



Dodds-Roundhill Coal Gasification Project Community Newsletter August - September 2007

The August-September newsletter is the fifth in this series, which covers our recent activities relating to the Dodds-Roundhill coal gasification project. The goal of these newsletters is to allow us to keep in touch with the community and share information on our progress.

Stakeholder Consultation

Due to the busy schedules facing area landowners over the summer and into the fall, we have kept our consultation with area stakeholders during this period as informal as possible. We wrapped up our Monday afternoon coffee sessions in the area at the end of August and we want to thank all of you who were able to drop by to talk about the project. Your questions and comments were very helpful and it is our intention to make sure that all of your suggestions on the project are taken into consideration as we progress with the planning stages.

Because we will be meeting with area landowners in late October to discuss the Land Acquisition Principles (see below), we are currently planning to hold the next series of open houses in early December to discuss the results of the various field studies and, in particular, the results of our air and groundwater quality modeling.

At the December open houses, representatives will be available to answer your questions about their findings and you will have an opportunity to provide further input. We can also share with you an update on how the project is going and what the next steps will be in the regulatory process.

Notices for the open houses will appear in the local newspapers in mid November—including the Tofield Mercury, the Camrose Canadian and the Camrose Booster—and will also be mailed to area residents. If you have any questions or would like further information, please contact Nola Bietz at **1-888-686-8391** (toll free).

Land Acquisition Principles and Negotiating Guidelines

Over the summer, we worked closely with the Round Hill-Dodds Agricultural Protective Association (RH-DAPA) to finalize the Land Acquisition Principles and Negotiating Guidelines (LAPs). We planned to present these to landowners who are within the mine permit/study boundary prior to harvest moving into full swing and had scheduled a meeting in late August to do so, but unfortunately we weren't able to complete our own internal review process in time. Therefore,

we will be meeting with those landowners later in October, hopefully after harvest has begun to wind down, to provide them with the LAPs and to walk them through the principles.

This initial presentation will then be followed up by a series of smaller meetings to answer questions and hear any concerns. An invitation for these meetings has recently gone out and if you do own land within the mine permit/study boundary and have not received an invitation or are unsure whether your property is within the area included within the LAPs, please call Nola Bietz at 1-888-686-8391 (toll free).

Fall Drilling Program

Because we were unable to finish our proposed drilling program before the spring thaw, we intend to complete it this fall. The goals of the program are to gather additional information with respect to the location, depth and quality of the area's coal resources. We hope to begin drilling on or about October 22, but to accomplish this we must first work with "Alberta 1st Call" approximately 1 to 2 weeks earlier to identify any potential hazards.

As a result, we may need to begin to access land in mid October. Access as per our other programs will only be carried out on lands where an access agreement is already in place. We will also be following the same protocols as were used during the spring drilling programs with respect to contacting landowners in advance of any activity, site clean up, etc. As always, we would strongly encourage you to contact us immediately if you have any concerns with respect to access to your lands and the manner with which programs are being conducted on your lands.

Mine Plan and Mine Permit

Enclosed with this newsletter is the most recent draft of the Mine Plan developed by our mining consultants, Norwest. The new draft Mine Plan is similar to the one provided to area residents in March 2007 but it is not identical. This is largely because Norwest has been able to incorporate new data collected during the spring drilling programs on the location, depth and thickness of the various coal seams in the study area. It is possible that further changes in the mine plan may be required as Norwest incorporates the results of the additional drilling this fall.

The enclosed draft Mine Plan also outlines the proposed boundary (marked by the red dashed line) of the Mine Permit. A Mine Permit is different from a Mine Plan as the Mine Permit, which must be approved by the Alberta Energy and Utilities Board (EUB), sets out the total area within which all future mine development must occur. The EUB requires Sherritt to apply for a Mine Permit that is large enough to provide reasonable certainty to the community that no additional lands are likely to be required to meet project needs in the future

while keeping it as small as possible to avoid unnecessary impacts on the community.

You may notice that the area covered by the proposed Mine Permit is somewhat smaller than the Mine Study Area described in January's Preliminary Disclosure Document. However, there is an area in the southeastern corner where a small extension has been added to ensure an appropriate distance between the boundaries of the draft Mine Plan and the proposed boundary of the Mine Permit. We have also expanded our environmental studies to include this additional area.

Site Tours

Approximately 60 community members joined us for a tour of the Paintearth mine on August 7. The tour gave those of you who were able to attend an opportunity to view first hand the various stages of soil removal and storage, pit development, actual mining and reclamation associated with a large prairie surface coal mine.

On September 27 a tour of the project study area and the Paintearth mine was held for approximately 20 representatives from various government agencies including the Alberta Energy and Utilities Board, Alberta Environment, Alberta Tourism, Parks, Recreation and Culture, Canadian Environmental Assessment Agency, Transport Canada, and the Canadian Department of Fisheries and Oceans. The tour gave the government representatives a chance to familiarize themselves with the project study area and to see the various stages of a coal mining operation.

We would like to thank everyone who attended and provided their feedback. We believe from the comments we received that these mine tours are very useful in helping those who attend to appreciate the mining activities associated with the proposed development. We do not plan to organize further mine tours this year, however if there is still an interest expressed in the tours we will continue them in the summer of 2008.

Project Status

Significant progress continues to be made on the design of the proposed gasification complex and the interrelated or interconnected facilities. The objective of these efforts is to identify opportunities for optimizing the operational, economic and environmental performance of the overall gasification complex.

Discussions are also ongoing with third-parties regarding potential participation in the project either as a provider of the various services and infrastructure that will be required by the project, or as a customer for the hydrogen and carbon dioxide (CO₂) that will be produced at the site.

We will further discuss our progress on these matters and the overall project status at the open houses scheduled in December.

Environmental Field Studies

In August and September, the majority of the various environmental field studies were completed and only groundwater field surveys are ongoing into the fall. Field studies conducted to date include the aquatics fall sampling program from area streams and ponds, as well as soil, historical and vegetation surveys. In October, we will be removing some stream-monitoring equipment and, again, will provide landowners with advance notice if we require access to private lands.

We Need Your Assistance

It is very important to us that everyone who lives in the project study area has the opportunity to learn about the project and to provide us with their input.

We are particularly concerned that renters may not have had the same access to information as landowners. If you are aware of any residents in the project study area who may not have been contacted, we would like to hear from you. Please call Nola Bietz at **1-888-686-8391** (toll free) and leave a message with your contact information. Also, please feel free to pass on this information directly to your neighbours, renters, etc. and have them contact us directly.

Contact Us

At Sherritt, we are committed to working with you and listening to what you have to say. If at any time you have any questions or feedback, please do not hesitate to contact me:

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