

Appendix 3-F

Pacific Northern Gas Ltd.: Natural Gas Supply

MURRAY RIVER COAL PROJECT

Application for an Environmental Assessment Certificate / Environmental Impact Statement



Pacific Northern Gas Ltd.
1185 West Georgia Street, Suite 950
Vancouver, British Columbia V6E 4E6

Tel: (604) 691-5680
Tel: (604) 697-6210

Via E-Mail

April 24, 2014

HD Mining International Ltd.

#2288 – 1177 West Hastings St.
Vancouver, B.C.
V6E 2K3

Re: Natural Gas Supply for the HD Mine

Dear Ms. Shimkus,

Further to your request for gas service dated November 21st, 2013. Pacific Northern Gas Ltd (“PNG”) confirms that it is capable and willing to provide service to HD Mining Ltd. (“HD”) in the requested amounts and load profile for the expected in service date in 2016 subject to finalizing and entering into a definitive gas supply agreement and receiving approval from the British Columbia Utilities Commission.

PNG is evaluating several supply options to provide firm service to the Mine site including one or more of: (i) a transmission lateral extension; (ii) deployment of Compressed Natural Gas (“CNG”); (iii) deployment of Liquefied Natural Gas (“LNG”); (iv) existing Tumbler Ridge gas supply from PNG’s existing Tumbler Ridge gas processing plant. PNG, upon completing its’ evaluation of gas supply options, will provide HD with a proposal for HD’s consideration and final negotiation.

PNG is a wholly owned subsidiary of Altagas Ltd. and has been operating its core natural gas delivery business for over 40 years, operating over 580 km of transmission pipelines, over 300 km of lateral transmission pipelines in addition to local distribution systems in several Northern BC Communities. PNG welcomes the opportunity to work with HD in developing a natural gas fuel supply strategy that meets the needs of HD and affords the positive benefits of natural gas including lower emissions and cost savings. If you have any further questions please contact me at 604.697.6223.

Yours sincerely,


Peter Schriber

Manager, Financial Planning & Business Development