

Western Canadian Coal Spotlight Presentation Notes

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Western Canadian Coal was incorporated in 1997 to pursue exploration and development. The head office is in Vancouver with a regional office in Tumbler Ridge. Currently they employ 80 to 100 persons. Markets for the mined coal are in Asia with exports going to Korea and future markets in China and India being developed. The market for coal is at an all time high with coal selling for \$120 to \$130 US per tonne. The profits being realized from the production from the Dillon Mine is providing the revenue needed to develop two additional mine sites, the Wolverine Mine in Tumbler Ridge and Brulle Mine in the Chetwynd area. Current projection is for 3 million tons to be produced with a long-term goal of selling 5 million tonnes of coal out of their mining operations in our area. The coal they are producing are metallurgical and PCI, both of high quality and high demand in current world markets.

Currently Western Canadian Coal is operating open pit mines but there is the potential of an underground mine in the Wolverine area at some future date. Long term planning strategy is to use the current high price of coal to finance the start up and bring all mines on stream. The current market prices are expected to peak and that prices in the long term will be adequate to sustain continued mining activity in the area for 15+ years with Western Canadian Coal establishing the connections and partnerships to ensure long term sustainable production way into the future.

In the start up and construction phase most aspects of the mining operations are contracted out on 6-month terms to secure access to the needed equipment, expertise and materials. The hope is that as the mines come on stream Western Canadian Coal will employ their workers directly. Currently they are accepting resumes, which are passed on to the current contractors working on their different projects. To date 350 resumes have been forwarded to Western Canadian Coal contractors who are asked to insure that local workers are well represented in the labour force along with members of local aboriginal groups. Western Canadian Coal monitors hires for their projects to insure local labour participation.

The Dillon Mine: The Dillon mine is producing 800,000 tons per year with projections to increase production to 2 million tons in the future. Sub-contractor Pelly Construction is currently carrying out work in the mine.

The Brulle Mine: The Brulle Mine outside of Chetwynd is currently in the planning “Permit” stage with some onsite preparation is starting with the initial contract being awarded. The plans are for production to be at 2 million tons. The Brulle mine with start up projected to be in 2years is projected to have a workforce of 250 – 275 workers based out of Chetwynd

The Wolverine Mine: This mine is located just outside of Tumbler Ridge and is currently under construction with current contractors being Pelly Construction & Dechant Construction. The goal is to have it operational in 14 to 18 months or sooner, with a workforce of 225 to 250 workers. The plans are for production to be at 1.6 million tonnes. The contract for earthworks was let 1 month ago and site preparation is beginning.

Belcourt- Saxon Project: The Belsax Mine is a proposed mine in the Boundary Lake area and involves a joint venture with NEMI. Currently the feasibility of this mine is under investigation. The deposits are being tested and infrastructure challenges being addressed.

Transportation: The loading facility for CN is currently in the planning stages with a purposed site of Hasler Flats being pursued at this time. CN rail will haul coal to Ridley Island loading facility in Prince Rupert. The facility will be designed to handle 3 million tonnes.

Job Opportunities: Currently there is a demand for **Class 1 drivers** through contractor J8 Holdings of Tumbler Ridge to haul coal from Dillon Mine to the Tech Corp. silos for shipping. **Unlicensed rock truck drivers** are needed in the Dillon Mine and are employed by sub-contractor Pelly Construction. There will also be future spin-off opportunities in road construction as the road systems and infrastructure are upgraded to meet the areas development needs. Future operations will require tradespersons: **Electricians, Welders, Millwrights, HD Mechanics**, and others. Western Canadian Coal has been working with local training institutions to take on 15 to 20 apprentices that would transition from one sub-contractor to another to insure they would receive the ongoing experience to complete the apprenticeship process. Currently there is a shortage of qualified tradespersons in BC and increase in demand from not only mining sector, but there will be plenty of opportunities for persons considering their career options at this time. In addition to trades there will also be opportunities for persons working in such areas as **surveying, environmental sciences and land management fields**. In the initial construction phases there may be camps established to assist in meeting labour demands but the hope is that local communities will provide long-term residences to the future labour force.