



September 27, 2007

Dear Sir/Ms:

You are on our active 'contact list' regarding the proposed Coal Valley Mine expansion. The company is progressing with exploration, planning and preparation of an Environmental Impact Assessment (EIA) for the project. An updated map is included (see reverse) showing the proposed mine areas and haul road locations. This information is intended to show you the proposed mine permit boundaries and limits of mining activity.

Mine planning for the expansion application for both Mercoal West and Yellowhead Tower is incorporating needs, interests and concerns for a range of land uses and features. Mitigation plans are being addressed to avoid or reduce impacts through:

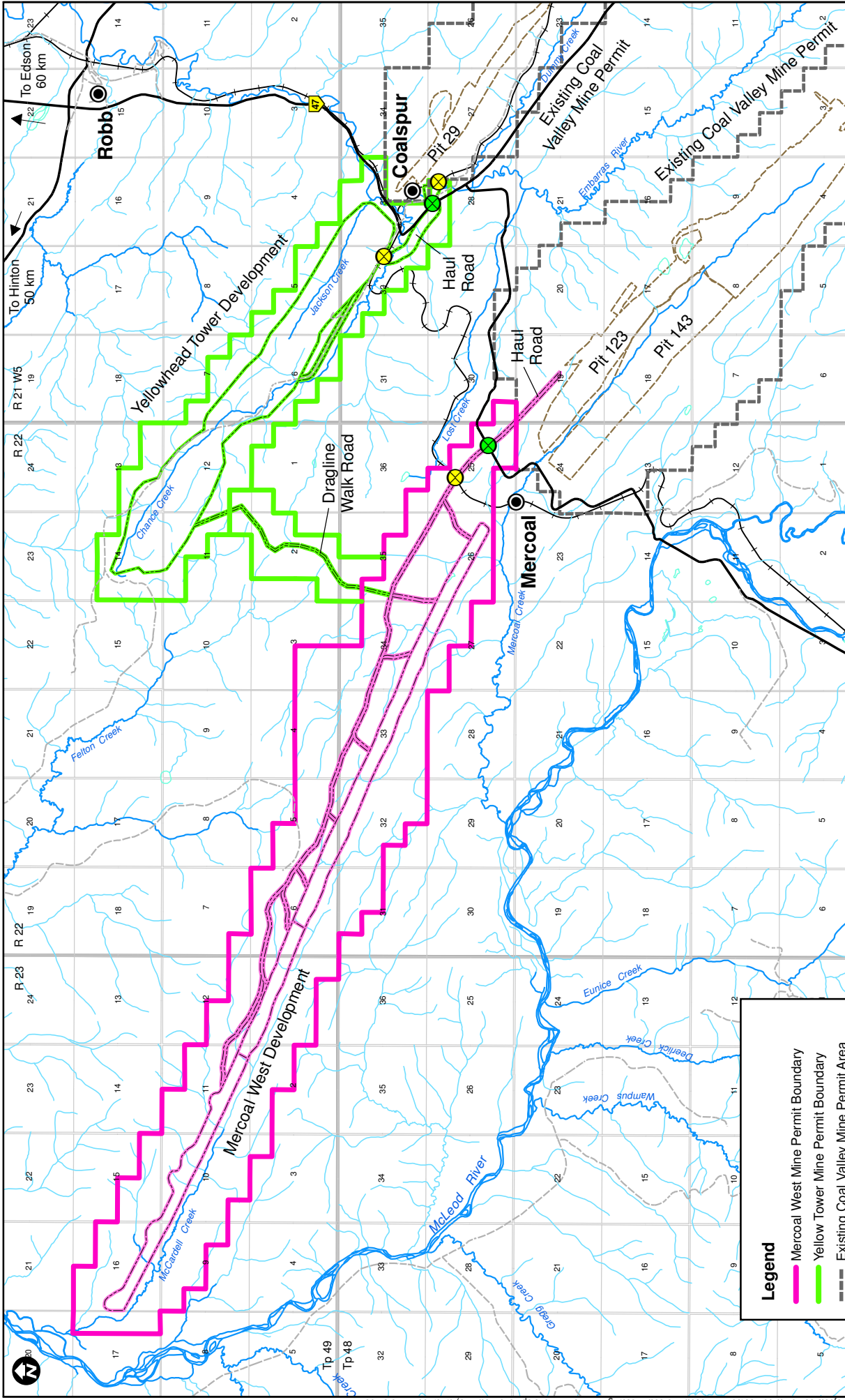
- Early assessment of vegetation, wildlife habitat and culture sites of concern to First Nation and Aboriginal communities.
- Identification and resolution of potential conflicts with oil and gas, forestry, trapping, outfitting and guiding activities and facilities.
- Ensuring that mining activity near the settled areas of Mercoal and Coalspur will be as brief as possible and that any nuisance activities (i.e. noise, visibility) related to mining will be minimized and mitigated.
- Efforts to ensure that recreational access for all terrain vehicle use is maintained during and available following mining within each of the two areas
- Progressive mine reclamation that will follow as soon after mining of pits within each of the two mine expansion areas as possible
- Reclamation focusing on three principle values – wildlife, forestry and recreation each in proportion to criteria that will be established and agreed to by the Provincial Government.
- Water management during mining that ensures surface water quality is maintained.
- Providing, wherever possible and appropriate, opportunities to construct and enhance wetlands that will be left following mining.

If you have any specific needs or concerns related to mine plans, please contact Jim Gendron of LTG Consulting by e-mail at jim_ltg@shaw.ca, by phone at 780-757-0276 or by cell phone at 780-995-1217. I have asked Jim to assist me by receiving and organizing any comments or additional information needs you may have so there can be effective and efficient follow-up.

Yours truly,

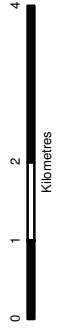
A handwritten signature in black ink, appearing to read 'Les LaFleur', is written in a cursive style.

Les LaFleur
Mine Permit Manager



Legend

- Mercoal West Mine Permit Boundary
- Yellow Tower Mine Permit Boundary
- Existing Coal Valley Mine Permit Area
- Proposed Mercoal West Development
- Proposed Yellowhead Tower Development
- Current Pits
- Level Highway Crossing
- Level Railway Crossing



Coal Valley Mine

Mercoal West and Yellowhead Tower Development Area

PROJECT: **Coal Valley Mine**

DRAWN: PS
 CHECKED: KY
 DATE: Sep 6/07
 PROJECT: 05-151

FIGURE: **1**