

Via Email

April 30, 2021

Horn Ridge Resources Ltd. (formerly Altitude Resources Inc.)

Calgary Head Office
Suite 1000, 250 – 5 Street SW
Calgary, Alberta T2P 0R4
Canada

www.aer.ca

Attention: Douglas Porter

**RE: Reconsideration and Suspension under Section 42 of the *Responsible Energy Development Act*
Palisades Project: Coal Exploration Program CEP170002**

Dear Sir:

The Alberta Energy Regulator (AER) has received the following direction from the Minister of Energy, Ministerial Order 093/2021, Coal Exploration Direction, dated April 23, 2021, pursuant to section 67 of the *Responsible Energy Development Act* (the REDA):

1. To take steps to suspend or pause all approvals (as defined by REDA) for coal exploration, on Category 2 lands, until December 31, 2021, or such other date as the Minister of Energy may specify in writing to the AER.

The AER has issued to Altitude Resources Inc. coal exploration program CEP 170002 on coal Category 2 lands. CEP 170002 permits activities which relate to coal exploration.

The AER has the authority to reconsider its decisions pursuant to section 42 of the REDA. That section states:

The Regulator may, in its sole discretion, reconsider a decision made by it and may confirm, vary, suspend or revoke the decision.

The AER will only exercise its discretion to reconsider under the most extraordinary circumstances where it is satisfied that there are exceptional and compelling grounds to do so. The AER has determined there are extraordinary circumstances present. Subsection 67(2) of the REDA provides that the AER shall, within the time period set out in a ministerial order, comply with the directions given under this section.

Given the circumstances as outlined above, the AER considers that there exist exceptional and compelling grounds, and the AER has decided to conduct a reconsideration of the CEP 170002, without a hearing.

Decision on Reconsideration

Having reviewed and considered the ministerial direction, the AER is satisfied that it is clearly within the scope of subsections 67(1) (a) and (b) of the REDA. The pausing or suspension of all approvals for coal

exploration on Category 2 lands is a clear priority of the Government of Alberta which the AER has been directed to follow in the carrying out of its powers, duties and functions in this area of its jurisdiction. The direction is also aimed at ensuring the AER's coal exploration work is consistent with the programs, policies and work of the Government of Alberta, namely the halting of exploration on Category 2 lands while the Government's public engagement process on coal exploration and development in Alberta is ongoing. Given that this is a valid exercise of the Minister's authority, the AER is required to comply with the direction as per subsection 67(2) of the REDA.

The AER has decided to suspend CEP 170002. Effective immediately, activity previously authorized pursuant to CEP 170002 is hereby suspended.

The suspension of CEP 170002 is effective immediately and the suspension will remain in place until December 31, 2021.

Horn Ridge Resources Ltd. (formerly Altitude Resources Inc.) remains responsible for maintaining the safety and security of all the sites and associated activities authorized by CEP 170002 during the suspension.

Sincerely,

<Original signed by>

Laurie Pushor
President and CEO

cc: Rushang Joshi, AER
Coal.mining@aer.ca
Coal.applications@aer.ca
AERSurfaceActivityApplication@aer.ca
TDL.Applications@aer.ca
EPEA.WA.Applications@aer.ca
exploration@aer.ca
AERAuth.mining@aer.ca