

**NOTICE OF APPLICATION
COAL VALLEY RESOURCES INC.
COAL VALLEY MINE**

**ENERGY RESOURCES CONSERVATION BOARD
APPLICATION NO. 1564181**

**ALBERTA ENVIRONMENT
ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT (EPEA) APPLICATION NO. 019-11066
EPEA RENEWAL APPLICATION NO. NO. 019-11066
WATER ACT APPLICATION NO. 00247827**

Take Notice that Coal Valley Resources Inc. (CVRI) has applied to the Energy Resources Conservation Board (ERCB/Board) for approval to amend its existing mine permit, including mine and dump licences and to Alberta Environment (AENV) for licence renewal and approval to construct, operate, and reclaim the Mercoal West and Yellowhead Tower mine. The proposed Mercoal West and Yellowhead Tower mine project would be located in Townships 48 and 49, Ranges 21, 22 and 23, West of the 5th Meridian, about 90 kilometres (km) south of Edson, within Yellowhead County. The existing mine subject to Environmental Protection and Enhancement Act (EPEA) renewal is located in Townships 46, 47 and 48, Ranges 19, 20, 21, and 22, West of the 5th Meridian. The proposed extension will provide additional coal reserves of about 16.9 million clean metric tonnes, allowing the Coal Valley Mine to continue its operation until 2015.

This Notice of Application is being distributed to advise interested persons that the applications are available and that the ERCB, AENV, and other government departments are now undertaking review of the applications.

Nature of the Application

In support of its proposal, CVRI has prepared and submitted the following applications:

- Application No. 1564181 to the ERCB, pursuant to Part 4, Section 13 of the Coal Conservation Act and Part 1, Sections 5 and 8 of the Coal Conservation Regulations, to amend the existing permit (Permit No. 2005-6) to extend the mine site operations, including mine and dump licences. In support of its proposal and as part of this application to the ERCB, CVRI has also submitted an environmental impact assessment (EIA) report to AENV. The EIA report forms part of the application to the ERCB.
- Application No. 019-11066 to AENV, pursuant to Part 2, Division 2, and Section 66 of the EPEA for an EPEA approval for the construction, operation, and reclamation of the Mercoal West and Yellowhead Tower mine. The proposed Mercoal West and Yellowhead Tower mine would require about 522 and 822 hectares (ha) of disturbance. Soil material would be conserved for reclamation. The disturbed areas would be reclaimed to primary production forest, wildlife habitat, and riparian features, including 15 water bodies, 14 being end-pit lakes/ponds and one wetland feature, with a total area of 63.4 ha.
- Application No. 019-11066 to AENV, pursuant to Part 2, Division 2 of EPEA, for a renewal of an existing approval for the continued operation and reclamation of the Coal Valley Coal Mine.
- Application No. 00247827 to AENV, pursuant to Sections 36 and 49 of the Water Act, for approval to construct works required for the construction, operation, and reclamation of the Mercoal West and Yellowhead Tower mine areas, including end-pit lakes, watercourse realignment, settling ponds, surface water management system, and pit dewatering sumps.

Further Take Notice that, pursuant to Section 73 of EPEA and Section 109 of the Water Act, any person who is directly affected by EPEA Application No. 019-11066, or the Water Act Application No. 00247827 may submit a written statement of concern to Alberta Environment

Director, Northern Region
AENV Regulatory Approvals Centre
9th Floor, 9820 – 106 Street
Edmonton, Alberta T5K 2J6
Telephone: 780-427-6311
Fax: 780-422-0154

To File a Statement of Concern

Statements of concern under EPEA and the Water Act must be submitted by Wednesday, July 16, 2008. Failure to file a statement of concern may affect the right to file a Notice of Objection (on appeal) with the Environmental Appeals Board. Please quote Application No. 019-11066 (EPEA) or Application No. 00247827 (Water Act) when submitting a statement of concern. If no statements of concern are received, the EPEA and Water Act applications may be approved without further notice.

Note

In accordance with Section 13 of the Energy Resources Conservation Board Rules of Practice and Section 35(1) of the Environmental Protection and Enhancement Act, all documents filed in respect of these applications must be placed on the public record.

Additional Information

To obtain additional information or a copy of the applications (CD version also available), contact Coal Valley Resources Inc.

Coal Valley Mine, Box 5000
Edson, Alberta T7E 1W1
Attention: Mr. Les Lafleur, P.Eng.
Engineering Manager
Telephone: 780-794-8176
Fax: 780-794-8150
E-mail: llafleur@coalvalley.com

Copies of the application are available for viewing at

- Alberta Environment Library, 6th Floor, Great West Life Building, 9920 - 108 Street, Edmonton, Alberta T5K 2M4; Telephone: 780-427-5870
- Hinton Municipal Library, 803 Switzer Drive, Hinton, Alberta T7V 1V1; Telephone: 780-865-2363
- Edson Public Library, 4726 – 8th Avenue, Edson, Alberta T7E 1S8; Telephone: 780-723-6691
- Yellowhead County Office, 2716 – 1st Avenue, Edson, Alberta T7E 1N9; Telephone: 780-723-4800
- Coal Valley Mine Site – Reception, about 90 kilometres south of Edson on Highway 40.
- Coal Valley Resources Inc., 1600 Oxford Tower, 10235 – 101 Street, Edmonton, Alberta T5J 3G1; Telephone: 780-420-5810.
- Sherritt Web site <http://www.sherritt.com>

A copy of the application and associated documents are also available for public viewing at

ERCB Information Services
Main Floor, 640 – 5 Avenue SW
Calgary, Alberta T2P 3G4
Telephone: 403-297-8190

Alberta Environment, Northern Region
111 Twin Atria Building
4999 - 98 Avenue
Edmonton, Alberta T6B 2X3
Telephone: 780-427-7617

For information about ERCB procedures, contact
ERCB Applications Branch, Resources Applications
Attention: Fares Haddad, M.Sc., P.Eng.
Telephone: 403-297-5366
Fax: 403-297-8122
E-mail: fares.haddad@ercb.ca

Issued at Calgary, Alberta, on June 9, 2008.

ENERGY RESOURCES CONSERVATION BOARD
Patricia Johnston, Q.C., General Counsel