

July 28, 2025

Honourable Brian Jean
Minister of Energy and Minerals
Members of Executive Council, Executive Branch
324 Legislature Building
10800 - 97 Avenue
Edmonton, AB T5K 2B6

**RE: UNDERGROUND MINE 14, GRANDE CACHE, ALBERTA
ALBERTA REGULATORY PROCESS**

Dear Minister Jean,

Valory Resources Inc. ("**Valory**") is concerned and disappointed with Alberta's regulatory processes. Valory is the owner of Summit Coal, which holds a Mine Permit, Mine Licence and other regulatory approvals to operate Mine 14 near Grande Cache, Alberta. There is a growing consensus that if Canadians are going to maintain their standard of living, timely and responsible development of our natural resources is critical. Facilitating the responsible development of our natural resources requires that regulators efficiently and effectively address the concerns of local stakeholders, including Indigenous communities, and adopt reasonable and sensible positions on who has the standing to trigger, and participate in, expensive and time-consuming public hearings.

Summit Coal's Mine 14 Project (the "**Project**") has earned the support of the MD of Greenview, six (6) Indigenous communities, and every local resident and business that has expressed a view to the Alberta Energy Regulator ("**AER**"). Despite this, the AER is delaying jobs in Grande Cache and construction of Mine 14 by holding a public hearing only because of requests by two environmental advocacy organizations who forcefully advocate against development of Alberta's natural resources, the Alberta Wilderness Association ("**AWA**") and the Canadian Parks and Wilderness Society ("**CPAWS**"). This is something we expected from the previous federal government, and we are dismayed to see such a position taken by an Alberta regulator.

That two advocacy organizations can trigger a public hearing process against the express wishes of the MD of Greenview that the hearing be cancelled is astonishing. The elected representatives of the community have told the AER that every delay to Mine 14 hurts the local economy, which is already suffering. The views of the MD and the economic challenges facing Grande Cache were entirely ignored in the AER's decision to hold a hearing only because of the AWA and CPAWS. It is important to note that the Wilmore Wilderness Foundation, a local charity committed to preserving the legacy of Alberta's wild frontier is a supporter of the Project and was granted status as a limited participant (of the group of "local supporters"). The Wilmore Wilderness Foundation has written to the AER to encourage the Project approval. This group is headquartered in Grande Cache and has been working to preserve the cultural heritage, historic pack trails, campsites, gravesites, and trapline cabins of Alberta's Eastern Slopes while practicing traditional land use and responsible stewardship in the Grande Cache area for over 20 years.

The AER possesses the technical expertise to review and assess whether resource projects can be responsibly carried out in the public interest. The AER's predecessor conducted a thorough and expert review of Mine 14 and determined it to be in the public interest in 2009. Valory is now seeking from the AER amendments to allow for the already approved Mine 14 to proceed. AER technical staff have

carefully reviewed the Mine 14 Project Applications, issued supplemental information requests, and obtained further technical information from Summit Coal. AER staff also drafted approvals for the Project in 2024, before the AER unexpectedly issued a Notice of Hearing, without ever telling Summit Coal why Mine 14 was referred to a hearing.

Despite all this previous technical work conducted by the AER, including drafting approvals, the AER's Hearing Commissioners are now insisting on continuing with a hearing because they expect AWA and CPAWS to "provide information at the hearing that can assist us in reaching our decision." These environmental advocacy organizations have no expertise in metallurgical coal or underground mining and are biased against natural resource development. In fact, they vehemently oppose all coal mining in the province and have seemingly made it their mission to end all coal mining in Alberta. They have no connection with the local community. This is clear on AWA's website where they erroneously labeled a photograph of the CST Coal processing plant being on Caw Ridge, when Caw Ridge is over 20 km away and the processing plant is actually in the Smoky River valley.

The AER issues approvals every day without the benefit of "information" from AWA or CPAWS. We are at a loss to understand what assistance these groups offer in respect of Mine 14 and why the AER feels it requires assistance from these advocacy groups to finish its job. Especially since the local wilderness foundation and local Indigenous groups with decades of knowledge in the Grande Cache area support the project.

Also of significant concern is that the AER has refused to tell Valory if it will be responsible to pay the costs and legal fees for AWA and CPAWS to attend the hearing and support their advocacy against coal mine development in Alberta. The AER typically requires proponents to pay the hearing costs of those raising concerns at AER hearings. This makes sense when local landowners and impacted Indigenous groups participate in hearings and offer constructive solutions. However, Valory is not prepared to pay environmental advocacy groups to participate in an unnecessary hearing so that they can advance their anti-coal development agenda.

Valory has reached agreements with every Indigenous group that has expressed concerns with Mine 14. This includes the Indigenous groups that the Alberta Consultation Office (ACO) determined may be impacted by Mine 14, which Valory had been working with for many years. In addition, Valory reached agreements with 4 additional Indigenous groups. These groups were not recognized by the ACO as having any legal rights affected by Mine 14. The AER ignored the ACO's expert advice and very late in the regulatory process, in February of 2025, determined that these 4 Indigenous groups had a right to a public hearing. Despite the ACO's findings, Valory reached agreements with these groups on an expedited schedule. The refusal of the AER to recognize the role and expertise of the ACO creates significant legal uncertainty for proponents and is inconsistent with the intended regulatory framework in Alberta.

Mine 14 is fully supported by the MD of Greenview and the local community. In fact, the MD of Greenview, and residents and businesses in Grande Cache, have asked the AER to cancel the hearing and approve Mine 14. Despite this, the AER is forcing Mine 14 to go through an expensive and time-consuming hearing because of two environmental advocacy groups. We are not aware of any other jurisdiction where this would be permitted to happen.

Mine 14 represents a critical growth opportunity for Alberta. It will generate substantial employment, taxes, and royalties, while establishing a valuable export asset for our metallurgical coal, a critical

component in global steel production. Mine 14 is an underground steelmaking coal project, which is consistent with the Coal Industry Modernization Initiative that the province is developing. The Grande Cache community, heavily reliant on natural resource development including steelmaking coal, and local Indigenous communities stand to benefit significantly from the economic activity this Project will generate. The AER is unjustifiably putting all this at risk by ignoring the extensive support for the Project and instead prioritizing the interests of two organizations that are staunchly opposed to coal development and resource development in general.

CLOSURE

Every unnecessary permitting delay puts the Project at risk. A hearing diverts resources away from the local community and Indigenous groups. Valory will be required to incur significant and open-ended hearing costs, even though it has secured local community and Indigenous support for the Project. This is unacceptable and inconsistent with efficient and effective regulatory review.

Moreover, the continued regulatory delays mean construction delays, delays of jobs for local community members, benefits for local businesses, etc.

We are therefore considering all our options as they pertain to the future of Mine 14. We are available to meet with you at your convenience to discuss our concerns and frustrations.

Yours sincerely,

VALORY RESOURCES INC.



Brian MacDonald
President

CC: Duncan Au, Board Chair, AER
Rob Morgan, Chief Executive Officer, AER