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H.R Milner Power Station

H.R. Milner is a 150 MW coal-fired power station located near the town of Grande Cache, which has been in continuous operations since 1972. The station directly employs 70 people. The power station was acquired by Milner Power Inc. a wholly owned subsidiary of Calgary based Maxim Power Corp, in 2004. Coal is currently supplied via rail from the Coal Valley Mine located approximately 100 km south of Edson, Alberta.

Proposed Milner Expansion Project

Permit applications were submitted in February 2009 to provincial regulators to construct and operate a \$1.5 billion expansion. The expansion seeks to add 500 MW of highly efficient and environmentally responsible generating capacity on the existing property. The unit, known simply as M2, will be the most efficient coal fired power plant in Canada.

Approvals are anticipated in late 2010 which could lead to the start of construction in 2011. An average of 450 workers will be required with a peak force of 800 workers over the duration of the three year construction period. Up to 40 new positions will be required for operations. The projected life of the project is 40+ years.

Proposed #14 Mine Project

In 2004, Milner Power acquired three crown coal leases, totaling 2,700 ha, directly north of the town of Grande Cache, as part of its purchase of the H.R. Milner Generating Station. Applications to construct and operate an underground coal mine were submitted to provincial regulators in August 2007.

Coal from the proposed #14 Mine project will provide a local source of fuel to generate electricity at the existing H.R. Milner power station as well as support the proposed Milner Expansion project.

Approvals to proceed with the project were received in late 2009. Milner is currently reviewing technical and commercial details with an emphasis on capitalizing the mine as soon as practical.

During the construction period of approximately one year, a peak volume of 200 workers will be required. During operations, the mine will require a workforce of approximately 74 operational, professional, administrative and maintenance personnel.

Sincerely

Tim Rokos
Station Manager