



DUVERNAY SAND PROJECT

What We Heard Report

Open House | December 10, 2019

About the Project

Athabasca Minerals Inc. (AMI) has been operating in Alberta for over 20 years. We are proposing to develop a sand mine and plant located in Athabasca County to support hydraulic fracturing operations in Alberta, Saskatchewan and British Columbia.

Currently 70 per cent of the sand used in Alberta is mined, processed and shipped from the United States. The related transportation cost is borne by consumers and there are no opportunities for local (Albertan) jobs. Finding a domestic source of frac sand is critical to reducing the total cost of fracking wells in Canada, potentially by as much as 10%.

We are committed to community engagement and have begun meeting with various stakeholder groups. The project is entirely on private land and many project decisions have not been made as AMI wants to ensure the community has opportunities to understand and provide input before those decisions are made.

There are more than 20 municipal, provincial, and federal Acts, Policies and Regulations governing aggregate extraction activities in Alberta. AMI is committed to meeting and exceeding baseline requirements.

The proposed design-life of the project is 25 years.

OPPORTUNITY

SAFETY

ENVIRONMENT

COMMUNITY

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What We Heard

As part of our commitment to community engagement, AMI hosted an information session December 10, 2019 at the Athabasca Agriplex to introduce the project. 182 people signed in

Below is an outline of the themes:

Water Sourcing and Treatment

- ◆ Better understanding of how much water is to be used and from what source?
- ◆ Any potential impacts to the Tawatinaw River Valley or Little Pine Creek?
- ◆ Potential impacts to residential wells or groundwater in general

Key learnings and what we are doing

- ◆ AMI has completed an assessment of water wells in the area, and is not planning on utilizing water wells for plant source water
- ◆ We are investigating all plant design options to minimize water use and maximize water recovery and recycling
- ◆ Water will be treated in accordance with applicable regulations
- ◆ AMI is reviewing all options, including sourcing water from the Athabasca River or moving the plant entirely
- ◆ The plant and operations water usage is regulated by Alberta Environment and Parks

Traffic

- ◆ Estimated traffic volumes
- ◆ Requests to clearly outline access roads
- ◆ Several residents indicated they have children who take the bus through intersections in the area and suggested there may be a need to make intersections wider and safer for buses and farm equipment

Key learnings and what we are doing

- ◆ Currently plans have traffic moving down Township Road 660 to Highway 827
- ◆ AMI is conducting a traffic study around the proposed site. This study will be provided to Alberta Transportation seeking their feedback to minimize impacts to peak volumes, seasonal traffic and school bus routes

Sample Comments from Open House

“Please continue to work with the Watershed Council”

~

“We understand the County could use the economic activity, but we have serious and valid concerns regarding traffic & remediation, water source/ supply & air quality”

~

“How will you engage the youth with prep training?”

~

“I am concerned about what this project will do to the property value of our homes. Concerned about the effects of this project on the quality of the excellent water we get from our well”

~

“Would appreciate full transparency throughout the process”

~

“Where is the water supply coming from?”

~

“Being an adjacent landowner who has lived in the area since 1972...we are greatly concerned about the air quality”

~

“Good for community”

~

“Will truck drivers be paid by the hour or the load? Will it affect the safety of the highway?”



Air Quality and Dust

- ◆ How will air quality be monitored?
- ◆ Are there fumes or particulates such as blowing sand?
- ◆ Questions about dust or impacts to residents with allergies/asthma
- ◆ Interest in knowing threshold limits for dust
- ◆ What are the long-term potential health impacts?

Key learnings and what we are doing

- ◆ The Environmental Enhancement and Protection Act regulations require baseline measurements and ongoing air quality monitoring during operations
- ◆ A key learning for AMI was residential concern about potential dust. The facility and operations will be designed to maintain dust levels below minimum standards
- ◆ AMI's design, best practices and ongoing air quality monitoring will mitigate adverse effects from operation of the facility

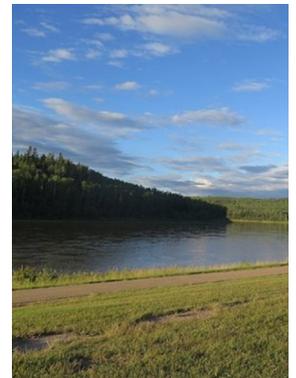


Noise Mitigation

- ◆ What noise levels will be reached?
- ◆ How will this be monitored?
- ◆ How will AMI mitigate noise impacts?

Key learnings and what we are doing

- ◆ AMI will conduct baseline noise modelling studies and minimize adverse effects
- ◆ Noise testing will be completed periodically during operation to verify compliance



Property Values

- ◆ Many stakeholders wanted to know the potential impacts to their property values

Key learnings and what we are doing

- ◆ Many things affect property values. Increased economic activity in the area is a positive effect. Other factors, such as industrial developments, or aggregate pits in the immediate area can have negative pressure on property values
- ◆ Once AMI decides the path forward for the project, more comprehensive engagement with area residence and stakeholders will take place
- ◆ AMI is committed to mitigating the impacts on neighbouring residences. As part of the mining plan, AMI will determine appropriate offsets to residences, and infrastructure



Jobs and Economic Impacts

- ◆ Acknowledgement that the project will bring positive economic activity to the area
- ◆ Desire for local jobs

Key learnings and what we are doing

- ◆ The operation will employ more than 40 full-time personnel and will require services from local contractors and suppliers
- ◆ The construction of the development will require 100+ personnel and will require services from local contractors and suppliers
- ◆ AMI is committed to hiring locally

Reclamation

- ◆ Several people expressed a desire to understand what is required for reclamation

Key learnings and what we are doing

- ◆ Reclamation requirements are outlined in the Code of Practice for Pits made under the Environmental Protection and Enhancement Act of Alberta. Pit Operators are required to reclaim sites to equivalent or better land use than prior to extraction. AMI is committed to meeting or exceeding this requirement through the development of a comprehensive mining and reclamation plan for the project

Community Engagement

- ◆ More community engagement is wanted with more detailed and specific information about the plans for the project

Key learnings and what we are doing

- ◆ We understand the need for more engagement with the community and stakeholders. We are committed to developing another information session in the spring or summer
- ◆ We are meeting with key stakeholder groups and project information is available on our web site www.amisilica.com

Next Steps

Q1 – 2020 Evaluation

- ◆ AMI is currently considering community feedback already received and evaluating all options, both in plant design and location, pit design and location, and options for water supply.

Q2 – 2020 Refined plan

- ◆ AMI will determine the options for plant design and location, as well as mine development.

Q2 – 2020 – share with the community and gain more feedback

- ◆ AMI will continue to engage community stakeholders.

