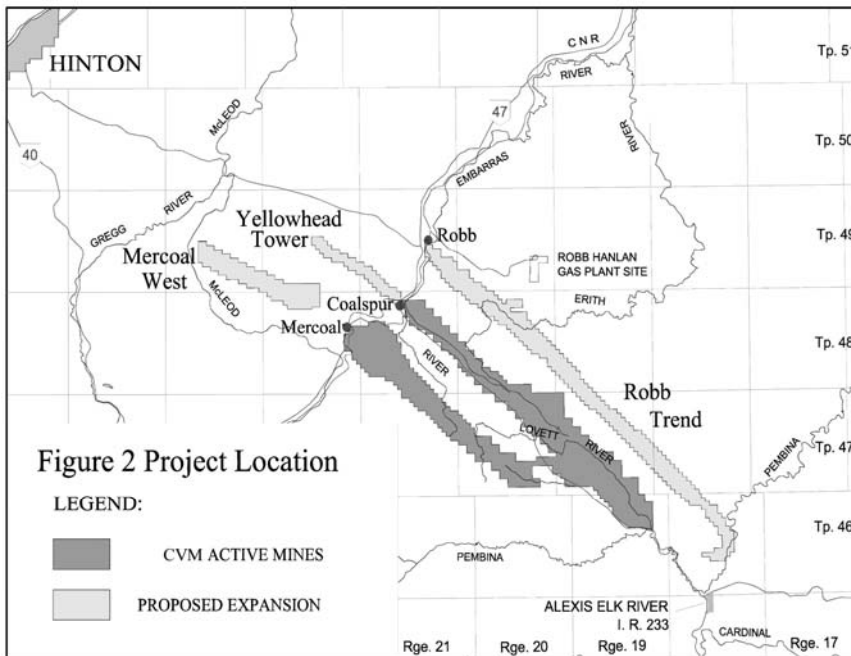
##### Notice to Coalspur Residents

Mining activity at PIT 29 (including old Vitaly workings) is expected to start in late summer 2008. Operations will be kept as far away from Coalspur as possible to minimize any potential disturbance. Contact Les LaFleur at Coal Valley Mine if you have concerns or require more info.

The application is available for review (hard copy or compact disk) by:

1. Requesting a copy from Les LaFleur at Coal Valley Mine
2. Visiting [www.sherritt.com](http://www.sherritt.com) on line (click on "Coal – Mountain Operations")
3. Visiting the Hinton and Edson Public Libraries, the Yellowhead County Office or the Reception area at Coal Valley Mine
4. Requesting a copy from Dave Brand at Coal Valley Resources Inc. in Edmonton (phone 780 420-5814)

The application was advertised in area newspapers on June 16, 2008



## Area Description

**Mercoal West Area** is located west of the community of Mercoal. Coal occurs in a NW/SE trend. Terrain is rolling with topography controlled by structural ridges and valleys draining to the McLeod River. Mercoal Creek and McCardell Creek drain from the area into the nearby McLeod River.

**Yellowhead Tower Area** is located between the community of Coalspur and the forestry tower (Yellowhead Tower). The land consists of steep ridges oriented in a NW/SE trend. The proposed mine area drains to the south by Chance Creek, a tributary of the Embarras River.

## Public Involvement and Aboriginal Consultation

The **Public Involvement Program** distributed project information to area residents, interested groups and individuals, and CVM employees both directly and through distribution of three project newsletters (to date). Discussion with stakeholders included direct one-on-one contact with groups and/or individuals and two sets of open houses. A broad range of interests have been identified to date, i.e. during the preparation of the application.

Should the application be approved, CVRI intends to involve the communities in any decisions that may affect them by engaging in ongoing, open and co-operative dialogue with anyone who is interested.

**Traditional Land Use studies and consultations** were initiated with several Aboriginal communities, including:

- Alexis First Nation
- Paul First Nation
- O'Chiese First Nation
- Sunchild First Nation
- Foothills Ojibway Society
- Nakcowinewak Nation
- Aseniwuche Winewak Nation of Canada
- Mountain Cree (Smallboy) Camp (*members of Ermineskin Cree First Nation*)

To date, substantial contact regarding CVM's proposed expansion has been made with all identified potentially affected Aboriginal groups. The precise course of each discussion has been specific to each community. The level of consultation and traditional use assessment has been developed based on community needs, the level and extent of the interest and potential value in the land area that may be potentially affected by mine development.

Communication has involved mail out information, meetings, site and regional tours, open houses and campouts. In addition, Traditional Land Use studies covering the mine expansion area have been completed by seven parties comprised of members of the interested communities.

Discussions regarding First Nations interests and concerns with the proposed mine development and possible mitigation strategies are ongoing and will be finalized on a group-by-group basis.

### Main areas of interest and concern identified from consultation programs and addressed in the application:

- Reclamation – backlog of land to be reclaimed
- Recreational access – reduced access to established ATV and snowmobile trails
- Noise, dust and visual – impacts from mining operations and equipment
- Wildlife – impacts on wildlife in the area
- Water – maintenance of drinking water quality
- Mine operations – seasonal timing
- Preservation of area history
- Stakeholder contact - ongoing public involvement
- Property, traditional use and other resource impacts

# CVM Current Operations

## Mining and Reclamation Activity

**Mining** has been conducted apace at CVM during 2008, focussed on Pit 123 and 143 in Mercoal Phase 2. Pit 29, in the Coalspur area will also be opened late this year.



Backhoe at Mercoal Phase 2



New Shovel in Pit 144



Dragline Pit 123



Landscape Construction at CVM

**Reclamation** has also been continuing in earnest at CVM in 2008. In response to the interest expressed during the public involvement program, CVRI has committed to address the reclamation backlog. This includes continued work on establishing end pit lakes and landscape construction and management consistent with previously approved application land reclamation plans.

## CVRI END PIT LAKES

Since mining is only a temporary land use, our reclamation and environmental programs are designed to protect the environment and restore all mined land to productive and sustainable landscapes.

Coal Valley plays an active role as part of the End Pit Lake Working



End Pit Lakes 35/45

Group, initiators of the End Pit Lake Guidelines. Currently, Coal Valley has two successfully

stocked lakes, Lovett and Silkstone Lake, which have been open to the public for recreation fishing since 1996. In 2009, three more lakes, End Pit Lakes 24, 35 and 45, will be added to Coal Valley's fishing roster.

CVRI was recognized by Alberta

Chamber of Resources and Alberta Environment through selection of the Lovett and



Silkstone Lakes End Pit Lake 24 for the 2005

"Major Reclamation Award." CVRI received the Ammonite Award for this long term and sustainable end pit lake reclamation.

## SILKSTONE AND LOVETT LAKE

### Development

Silkstone (Pit 33E) and Lovett Lake (Pit 42) were created by Coal Valley in the final cuts of a dragline pit.



Leveling

Initial development of the lakes included: re-sloping and leveling operations of the shoreline and bottom configurations, topsoil placement, seeding and reforesting the surrounding area. Additional development activities involved the introduction of macrophytes transplanted from Fairfax Lake.

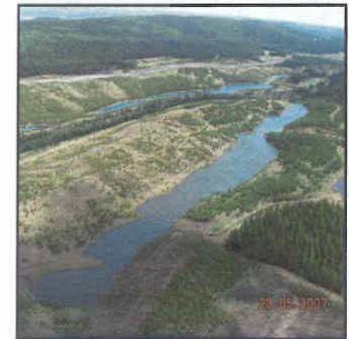
### Hydrological Regime

The lakes are dependent on inflow from groundwater sources and surface runoff from surrounding drainage basins to maintain lake levels. The water in both lakes is of sodium bicarbonate whereas the water of naturally occurring lakes in the surrounding area is of calcium bicarbonate, indicating that the hydrological regimes of the pit lakes are in fact influenced by groundwater.



Wildlife present at CVRI

The chemical, physical and biological parameters evaluated from the lakes indicated that the water quality improves relatively quickly following creation. There has been little variation in sampling results over the past years. One of the early water quality concerns, Selenium, has been sampled since 1998 and determined to be at concentrations less than 0.0008 PPM.



### Silkstone Lake

Completed in 1986

6.4 HA

Outflow into the Lovett River

Stocked since 1991 with rainbow trout



### Lovett Lake

Completed in 1985

6.0 HA

No constructed outflow

Stocked since 1992 with rainbow trout

## Coal Plant

The coal preparation plant is producing at design capacity from the expansion conducted in 2006. While there are still some improvements to be made, the sustained coal throughput has been as high as 1300 tonnes per hour of raw coal and averaging around 1150 raw metric tonnes per hour (RMT/h) over the year to date—resulting in about 600 clean metric tonnes per hour (CMT/h) at a 52% yield on average, depending on the coal feed stock.

## CVM Staff

### Mel Williams, Vice-President, CVRI Operations

Mel is currently on site at CVM filling the General Manager position. Mel has had a long and successful career with the company, serving at the Cardinal River Mine and various management roles in the Edmonton corporate office.

### Sheldon Buck, Mine Manager

Sheldon has become Mine Manager, moving from his role as Plant Manager. He has been at Coal Valley for the last few years, moving over from the Cardinal River Mine.

### Sean Fancey, P. Eng., Plant Manager

Sean joined Sherritt Coal in 2004 as a Senior Reliability Engineer for Alberta. In July 2006, he moved to CVM as Senior Reliability Engineer at the coal preparation plant and became plant manager in November 2007. Sean is a graduate of Memorial University in Newfoundland with a Bachelor Degree in Mechanical Engineering and has been successfully employed in the mining industry for 17 years.

### Jarrad Zezel, Human Resources Supervisor

Jarrad has been with Coal Valley Resources for over three years and is responsible for managing employee recruitment and relations at CVM. He has a diploma in Management Studies from Grant MacEwan College in Edmonton.

## Job Opportunities

Opportunities are available at CVM for

**Mine Engineer  
Surveyor  
Pit Operations Foreman  
Maintenance Foreman  
Heavy Duty Mechanics  
Welders  
Equipment Operators**

For more information or to apply, contact:

Jarrad Zezel, Human Resources Supervisor  
Coal Valley Mine  
phone 780-794-8175 fax 780-794-8156  
email jzezel@coalvalley.ca  
Bag Service 5000  
Edson, AB T7E 1W1

## CVM Contact Information

For more information on CVM activities or to provide your comments on the proposed mine expansion or any aspects of mine operations, please contact:



Les LaFleur, Engineering Manager  
Coal Valley Mine  
phone 780.794.8176 fax 780.794.8150  
email llafleur@coalvalley.ca  
Bag Service 5000  
Edson, AB T7E 1W1

If you have comments or questions about the public involvement activities regarding the proposed mine expansion, please contact:

Jim Gendron  
LTG Consulting  
Phone 780.995.1217  
email jim\_ltg@shaw.ca

Contact Les LaFleur if you would like to receive a copy (compact disk or hard copy) of the five volumes of the mine expansion application.