



Dodds-Roundhill Coal Gasification Project Community Newsletter June – July 2007

This newsletter is the fourth in this series that covers our recent activities during June and July 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 about the progress we are making.

Stakeholder Consultation

In June and July, we met regularly with members of the Round Hill-Dodds Agricultural Protective Association (RH-DAPA) to work on the land acquisition principles and negotiating guidelines. We also sought their advice and input into a proposed water replacement policy and procedures and the community funding guidelines. We are very appreciative of the open and frank exchange of information that takes place with this group and we are confident that through this dialogue, the community's concerns and needs are being well represented and communicated to Sherritt.

Pat Garvin and myself, Kevin Drinkwater, have also spent time meeting with the community at local restaurants in Round Hill, Tofield and Ryley in July and will continue to do so in August. We are available to share a coffee, discuss the project and answer your questions. We have been very pleased already with the number of people who have been able to take the time to meet with us. These discussions have been extremely helpful in understanding local perspectives on the project. During August we will be at the following restaurants between 2:00 pm and 4:00 pm:

- Tuesday, August 7 – Noreen's Place in Round Hill
- Monday, August 13 – Tilley's Restaurant in Tofield
- Monday, August 20 – Sonia's Café at Dalson Services in Ryley
- Monday, August 27 – Tilley's Restaurant in Tofield

Water Replacement Policy and Procedures

A draft copy of our proposed water supply replacement policy and procedures is enclosed. This document sets out the approach and procedures that will be followed in responding to cases where a water supply is negatively affected by the project. We will continue to work with RH-DAPA to gain additional comments on the proposed policy over the coming weeks. Please feel free to send us any questions you may have either directly to us or through RH-DAPA.

Site Tours

On June 19, the RH-DAPA joined us on a tour of the Paintearth mine. The weather cooperated and we had a good turnout. The people on the tour were able to see first-hand the mining operation as well as the various stages of reclamation. On July 19, the Beaver County, Tofield and Ryley councilors also joined us on a tour of the mine. If you are interested in a mine tour to better understand the nature of the mining operations and the associated reclamation programs, we would be pleased to coordinate such tours. Please call Nola Bietz at **1-888-686-8391** (toll free) to make arrangements.

Project Status

The feasibility engineering study was completed on schedule at the end of May. The results of the study are currently being reviewed and any areas that may require further study or optimization are being identified. The next, more detailed phase of engineering, front end engineering design (FEED), is scheduled to begin in September. Work has also begun on logistics planning related to construction of the project. A worker accommodation strategy and plans to deal with material and personnel transportation issues will be developed as part of this work.

As mentioned in a previous newsletter, Sherritt is in discussions with a third-party power company that is considering building a power plant on-site that would be capable of operating using syngas and other sources of fuel available from the gasification process, as well as conventional natural gas. The power plant facility would be highly integrated into the other industrial processes at the site.

The details regarding the design of the power plant, and the amount of surplus power that may be available for sale to the Power Pool of Alberta, are still under review. However, the overall size of the site is not expected to increase as a result of the power plant.

Land Access

We have now completed the landowner meetings and requests for land access permission in the mine study area. We have attempted to reach all landowners in the mine study area, however there are some that we were unable to reach. If you are in the mine study area and have not been contacted to discuss the project, we would ask you to call Nola Bietz at **1-888-686-8391** (toll free).

Socio-Economic Study

Nichols Applied Management has been retained to assess the potential social impacts associated with development of the proposed project. As part of the environmental impact assessment, the socio-economic impact assessment (SEIA) will assess the potential local and regional impacts the project may have on population, housing and

accommodation, education services, health services, family and community services, protection services, transportation and municipal infrastructure.

Vegetation Assessment – Community Assistance

Geographic Dynamics Corp. has been retained to identify and catalogue vegetation in the region and is seeking the community's assistance. If you have information on the locations of rare plants or unique and rare ecosystems in the mine study area, please contact John Beckingham at 780-436-1217, or e-mail at jbeckingham@gdc-online.com.

Environmental Field Studies

A brief summary of recent and planned activities for the summer is presented below.

Groundwater: The monitoring wells were purged and sampled in July. Water quality samples will also be collected from additional water wells both inside and outside the study area.

Wildlife: Bat surveys were completed in July.

Hydrology: The morphology (shape) of various stream channels was surveyed at two locations in July.

Aquatics: Data gathering on summer water quality and biological sampling from area streams and ponds was completed in July. Fall sampling will commence in September.

Soils: Field surveys within the study area will be completed in early August.

Historical: Field studies within the study area will be completed in late August.

Vegetation: Rare plant surveys will be completed in August.

Geological and Geotechnical Drilling: The geological and geotechnical drilling programs will resume in the fall after the crops have been harvested.

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, please do not hesitate to contact me:

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