



HORIZON NORTH PIT EXTENSION PROJECT

Plain Language Project Package

File Number for Consultation: FNC201706486

HORIZON NORTH PIT EXTENSION PROJECT

WHO IS CANADIAN NATURAL?

Canadian Natural Resources Limited (Canadian Natural) is a senior independent oil and gas exploration and production company based in Calgary, Alberta. Our operations are focused in Western Canada, the North Sea and Offshore Africa. We employ approximately 10,000 people worldwide with the majority in Canada.

WHAT IS OUR VISION?

Canadian Natural is committed to conducting our operations in a manner that will protect the environment, and the health and safety of our employees, contractors and the public.

Canadian Natural is proud to support initiatives that help improve the quality of life and economic strength of the communities where we operate. We work together with communities and stakeholders to reduce potential impacts of our operations and identify economic development opportunities.

THE HORIZON MINE

Canadian Natural operates the Horizon Oil Sands Processing Plant and Mine (Horizon). The Horizon mine is located on Oil Sands Leases 10, 18 and 25, approximately 70 km north of Fort McMurray, Alberta. It occupies most of Townships 96 and 97, Ranges 11 and 12 and extends into Townships 96 and 97, Range 13, west of the 4th Meridian (See Figure 1). Horizon is an integrated operation consisting of a surface mine, bitumen production, tailing treatment and associated External Tailings Facility, primary and secondary upgrading, and utilities and off-site to produce synthetic crude oil. Canadian Natural was approved for the Horizon Integrated Application and Environmental Impact Assessment (EIA) in 2004 by a Joint Review Panel consisting of the Canadian Environmental Assessment Agency (CEAA) and the Alberta Energy Regulator (AER).

PLAIN LANGUAGE PACKAGE OBJECTIVE

This Plain Language Project Package is the initial step in providing information to all parties who wish to learn more about our plans for the North Pit Extension Project and specific opportunities for stakeholder feedback.

Canadian Natural is committed to engaging and consulting co-operatively and effectively with stakeholders regarding our development plans, so we can respond to potential concerns, as well as identify opportunities related to the proposed project. This approach is consistent with Canadian Natural's longstanding consultation and engagement process for other developments in this region. We will continue to build on our current community relations program that maintains an open and sustainable level of communication throughout the life of Horizon. As more detailed design information is completed for the NPE Project, we will make relevant information available to stakeholders.

The purpose of this document is to provide information about the NPE Project to all parties who may wish to learn more about the project, including the following:

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- First Nations;
- Métis groups;
- Nearby communities;
- Regulatory agencies;
- Provincial, federal and municipal government representatives;
- Holders of Registered Fur Management Areas;
- Industry; and
- Other interested Stakeholders.

Canadian Natural is committed to continue working co-operatively and effectively with potentially impacted communities located in the vicinity of our current and proposed projects. Canadian Natural will continue to consult with key stakeholders and build on our current community relations program that maintains an open and sustainable level of communication throughout the life of Horizon.

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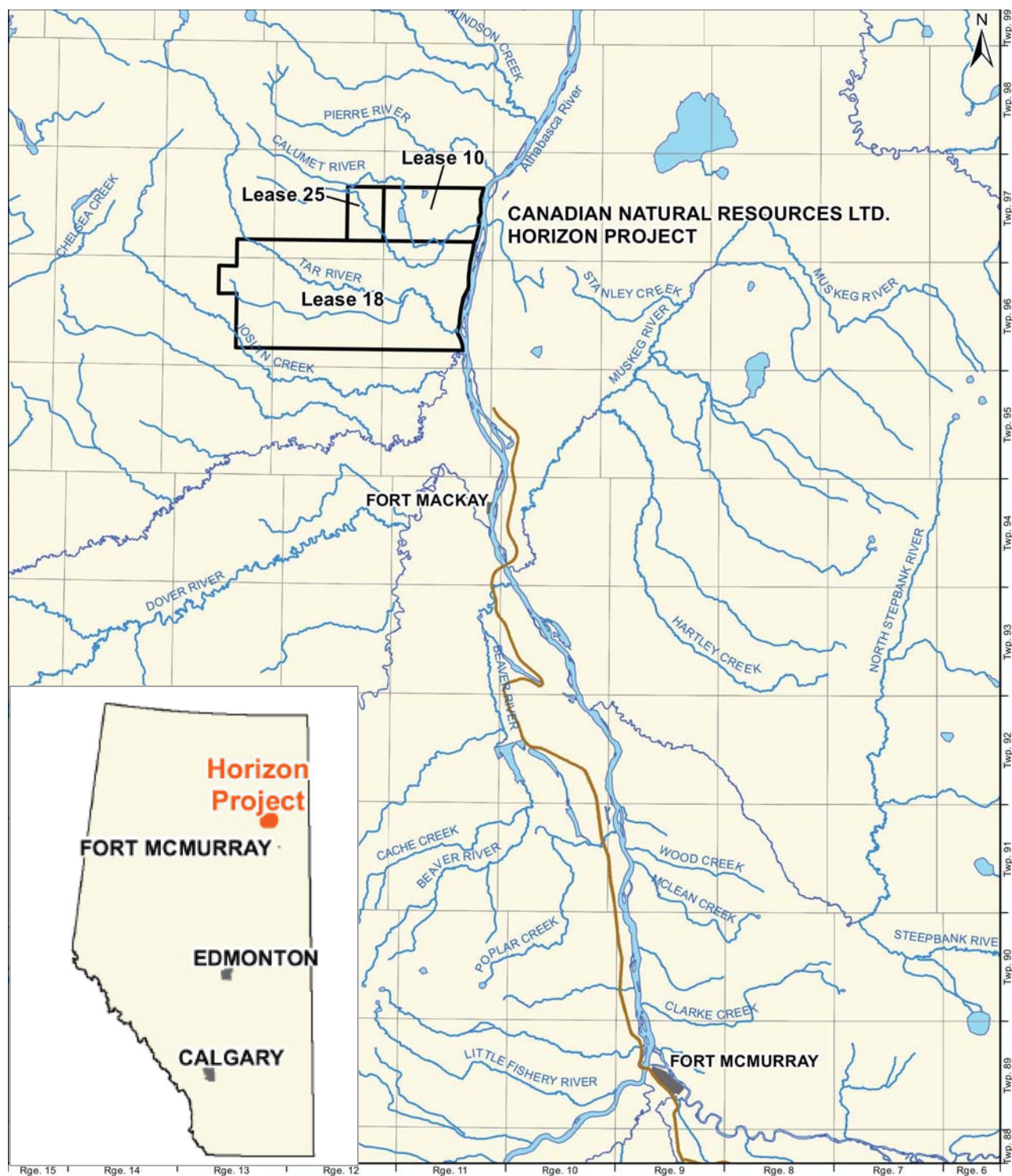


Figure 1: Location of Horizon Oil Sands Mine

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PROPOSED NORTH PIT EXTENSION PROJECT DESCRIPTION

Canadian Natural is proposing a northeast mine pit extension of the previously approved North Mine Pit at Horizon. The NPE Project includes proposed extensions of approved and new overburden storage areas. The mine extension will be immediately adjacent and east of the existing approved North Pit, west of the Athabasca River and is within the AER Approved Project Boundary for Horizon. The mine extension and the additional area required for overburden storage represents an increase in disturbance area of approximately 7% and 11% respectively (refer to Figure 2).

The NPE Project is expected to include the following changes to the Horizon Mine:

- Extension of the approved north mine pit to include the NPE Project area (~1,346 ha);
- Additional overburden storage areas (~2,102 ha); and
- Updated closure and reclamation plans.

The extension will be a continuation of the mine sequence, which would be actively mined for approximately seven years and would not require an increase in processing capacity or in water withdrawal from the Athabasca River. Since the extension would be a continuation of the mine sequence, there would be no additional workforce required, along with no increase in population, housing or camp requirements. Additionally, there would be no incremental impacts on local or regional traffic, local or regional infrastructure, and community services.

An assessment of the NPE Project area was not included in the Horizon 2002 Environmental Impact Assessment (EIA), and currently does not have *Environmental Protection and Enhancement Act* (EPEA), *Public Lands Act*, *Water Act* or *Oil Sands Conservation Act* (OSCA) approvals. Canadian Natural is preparing an EIA under the EPEA for the proposed extension with a focus on the potential additional impacts that may result from the extension. Canadian Natural will be seeking regulatory approvals through an Integrated Application and EIA.

The proximity of Stakeholders in relation to the NPE Project is also shown below in Figure 2.

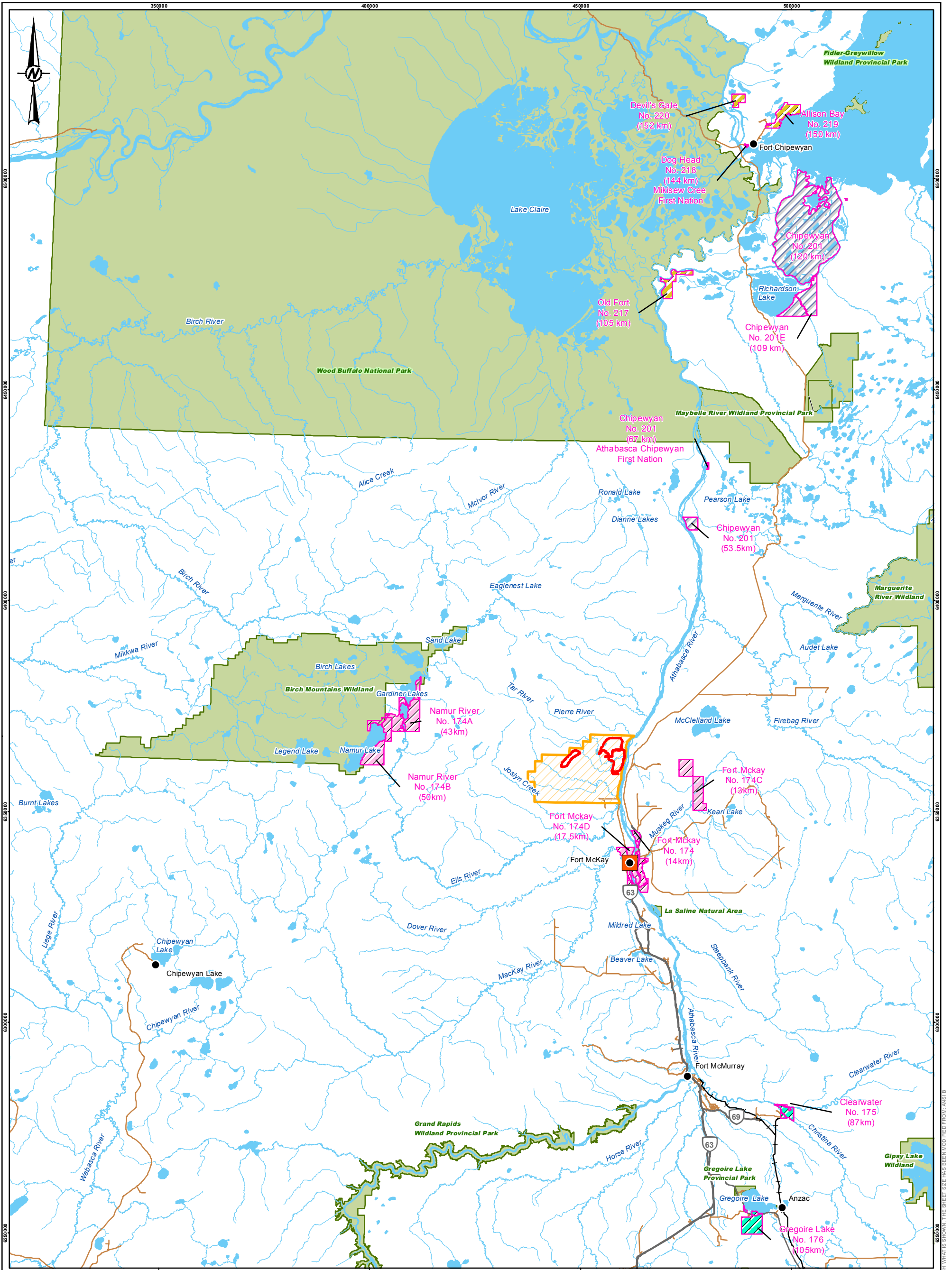
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The regulatory review process will be undertaken in accordance with the *Responsible Energy Development Act* (REDA) and the associated Rules of Practice.

For the proposed NPE Project, Canadian Natural will look to obtain the following amendments/clearance to the following Horizon approvals:

Type of Approval	Approval Number (as amended)	Description of Amendment/Clearance
<i>Environmental Protection and Enhancement Act</i> (EPEA)	149968-01-00	Activities associated with the North Pit Extension project include: road construction, tree clearing, surface water management, soil salvage, overburden removal, overburden and interburden storage area construction, truck and shovel mining, treated tailings deposition, capping and reclamation.
<i>Water Act</i> (WA)	0021931-01-00	<i>Water Act Approval:</i> an amendment will be required for the extension of the <i>Water Act</i> Approved fenceline for dewatering and drainage activities associated with the proposed footprint. <i>Water Act Licence:</i> an amendment will be required for the additional diversion from the drainage areas that are associated with the footprint. Water allocation from the Athabasca River will remain unchanged.
<i>Public Lands Act</i> (PLA)	MSL033406	The MSL amendment will provide for the addition of lands required for the NPE Project.
<i>Historical Resource Act</i> (HRA)	To be determined	It has been noted that the NPE Project is near a number of sites classified by Alberta Culture's <i>Listing of Historic Resources</i> as Historical Resource value (HRV) 4c, which are sites that contain a cultural historic resource which may require avoidance and/or consultation with First Nations. Canadian Natural will work with Alberta Culture to determine whether consultation will be required per Alberta Culture's procedure under the <i>Historical Resource Act</i> .
<i>Oil Sands Conservation Act</i> (OSCA)	9752	Canadian Natural will be requesting approval of the NPE Project under Section 13 of the <i>Oil Sands Conservation Act</i> (for Commercial Scheme Approval 9752, as amended).

Table 1: List of Regulatory Horizon Amendments/Clearance



- LEGEND**
- SETTLEMENT
 - PRIMARY HIGHWAY
 - SECONDARY HIGHWAY
 - LOCAL ROAD
 - + RAILWAY
 - WATERCOURSE
 - WATERBODY
 - PARK / PROTECTED AREA
 - NORTH PIT EXTENSION AREAS
 - HORIZON AER APPROVED PROJECT BOUNDARY
 - MÉTIS COMMUNITY
 - INDIAN RESERVE**
 - FORT MCMURRAY FIRST NATION
 - MIKISEW CREE FIRST NATION
 - FORT MCKAY FIRST NATION
 - ATHABASCA CHIPEWYAN FIRST NATION

0	20	40
1:850,000		
KILOMETRES		
YYYY-MM-DD	2017-07-06	
DESIGNED	KR	
PREPARED	PT	
REVIEWED	KR	
APPROVED	WS	

REFERENCE(S)

SETTLEMENTS, RAILWAYS AND HYDROGRAPHY OBTAINED FROM IHS ENERGY INC. ROADS OBTAINED FROM GEOGRATIS. © DEPARTMENT OF NATURAL RESOURCES CANADA. ALL RIGHTS RESERVED. INDIAN RESERVES AND PARKS AND PROTECTED AREAS © GOVERNMENT OF ALBERTA 2015. ALL RIGHTS RESERVED. PROJECTION: UTM ZONE 12 DATUM: NAD 83

PROJECT
HORIZON NORTH PIT EXTENSION PROJECT

TITLE
PROXIMITY OF ABORIGINAL GROUPS TO THE HORIZON OIL SAND MINE AND PROCESSING FACILITY

HORIZON NORTH PIT EXTENSION PROJECT

PROJECT LOCATION

The NPE Project area will primarily be located in Townships 96 and 97, Ranges 11 and 12, West of the 4th meridian, which is within the AER's Approved Project Boundary for Horizon. The Project area is approximately 20.5 km northwest of the community of Fort McKay, in the Regional Municipality of Wood Buffalo.

The Project Area is adjacent of the existing North Pit and west of the Athabasca River and includes the extension of the approved north mine pit and additional overburden storage areas (See Figure 3 for details).

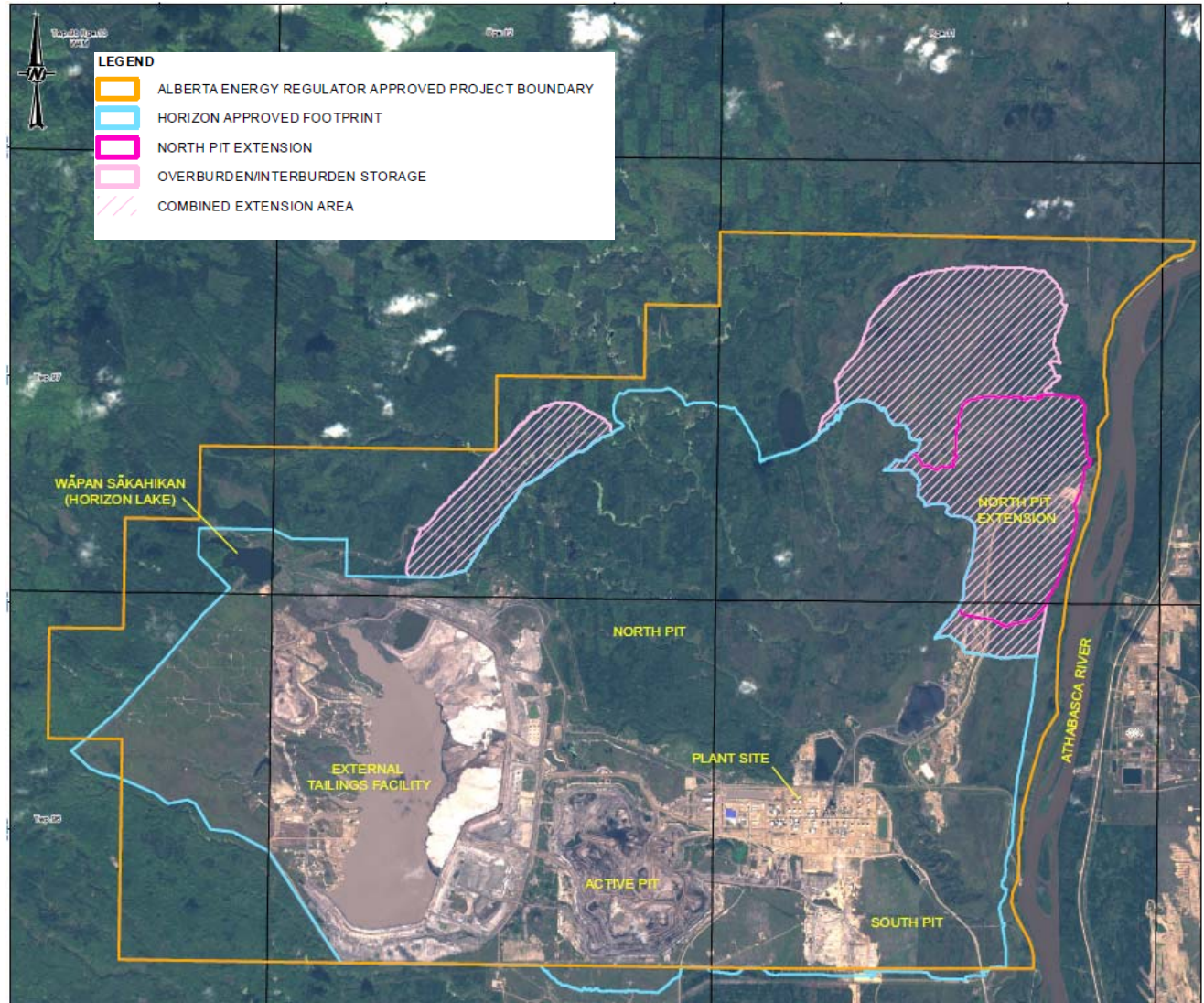


Figure 3: North Pit Extension Project Area

POTENTIAL ADVERSE IMPACTS TO ABORIGINAL TREATY RIGHTS AND TRADITIONAL USES

The NPE Project will impact the East Trapper Trail that is used by Fort McKay community members. This route will be re-established around the NPE Project to ensure connectivity to traditional lands north of the proposed development.

Canadian Natural's consultation with Indigenous communities will build on our previous engagement with communities in the area. Canadian Natural previously completed Traditional Land Use (TLU) studies for several communities in the region which with agreement from the applicable communities, will be used as a foundation to identify any incremental or potential short and long term impacts of the NPE Project on local First Nations. Collection of previous data included reviews of past TLU reports, interviews with Elders, youth and other community members, site visits, and workshops. Where appropriate, Canadian Natural will build upon these studies for the NPE Project by gathering further project-specific information and documentation.

ENVIRONMENTAL IMPACT ASSESSMENT

As part of the NPE Project regulatory process, Canadian Natural will consider all aspects of the proposed development plans, through the completion of a focused EIA.

The EIA will assess the potential impacts of the project on surface water, aquatic resources, groundwater, air, soil, wildlife, vegetation, biodiversity, historical resources, resource use and traditional land use, and will outline Canadian Natural's proposed mitigation measures, as required. Baseline studies have been initiated and will continue through 2017.

INITIAL NOTIFICATION PROCESS FOR FIRST NATION CONSULTATION

Under the Aboriginal Consultation Office (ACO) Pre-consultation assessment decision, Canadian Natural has been advised that the NPE Project will be subject to a First Nation Level 3 Consultation (**Level 3: Extensive consultation for projects with an EIA**).

The File Number for Consultation (FNC) for the NPE Project is: **FNC201706486**. Please quote this FNC number for any feedback or concerns related to the NPE Project.

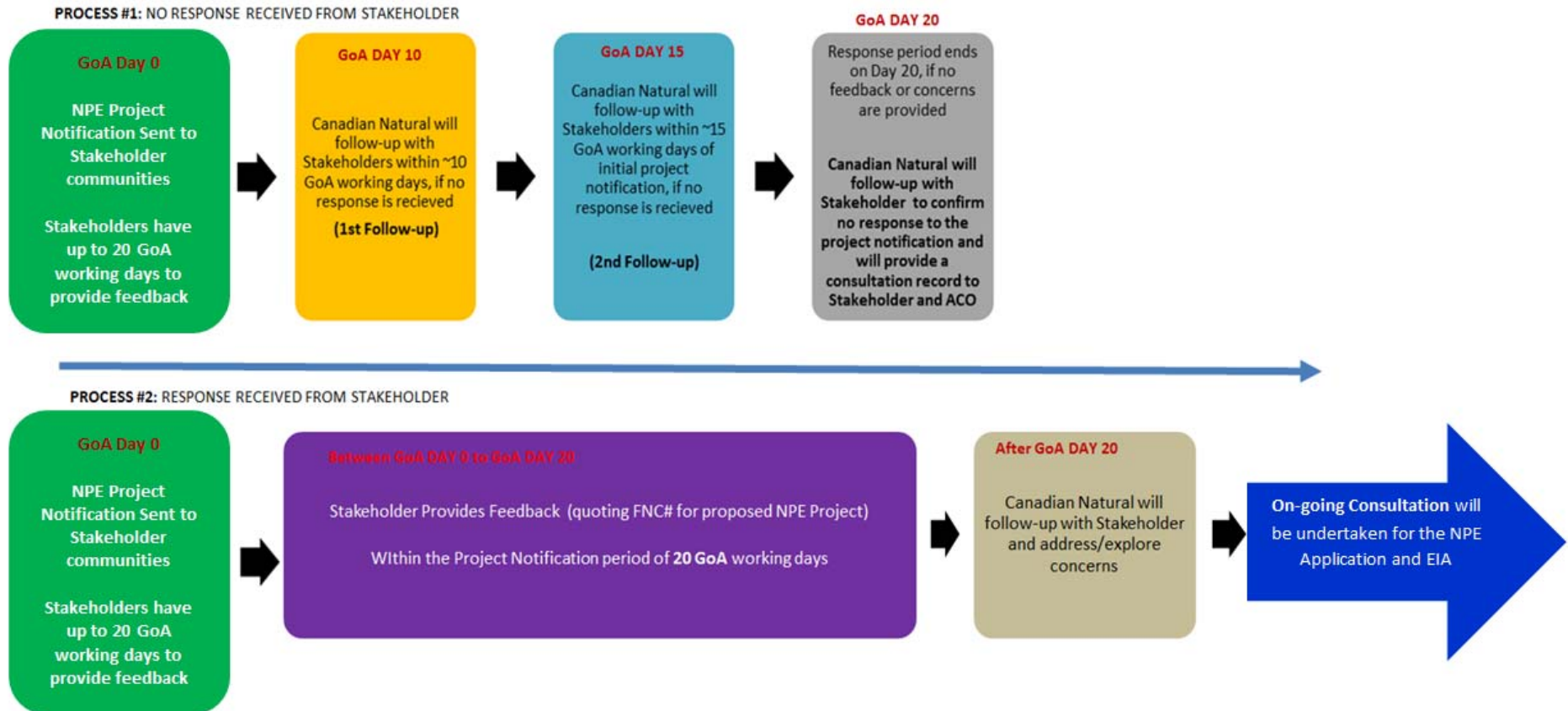
For the Level 3 Extensive Consultation process, Canadian Natural will:

1. Provide each identified First Nation with a Project notification letter and comprehensive Plain Language Information package which will share information about the proposed activity (Description of project activity, location, potential impacts, regulatory authorization being sought, and opportunities for Stakeholder input, etc).

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2. Provide First Nations the opportunity to provide a written submission to Canadian Natural describing project-specific impacts to their Treaty rights and Traditional uses (within 20 working Government of Alberta “GoA” Working days). Any concern(s) identified should be:
 - Be spatially located, and;
 - Explain how the project may adversely impact the First Nation’s Treaty rights and traditional uses, or Metis Settlement members’ harvesting and traditional use activities.
3. In response to any feedback received, Canadian Natural will follow-up with each Stakeholder.

The following graphic shows the NPE Project Notification response Timeline and Schedule for Consultation Activities based on the ACO’s Level 3 Consultation process:



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A list of available Government of Alberta Consultation Documents that can be downloaded from Alberta's Indigenous Relations website (<http://www.indigenous.alberta.ca/>) is provided in Table 2.

Type of Document	Document Name and Link
GoA Proponent Guide	The Government of Alberta's Proponent Guide to First Nations and Metis Settlements Consultation Procedures June 6 2016 The 2016 Proponent Guide: Overview of Major Changes June 26 2016
First Nations Policy	The Government of Alberta's Policy on Consultation with First Nations on Land and Natural Resource Management, 2013
First Nations Guidelines	The Government of Alberta's Guidelines on Consultation with First Nations on Land and Natural Resource Management, July 28, 2014 July 28, 2014 Guideline Corrections
Metis Settlement Policy	The Government of Alberta's Policy on Consultation with Metis Settlements on Land and Natural Resource Management, 2015
Metis Settlement Guidelines	The Government of Alberta's Guidelines on Consultation with Metis Settlements on Land and Natural Resource Management, 2016
Aboriginal Consultation Office	http://indigenous.alberta.ca/1.cfm

Table 2: List of Government of Alberta Consultation Documents

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REGULATORY PROCESS AND OPPORTUNITIES FOR STAKEHOLDER INPUT

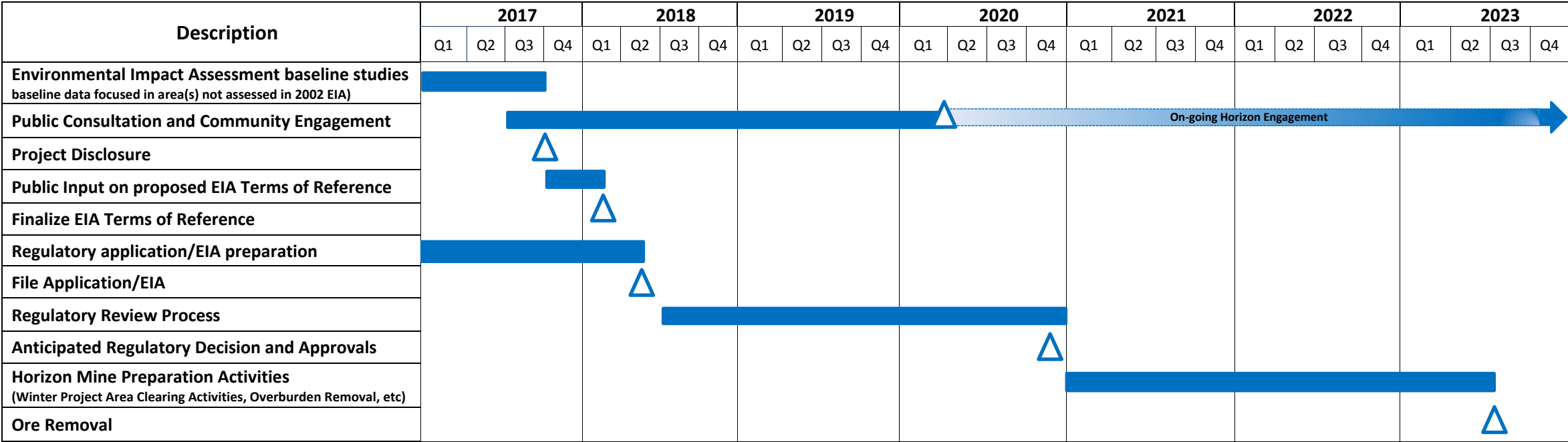
The following Table identifies the main elements of the regulatory process and the key opportunities for stakeholder input and dialogue.

Project Activity	Opportunity for Stakeholder Input and Canadian Natural Follow-up	Anticipated Timing
Project Disclosure/Announcement	<p>Canadian Natural will inform stakeholders and regulators about the proposed North Pit Extension (NPE) Project.</p> <p>Notification letters will be provided and Stakeholders will have a chance to provide written submissions of their feedback and/or concerns.</p> <p>Canadian Natural to schedule meetings/discussions with stakeholders, as required.</p>	November 28, 2017
Initial Notification Process for Indigenous Communities	Indigenous Communities will have the opportunity to provide a written submission describing project-specific impacts to their Treaty rights and Traditional uses (within 20 working Government of Alberta Working days).	Commence on November 28, 2017
Notice re: Proposed Terms of Reference for Environmental Impact Assessment	All Stakeholders will have an opportunity to provide written input to Alberta Energy Regulator and Canadian Natural on the Proposed Terms of Reference.	November 28, 2017 - January 15, 2018
Stakeholder Consultation for Integrated Application and Project Updates	<p>Canadian Natural will provide stakeholders with opportunities to discuss the proposed development plans and the integrated application.</p> <p>Canadian Natural will document feedback from stakeholders and will respond to their concerns.</p> <p>Additional discussions with Stakeholders for engagement and consultation will be conducted through:</p> <ul style="list-style-type: none"> • Open houses • Presentations/discussions with Stakeholder groups • Correspondence Notifications (Emails/Portals) <p>Canadian Natural will continue to follow-up with stakeholders on their input.</p>	On-going
Submission to Regulators	Submission of Integrated Application and Environmental Impact Assessment.	Q2 2018
AER Notice of Application	Following submission of the integrated application to the AER, stakeholders will have the opportunity to review the integrated application and file written submissions, including statements of concern related to the application, with the AER.	Q2/Q3 2018

Table 3: Regulatory Process and Opportunities for Stakeholder Input

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PROPOSED NORTH PIT EXTENSION PROJECT SCHEDULE



NORTH PIT EXTENSION PROJECT

LIST OF ACRONYMS

ACO	Aboriginal Consultation Office
AER	Alberta Energy Regulator
Canadian Natural	Canadian Natural Resources Limited
CEAA	Canadian Environmental Assessment Agency
EIA	Environmental Impact Assessment
EPEA	<i>Environmental Protection and Enhancement Act</i>
FNC	File Number for Consultation
GoA	Government of Alberta
HRA	<i>Historical Resources Act</i>
HRV	Historical Resource Value
Horizon	Horizon Oil Sands Processing Plant and Mine
MSL	Mineral Surface Lease
NPE	North Pit Extension (Proposed Project)
OSCA	<i>Oil Sands Conservation Act</i>
PLA	<i>Public Lands Act</i>
TLU	Traditional Land Use (TLU)
WA	<i>Water Act</i>

CANADIAN NATURAL CONTACT INFORMATION

Please contact us for more information or to
provide us your views or input:

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For Media Inquiries: ir@cnrl.com
Website: www.cnrl.com

Mission Statement

To develop people to work
together to create value
for the Company's
shareholders by doing it
right with fun and
integrity.