1.0 Introduction

Syncrude Canada Ltd. (Syncrude) proposes to develop two additional mining areas within and adjacent to the Mildred Lake Project site, known collectively as the Mildred Lake Extension (“MLX”) Project. Accordingly, amendments to Syncrude’s regulatory approvals are required for development, operation, and closure of these mine sites.

The Mildred Lake North Mine reserves will be depleted on or about 2023. Syncrude proposes to develop the resource present in the MLX mines prior to salvaging of the Mildred Lake Mining and Extraction facilities. Pending regulatory approval, it is Syncrude’s intention to initiate development of the MLX Project on or about 2018.

The Syncrude Mildred Lake Project is located approximately 40 kilometres north of Fort McMurray on Oil Sands Leases 17 and 22, within Townships 91 through 94, Ranges 10 through 12 (W4M), and within the Regional Municipality of Wood Buffalo. Figure 1 shows the location of the MLX Project relative to significant regional features.

Under the Memorandum of Understanding (IL96-7) between the Alberta Energy Resources Conservation Board (ERCB) and Alberta Environment and Sustainable Resource Development (AESRD) with respect to oil sands developments, Syncrude will be filing a joint application related to the Mildred Lake Project to amend the following approvals:

- Amendment of ERCB Approval No. 8573 pursuant to Section 13 of the Alberta Oil Sands Conservation Act;
- Amendment of AESRD Approval No. 26-02 pursuant to Sections 66 and 70 of the Environmental Protection and Enhancement Act; and
- Fenceline Licenses pursuant to section 36 of the Water Act.

2.0 Project Description

For purposes of this disclosure, the “Project” in question is the development of two separate open pit mine facilities on or adjacent to the Mildred Lake Project, as follows:

- The “East Mine” located between the Mildred Lake Settling Basin and the Athabasca River; and
- The “West Mine” located west of the MacKay River.

Figure 1 shows the locations of the East Mine and West Mine. Pending regulatory approval, it is Syncrude’s intention to develop the MLX Project on or about 2018. Conventional shovel/truck mining technology will be used to develop these mines. Construction of a bridge over the MacKay River is contemplated. The existing Mildred Lake ore preparation, hydrotransport, and extraction facilities will be used to process the mined ore and supply bitumen to the Mildred Lake upgrader.

No additional types of solid waste, liquid effluent, or gaseous emissions are expected from the proposed Project. No increase in annual import of fresh water is required for the proposed Project.
3.0 Environmental Matters

Baseline studies in the Project areas were initiated in the first quarter of 2012 and will continue through the first quarter of 2014. These studies currently include an assessment of air quality, noise, hydrogeology, surface water quality and quantity, fisheries and aquatic resources, soils and terrain, vegetation and wetlands, wildlife, biodiversity, and historical resources.

An Environmental Impact Assessment (EIA) will be completed and submitted to AESRD and the ERCB. Stakeholders are invited to contribute to the EIA Terms of Reference (TOR). Once the TOR have been finalized, results of the baseline studies will be used as appropriate for impact assessment.

Syncrude will continue to take a leadership role to ensure that any environmental concerns are minimized and/or mitigated in order to lessen impacts to the environment resulting from this project.

4.0 Community Information

Figure 2 provides Syncrude’s proposed time line for this Project.

Syncrude will ensure that stakeholders are given the opportunity to comment on this project. Key opportunities for stakeholder involvement and comment are as follows:

- Project Disclosure/Announcement – October 2012
- Notice for the Proposed TOR for the EIA – October 2012
- Notice for Joint ERCB/AENV Application – proposed June 2014

If you have any questions or require additional information please contact the following individuals:

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Figure 2: Project Schedule

MLX Project

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