STATEMENT OF CONCERN

SUBMITTED BY

CROWSNEST CONSERVATION SOCIETY

April 11, 2026

SUBMITTED TO

ALBERTA ENERGY REGULATOR

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AND

NORTHBACK HOLDINGS CORPORATION

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REGARDING APPLICATION ID 33861749, ACTIVITY ID 33861750

FROM NORTHBACK HOLDINGS CORPORATION

FOR A WATER TERM LICENSE AT 24-008-04W5M

Crowsnest Conservation Society (CCS) is submitting this statement of concern regarding the request by Northback Holdings Corp. (Northback) for a Water Term License on Blairmore Creek at 24-008-04W5M.

The license should not be issued for a multitude of reasons. Perhaps most importantly, this application is premature, and the application fails to disclose or discuss related material facts that are critical to a proper evaluation of the request.

This is not an isolated request for a license. Rather it is a small part of a much larger proposal to develop a metallurgical coal strip mine. The requested license is an integral part of the mine proposal, and as such it should be reviewed in context with all the other aspects of the mine development.

The proponent appears to be attempting to request permits for individual components of the mine project separate from the mine itself. In the vernacular, they are attempting to 'slice and dice' the project into many separate requests. This water license request is only the first of what we expect to be many more, each for a seemingly insignificant piece of the whole mine project.

Each of those requests will, by themselves, be relatively benign. Only when assembled into a full mine development proposal will it be clear exactly what is being requested. The cumulative impacts of many separate requests cannot be adequately assessed if Northback is allowed to permit individual steps in isolation.

It is the position of CCS that this permit request would best be reviewed ias a part of the whole mine proposal. It is iniquitous to request a permit that is only of use if subsequent permits for a mine are granted following the standard Alberta procedures. That request for a mine permit has not been submitted, has not reviewed, and may never be granted. A water license should only be considered when Northback is prepared to submit an application for the entire project.

Should the Alberta Energy Regulator (AER), nevertheless, choose to consider this request for a water term license, there are multiple reasons why CCS believes the request should be denied,

Perhaps most importantly, the impacts of a water diversion from Blairmore Creek have already been extensively reviewed by the Joint Review Panel (JRP). In their decision, the JRP ruled that even seemingly minor changes in the flow regime of streams could result in signifiant negative impacts on aquatic life, including fish. And, it noted that the west slope cutthroat trout (WSCT) in Blairmore Creek were subject to the Species at Risk Act, and were swimming in water that could be considered as Critical Habitat. The Species at Risk Act expressly prohibits activities that could harm the fish or their habitat.

Northback has submitted no information showing that anything has changed since that report was issued. If a diversion was not acceptable then, it can hardly be acceptable now.

The only supporting material submitted by Northback was a table top exercise done by Hatfield Consultants, on behalf of Northback. There was no field work done to verify any of the assumptions used in the exercise. CCS submits that the study was flawed and should not be considered as definitive support for allowing water diversion.

An aspect of the Hatfield study that was obviously deficient was the fact that this was a purely desk top exercise. It looked primarily at averaged values over periods of a week or longer, While miners and engineers may subscribe to an electronic model, fish and other aquatic life live and die in a real world of water and oxygen. They die on instantaneous values, not weekly averages.

As anyone who has lived in this area for decades, including many members of CCS, can testify, the streams in this area can respond to changing weather conditions very quickly. Very low stream flows can increase dramatically in a short time when there are even small rain events in the watershed. And they can diminish almost as quickly when the storm moves on. Aquatic life can be stressed at the start and end of the week, and fine in the middle. Averages would not show the stress.

Even the averages used by Hatfield show that in-stream flows would be below the water conservation objectives (WCO) for many weeks of the year. There was only one diversion scenario that did not result in long periods with flows below the WCO, and that scenario had its own challenges.

The scenario in question had Northback capturing most of its desired water volumes during the spring freshet. That in turn required that large volumes of water be stored on the mine site for most of the year. This means that mine water storage facilities would be full at the time when widespread high intensity rain events are most common. Such an event can result in very high volumes of water moving rapidly across this landscape. This occurs even on intact natural landscapes. A largely bare mine area would likely experience even higher flow rates and volumes. A rapid influx of large volumes of water would put storage dam(s) at high risk of failure. Dam failure would release a torrent of water that would threaten everything downstream, including the local hospital.

Members of CCS can testify to AER regarding the flood in 1995 and the near repeats in 2005 and 2013. These were not rare, 1:200, events, they are more like 1:20 events. In short, it is reasonable to expect at least one repeat during the life of the proposed mine. It should be noted that these high volume events unfolded rapidly, making it doubtful if preventive work could have altered the risk equation in the time available.

Further challenges with the Hatfield report include their using current conditions as the norm, and apparently not projecting any change in the temperature/precipitation regime over the next 25 years. But, climate projections suggest this area will experience higher temperatures and lower precipitation over the next few decades. Both changes will likely reduce the natural flow in Blairmore Creek and the Crowsnest River. The data from Hatfield, as noted earlier, show flows in parts of the watercourses are already falling below the WCO for extended periods.

Similarly, Hatfield appears to assume the land in the catchment will have similar flow characteristics for the life of the license. That is probably not realistic assumption, since much of the catchment will be massively disrupted by open pit mining. Areas

beyond the pit may also have their drainage characteristics altered by the new Alberta Government Community Hazardous Fuels Reduction Program (CHFRP). Removing most vegetation from the mine area, and much of the tree cover from the rest of the mine area is likely to dramatically alter flow into the creek, The change is likely to exaggerate the highs and lows of flow, making serious flow deficits more likely.

Hatfield does note that the changes in flow regime will be most severe in the sub-basin where the diversion will take place. They provide no data on what flows in that sub-basin may be or what aquatic life may be present, but it seems safe to assume that any changes resulting from the diversion will be damaging to aquatic life.

Hatfield stresses in their report that the values they present are 'worst case' or 'conservative' situations. They state that this is the case because they have not made any adjustments to flows to account for water that may be returned to Blairmore Creek, and thus to the Crowsnest River, from the mine.

That may be correct, but it does not account for tchanges in water quality that will occur while the returned water is cycled through the mine processes. It is highly unlikely that the returned water will have the same chemical composition or thermal characteristics as the diverted water. Aquatic life in a high elevation environment needs adequate amounts of cold, clean water to flourish. If flow volumes are, at best, borderline, and there are contaminants in that water, the net effect may well be damaging to all forms of aquatic life, from midge larvae to WSCT. Similar concerns arise if the returned water is warmer than the original water.

There are other flaws in the Hatfield work. One of the more obvious is the lack of consideration of other draws on the water flows feeding into the Crowsnest River. If other uses result in increased water withdrawals, the point at which the river flows are inadequate will occur sooner and last longer.

One obvious potential withdrawal is by Northback itself. It has negotiated with the Municipality of Crowsnest Pass for access to the water license the Municipality has on York Creek. It would allow Northback to withdraw more than 100 acre-feet annually. That water ultimately enters the Crowsnest River, so there is a potential for river flows

to drop even more than if AER only considers the impacts of this one diversion application.

Again, it is clear that this application should only be assessed in the context of a full mine application. Only then can the total cumulative effects inside the mine boundaries be properly evaluated. And even then, the region-wide impacts would be difficult to properly assess.

Another foreseeable withdrawal is for Evolve Power, which is planning a pumped hydro storage project at the uppermost end of the Crowsnest basin. While the company has recently settled legal actions with Alberta regarding their coal properties, the hydro storage project appears to remain active. That project is going to require 'makeup water', and the only Alberta source is from somewhere in the Crowsnest River basin. Again, there is a potential to reduce the already marginal flows in the Crowsnest River at times in the year.

Yet another source of decreased in-stream flows relates to the increases in local population. Northback projects that there will be several hundred full time jobs at the mine. Additionally, there will be jobs in support industries for the mine, and in service industries from restaurants through to professionals like dentists and accountants. A significant proportion of these new employees are likely to settle in the Municipality or the immediate surrounding area. Including families, there could well be hundreds of additional residents in Crowsnest Pass and area. Each one will use significant amounts of water each day. That water, while it is likely to come from existing wells, would have otherwise become part of the Crowsnest River flow.

There may be an argument that the water will be returned to the river. But, there are always losses when water is removed, utilized, and then returned. Additionally, the water will not be the cold clean elixir that was withdrawn, but a substantially degraded version. As noted earlier, this could add to the stress experienced by aquatic life, with negative impacts being possible.

Finally, the proposal does not account for any other uses there might be for the water. The Oldman River has been closed to applications for additional withdrawals for many

years. The sole exception to this is the amount that Northback is asking for. If this application is granted, there will be no other water available for any activity or industry that might want to locate in the area. AER must ask if supporting a mine is the best use that could be made of the available allotment?

Could that water be used elsewhere, or even in Crowsnest Pass, in some way that would yield a greater return for the citizens of Alberta, rather than enriching a foreign-funded industrial giant. As examples, millions of dollars are currently being invested in new irrigation infrastructure in the Pincher Creek area. That will yield increased farm returns for those farmers for much longer than the mine will operate. Tourist infrastructure requires water, in small and large volumes. The province is hoping to greatly increase the amounts tourists spend in Alberta each year, but that can not happen without dependable supplies of clean water. And, as with agriculture, the spending will continue for far longer than a mine will operate.

Finally, the South Saskatchewan River Plan states that the highest priority in the basin must be protection of the water. Water flowing off the East Slopes supports most of the residential, agricultural and industrial activity in southern and central Alberta, southern Saskatchewan, and even into northern Manitoba. Water from the Oldman River is critical to a very large agrifood industry around Lethbridge.

Any activity that AER considers in the Oldman River basin must not compromise either the quantity or quality of the river flows. CCS believes that AER must invoke the precautionary principle when evaluating any industrial activity upstream of the irrigation areas. Approving this application would most definitely violate that principle.

CCS believes that AER must choose long-lived, relatively low intensity uses for our water, not something as destructive as an open pit coal mine.

In short, the application for a water license must be denied. The application is premature, and should be adjudicated as part of a comprehensive mine development proposal. Even as a stand alone application, the proposal is deficient. It does not adequately address questions regarding the already marginal flows occurring for many weeks each year. It does not account for expected changes in temperature and

precipitation, it does not account for changes in flow regimes in and around the mine area, nor does it account the impacts of water degradation before it is returned to the creek or river.

A critical review of the entire mine proposal is essential to ensure that Alberta gets the best value for a scarce and essential commodity: water. That can only occur if this application for a license under the Water Act is denied.

AER is charged with ensuring efficient development of resources. Water is probably the most critical resource in this part of Alberta, and allowing it to be used by a highly consumptive and polluting industry like coal mining is not an efficient use of the resource.

Again, CCS urges AER to deny this.

CROWSNEST CONSERVATION SOCIETY

The Crowsnest Conservation Society is a collection of citizens concerned about development in the Crowsnest Pass area.. We advocate for responsible and sustainable development, and protection of our natural environment.. Our members are concentrated in and close to the Municipality of Crowsnest Pass. CCS is incorporated as a charitable organization.

The Group has been active for more than two decades, and was a limited participant in AER Proceedings related to Northback's application to do drilling on Grassy Mountain. Other recent activities include advocating for protection of a heron rookery as well as asking the Municipal Council to develop parkland near the Crowsnest River. That last is obviously highly dependent on adequate flows of clean water in the River. CCS has collaborated with other NGOs on several projects.

Most of the members of the CCS live in the area directly downwind and downstream of the proposed mine. Some members live within a short distance of the mine boundary,

Members have property fronting on the Crowsnest River, as well as many of the tributary drainages. All of those draw water, directly or indirectly, for domestic use from the watercourses or the groundwater that is connected to those watercourses. As such, they are at risk from any negative changes that might occur in the quantity or quality of available water.

At present, the area is acutely impacted by a prolonged drought that has severely reduced water availability for any use. Anything that further reduces water supply to our members would be a direct and adverse impact. The Hatfield study, while only looking at surface water, clearly showed that a water diversion in the mine area would reduce available flows in the Crowsnest River in and of itself.

Our members live and work in an area that is within the airspeed of the mine a risk of. Previous work by a variety of researchers has clearly shown winds will carry dust from coal mines for tens of kilometres downwind. That dust comprises a wide range of materials, including fine particulates and a variety of toxic chemicals including polycyclic aromatic hydrocarbons (PAH). Fine particulates are hazardous to human health, while PAH are carcinogenic. All such materials can cause death, a decidedly direct and adverse impact, of persons inhaling them for extended times. This project is intended to facilitate the construction of a mine, which will release large amounts of dust and other hazardous materials. If Northback is granted permission to advance any aspect of their project, it poses the risk of an immediate, direct and adverse impact on our members.