



Fact Sheet

As a Canadian natural resources company committed to environmental responsibility, Sherritt is working diligently to understand the circumstances that contributed to the Obed Mountain Mine incident, in order to fully address the impacts and prevent future recurrence. Sherritt is also actively reaching out and responding to First Nations, communities along the river, government, industry and media, to ensure they are informed of what happened and the company's response efforts. Sherritt is currently assessing the impact of the incident, in full cooperation with the regulator, and developing short- and long-term plans for the recovery of sediment, sampling and monitoring, wildlife mitigation, remediation, and mine water management.

What happened?

Around 8 p.m. on October 31, 2013, a breach of a water pond occurred at the Obed Mountain Mine near Hinton, Alberta. The breach resulted in the release of approximately 670,000 cubic meters of water mixed with clay, mud, shale and coal particles. The water made its way into two creeks – Apetowun Creek and Plante Creek – that run for approximately 25 kilometres before entering the Athabasca River. Since then, the water and sediment have moved north and dispersed with the Athabasca River's flow.

What is process water?

The pond contains surface runoff water and water used to wash coal. Coal is washed to remove matter such as rock, mud and clay. Process water is composed of water, naturally occurring clay, mud, shale and coal particles.

Is there anything toxic in the water?

No. The process water contains naturally occurring suspended solids – mainly clay, soil and coal particles. Our analysis shows that metals found in the process water are naturally occurring in the soil and solid particles, which means they cannot dissolve in the water and will sink to the bottom. We are working with our experts to do further sampling to confirm this finding.

Are people in danger?

No. Process water is muddy, but not dangerous to human health. The Government of Alberta issued a news release that said its water samples do not indicate any risks to human health. However, as a precaution, the province advised municipalities not to draw water from the Athabasca River as the sediment passed through and dissipated along the river.

To date, we have not been informed of any concerns at industrial or municipal water treatment facilities that draw water from the Athabasca River.

On November 29, the Regional Municipality of Wood Buffalo stated in a news release: "The water intake at Fort McMurray was briefly closed in order to sample water quality within the Athabasca River. When sampling in Fort McMurray confirmed normal levels, the intake was reopened. Based on sampling completed within the Athabasca, water quality is at normal levels and there is no need to close the intake in Fort McMurray or Fort Chipewyan... We will continue sampling at the Fort Chipewyan intake for at least 14 days. If sampling indicates any impact to the water supply, the intake will be closed as required."

What is the impact on drinking water?

Sherritt has a team of independent experts conducting water-quality testing at numerous points along the Athabasca River to determine if there are any impacts. So far, results show that water quality continues to meet Alberta's drinking water standards. It is our understanding that, for precautionary reasons, some municipalities opted to turn off their water intakes while the sediment passed by, just as they would during forest fires or spring run-off.

What is the impact on the environment?

Due to the volume and velocity of water in the release, the first five kilometres of the Apetowun Creek were disturbed, including fish habitat. Fish habitat, however, appears to have sustained less impact further downstream along Plante Creek. Due to current winter conditions, detailed assessments of fish habitat along the two creeks and the Athabasca River will continue into the spring, with development and implementation of appropriate restoration plans. A wildlife survey shows that the affected area continues to be used by both the small and large mammals normally found in the area.

How will this impact the fish or other aquatic life in the affected creeks and in Athabasca River?

The impact on fish remains confined to fish habitat disturbance. Fish habitat has been affected in the two creeks, mostly the first five kilometers of the Apetowun Creek. Independent specialists are currently assessing the impact on habitat in the Athabasca River, so that appropriate remediation plans can be put in place. Due to winter freezing, this assessment will continue into the spring.

The process water was non-toxic to fish, and fish from the river remain safe to eat. The settling of the sediments, however, is expected to have an impact on fish habitat, including spawning beds. Sherritt has brought in independent experts to assess the impact to spawning beds, to ensure the best possible remediation plans can be put in place.

What is Sherritt doing about the incident?

As part of Sherritt's commitment to fully addressing the impacts of the release, the company:

- Immediately notified the appropriate provincial and federal regulatory agencies and continues to cooperate with them fully.
- Immediately engaged a geotechnical expert to examine all of its other containment ponds to ensure they are structurally sound. It has been confirmed they are all structurally sound.
- Hired leading technical experts to survey impacts all along the Athabasca River.
- Has engaged regularly with municipalities along the Athabasca River and Aboriginal communities to ensure that they have timely and relevant information.
- Has already begun clean-up efforts at various locations, and will continue remediation work as long as necessary to address the impacts of this incident.

Who is Sherritt?

Sherritt is a Canadian natural resources company involved in the production of nickel, cobalt, thermal coal, oil and electricity. Sherritt produces the majority of thermal coal in Canada, operating seven active open-pit coal mines in Alberta and Saskatchewan. Sherritt is committed to providing a safe and rewarding workplace, operating ethically, demonstrating environmental responsibility, engaging stakeholders and benefitting communities.

How can I get more information?

For more information on the release, please visit our website at www.obed.ca, email us at obed@sherritcoal.com or call our information line at 1-855-650-6233.