



WESTMORELAND COAL COMPANY - *Obed Mountain Mine*

EPO 2013/ CR-34
Obed Mountain Mine
Monthly Status Report - March 2017

Issued April 7th, 2017

Table of Contents

| | | |
|------------|---|----------|
| 1.0 | MONTHLY STATUS REPORT – MARCH 2017 | 2 |
| 2.0 | EPO ACTIVITES –MARCH 2017 | 2 |
| 2.1 | SUMMARY STATUS OF ASSESMENTS, PLANS AND REPORTS | 2 |
| 2.3 | CLAUSES 17 – LONG TERM SAMPLING AND MONITORING PLAN ('LTSMP') | 3 |
| 2.4 | CLAUSE 22- WILDLIFE MITIGATION PLAN | 7 |
| 2.5 | FISH SAMPLING AND MONITORING PLAN | 7 |
| 3.0 | PLANNED EPO ACTIVITIES Q2 2017 | 7 |

1.0 MONTHLY STATUS REPORT – MARCH 2017

On December 19, 2013, Alberta Environment and Sustainable Resource Development ("ESRD") issued Environmental Protection Order No. EPO-2013/34-CR, as amended (the "EPO"), to Coal Valley Resources Inc. ("CVRI") and Sherritt International Corporation in respect of the Obed Mountain Mine (the "Mine"). Oversight of the EPO transferred from ESRD to the Alberta Energy Regulator ("AER") in March 2014. CVRI became a subsidiary of Westmoreland Coal Company in April 2014.

We submit the following documents in support of the March 2017 Monthly Status Report:

1. Attachment 1 - March 2017 Data Sonde

2.0 EPO ACTIVITIES –MARCH 2017

2.1 SUMMARY STATUS OF ASSESSMENTS, PLANS AND REPORTS

Table 1 summarises the status of EPO required plans, assessments and reports. Clauses highlighted in green have been updated, modified or a status changed has occurred in the last thirty days.

| TABLE 1 –SUMMARY STATUS | | |
|--|------------------------|---|
| EPO 2013/CR-34 - Clause | Status | Comments |
| Clause 1 and 2 Immediate Requirements | Complete | Completed in 2013 -2014 Immediate response requirements were executed, the STMP and subsequent LTSMP ensures compliance of requirements on an ongoing basis. |
| Clause 3 Immediate and Short Term Sampling and Monitoring Plan (‘STSMP’) | Approved / Complete | The STSMP was executed and then replaced by the Long-Term Sampling and monitoring Plan April 2014. |
| Clause 6 Solids Recovery Plan | Active / Approved | Complete |
| Clause 10 Solids Recovery Report | Issued - Active | Update in progress – to be Issued on or before May 15 th , 2017 |
| Clause 11 Impact Assessment Plan | Approved / Active | Proposed amendments to be submitted by May 7 th , 2017. |
| Clause 15 Impact Assessment Report | Active | Annual update to be published on or before May 15 th , 2017 |

| TABLE 1 –SUMMARY STATUS | | |
|--|----------------------|--|
| EPO 2013/CR-34 - Clause | Status | Comments |
| Clause 17 Long Term Sampling and Monitoring Plan ('LTSMP') | Approved / Active | Active and ongoing. Proposed amendments or recommendations to be submitted on March 15 th , 2017 |
| Clause 22 Wildlife Mitigation Plan | Approved / Active | Updated to be published on or before May 15 th , 2017 |
| Clause 25(a) Fish Sampling and Monitoring Plan | Approved / Active | 2016 data to be published on or before May 15 th , 2017 |
| Clause 27 Remediation Plan | Submitted for review | Design submission February 3 rd , 2017; awaiting SIR's from regulatory agencies. First round of SIR responses submitted to the regulators on April 3, 2017. |
| Clause 34 Waste Management Plan | Approved / Executed | The subject plan was approved on February 14, 2014. |
| Clause 37 Wastewater Management Plan | Approved / Executed | The subject plan was approved on February 14, 2014. |
| Clause 39 Monthly Status Reports | Active / Ongoing | Monthly status reports are ongoing. |
| Clause 41 Final Report | In development | The Final Report is required to be submitted to the AER within 30 days of the completion of all work. |
| Human Health Risk Assessment ('HHRA') | Active | Update to be published May 15 th , 2017 |

2.2 CLAUSE 15 – IMPACT ASSESSMENT REPORT

The Impact Assessment Report Update will be published May 15, 2017.

2.3 CLAUSES 17 – LONG TERM SAMPLING AND MONITORING PLAN ('LTSMP')

CVRI received approval of the Long-Term Sampling and Monitoring Plan retroactive to April 24, 2014. The Long-Term Sampling and Monitoring Plan is fully implemented and replaces the requirements outlined in Clause 3, the Immediate and Short Term Sampling and Monitoring Plan. The LTSMP is considered active and ongoing.

The Table below describes any actions related to data sonde operation or calibration to the end of March.

Currently, we only have the sondes in at PLC-US and APC as these are the only stations that remain unfrozen during most of the winter, although we may have to remove PLC-US if we get a

prolonged cold snap. It looks as though APC either partially froze or became dry for a few days in mid-December but it appears to be operating normally again.

Table 2 Summarizes the Data Sonde status / modifications to the end of March 2017.

| Table 2 Data Sonde Status/Modifications | | | |
|--|--------------------------|-------------------|---|
| Site | Event Description | Date Range | Note |
| APC | Sonde calibration | 30-Mar | Sonde out of water for 30 minutes |
| PLC-US | Sonde removal | 18-Jan-16 | Sonde removed for winter season and sent in for servicing |
| APC-DS | Sonde removal | 9-Dec-15 | Sonde was removed for winter season when found frozen. Sent in for servicing. |
| Plante Creek | Sonde removal | 8-Dec-15 | Sonde was not functioning, so removed and sent for servicing. |
| PLC-US | Sonde re-deployment | 31-Mar-16 | Sonde was redeployed after servicing |
| Plante Creek | Sonde re-deployment | 31-Mar-16 | Sonde was redeployed after servicing |
| Plante Creek | Sonde calibration | 3-Apr-16 | Sonde out of water for 30 minutes |
| PLC-US | Sonde calibration | 4-Apr-16 | Sonde out of water for 30 minutes |
| APC | Sonde calibration | 16-Jun-16 | Sonde out of water for 30 minutes |
| Plante Creek | Sonde calibration | 16-Jun-16 | Sonde out of water for 30 minutes |
| PLC-US | Sonde calibration | 14-Jun-16 | Sonde out of water for 30 minutes |
| PLC-US | Sonde error | 1-Jun-16 | Wildlife chewed through data cable, cutting power off to sonde |
| PLC-US | Sonde error | 22-Jun-16 | Wildlife chewed through data cable, cutting power off to sonde |
| APC | Sonde calibration | 6-Jul-16 | Sonde out of water for 30 minutes |
| APC | pH probe changed | 6-Jul-16 | pH probe had malfunctioned, was changed out with a new probe |

| Table 2 Data Sonde Status/Modifications | | | |
|--|--------------------------|-------------------|--|
| Site | Event Description | Date Range | Note |
| Plante Creek | Sonde calibration | 4-Jul-14 | Sonde out of water for 30 minutes |
| PLC-US | Sonde calibration | 5-Jul-16 | Sonde out of water for 30 minutes |
| PLC-US | Sonde error | 5-Jul-16 | Attempted to fix station. Wildlife had chewed through PT cable on June 22, and shorted irridium link. Irridium link sent to Hoskins for repair. Sonde left in creek to continue collecting data. |
| PLC-US | Sonde calibration | 2-Aug-16 | Sonde out of water for 30 minutes |
| PLC-US | Sonde error | 2-Aug-16 | Change cable after wildlife issue |
| Plante Creek | Sonde calibration | 2-Aug-16 | Sonde out of water for 30 minutes |
| APC | Sonde calibration | 4-Aug-16 | Sonde out of water for 30 minutes |
| APC | Sonde calibration | 10-Sep | Sonde out of water for 30 minutes |
| Plante Creek | Sonde calibration | 9-Sep | Sonde out of water for 30 minutes |
| PLC-US | Sonde calibration | 9-Sep | Sonde out of water for 30 minutes |
| APC | Sonde swap | 4-Oct-16 | Swapped sonde out for one with a working pH probe |
| Plante Creek | Sonde calibration | 5-Oct-16 | Sonde out of water for 30 minutes |
| PLC-US | Sonde calibration | 4-Oct-16 | Sonde out of water for 30 minutes |
| Plante Creek | Sonde removal | 18-Oct-16 | Pulled sonde for winter |
| APC | Sonde calibration | 8-Nov-16 | Sonde swapped and calibrated; out of water for 30 minutes |
| PLC-US | Sonde calibration | 8-Nov-16 | Sonde swapped and calibrated; out of water for 30 minutes |
| APC | Sonde calibration | 6-Dec-16 | Sonde swapped and calibrated; out of water for 30 minutes |
| PLC-US | Sonde calibration | 7-Dec-16 | Sonde swapped and calibrated; out of water for 30 minutes |

| Table 2 Data Sonde Status/Modifications | | | |
|--|--------------------------|-------------------|---|
| Site | Event Description | Date Range | Note |
| APC | Sonde calibration | 30-Jan-17 | Sonde swapped and calibrated; out of water for 30 minutes |
| PLC-US | Sonde calibration | 31-Jan-17 | Sonde swapped and calibrated; out of water for 30 minutes |
| APC | Sonde calibration | 28-Feb-17 | Sonde swapped and calibrated; out of water for 30 minutes |
| PLC-US | Sonde calibration | 27-Feb-17 | Sonde swapped and calibrated; out of water for 30 minutes |
| APC | Sonde calibration | 20-Mar-17 | Sonde swapped and calibrated; out of water for 30 minutes |
| PLC-US | Sonde calibration | 20-Mar-17 | Sonde swapped and calibrated; out of water for 30 minutes |
| | | | |
| Site | Event Description | Date Range | Note |
| ATR-US | Sonde re-deployed | 18-Apr-16 | |
| ATR-PLC | Sonde re-deployed | 20-Apr-16 | |
| ATR-US | Sonde calibration | 16-Jun-16 | Visited site, sonde in water too deep to retrieve for calibration |
| ATR-DS2 | Sonde re-deployed | 16-Jun-16 | |
| ATR-PLC | Sonde calibration | 16-Jun-16 | Visited site, sonde in water too deep to retrieve for calibration |
| ATR-US | Sonde calibration | 6-Jul-16 | Visited site, sonde in water too deep to retrieve for calibration |
| ATR-DS2 | Sonde calibration | 5-Jul-16 | Retrieved and calibrated |
| ATR-PLC | Sonde calibration | 4-Jul-16 | Visited site, sonde in water too deep to retrieve for calibration |
| ATR-DS2 | Sonde calibration | 3-Aug-16 | Retrieved and calibrated |
| ATR-US | Sonde calibration | 9-Sep | Sonde out of water for 30 minutes |
| ATR-DS2 | Sonde calibration | 11-Sep-16 | Sonde out of water for 30 minutes |

| Table 2 Data Sonde Status/Modifications | | | |
|--|------------------------------|-------------------|-----------------------------------|
| Site | Event Description | Date Range | Note |
| ATR-PLC | Sonde calibration | 9-Sep-16 | Sonde out of water for 30 minutes |
| ATR-US | Sonde removal | 18-Oct-16 | Pulled sonde for winter |
| ATR-DS2 | Sonde removal | 17-Oct-16 | Pulled sonde for winter |
| ATR-PLC | Sonde removal | 18-Oct-16 | Pulled sonde for winter |

2.4 CLAUSE 22- WILDLIFE MITIGATION PLAN

CVRI received approval of the Wildlife Mitigation Plan retroactive to April 24, 2014. Data from the 2016 season will be published in conjunction with the Annual Impact Assessment Report Update, May 15th, 2017.

2.5 FISH SAMPLING AND MONITORING PLAN

The data interpretation specific to the Fish Sampling and Monitoring Plan will be submitted in conjunction with the annual Impact Assessment Report Update May 15th, 2017.

2.6 CLAUSE 27 – REMEDIATION PLAN

The Remediation Plan, Conceptual Design, was submitted to the AER on February 3rd, 2017.

2.7 HUMAN HEALTH RISK ASSESSMENT (“HHRA”)

The HHRA will be updated and submitted on May 15th, 2017 in conjunction with the submission of the Annual Impact Assessment Update.

3.0 PLANNED EPO ACTIVITIES Q2 2017

This section outlines the work plan for the current quarter, April –June 2017. The schedule will be updated and expanded on a monthly basis and then reviewed on the Monthly EPO call.

| Table 3 Planned EPO Activities | | |
|--|---|--|
| TOPIC | Description / Comments | Status |
| Approval Renewals | Existing Water Act, PLA and Road Use agreements specific to the EPO. New approvals will be added to the work schedule late Q1 to track submission and approval timelines. Remediation Plan (PLA) of ST3 will be submitted after February 15 th , 2017. | ACO - Applications are under review and response from the ACO will be provided with renewal or new approvals. |
| Remediation Plan | Waiting for additional SIRs from regulators. | First SIR responses were submitted on April 3, 2017. |
| Road / Access | Access plan and storage location for Remediation activities and materials. | Intent to use existing areas and minimize new disturbance. |
| Wastewater Management / Pumping Plan Clause 37 | The pumping plan which supports the conceptual remediation plan is under review. The pumping plan is under review and development (EPO and PMRU-OMM) | Amendment to be submitted in March after initial review of the Conceptual Design (Clause 39) has been completed by the regulators. |
| Gravel | Gravel processing will commence in late January. Storage locations will be communicated and approvals requested when necessary. | Ongoing |
| Sediment Trap Inspections, Sonde Inspections | As required under the EPO approved plans. | Ongoing. Status / data is reported monthly. |

CONTACT INFORMATION

If you have questions regarding the information published, require data, information or would like to submit comments or questions please contact:

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Copies of all plans, data and reports can be accessed at www.Obed.ca