

**Dodds Coal Mining Co. Ltd.
Proposed Coal Mine and Handling Facility
Public Disclosure Document
Section 9-49-17-W4M**

April 2005

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1.0 INTRODUCTION

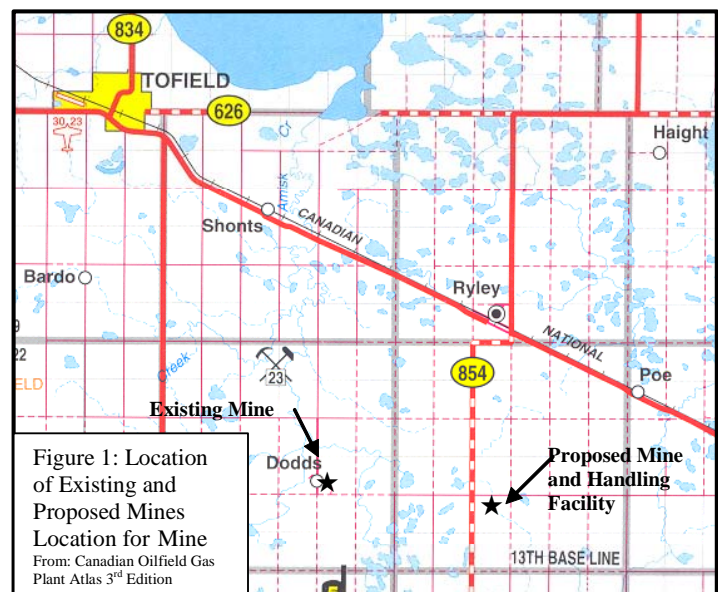
Dodds Coal Mining Co. Ltd. (Dodds) is a family owned and locally operated coal mining company that is proposing to develop additional coal reserves at Section 9, Township 49, Range 17, West of the 4th Meridian. They are also proposing to move their coal handling facility from its existing location at Section 14, Township 49, Range 18, West of the 4th Meridian to the new mine location. The current operations are located 6 km west of the proposed location. The proposed mine will be a small scale operation with an estimated annual production of 90,000 tonnes of domestic heating coal. Dodds currently produces 70,000 tonnes/year and provides service to approximately 3,000 customers spanning Western Canada including agricultural operations, greenhouses, residential and various other coal heating applications.

Dodds proposes to move the coal handling facility including equipment storage, coal storage, weigh scale and office facilities in mid 2006 and subsequently begin mining in mid 2007. Preliminary engineering work and environmental and socio-economic impact assessments are underway to evaluate the project and its effects. As part of this process, the stakeholders in the area are being asked for their input.

2.0 LOCATION AND FACILITIES

The proposed coal mine is located at 9-49-17-W4M approximately 7 km south of Ryley, Alberta in Beaver County. The existing mine is located at 14-49-18-W4M approximately 6 km west of the proposed mine location. Figure 1 shows the existing and proposed mine locations. The proposed project is located adjacent to Secondary Highway (SH) 854.

The proposed mine permit boundary is all of Section 9 which encompasses approximately 260 hectares as shown in Figure 2. The proposed mining area for the first ten years is shown on Figure 2. The proposed location of the handling facility is in the north-west quarter of Section 9 as shown in Figure 3.





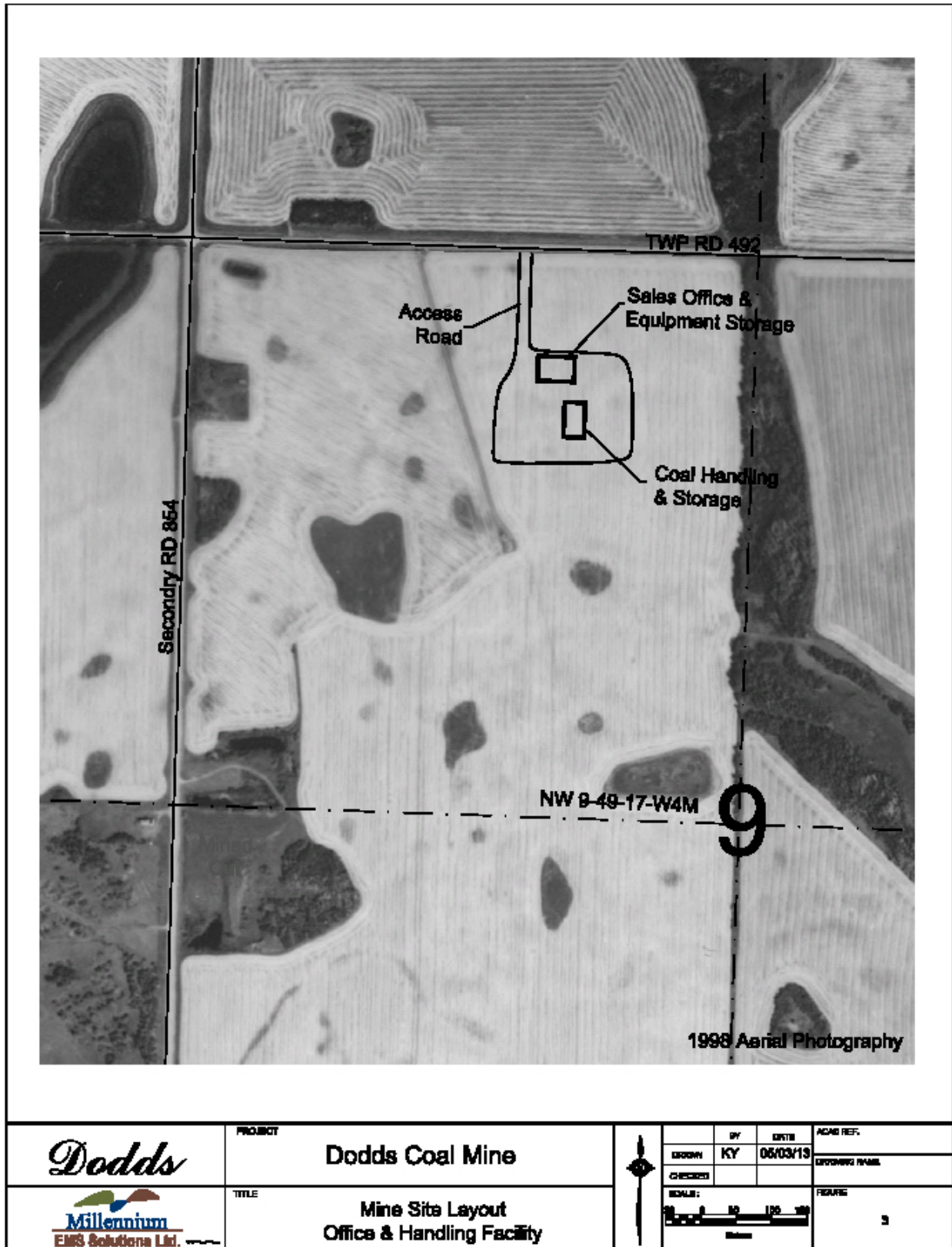
Dodds

Millennium
EMS Solutions Ltd.

PROJECT	Dodds Coal Mine
TITLE	Aerial Photo Sec 9-49-17-W4M



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	PROJECT Dodds Coal Mine		BY KY 05/03/13	ACAD REF.
	TITLE Mine Site Layout Office & Handling Facility		CHECKED	DRAWING NAME
		SCALE: 	FIGURE 3	

3.0 LAND USE AND ZONING

The zoning in location of the proposed mine and handling facility is agricultural and is surrounded by properties that sustain mixed farming. The freehold mineral rights for the section are held by Luscar Ltd. (Luscar) and an agreement between Luscar and Dodds has been negotiated. Dodds has the surface rights to the west half of Section 9, Township 49 Range 17, West of the 4th Meridian.

4.0 REGULATORY APPROACH AND PROJECT SCHEDULE

Subject to the results of its investigations and evaluations, Dodds plans to submit applications to the Alberta Energy and Utilities Board and Alberta Environment for the proposed project in the fourth quarter of 2005. At the same time, the Environmental Impact Assessment (EIA) report would be submitted to Alberta Environment. The application will include the appropriate *Environmental Protection and Enhancement Act* (EPEA) and *Water Act* applications for approval as well. If a decision to proceed is made, and if appropriate regulatory approvals are in place, site preparation work would begin in mid 2006 with mining commencing in mid 2007. Subject to approval, the project schedule would be as follows:

- Public consultation commencing in March, 2005
- Environmental Impact Assessment – March – October 2005
- Submission of application – November, 2005
- Construction of Handling Facility – Mid, 2006
- Commence mining activities – Mid, 2007
- Completion of mining – 2047
- Progressive reclamation activities – starting in 2013

5.0 PROJECT DESCRIPTION

5.1 MINING HISTORY IN AREA

The Dodds/Ryley area has been mined for almost 90 years. Dodds coal mine has operated in its present location for over 80 years with the current owners and family having operated the mine for the past 50 years. Black Nugget Coal Ltd. (#1107) operated from 1923 to 1966 directly south of the existing Dodds coal mine. The Ryley Mine (#1624) operated a small underground and surface mine on the proposed developments site from 1947-1965. West of the aforementioned mine, another underground and surface mine was operated by Ryley Mine (#1206) from 1925-1962.

5.2 GEOLOGY

The coal reserves have been extensively investigated by Luscar and reserves are close to the surface. The coal seam thickness ranges from 0.35 m to 3 m and is approximately 3.5 m to 9.5 m below surface. The coal is sub-bituminous with a sulphur content of less than 0.5 %. It is estimated that the 260 hectares contains 5 million tonnes of provable and probable coal reserves. The coal reserves are expected to last for approximately 40 years.

5.3 COAL MINING OPERATIONS

The coal reserves near the proposed location are most efficiently and economically recovered using surface mining techniques. The mine will be operated seasonally and during the day from mid-September to mid-April, and infrequently during the summer months to satisfy special orders. The proposed project will consist of an active mining area of approximately 5 hectares annually with an estimated reclamation cycle of 6 years. The proposed surface mine would be developed using a mobile heavy equipment fleet consisting of scrapers, excavators, loaders and coal hauling trucks. The mining process is outlined as follows:

- remove topsoil and subsoil separately and stockpile or use for reclamation in other areas,
- remove overburden and place it adjacent to cut to expose coal seam,
- excavate coal from the cut and haul to coal handling facility,
- re-contour the overburden, allow for settling, and replace subsoil material,
- replace salvaged topsoil over the subsoil, and
- re-vegetate the land and return to agricultural production.

5.4 COAL HANDLING FACILITY OPERATIONS

The proposed coal handling facility will consist of a sales and administration office, weigh scale, a equipment storage/maintenance building, and coal handling/storage building. The hours of operation will be Monday – Friday 9:00 a.m. - 4:30 p.m. and Saturdays 9:00 a.m. - 12:00 p.m. These hours would be in effect from mid September to mid April and summer loading would be by appointment only.

The power infrastructure requirements will consist of a combination of single phase power from the grid and three phase power from a diesel fired generator.

Coal haul trucks will deliver coal from the pit mining area to the coal handling facility. The trucks will carry a maximum payload of 80 tonnes. The coal will be dumped into a hopper which will meter the coal. The coal will be placed on a shaker screen and crusher for proper sizing. The handling facility will size and store the coal in the following products: stove/lump coal, nut coal, stoker coal, and slack coal. The storage capacity for each product will be approximately 200 tonnes. These products will then be loaded onto customer trucks and weighed at the scale.

6.0 ENVIRONMENTAL MANAGEMENT AND COMMUNITY BENEFITS

6.1 STUDIES RELATED TO WATER AND WATER QUALITY

Studies related to water will focus on surface water hydrology, and groundwater. The handling facility will not require water for its operations; water use will be limited to domestic requirements of the office.

Surface water runoff that accumulates in the mining areas or handling facility will be collected and tested before release to the environment. The hydrology and surface water runoff patterns will be assessed and surface water will be released to model pre-disturbance conditions. Review of the aerial photo indicates an intermittent watercourse through the north portion of

section 9. A qualified aquatic environmental specialist will determine the connectivity of this stream to other water bodies in the area.

The project will mine dry coal only and areas where water is present in the coal will be avoided. Shallow groundwater that is intercepted by the mining activities may result in local areas of groundwater drawdown. A water well study is underway to determine the use of groundwater in the area and predict any potential impacts. This information will be provided directly to the affected residents.

6.2 TERRESTRIAL

Studies related to the terrestrial environment will focus on vegetation, wildlife and soils.

The project area is located in the Central Parkland Eco-Region (AENV 1998). The majority of the project area is cultivated with isolated patches of deciduous treed communities. Vegetation disturbed by the proposed project will be re-established under a reclamation plan focused on returning the land to equivalent agricultural capability.

Wildlife is expected to use the treed areas in the proposed project area for cover and habitat. A wildlife biologist has been retained to establish existing wildlife usage in the area. Incorporating wildlife habitat into the reclaimed landscape is an important consideration for Dodds.

The soil and topsoil will be mapped to allow the best quality soils to be salvaged prior to mining for use in the reclamation program. Salvaging and stockpiling quality topsoil is an essential component of a successful reclamation program. The post-mining topography will be integrated into the surrounding landscape.

6.3 NOISE AND AIR QUALITY

The potential effects of operations on noise and air quality as it relates to residents near the proposed coal mine can be mitigated with distance, buffers and operating techniques. The possible impacts of Dodds operations will be studied to determine specific mitigation plans.

The main source of air contaminants will be dust from the haul trucks traveling to the coal handling facility. This is easily mitigated by ensuring that the haul road is watered. Road dust tends to consist of coarse material that settles out of the air quickly. Dodds will provide the results of any noise and air quality studies to the community when available.

6.4 COMMUNITY BENEFITS

The capital cost of the proposed project is approximately \$2 million. The project will ensure continued employment for Dodds thirteen employees as well as create local employment during the construction phase. The development of the proposed project will ensure a long term supply of domestic heating coal to present and future customers. Dodds will continue to support local businesses such as fuel dealership, part stores, and subcontractors. Dodds has supported community activities such as curling, swimming, 4-H, baseball, and medical and educational institutions in the past and intends to continue with their support.

7.0 PUBLIC CONSULTATION

Effective public consultation is an integral part of the proposed project. Dodds recognizes the importance of keeping the local community and other stakeholders informed about the project. Dodds will seek feedback from the local community and stakeholders to ensure that all pertinent environmental and social information has been identified and considered. This feedback will be used in the development of mitigation plans for any potential impacts that are identified.

Dodds is committed to conducting all activities associated with the proposed project in an environmentally and socially responsible manner. The public consultation program will focus on the local area and those who reside, use, or have a specific interest in the proposed project area.

7.1 METHODS OF PUBLIC CONSULTATION

Dodds proposes to use consultation methods based on previous requests from local community and key stakeholders. Based on previous consultation with the community the following methods of consultation are preferred:

- Direct contact with Dodds staff (focus on local area);
- Open house meetings, and information sessions (local and regional); and
- Direct mailing of information (regional area).

These activities will be augmented through the use of project information updates, direct mail, staff contact, telephone, facsimile, e-mail communication, personal correspondence, and field tours.

7.2 STATUS OF PUBLIC CONSULTATION PROCESS

Dodds Coal Mining Co. Ltd. has met with local residents to discuss the proposed project. The current operators of have been operating in this area for 50 years and are familiar with the community issues related to coal mining and are knowledgeable of resident's concerns.

8.0 CONTACT INFORMATION

For further information about the Dodds Coal Mining Project, please contact:

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9.0 REFERENCES

Alberta Environment. 1998. Natural Regions and Subregions of Alberta (Map).