

January 20, 2016

W.L. (Bill) McElhanney

Ackroyd LLP Barristers & Solicitors

**CCA APPLICATIONS No. 1819004, 1819010, and 1819012
EPEA APPLICATION NO. 002-301345
WA APPLICATIONS No. 002-00311965 and 002-00311969
from COALSPUR MINES (OPERATIONS) LTD.**

STATEMENT OF CONCERN NO. 30013

Dear Bill McElhanney:

You are receiving this letter because you filed a statement of concern on behalf of Gunn Métis Local 55 about Coal Conservation Act Applications No. 1819004, 1819010, and 1819012, Environmental Protection and Enhancement Act Application No. 002-301345, and Water Act Applications No. 002-00311965 and 002-00311969. The Alberta Energy Regulator (AER) has reviewed your statement of concern, along with the application, the applicable requirements, and other submissions or information about the application and has decided that a hearing is not required under an enactment or otherwise necessary to consider the concerns outlined in your statement of concern.

In its review of Gunn Métis Local 55's concerns, the AER considered the following:

- Concerns regarding adequacy of Crown consultation are outside the jurisdiction of the AER.
- The concerns raised by Gunn Métis Local 55 in the SOC dated October 16, 2015 are related to the original approvals and do not address the amendments. The original Project was the subject of a hearing in which the AER considered environmental impacts including the loss of some landscape features and wildlife habitat as has been raised in your SOC.

The AER is satisfied that the concerns you raised in a supplemental letter dated October 28, 2015 that are specific to the amendments are addressed:

- the use of trucks and excavators, instead of draglines, will result in a 25% reduction in land disturbance, as well as reducing the overall number of hours trucks are in use;
 - increased coal production will not increase the footprint of the mine or have a negative impact on the environment;
 - increased train traffic amounts to an additional 1.3 trains per week, and when taken in context of 30-40 trains using the track daily, the AER considers this impact to be minimal;
 - the construction of two silos will be within the approved plan and with the installation of exhaust scrubbing equipment will not significantly increase the particulates;
 - access road re-alignment changes are minor and will not contribute to any impact to the environment, and is expected to increase the safety to road users;
 - the overall changes will result in a decrease in emissions and particulates; and
 - the AER considers Coalspur's participant engagement to be satisfactory.
- The overall effect of the amendment reduces the impact of the Project on the environment. The overall footprint of the Project will be reduced by:
 - the elimination of the fines settling pond;
 - the reduction of waste rock disposal out-of-pit;
 - the reduction in final end pit lake area with improved littoral zones and future opportunity for aesthetic and/or fisheries objectives;
 - the reduction of annual water usage, and total area of water storage; and
 - the total waste rock moved would be reduced
 - The licence footprint will be reduced from 2698 hectares to 1957 hectares.

inquiries 1-855-297-8311
24-hour
emergency 1-800-222-6514

Based on the foregoing, and especially that the effect of the amendment applications are to reduce the impact of the approved Project, the AER is satisfied that Gunn Métis Local 55 is not directly or adversely affected.

The AER has issued the applied-for approval, permit, and licences and this is your notice of that decision. A copy of the approval, permit, and licences are attached. Under the *Responsible Energy Development Act* an eligible person may file a request for a regulatory appeal on an appealable decision. Eligible persons and appealable decisions are defined in section 36 of the *Responsible Energy Development Act* and section 3.1 of the *Responsible Energy Development Act General Regulation*. If you wish to file a request for regulatory appeal, you must submit your request in the form and manner and within the timeframe required by the AER. You can find filing requirements and forms on the AER website www.aer.ca under Applications & Notices: Appeals.

If you have any questions, contact Rod Godwaldt.

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Sincerely,

<original signed by>

Richard Chabaylo, M.Sc.

Director, Mining Authorizations

Enclosure (8): Coal Processing Plant Approval C 2011-3B, Coal Mine Permit C 2011-5B,
and Coal Mine Licences C 2014-4A, C 2014-5A, and C 2014-7A, EPEA Approval
301345-01-01, WA Approval 00311969-00-01, and WA Licence No. 00311965-00-01.

cc: Ryan O'Regan, Coalspur Mines (Operations) Ltd.
Authorizations Branch Support
AER Aboriginal Relations
Aboriginal Consultation Office