

Piikani Nation Administration

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June 11, 2021

Oki Piikani Nation Members,

To the People of Piikani Nation, Piikani Nation Chief and Council have been working behind the scenes to develop a comprehensive frequently asked question document related to the Grassy Mountain Steelmaking Coal Project and Piikani Nation's continued support for it.

Below you will find a robust and comprehensive document that begins to answer many of the questions the People of Piikani Nation have been asking about this project. Included are answers related to the environment, the consultation process, and the benefits of the project that Piikani Nation will receive.

Over the next several months, Piikani Nation Council and staff will continue to provide more information related to the Grassy Mountain Steelmaking Coal Project. We will release more detail related to the significant work that is going on to ensure maximum value is created for Piikani Nation and its people, and to provide the People of Piikani Nation with a better understanding of the efforts Piikani Nation has undertaken to ensure this project minimizes its impacts to the environment.

Thank you,

A handwritten signature in blue ink, appearing to read 'Clayton Cunningham', is written over the typed name.

Clayton Cunningham

COO

Piikani Nation Administration

Project Information

How large is the mine area?

The Grassy Mountain Coal Project will be operated on the land of a legacy surface (or open-pit) mine that was abandoned in the early 1960s. The total project footprint will be approximately 1500 hectares, an estimated 25% of which is area that has been previously disturbed by legacy mining.

What is the lifespan of the Grassy Mountain project?

Approximately 25 years.

Timelines:

What stage is mine development in?

The permitting phase. The Alberta Energy Regulator (AER) issued a Notice of Application (NOA) on October 31, 2017. The project is currently under review by a Joint Review Panel which completed a public hearing in December 2020. Currently, the Joint Review Panel is completing their report on the Grassy Mountain Coal Project, which is scheduled to be released at the beginning of summer 2021.

When is construction anticipated to begin?

Construction is expected to take 21 months and will begin when the permitting phase is complete and Riversdale has received the necessary approvals.

When will production start?

Start of production is completely dependent on when a Project regulatory decision has been made. For more information on the regulatory process visit canada.ca and search Grassy Mountain Coal Project.

Is the Project site already disturbed?

Yes, the Project site is the location of historic mining operations, that were abandoned in the 1960's and were never reclaimed.

What kind of coal is the Grassy Mountain Coal Project producing? I have heard that Canada is phasing out coal.

The Grassy Mountain Coal Project is a metallurgical coal project; the coal mined from this Project will be used to create steel. Thermal coal is being phased out in Canada, and is used in power generating plants. Grassy Mountain will NOT produce thermal coal, only metallurgical coal.

Project Benefits

Employment:

How many jobs will be created?

Riversdale expects approximately 500 jobs to be created during construction and 385 full-time site positions when the mine is in full production.

How can Piikani Nation members apply for a job?

Riversdale Resources has made significant commitments to Piikani Nation on making employment opportunities available. All job postings related to the Grassy Mountain Project will be posted and shared through Piikani departmental websites, messaging boards, and social media, with preference being given to qualified Piikani Nation members. Details on how to apply for a job will be included in all job postings.

Riversdale has already supported significant employment and training opportunities for Piikani Nation. Riversdale and Piikani Nation have been working collaboratively to prepare Piikani Nation members for future employment opportunities related to construction of the Project and operations. In fact, Piikani Nation members have already benefited from employment through Riversdale activities. Some of the employment and training activities include:

- Riversdale supporting and funding security services training programs

- Riversdale supporting and funding essential skills training programs
- Riversdale hiring Piikani Nation members for security of the Project site in November 2020
- Piikani Nation being awarded a 6-month security contract in May 2021, providing employment opportunities for Piikani Nation members who are interested in a career in security services

Business Opportunities:

Does Piikani Nation have any businesses that will support the construction and operations of the Grassy Mountain Project?

Piikani Nation, through Piikani Resources Development Ltd., is working directly with Riversdale Resources to identify contracting opportunities that Piikani Nation-owned businesses have the capacity to support. Piikani Nation has hired a Special Projects Coordinator to support developing new relationships with existing goods and services providers and build up Piikani Nation's capacity to be awarded contracts for the Grassy Mountain Coal Project and other projects within the region.

Piikani Nation negotiated an Impact Benefit Agreement with Riversdale, which includes clauses that support Piikani Nation's businesses and partnerships participating in the construction and operations of the Project. Piikani Nation will be provided advance notice of all contracts being tendered by Riversdale, and will work

Project Benefits

collaboratively with Riversdale to support Piikani's participation in areas of work that make financial sense to do so.

To date, Piikani Nation has worked hard with Riversdale on leveraging the following existing capacities:

- Exploring using Piikani Sand and Gravel to support aggregate needs of the Project.
- Selling Riversdale retail power to their offices and exploring a Power Purchase Agreement to supply power to their Project infrastructure.
- Establishing a security services joint-venture with Primco-Dene, which has been awarded a contract to provide security services to the Project site.
- Ongoing efforts to explore and develop new business ventures to support the Project.

More information on business partnerships and any contracts that are awarded will be shared when reasonable to do so.

How can Piikani Nation be sure that Riversdale's contractors and sub-contractors will support Piikani Nation businesses and entrepreneurs in any of their goods/services requirements?

Riversdale Resources has committed to work collaboratively with Piikani Nation in the development of an Indigenous Inclusion Contracting Schedule that will apply to all contractors and subcontractors that are awarded work on the Project. This Contracting Schedule will include a requirement

that all goods/services requirements from any of Riversdale's contractors or their subcontractors will be sent to Piikani Nation.

Furthermore, Riversdale has implemented an Indigenous Business Registry, which will include all Piikani Nation businesses and all willing entrepreneur data, which will be shared with all of Riversdale's contractors and their subcontractors.

For any entrepreneurs that are interested in registering their businesses with Riversdale, please contact Daylu Grier at 403-632-5305.

What else is Piikani Nation doing to ensure Piikani Nation members benefit from this Project?

Piikani Nation has secured commitments from Riversdale to support the establishment and operations of several committees and working groups, whose mandate, among other things, is to review, support, and make decisions on economic opportunities, such as business and employment opportunities. Currently, the following mechanisms and supports are in place to ensure this Project maximizes the benefits to the people of Piikani Nation:

- A Joint Implementation Committee, established in 2018, consisting of members of both Piikani Nation and Riversdale Resources.
- Commercial Opportunities working group, consisting of members from Piikani Resources Development Ltd., Piikani Chief and Council, and Riversdale's senior procurement team.

Project Benefits

- Monthly Chief and Council meetings between Piikani's Chief and Council, and Riversdale's Executive team.
- Piikani Nation has hired a Special Projects Coordinator to establish partnerships with external companies, and to assess the feasibility of potential commercial opportunities.
- Employment, Training and Business Development Coordinator liaising directly with Piikani Nation members, entrepreneurs, and Piikani Nation Employment Services, exclusively supporting opportunities related to the Grassy Mountain Project.

What benefits have Piikani Nation received already?

Although the Project has yet to receive regulatory approval, or generate any revenue of any kind, Piikani Nation has secured extensive benefits thus far, which include:

- High School and post-secondary scholarship program funded by Riversdale
- Christmas food hamper program funded by Riversdale
- Security staff hired directly by Riversdale
- Security contract awarded to Piikani Nation's security joint venture partnership company
- Summer students hired by Riversdale
- Internships and apprenticeship opportunities provided to Piikani engineering students at Riversdale
- Training programs funded and supported by Riversdale to support Piikani Nation members' readiness to be employed by the Project
- Paving of the Piikani Travel Center road paid for by Riversdale

What benefits did Piikani Nation secure through the Impact Benefit Agreement?

Piikani Nation negotiated many benefits and clauses which are contained in the Impact Benefit Agreement, which was signed in 2016. These benefits include sharing some of the financial returns of the Project because of the impacts to lands to which Piikani Nation has Treaty and Traditional Land Use Rights.

Due to where the Project is in the regulatory process, and the interest in the Project by other Indigenous Groups, the specifics of the financial clauses of the Impact Benefit Agreement between Piikani Nation and Riversdale are confidential. More information will be shared with Piikani Nation members when we are able to do so.

Piikani Nation negotiated many benefits, which are included in the Impact Benefit Agreement, some of which have financial considerations, while others are more socio-economic in focus. The areas of these benefits include, but are not limited to:

- Scholarship and training funding
- Community investment funding
- Employment opportunities for Piikani Nation members
- Contracting opportunities for Piikani Nation businesses and entrepreneurs
- Funding for Environmental monitoring and oversight committees

Water

What will Riversdale do to manage surface water quality?

All water on the site will be captured in a series of ponds to be treated and tested before it is released into Blairmore Creek or Gold Creek. The majority of the water will be surface water or groundwater from the mine and will only require treatment to remove dirt. Water that is in contact with rock disposal areas or the coal handling and processing plant will need additional treatment to remove other contaminants. This water will be circulated through an engineered saturated backfill zone to remove selenium and nitrates. All water must meet water quality specifications before release into the environment.

I have heard that coal mines in other areas have had issues with selenium entering creeks and rivers. What is different about the Grassy Mountain Coal Project?

The Grassy Mountain Coal Project is the first metallurgical coal project that is being designed from the very beginning with selenium management as a fundamental design consideration. **Piikani Nation Chief and Council and consultation staff** have worked tirelessly to understand the causes behind selenium issues from other projects, and have reviewed in detail Riversdale's plans to manage and prevent selenium issues.

Riversdale plans to capture and treat all water that comes into contact with waste rock and that may contain selenium.

Furthermore, Piikani Nation requested that Riversdale limit the exposure of waste rock to water. As a result, Riversdale has improved its plans for managing waste rock, and has implemented progressive reclamation plans, all of which will ensure this project meets the environmental expectations of Piikani Nation and both provincial and federal regulators.

One of the core requirements from Piikani Nation has been progressively reclaiming the mine site (see sections below). Reclaiming the mine site as early as possible is a core selenium management component of the project.

What water monitoring programs will be put in place?

A groundwater monitoring program will be implemented to detect any impacts on shallow groundwater quantity and quality. Monitoring will focus primarily on areas in the vicinity of the waste rock disposal areas and ponds that store mine-affected water. In addition, the groundwater monitoring program will detect any impacts resulting from surface operations at the coal handling and processing plant and selected storage areas.

Riversdale will test water in all of its collection ponds before it is treated and after it is treated, prior to being released back to the environment. No water will be released back into the environment until it meets required environmental standards. Riversdale will be required by the regulators to monitor Blairmore and Gold Creek water quality over the life of the Project. Riversdale is required to share monitoring data with Piikani Nation.

Fish

What is Riversdale doing to understand fish and fish habitat?

Riversdale has contributed significantly to the prior understanding of Gold and Blairmore Creeks' fisheries as publicly available fisheries inventory and/or habitat assessment information is relatively limited.

Riversdale conducted fish habitat and inventory assessments from 2014 to 2017 to describe:

- the quality, composition, and distribution of fish habitat throughout the mainstem and tributaries of Gold Creek and Blairmore Creek;
- existing physical barriers to fish passage;
- fish presence, distribution and habitat use (including overwintering and spawning) within the creeks to characterize fish species composition, distribution and abundance;
- the form and function of the creeks, which included a land use change analysis to characterize recent and current conditions of the Blairmore Creek and Gold Creek watersheds to assess the impacts associated with the alteration of flow regimes; and
- the baseline hydrology to support the Instream Flow Assessment for the Project, which was designed to evaluate the potential for flow-related effects on Westslope Cutthroat Trout and their habitat.

How does Riversdale plan to protect fish and fish habitat?

Riversdale fully understands and recognizes the environmental significance of Blairmore and Gold creeks; subsequently all efforts were made to avoid impacts to watercourses, where possible. Key measures include:

- One of the primary methods that Riversdale has implemented to ensure the protection of fish and fish habitat is through the design of the mine plan itself. Based on the information gathered through the fisheries assessments, Riversdale designed the mine plan with an objective of minimizing or reducing direct overall impacts to fish and fish habitat. This was achieved by placing as much waste rock within the mined-out areas as possible, as well as locating the waste rock disposal areas to the north and south of the pit. This configuration allows Riversdale to minimize the amount of mine-affected water and effectively capture, collect and treat it before releasing it back to the environment.
- The fish monitoring programs have been developed based on regulatory requirements associated with the provincial and federal westslope cutthroat trout recovery plan/ strategy prepared by the Alberta Westslope Cutthroat Trout Recovery Team (2013) and Fisheries and Oceans Canada (DFO) (2014).
- Riversdale has committed to maintain a Riparian Buffer around Blairmore and Gold Creeks, which is leaving the trees and vegetation intact around the creeks, to prevent soil erosion, maintain water temperature, and provide nutrients to the creeks.

Wildlife

How will this project impact wildlife?

Similar to many development projects some wildlife habitat loss and changes in wildlife movement due to avoidance can be expected to occur, especially within the active mining area. However, through the Project's progressive reclamation and the implementation of extensive mitigation plans, it is expected that long-term Project effects on habitat availability, wildlife movement, mortality risk, wildlife abundance, and wildlife diversity will be effectively mitigated.

Riversdale is committed to fulfilling its responsibilities to mitigate Project effects throughout the construction, development and reclamation phase and collaboratively participating in any regional initiatives with Piikani Nation to minimize the effects of resource development on wildlife.

What is Riversdale doing to protect wildlife species at risk?

Riversdale will comply with the federal Species at Risk Act (SARA). To prevent or minimize Project effects on species at risk, Riversdale will continue to work with Environment Canada and Climate Change to develop species-specific mitigation and monitoring plans for species at risk known to occur in the wildlife local study area. These species include olive-sided flycatcher, common nighthawk, short-eared owl, and little brown myotis (bat). Critical habitat has not yet been identified for these species by Environment and Climate Change Canada; should this happen, mitigation plans will be updated to include critical habitat.

At the time of the application submission (2016), federal recovery strategies existed for three species at risk in the wildlife study area – olive-sided flycatcher, common nighthawk, and little brown myotis (bat). The short-term and long-term objectives outlined in these recovery strategies, and any future federal actions plans that may be developed from these proposed recovery strategies, will form the basis for Project mitigation and monitoring plans for these three species. A proposed federal management plan for short-eared owl was also released.

Riversdale has committed to working with Piikani Nation on species at risk oversight and management. Riversdale has committed to reviewing all wildlife management plans with Piikani, and has committed to working with Piikani to improve those plans.

Furthermore, Riversdale has committed to financially support a Piikani Nation monitoring program for the life of the Project, and has committed to financially supporting Piikani's involvement in an Indigenous-led environmental stewardship committee. The committee will review all monitoring data and provide recommendations on wildlife management plans and reclamation.

What monitoring will Riversdale have in place for wildlife?

The wildlife monitoring program will focus on the following:

- wildlife camera monitoring;
- monitoring breeding birds, raptors, waterbirds, bats, and amphibians following the provincial sensitive species inventory guidelines and recommendations from federal recovery strategies as reclamation progresses over the landscape;

Wildlife

- implement a wildlife sighting program for Project personnel and contractors;
- construction monitoring to ensure timing windows, setbacks, and other mitigation measures are followed;
- A Piikani-led monitoring program, that will be independent of Riversdale;
- monitoring wildlife use of Project-related linear features, crossings; and
- post-closure wildlife monitoring linked with the reclamation monitoring program.

How involved is Piikani in ensuring the Grassy Mountain Coal Project minimizes the impacts to wildlife?

Piikani Nation has been involved in the Grassy Mountain Coal Project since 2014. Piikani has conducted and completed Traditional Land Use studies to determine the baseline cultural resources within the Project area. Throughout the planning of the Project, Piikani Nation has contributed significantly to the construction, operations and monitoring plans, and will continue to do so throughout the life of the Project. Piikani's contributions thus far and into the future include:

- Requiring Riversdale to progressively reclaim the mine, or reclaim the land as soon as possible and not wait until the end of the mine's life to start reclamation (see reclamation FAQ section below).
- Requiring Riversdale to maintain wildlife corridors around the Project area and vegetation zones around Blairmore and Gold Creeks, to support fish habitat and wildlife movement around Project activities.
- Establishing a Piikani Nation community-based monitoring program, which will monitor the impacts of the mine on

- wildlife, and other culturally significant areas.
- Participating in an Indigenous-led Environmental Stewardship Committee, which will review environmental monitoring data and community-based monitoring data to provide Riversdale with recommendations on improving wildlife management plans and reclaiming the land in a way that supports Treaty Rights and Traditional Land Uses.

Air Quality

What air monitoring will be in place?

Air monitoring is already in place for sulfur dioxide, nitrous oxide, ozone and dust. Monitoring stations have been implemented at the plant site and in locations around the Municipality of Crownsnest Pass.

Future air monitoring plans will be finalized upon regulatory approvals and will be in place at least three months prior to construction.

The Alberta Energy Regulator will review Riversdale's monitoring plans prior to start of construction – this is expected to be a condition of the permit approval.

What about air quality on Piikani Reserve lands? Will the Grassy Mountain Coal Project impact air quality within Piikani's community?

The Grassy Mountain Coal Project has collected significant baseline data on the current air quality in the region, and has conducted extensive modelling to predict the impacts of the Project on air quality.

There are no predicted air quality impacts within Piikani's community. However, to ensure this is true, Piikani Nation has asked Riversdale to install an air quality monitoring station within Piikani Nation, to collect current baseline air quality data, and monitor any changes to air quality over the life of the mine. Riversdale has agreed to do this and will install an air quality monitoring station by the end of May 2021, pending Piikani providing an appropriate location for the monitoring station to stay for the life of the Project.

Did Riversdale consider the very strong winds that are present in the Crownsnest Pass?

Yes, Riversdale took winds into account in its air modelling. Winds play an important role in determining air quality. The wind data used in the air modeling includes Environment and Climate Change Canada data as well as site data collected by Riversdale.

What are the primary concerns to air quality with this Project?

The main air quality impacts are dust from vehicles driving on roads, moving and handling coal, and exhaust from vehicles.

How will Riversdale mitigate dust?

Riversdale is proposing a mine that incorporates the following modern mining practices for controlling dust:

- the coal processing plant will be contained within an enclosed area;
- product coal will be transported to the rail load-out via a covered conveyor;
- dust generation associated with transferring coal from the conveyor to the stockpile will be minimized by the use of luffing stackers (those that can lower and raise their boom) which will minimize the drop height and drop time of the coal; subsequently, minimizing dust generation;
- dust generation will be minimized at the rail load-out

Air Quality

- with full cladding on the sides of the load-out structure to create a wind shelter, a movable discharge chute of the bin located as close as practical to the coal within the rail cars, and tackifier (a type of varnish) sprayed onto the coal surface of the loaded rail cars
- water is systematically applied to haul roads and to the plant access road to minimize dust using a water truck dedicated to this purpose;
- escalating dust management strategy in place for periods of high winds;
- a base snow cover will be retained on the road as a mitigative measure during the winter months, unless the cover would compromise the safety of vehicle operations;
- gravel or crushed rock will be used on the haul roads. Gravel is observed to produce less dust than clay and sandy surfaces;
- use of a grader to maintain the active surface of the road. This procedure is expected to reduce the effective silt content of the portion of the road where the wheels of the haul trucks travel. The grader blade would tend to move the silt particles to the inactive portion (side) of the road;
- the mined areas will be progressively reclaimed and backfilled with overburden and soil from pre-strip areas and then covered by vegetation, which reduces windblown dust emissions from the barren land; and
- trees and bushes will be preserved around the mine and the coal processing plant, effectively trapping dust emissions from mining activities and reducing dust concentrations further from mining activities.

Reclamation

What is Riversdale doing to ensure the minesite will be satisfactorily reclaimed?

Progressive Reclamation plans have been developed by Riversdale in consultation with Piikani Nation.

Areas of Grassy Mountain are already pre-disturbed due to legacy mining activities.

Riversdale will perform progressive reclamation to increase wildlife habitat earlier and reduce the time needed for final reclamation at the end of mine life. This approach not only speeds up the reclamation but also allows the Project to benefit from experience and adapt as the reclamation proceeds to improve the final result.

Riversdale must post financial security with the Alberta Energy Regulatory (AER) under the Coal Conservation Act and the Mine Financial Security Program to guarantee performance of the reclamation plan.

When will reclamation begin at the mine site?

Progressive Reclamation will begin as soon as practical after mining activities are completed in areas where no additional mining, dumping, or stockpiling is required. Progressive reclamation will be optimized through the mine planning process to take advantage of all opportunities for reclamation. Riversdale's adaptive management approach will involve monitoring the reclamation, soils, revegetation and wildlife, to ensure the mitigation objectives have been achieved and, if necessary, develop modified mitigations according to changing conditions.

Reclamation plans have been reviewed by Piikani Nation throughout the consultation process and will be improved upon as Piikani Nation continues to engage and consult with Riversdale throughout the life of the Project.

What is Piikani Nation doing to ensure the Project area is reclaimed appropriately?

Piikani Nation has conducted Traditional Land Use studies and has collected baseline environmental and cultural data in and around the Project site. Piikani Nation has ensured that Riversdale is required to consult with Piikani Nation for the life of the Project and through post-Project closure.

Piikani Nation made it a requirement that Riversdale fund an Indigenous-led Environmental Stewardship Committee, which will last the life of the Project. This Committee will, among other things, review reclamation plans and provide input and recommendations to Riversdale that will ensure the Project is reclaimed as quickly as possible, and in a way that supports Treaty Rights and Traditional Land Uses.

Consultation

When did Piikani Nation begin consulting with Riversdale Resources on the Grassy Mountain Coal Project?

Piikani Nation began the consultation process on the Grassy Mountain Coal Project in 2014.

How thorough has the consultation process been between Piikani Nation and Riversdale?

In Alberta, consultation between resource development companies and First Nations is directed by the Alberta Consultation Office (ACO). The ACO directs proponents on which First Nations to consult with and how to consult with them. Part of the consultation process, for any size of project, is to record all meetings, phone calls, emails, letters, etc. - any communication at all between the proponent and the First Nation in a Record of Consultation log. The Record of Consultation log for the Grassy Mountain Coal Project between Piikani Nation and Riversdale is over 400 pages long. The Record of Consultation only includes communications between Riversdale and Piikani, not any communications within Piikani or between Piikani and its consultants.

Consultation between Piikani Nation and Riversdale lasted from 2014 to 2019 before Piikani Nation was comfortable providing a letter of support for the Project.

Consultation is not over; Piikani Nation continues to consult with Riversdale and will do so over the life of the Project. Riversdale has made this commitment officially to both Piikani Nation and the regulators.

I am not aware of any information sessions that were held within our Community related to the Grassy Mountain Coal Project. Did any occur?

Yes, many information sessions and consultation sessions were held and open to Piikani community members between 2015 and 2018. Some of these sessions included staff from Riversdale, while other sessions were only with Piikani Nation members, staff, Chief and Council, and Elders.

I did not attend any of the information sessions. Does that mean consultation was not sufficient?

No, just because you did not attend any of the information sessions does not mean consultation was not sufficient. If you could not attend any of the information sessions, you were free to request any information made available in these sessions from Piikani's Consultation department. And you are still free to do so.

Has Piikani Nation been working with the federal government to ensure this Project takes into consideration Piikani Nation's interests and concerns?

Piikani Nation has been working closely with the Canadian Environmental Assessment Agency (now the Impact Assessment Agency of Canada) since it was determined the Project fell under federal jurisdiction. Part of the regulatory process is for the federal government to ensure Piikani Nation is being meaningfully consulted on the Project, and that our concerns are captured and addressed throughout the regulatory process.

As the regulatory process moves to the federal government for a decision, Piikani Nation will continue to consult and engage with the Impact Assessment Agency of Canada on the Joint Review Panel's report, and ensure the federal government is aware of Piikani Nation's interests.