



COAL VALLEY RESOURCES INC. – *Obed Mountain Mine*
A Subsidiary of WESTMORELAND COAL COMPANY

To:	AER Alberta Energy Regulator Suite 1000, 250 – 5 Street SW, Calgary, Alberta T2P 0R4	Project No.:	EPO 2013/CR-34
Attention:	Brian Olson	Transmittal No.:	SUB-REG-0034B
Email:	Brian.Olson@aer.ca	Date:	January 15, 2015
Subject:	Quarterly Progress Report – Ending December 2014	Required By:	
		Issued By:	Kari McDonald
		File No.:	
		Prepared by	Kari McDonald

Are these documents confidential? Yes (Please note any specific handling requirements below)
 No

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ISSUED FOR

1	As requested	2	Review	3	Information only	4	Purchase
5	Tender	6	As-built	7	Approval	8	Fabrication
9	Construction	10	Submission	11	Other		

ADDITIONAL COMMENTS

The Q4 (December 2014) Quarterly Report and (December 2014) Monthly EPO Reports have been submitted as a combined transmission for efficiency purposes this Month.



1.0 QUARTERLY PROGRESS REPORT – ENDING Q4 2014

On November 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. In addition to the reporting requirements outlined in the EPO CVRI has committed to the submission of Quarterly Progress Reports on the following dates:

1. *July 15, 2014 - Submitted*
2. *October 15, 2014 - Submitted*
3. *January 15, 2015 - Submitted*

The intent of the Quarterly Progress Report is to provide additional updates and submission of available data, as prescribed under various EPO Plans and sub Plans, not communicated via the Weekly Action Summary or Monthly Summary Report.

2.0 Progress Report to December 31st, 2014

2.1 Clause 3 – Immediate and Short-Term Sampling and Monitoring Plan

CVRI submitted a revised version of the Immediate and Short-Term Sampling and Monitoring Plan on January 23, 2014. CVRI received ESRD approval of the Immediate and Short-Term Sampling and Monitoring Plan on February 7, 2014. CVRI has fully implemented the Immediate and Short-Term Sampling and Monitoring Plan. CVRI collects and reports on samples to the AER on a weekly basis. The data collected is reviewed and discussions regarding the findings are provided in the Monthly Summary Report. The Immediate and Short Term Sampling and Monitoring Program is complete. The required sampling and monitoring continues under the Long Term Sampling and Monitoring Program. The data continues to be captured in the Monthly EPO Report and posted to the Obed website accordingly. A copy of all Monthly Status Reports published to date with their corresponding summary data tables are available on the Obed website at www.obed.ca



2.2 Clause 10 – Solids Recovery Report

CVRI submitted the Clause 10 – Solids Recovery Report as part of the July 15, 2014 quarterly report. There are no updates to the Solids Recovery Report as of October 15, 2014. A copy of the July Quarterly Progress Report is available on the Obed website: www.obed.ca.

No additional updates for the Q4, 2014 Reporting Period

2.3 Clause 11 Long-Term Sampling and Monitoring Plan

CVRI submitted the Long-Term Sampling and Monitoring Plan to ESRD on December 13, 2013. Two rounds of Supplementary Information Requests ("SIRs") were received from ESRD between March 25, 2014, and April 3, 2014. CVRI completed the SIR responses and submitted the updated plans to the AER on April 3, 2014. Approval of the Long Term Sampling and Monitoring Plan was received on April 24, 2014.

All data collected to date, November 2013- December 2014 has been uploaded to the Obed website and digital copies have been sent to the AER, Attention Ken Dahl.

The Fish Sampling and Monitoring Plan

The Fish Sampling and Monitoring Plan is a sub plan of the Long Term Sampling and Monitoring Plan (the "parent plan"). The Fish Sampling and Monitoring Plan was approved in November 2014. The approved plan will be updated on January 21st, 2015 to address an administrative error (typo) and to reference the now published fish sampling data.

Catch Per Unit Effort (CUPE) for the September 2014 (ATR) - Summary

A total of ten species were captured in the ATR September fish community study area with four species, lake chub, troutperch white sucker and walleye, only captured during the September 2014 surveys. Similar to the spring and summer results, mountain whitefish (MNWH) and longnose sucker (LNSC) comprised the majority of the fish species captured (80 – 99%).



Additionally, CUPE and relative abundance for MNWH and LNSC generally increased with distance upstream, although both endpoints were lower than those observed during the summer survey.

As described in Section 6.0 of the fish monitoring plan, MNWH and LNSC were collected and sacrificed for analysis of metals and PAHs in tissue.

Given the lower catch rates of larger specimens in the lower reaches of the study area, the target sample size of 10 specimens of each MNWH and LNSC were only obtained in the upstream four sampling areas (ATRF-E2, ATRF-E0, ATRF-R3 and ATR-R2). Sample sizes for tissue analysis in the lower four reaches ranged from 8 to 10 specimens per species. All tissue samples for metals analysis will be submitted to ALS for standard metals and to Flett Research for ultra-trace mercury. Currently all tissue samples for PAH analysis are being stored frozen until a final analyze list and detection limits can be reached.

The information collected during the 2014 sampling and monitoring season has been submitted to the AER and will be posted to the Obed website on January 21st, 2015. CVRI will provide an updated Fish Sampling and Monitoring Plan which references the recent data publication on January 21st, 2015.

Vegetation and Wetlands Sampling and Monitoring Plan

The Vegetation and Wetlands Sampling and Monitoring Plan was originally submitted to the ESRD as part of the combined Long-Term Sampling and Monitoring Plan, Impacts Assessment Plan and Wildlife Mitigation Plan on December 13, 2014. CVRI received approval of the parent plans, Long-Term Sampling and Monitoring Plan, Impacts Assessment Plan and Wildlife Mitigation Plan on April 24, 2014. The vegetation and wetlands sampling and monitoring plan was designed to address the success of both natural and assisted vegetation recovery within the three zones of the water release impact.



CVRI submitted the *Obed VegWetlands*, in October 2014 in support of the ongoing Vegetation and Wetlands Sampling and Monitoring Plan as required under the approved parent plan. There are no updates to the Vegetation and Wetland Sampling and Monitoring Plans at this time.

2.4 Clause 22 Wildlife Mitigation Plan

CVRI developed and submitted a combined report which included the Wildlife Mitigation Plan to the ESRD on December 13, 2013. In response to request to separate the combined report into prescribed elements CVRI submitted the Wildlife Mitigation Plan as a stand alone document on March 7, 2014. CVRI received approval of the Wildlife Mitigation Plan retroactive to April 24, 2014.

CVRI submitted the document, labeled ***OBED Wildlife Report on October 15th, 2014***, in support of the ongoing wildlife monitoring work completed. The Wildlife Report has been augmented this quarter with Wildlife images. The file is labelled Attachment Obed Wildlife Camera.

3.0 CLOSING

CVRI continues to communicate with the AER to collect and submit data and information as prescribed by the approved plans. All data collected to date has now been submitted to the AER and posted to the Obed website as of January 15th, 2015.

The submission of regularly scheduled progress reports and defined response periods allows CVRI and the AER to continue to communicate in a clear and effective manner until the final Impacts Report and Reclamation Report are submitted. All approved plans, reports and available data, are available on the Obed website at www.obed.ca.