



Canada: Producing Coal Mines

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March 09

Summary

The first half of 2008 saw the Canadian coal market at a steady production pace. The global financial slowdown since September 2008 has caused a reduction in coal production in Canada. At the end of 2008, Canada had 23 producing coal mines. These coal mines produced over 72 million tons, approximately the same amount as 2007. Canada exported over 30 million tons of coal in 2007 and imported approximately 16.1 million tons. The past four years have shown a constant 40/60 metallurgical/thermal production. Although this sector has experienced highs and lows, depending on economic conditions, experts predict moderate decreases in metallurgic coal production and steady production of thermal coal in Canada for 2009. The following is a list of Canada's coal producers, their properties, production estimates and future prospects.

Canadian Coal Producers

Metallurgical:

Teck Coal Limited (www.teck.com)

- _ Canada's major Metallurgical coal producer
- _ 5 mines in South East British Columbia (BC) – *Fording River, Elkview, Greenhills, Coal Mountain & Line Creek* ; 1 Mine in Alberta (AB) – *Cardinal River Cheviot Pit* - all Open Pit
- _ Second Largest Seaborne hard coking coal exporter
- _ Reserves: 627 million clean tons (plus 4.5 Billion insitu tons measured & indicated resource; 3.2 billion insitu tons – inferred) – BC & AB
- _ Reserve Life: approx. 25 years - BC & AB
- _ 2008 Sales: 23 to 25 MT

Peace River Coal

- _ Limited Partnership- Anglo Coal Canada; Hillsborough Resources and Northern Energy & Mining (74%/14%/12%)
- _ 1.5 MT saleable Product target 2008; 5 MT in 2012
- _ Properties: *Trend; Roman* (2012); *Horizon* (2014); *Belsax* (2016) – all open pit – Tumbler Ridge, BC
- _ Export through Ridley Terminals – Prince Rupert, BC

Western Canadian Coal (www.westerncoal.com)

- _ Open Pit – Tumbler Ridge, BC
- _ *Wolverine* – 2 MTPA to 5 MTPA –HCC; *Brule* – 1.2 MTPA to 2.0MTPA – ULV PCI; *Belsax* (50%) – 4 - 10MTPA (2013/14);
- _ *Willow Creek* currently suspended recommence (2012?) _ Export through Ridley Terminals - Prince Rupert, BC

Grande Cache Coal (www.gccoal.com)

- _ Open Pit and Underground – Grande Cache, AB
- _ 1.5 – 1.8 MTPA in 2008
- _ Target 2 MTPA

Thermal:

Sherritt Coal (www.sherritt.com)

- 2008e - 40 MTPA
- *Prairie Mines* –*Highvale, Whitewood, Genesee, Paintearch, Sheerness*, AB – 26 MTPA; *Poplar River, Boundary Dam, Bienfait*, Saskatchewan: 10.5 MTPA
- *Coal Valley* – Edson, AB: 4 MTPA for export
- *Obed Mountain* – AB, reopen Aug 2009 – 1.2 MTPA for export

Hillsborough Resources Limited (www.hillsboroughresources.com)

- _ Quinsam Mine – BC - underground
- _ 600,000 Tons clean coal – Thermal
- _ 5-6 years reserves in current operations
- _ significant resources north of current mine – 20-30 years
- _ Marketed primarily to cement industry – in future half to international market and half to cement
- _ Hillsborough developing *Wapiti Thermal* deposit in North Eastern BC

Metallurgical Coal Prospects

Canadian Dehua International

- _ *The Gething* (near Hudson Hope, BC) – Metallurgical coal
- _ Underground with reserves of 284 MT
- _ Production Date Target: 2012; initial: 2 MTPA clean coal

Cline Mining

- _ *Lossan* (near Chetwynd, BC) – 50/50 Coking coal/PCI
- _ Open Pit
- _ Resources: 254 MT
- _ 1MTPA based on early feasibility; Production date: uncertain

First Coal Corporation

- _ *Central South & South Cirque*, BC focus – predominantly metallurgical coal
- _ Open Pit – trench mining with highwall miner
- _ Reserves: Central South – 45.8 MT (Measured & Indicated) + 32.1 MT Inferred; South Cirque: 575 MT (Historical)
- _ 2009 – bulk sample; 2010 small Mine – 245,000 TPA; target 2010– 3 MTPA

Colonial Coal

- _ *Huguenot* property between Belcourt and Saxon, BC
- _ currently a joint venture with Anglo Coal Canada
- _ Reserves: 195 MT

Kennecott Canada Exploration

- _ *Crowsnest Pass Field* – 2008 3 wells + seismic
- _ 2009 continue exploration program
- _ Future Underground mine

Compliance Energy –

- _ *Bear + Raven + Wolf* Coal Deposits South of Campbell River, BC
- _ Resource: 49.5 MT Measured & Indicated; 59 MT Inferred – Mix of Met/PCI/Thermal
- _ 2008 feasibility study; production target date – 2011
- _ Estimated initial Production from Raven: 2.2 MTPA raw

Fortune Minerals Limited

- _ Anthracite - Open Pit
- _ located north and east of Stewart, BC - truck haul to Stewart
- _ Production target: 2011
- _ Reserves/Resources: *Mount Klappan*-230 MT, *Lost Fox* – 101.7 MT (Measured & indicated)

West Hawk Development Corp – Exploring opportunities near Mount Klappan, BC

Unicorn International Mines Group – Looking at developing an underground project in North Eastern BC

Source: The Coal Association of Canada

Opportunities for US firms

Although the coal mining industry globally has experienced a moderate decrease, some Canadian firms are seeking expansion in their operations, specifically thermal production. Equipment needs include: conveyor

systems, roof bolters and coal hauling vehicles (shuttle cars). Replacement parts for mining equipment are also in demand due to the large costs associated with purchasing new machinery. As the above mentioned coal prospects complete the necessary regulatory approvals, export opportunities bode well for U.S. firms supplying coal mining equipment. Commercial Service strongly recommends U.S. suppliers to explore these opportunities quickly and thoroughly.

For More Information

The U.S. Commercial Service in Vancouver, Canada can be contacted via e-mail at: judy.simonite@mail.doc.gov; Phone: 604-685-3382; Fax: 604-687-6095; or visit our website: www.buyusa.gov/canada.

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