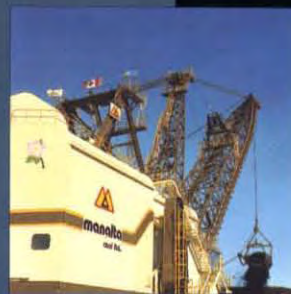


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LINE CREEK MINE

Acquired in 1991, Line Creek Mine is operated by Line Creek Resources Ltd., a subsidiary of Manalta Coal Ltd. Based in Calgary, Alberta, Manalta is Canada's largest coal producer – mining about 27 million tonnes per year. With approximately 60 years of experience in the coal mining business, Manalta and its subsidiaries operate seven other mines in Alberta and Saskatchewan.

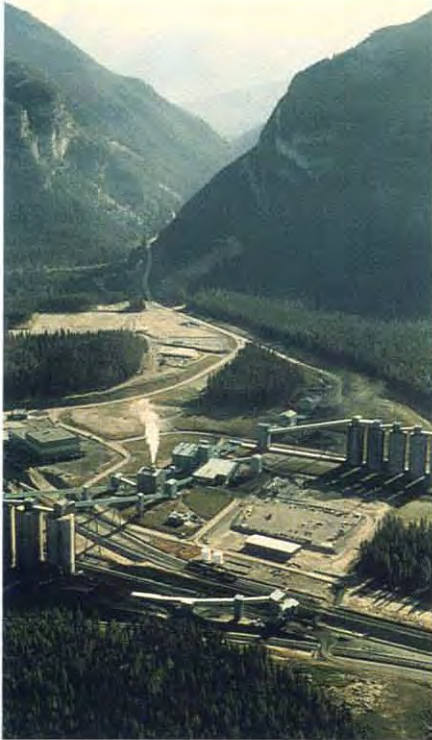
Located in southeastern British Columbia, 25 kilometres north of Sparwood, Line Creek began operating in 1981 and produces both thermal and metallurgical coal for export.



Line Creek

Drilling and blasting precede rock overburden removal.





Separate metallurgical and thermal coal processing plants permit customized products.

trucks for the journey down the narrow Line Creek Canyon to the processing plant. At the plant site, the raw coal is temporarily stored in one of five storage silos, each having a 5,000 tonne capacity. Each silo provides predetermined, dedicated storage for one particular seam or combination of seams. Three of the five silos are reserved for metallurgical coal, one is reserved for thermal coal, and the fifth may be used for either coal type. This system allows the blending of coal to meet customers' exact specifications.

The main coal deposit at Line Creek Mine consists of up to five seams of low-sulphur coal totalling 20 to 25 metres in thickness. The property holds over 200 million tonnes of bituminous coal reserves.

Mining Operations — Open Pit Method At Line Creek, mining is done using the multiple-bench, open pit method. After surface soils suitable for reclamation are salvaged, the rock overburden is drilled and blasted. Mining shovels and front-end loaders load the rock into trucks, which haul it to nearby dumps. Exposed coal is extracted and loaded by excavators or front-end loaders into trucks. The coal is hauled to a holding area, where it is stockpiled before being transferred into smaller

LINE CREEK MINE FACTS

Production capacity per year (thermal)	Approximately 2 million tonnes
Production capacity per year (metallurgical)	Approximately 2 million tonnes
Type of coal	Low to medium volatile bituminous
Owner	Line Creek Resources Ltd.
Operator	Line Creek Resources Ltd.
Mining method	Open pit, truck and shovel
Major market	Steel making and power generation

Processing and Transportation

Line Creek's two-plant operation allows both thermal and metallurgical coal to be processed separately or simultaneously. The thermal coal plant uses a relatively simple process to clean the coal, with the coarser fractions being washed in a heavy media bath. For metallurgical coal, a more complex cleaning method uses a combination of cyclones and flotation processes. After cleaning, metallurgical coal is conveyed to a dryer where moisture is removed to desired specifications. Clean coal is automatically sampled, to ensure quality, and then stored in one of three clean coal silos, each with the capacity to store 13,600 tonnes of processed coal.

Coal from the silos is loaded into unit trains, consisting of up to 110 rotary dump railcars, each with a capacity of 94 tonnes. The process of loading a train takes about four hours. The coal in the railcars is then sprayed with a dust suppressant. About two thirds of the coal produced make an 1100-kilometre journey to a terminal at Roberts Bank, near Vancouver, B.C., before being shipped to customers overseas. The rest of the coal goes east, ultimately to customers in the United States.

Environmental Protection and Safety

Environmental protection is a high priority for Line Creek Resources. The Company endeavours to minimize both the amount of land disturbed and the length of time that land remains unreclaimed. Reclamation efforts are geared to creating habitat for wildlife such as elk, deer, moose, bear and sheep.



Left:
Reclamation at Line Creek includes the creation of wildlife habitat.
Right:
Quality control begins in the mine pit.

**On site lab
facilities help
ensure
customers'
specifications
are met.**



A strong commitment to planning and monitoring ensures that air and water quality meet applicable standards at all stages of mining operations. The preparation plant is designed to minimize air and water emissions. Water used at the plant is recycled in a closed circuit system, which saves water and eliminates the need for large tailings ponds. Enclosed storage systems, for both raw and clean coal, limit the release of coal dust into the environment.

Line Creek's commitment to safety is evidenced by its comprehensive safety program, which has helped employees achieve an excellent safety record over the years.

Customer Service Producing bituminous coal to meet the specifications of a number of different customers is a major challenge – a challenge which Line Creek Resources is successfully meeting. At Line Creek's on-site laboratory, coal moisture, ash content and uniformity of blends are continually monitored, to maintain product quality and consistency. One of Line Creek Resources' strengths is its continuing emphasis on meeting customers' needs. This emphasis on customer service will help keep Line Creek one of Canada's premier coal mining operations.



Recycled



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The
LORAM STORY
FIRST QUARTER 1996



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Front cover: Line Creek Mine's new conveyor truck dump in foreground. Shop/office complex and MSA West Pit in background.

Back cover: Highvale Mine.

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THE CHALLENGE OF THE FUTURE Inside Back Cover

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PRESIDENT'S MESSAGE

Over the course of the last 12 to 18 months, Manalta Coal has been pursuing a number of existing and new initiatives, all of which demonstrate our company's continuing commitment to Canada's coal industry.

In 1995, major capital investments were made in new technology and equipment to help our operations remain competitive. The new coal conveyor system at our Line Creek Mine provides an outstanding example of how technology can be used to achieve cost-efficient increases in productivity while also achieving important environmental and safety goals.

Effective October 1, 1995, ownership of the Gregg River Mine changed. Gregg River Coal Ltd., which previously held a 60 per cent interest in the Gregg River Mine, finalized an agreement to acquire the remaining 40 per cent interest held by its Japanese joint venture partners. The seeds of Gregg River's success were sown in 1981, when Gregg River Coal and its seven Japanese partners entered into the Japanese steel industry's first unincorporated joint venture with a foreign producer to develop a new metallurgical coal mine.

Since operations began in 1983, the Gregg River Mine has been committed to providing its customers — six Japanese steel mills — with a secure, economical supply of high-quality metallurgical coal. While ownership of the mine has changed, Gregg River Coal and the employees at the Gregg River Mine remain steadfast in their commitment to provide a quality product to their customers. Under the terms of the acquisition agreement, coal from Gregg River Mine will continue to be delivered to the mine's existing customers through to September 30, 1998.

The past year also saw many new accomplishments in the continued pursuit of quality assurance initiatives at our mine sites. Everyone at Manalta Coal can take great pride in the role Manalta has assumed in leading the Canadian coal industry's drive toward implementing formal quality assurance programs. This quest for quality is perhaps best reflected in one of Manalta's most gratifying accomplishments in 1995 — the achievement of the Company's best safety performance in many years.

In this issue of *The Loram Story*, we are pleased to provide an overview of Manalta Coal, its operations, and some of the significant events from the past year's activities.

To put Manalta's operations and accomplishments into perspective, this issue also includes some updated general information about the coal industry in Canada. I encourage all employees, customers and business associates to use this information as a starting point for contributing to informed and thoughtful discussions regarding the important role our industry continues to play in helping not only Canada, but the world, meet its energy needs in an economic and environmentally responsible manner.



A handwritten signature in dark ink, appearing to read "G. D. Chapel". The signature is fluid and cursive.

G. D. Chapel
President and Chief Executive Officer
Manalta Coal Ltd.

MANALTA'S OPERATIONS

Mine	Owner	Operator	Location	Capacity (approx. tonnes/yr.)	Type of Coal	End Use
Line Creek	Line Creek Resources Ltd.	Line Creek Resources Ltd.	Sparwood, B.C.	4.0 million	Bituminous	Steel making & power generation
Gregg River	Gregg River Coal Ltd.	Gregg River Resources Ltd.	Hinton, Alberta	2.1 million	Bituminous	Steel making
Highvale	TransAlta Utilities	Manalta Coal Ltd.	Seba Beach, Alberta	12.5 million	Sub-bituminous	Power generation
Montgomery	Manalta Coal Ltd.	Manalta Coal Ltd.	Sheerness, Alberta	2.5 million	Sub-bituminous	Power generation
Vesta	Alberta Power Limited	Manalta Coal Ltd.	Halkirk, Alberta	1.5 million	Sub-bituminous	Power generation
Poplar River	Manalta Coal Ltd.*	Prairie Coal Ltd.	Coronach, Saskatchewan	4.0 million	Lignite	Power generation
Utility	SaskPower	Prairie Coal Ltd.	Estevan, Saskatchewan	2.1 million	Lignite	Power generation
Costello	Manalta Coal Ltd.	Prairie Coal Ltd.	Estevan, Saskatchewan	2.0 million	Lignite	Power generation

*Owner is actually a partnership of companies controlled by Manalta.

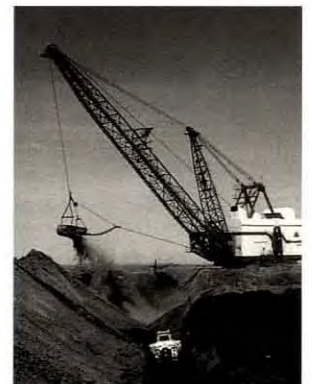


Operator

- ◆ Manalta Coal Ltd.
- Gregg River Resources Ltd.
- ▲ Prairie Coal Ltd.
- Line Creek Resources Ltd.



Line Creek



Montgomery

PROFILE OF CANADA'S LARGEST COAL PRODUCER

Manalta Coal Ltd. has played an integral role in the development of Canada's modern coal industry. The company's corporate roots in the coal industry date back more than 60 years to the 1930s. Since the mid-Sixties, Manalta has been Canada's largest producer of coal, in terms of tonnage, consistently producing over one-third of the country's annual coal production. Manalta's total yearly production is about 27 million tonnes.

More than 1750 employees work at Manalta's eight mines – which are located in British Columbia, Alberta and Saskatchewan – and at its corporate headquarters in Calgary, Alberta. Manalta Coal Ltd. is a member of the Loram Group of Companies, which has been actively involved in the development of Canada's infrastructure and natural resources since 1898.

MANALTA'S POSITION IN THE INDUSTRY

Manalta makes vital contributions to the Canadian economy. Its production provides fuel for both domestic power plants and export sales.

Manalta's six prairie mines located in Alberta and Saskatchewan primarily feed large, efficient power generating stations owned by major utility companies. Two bituminous mine operations focus on producing coal for export markets. Gregg River Mine, located near Hinton in Alberta, produces metallurgical coal primarily for export to Japan's steel industry. Line Creek Mine in southeastern B.C. produces both metallurgical and thermal coal for export to the Pacific Rim, Europe and the United States.



Gregg River



Costello



Poplar River



Vesta



Utility



Highvale



Mine rescue competitions help hone the skills of Manalta's safety experts.

NEW SAFETY RECORDS SET

During 1995, Manalta's mines collectively set some impressive new corporate safety records.

Safety has always been a top priority of Manalta, and 1995 was no exception. New corporate safety records included achieving the lowest annual lost-time accident frequency and severity rates experienced in a calendar year since statistics started being kept in their current manner in 1987.

During 1995, Montgomery Mine experienced no lost-time accidents for the second year in a row. Vesta Mine, which has been recognized many times over the years for its notable achievements in safe mining, completed 1995 with no lost-time accidents, as did Gregg River Mine. Gregg River's achievement of this milestone is particularly noteworthy since it was the only mine in Alberta with more than 100 employees to go accident free in 1995.

In 1995, Utility Mine achieved a new safety record for the mine when it operated for 398 days without a lost time accident. This milestone beat Utility's previous record of 348 days set in 1994.

Augmenting the impressive safety records being established at many of Manalta's mines is a comprehensive system of safety audits. Each year, Manalta's mines are the subject of comprehensive safety audits conducted by in-house safety specialists. In 1995, this program of "internal" audits was supplemented by a program of special "external" audits conducted by independent consultants. Gregg River, Highvale and Utility were the first of Manalta's mines to go through the external audit process. Results were very favourable and plans are in place to perform similar external audits at Manalta's other mines on a rotational basis.



Highvale Mine.

What is ISO?

- ISO-9000 is an internationally recognized series of guidelines and standards for quality assurance systems.
- ISO-9004 guides a company in choosing the right building blocks for a quality system.
- ISO-9001, 9002 and 9003 describe specific quality system models within the framework provided by 9004.
- Which of the three specific ISO standards a company elects to pursue will depend on the nature of the company and its specific activities. In Manalta's case, the ISO standard being sought varies from mine to mine, reflecting the different mining and contractual issues at each site.

SETTING HIGH GOALS FOR QUALITY

HIGHVALE ACHIEVES ISO-9002

In his final ISO-9002 report, the lead auditor commented: "This mine operation could be a leading example for the rest of the coal industry to follow."

In 1994, Highvale Mine embarked on a Quality Assurance Program based on the belief that quality must be woven into every aspect of its operations, not just in the achievement of consistency of the physical properties of the mine's final product – coal.

Manalta operates Highvale Mine for the owner, TransAlta Utilities. Coal from Highvale Mine is used by two of TransAlta's power generating plants, Sundance and Keephills. Manalta's Quality Assurance goals for Highvale include providing TransAlta with industry-leading levels of service, quality and value, and continuously improving the mine's product and service to meet TransAlta's expectations.

In developing the policies and procedures for the Program, the guidelines of the International Standards Organization (ISO) were followed. ISO-9002 was chosen as the appropriate standard for Highvale Mine as it provides for clarification and documentation of procedures and a continuing cycle of improvement.

In 1995, Highvale's Quality Assurance Program passed a major milestone: it met the requirements for ISO-9002. The registration audit was performed on November 15 and 16. On December 8, Highvale received formal notification that certification had been granted. Manalta has made a strong commitment to be the mine operator of choice for the Highvale Mine. The achievement of ISO-9002 provides a significant demonstration of this commitment.



Gregg River Mine's quality program covers all aspects of the mine's operations.

GREGG RIVER AIMS FOR ISO-9001

Certification issues aside, the path to meet ISO-9001 standards has been a beneficial process for Gregg River.

Gregg River Resources launched its formal quest for quality in 1995 with the development of a quality system modelled after the ISO-9001 program of standards. ISO-9001 standards define the quality system requirements to cover all phases of a product, from design through to production and delivery. Employees from all areas of the Gregg River Mine were asked for their input to describe and document the best methods of performing work activities that impact the products and services provided to on-site and off-site customers.

The key elements addressed in the resulting procedures are safety, efficiency, quality and the environment. With documented procedures in place, system implementation began with training all employees on the new procedures and the function of the quality system. On December 1, 1995, the quality system was officially introduced. An independent audit of Gregg River's program was conducted in mid-February and resulted in the mine being awarded ISO-9001 certification in March 1996.

Employee involvement in defining and documenting best practices has improved communications and provided assurance among co-workers that reliable products and services are being provided internally. Certification provides external customers the same level of assurance in the products and services they receive.

QUALITY IS AN EVOLUTIONARY PROCESS

The Vesta and Montgomery mines, located less than 150 kilometres apart in east-central Alberta, have a number of things in common, including their goals for quality. In recent years, both Vesta and Montgomery have successfully implemented quality control programs designed to make their respective operations more efficient and responsive to their customers' needs. This spring, both mines will progress to the next stage in their quality journey and will officially embark on a drive to achieve ISO-9001 certification.

Manalta's mines in Saskatchewan are also progressing along the road to quality. Both Poplar River and Utility mines have well-established quality control programs which are intended to serve as the building blocks for the eventual transition to an ISO-based quality assurance program.

Line Creek coal handling and processing facilities play a key role in quality assurance.



LINE CREEK AFFIRMS ISO LEADERSHIP

Part of the challenge of ISO is maintaining that certification after it has been achieved.

Line Creek Resources continued its quality journey in 1995 when it became the first Canadian mine to be re-certified under the more rigorous 1994 version of the ISO-9001 standards. Previously, Line Creek had been certified under the 1987 version. Aside from the fact that the standards themselves are periodically upgraded, continuing improvement is an important part of the quality process.

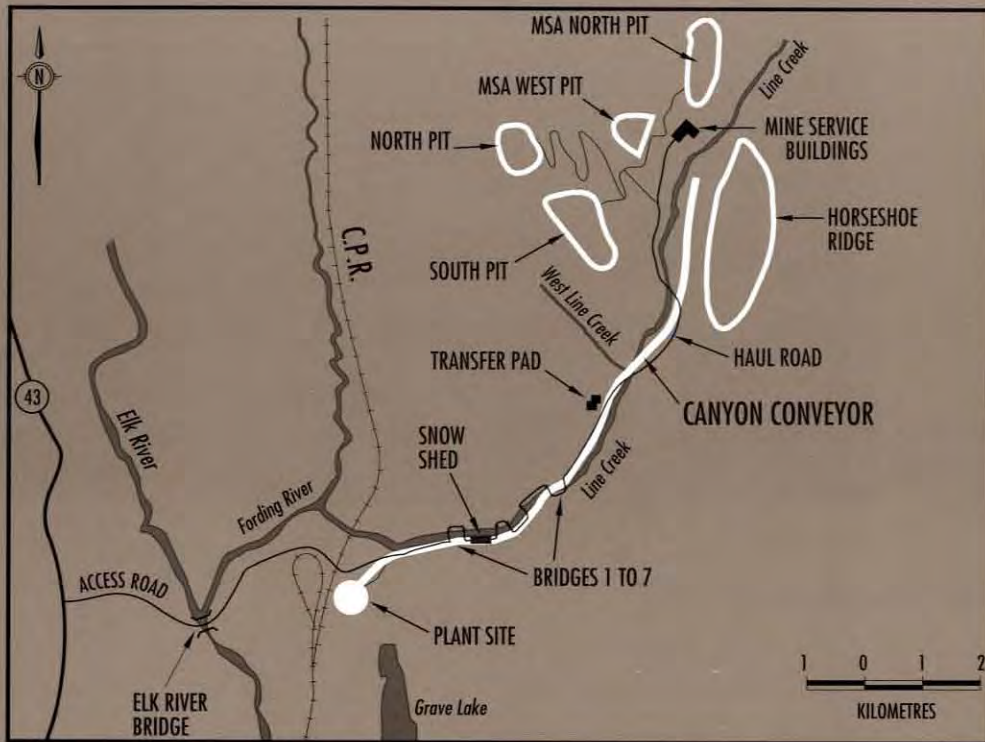
NEW CONTRACT TAKES HIGHVALE INTO NEXT CENTURY

The beginning of the year brought the start of a new five-year contract for the operation of TransAlta Utilities' Highvale Mine by Manalta Coal. The coal supply agreement, which was signed in 1995 but covers the period 1996 to 2000, is based on the achievement of targets for quality, production and price which were mutually agreed to by TransAlta and Manalta.

The first of January also saw the arrival of some of the new equipment that will help Manalta fulfil its contract obligations. Major equipment purchases at Highvale this year include seven Caterpillar dozers, one Caterpillar loader, one Caterpillar excavator, and three Euclid haul trucks.



On hand to celebrate the arrival of Highvale's new mobile equipment are: (l to r) Wayne Anderson, Jim Braden, Mike Trommelen, Ray Reipas, Garry Dirk, John Morgan.



Gary Hodges (l), General Manager and Henry Neufeld (r), Project Manager celebrate as the first load of coal is introduced to the new conveyor system during commissioning.

LINE CREEK CONVEYOR UP AND RUNNING

Key benefits of this innovative concept in coal transportation will be improvements in productivity, safety and environmental performance.

After being in the works for three years – progressing through feasibility studies, planning, design and engineering, construction, installation and commissioning – the Cable Belt conveyor system is up and running at Line Creek Mine.

The 10.6 kilometre conveyor system eliminates about 100,000 return trips made annually by trucks hauling coal at the mine. Previously, big 110-tonne trucks hauled coal from active pit areas to an intermediate transfer point where it was dumped and reloaded onto smaller 40-tonne trucks for transport to the mine's preparation plant.

Now, coal is hauled a much shorter distance to a new truck dump which is strategically located near the centre of the mine's long range mine plan. The coal goes through a sizer/crusher and is then transferred onto the tail end of the continuous, one-metre-wide, single-flight conveyor. About ten and a half kilometres later, after travelling through a winding steep-walled gorge, the coal is discharged into the existing truck dump at the main preparation plant. The capability of the conveyor to negotiate the numerous horizontal curves within the gorge was a key factor in Line Creek's decision to install the system which was designed and proposed by Cable Belt.

Costs of the conveyor project total over \$30 million dollars. While this represents a significant investment, Line Creek expects to see a return on this investment through increased efficiency and productivity. The high-tech conveyor system will help Line Creek Resources provide customers with consistently high-quality coal at a competitive price. It will also enable the movement of more raw coal, thereby allowing the mine to increase its clean coal production.

HIGHLIGHTS OF THE CONSTRUCTION PROJECT

Some interesting numbers accumulated during conveyor construction which included a variety of major activities such as preparing the right-of-way for the conveyor. In the construction of the right-of-way, Line Creek placed two million cubic metres of mine waste and another 50 thousand cubic metres of "refuse" (rejected by-product material, mostly rock, left over after coal processing).



Overview crossing of mine access road providing view of interesting design and construction challenges

During the earthworks phase, over 150 rock blasts were fired. The earthworks contractor installed 89 concrete box culvert sections, each weighing 15 tonnes. Approximately 1.5 kilometres of gas line were relocated and over two kilometres of new power line were strung.

The installation contractor installed 19 bridge truss sections – some as long as 40 metres – and over 10,000 pulleys on 1,480 line stands. During construction, over 50 truckloads of steel and equipment and some 200 loads of concrete arrived at the mine site.

ACCOMPLISHMENT REFLECTS VALUE OF TEAM WORK

Line Creek Resources' Cable Belt Project Team – which was led by Line Creek's own employees but also included numerous outside contractors – was primarily responsible for the construction of the conveyor system. In reality, however, virtually everyone at the mine contributed in one way or another to the project. The cooperation and efforts of everyone involved helped reduce the capital cost and reduce the time required to complete the project without compromising worker safety or mine production. This was particularly noteworthy given that throughout the construction period the mine had to continue hauling coal through the same narrow canyon corridor within which the conveyor was being built.



New truck dump structure rises from the ground during construction; most of the structure was subsequently buried.



New LeTourneau L1400 with 22m³ bucket is among the largest loaders operating in Western Canada.

ENVIRONMENTAL AND SAFETY BENEFITS

In the design of the conveyor right-of-way, accommodating wildlife was an important consideration.

In addition to major economic benefits, the conveyor system will provide additional environmental and safety benefits. Potential impacts on air and water quality within the Line Creek canyon corridor are expected to be reduced to near zero. Reduced traffic volumes in the narrow canyon are also expected to significantly reduce the potential for vehicle accidents.

Following studies of historical and present animal movement and migration patterns, a total of 18 wildlife crossings, including creek crossings, were carefully designed along the route. Three of the crossings allow wildlife to cross over the conveyor and 15 allow access underneath it.

Early in the planning stages of the conveyor project, environmental control guidelines were established to ensure environmental concerns were addressed on a timely basis. Throughout construction, numerous activities and potential problems areas – including stream bed protection, disposal of contractor wastes, point source sediment abatement, spill reporting, and wildlife protection – were constantly monitored and managed.

After earthworks construction, reclamation of cuts and fills began. Top soil, salvaged before construction, was returned to the final slopes of the right-of-way. Reclamation will continue this spring; the slopes will be revegetated through hydro-seeding and manual seeding.

Environmental monitoring is continuing and includes the use of motion-sensitive cameras to record animal use of conveyor crossings.



Innovative Line Creek conveyor design permits safe crossing by wildlife.



Manalta mine site employees and Calgary Office staff meet regularly to discuss the Manalta Mine System (MMS).

INFORMATION SYSTEM A VALUABLE TOOL

The ultimate objective is to have a seamless, near paperless information system that will meet the ongoing needs of users in a timely, accurate and efficient manner.

Huge trucks, enormous draglines and giant loaders are impressive high-tech tools which many Manalta employees use to perform their jobs effectively. Some employees are using another high-tech tool that's just as effective and impressive – a computer-based information system referred to as the "MMS".

The Manalta Mine System (MMS) is a name given to a commercial information system that covers every facet of the day-to-day operations of Manalta Coal. It addresses and supports the information management needs associated with the financial, materials management, production, personnel and maintenance functions at Manalta's mine sites and offices. Installed in stages over the course of about five years, beginning in 1989, the MMS currently has approximately 250 users.

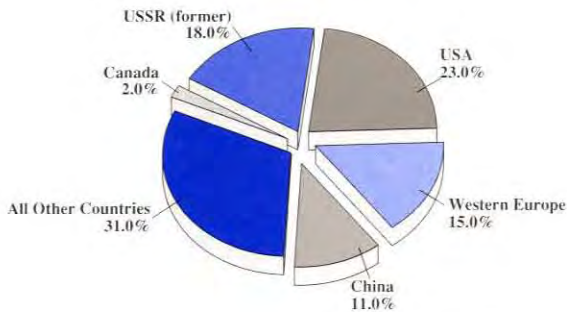
Developed and supported in-house, the MMS exemplifies the meaning of team work. In the early stages of system development, user groups, with representatives from each mine site, were established to address each functional area of the information system. The user groups were crucial to the original design and implementation of the system; they continue to be instrumental in system upgrades and enhancements as well as in supporting the ongoing training needs associated with the MMS.

The concept of the MMS is based on fully integrated and standardized applications. Benefits of this include single source data input, ease of cross training, transferability of personnel between sites, consistency in data captured, enhanced site/corporate reporting and centralized support.

Local Area Networks have been implemented at each site which allow the sharing of the MMS data through PC access. User needs for data access continue to expand and are being addressed with the integration of E-mail, facsimile and data export technology. Presentation preparation, regulatory and standard reporting, as well as sophisticated data analysis are just some of the functions enhanced by the ability to make information available through the MMS.

As users become more knowledgeable and sophisticated in their analysis and information requirements, the MMS system will continually evolve.

TOTAL CONTRIBUTION TO ENERGY-RELATED CO₂ by Country



Source - Coal Association of Canada

LEADERSHIP IN ENVIRONMENTAL INITIATIVES

Since the 1960s, Manalta has helped the Canadian coal industry develop responsible approaches to environmental issues, particularly with regard to land reclamation.

In recent years, as interest in environmental issues has intensified, Manalta has developed a leadership position through its own environmental initiatives and through those it supports as a member of The Coal Association of Canada.

THE CONTROVERSY ABOUT GLOBAL WARMING

For some time, the greenhouse effect has been a hot topic for environmentalists. Greenhouse gases trap energy radiated from the earth, keeping the surface of the earth warm, much as the glass of a greenhouse keeps the plants inside warm. Some scientists believe that accumulations of man-made greenhouse gases are enhancing the natural greenhouse effect and causing global warming.

There is agreement that volumes of man-made greenhouse gases are increasing and as a result are changing the balance of gases in the atmosphere. There is considerable debate, however, about the potential effects of this change.

Significant greenhouse gases which are partially man-made include carbon dioxide, methane, chlorofluorocarbons and nitrous oxides. Fossil fuels such as oil, gas and coal – when they are burned – contribute to man-made carbon dioxide levels. Worldwide, coal combustion for power generation contributes an estimated eight to ten per cent of global carbon dioxide emissions. Coal combustion in Canada accounts for only about 0.6 per cent of the global man-made emissions of carbon dioxide.

A COMMITMENT TO THE FUTURE

Through its membership in the Coal Association, Manalta recently confirmed its participation in Canada's Voluntary Challenge and Registry Program with the submission of its corporate action plan.

Although the debate continues about the potential effects of increased levels of greenhouse gases, government and industry in Canada have generally agreed to move beyond the debate and take additional actions to improve energy efficiency, thereby supporting a growing economy while reducing emissions.

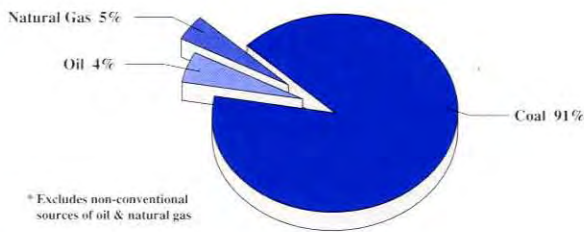
In 1995, The Coal Association of Canada agreed to support a national program that invites all sectors of the industry to document and register how they are limiting or reducing greenhouse gas emissions from their operations. The Voluntary Challenge and Registry Program documents the commitments, action plans, progress reports and achievements of the participants.

In its submission, Manalta noted that its corporate philosophy reflects the belief that actions taken to address the climate change issue should also make economic and environmental sense.

Manalta's action plan encompasses and builds on existing programs and the company's comprehensive Environmental Management System. Topics noted in the plan include technological and engineering improvements, increased efficiencies in energy consumption, a waste management strategy, an employee environmental awareness program, and sponsorship of university research directed at optimizing the recovery of carbon dioxide at coal-fired generation plants. The company's actions are aimed at improved energy efficiency throughout its operations and responsible stewardship of the resources under its control.

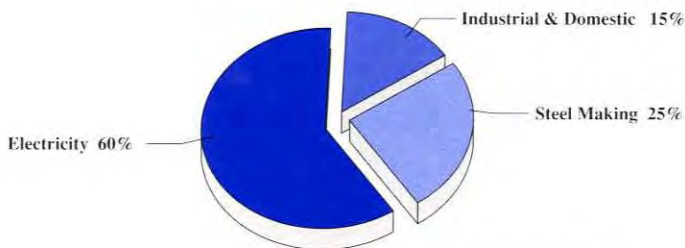
COAL: A GLOBAL PERSPECTIVE

WORLD FOSSIL FUEL RESERVES
(by Energy Content)



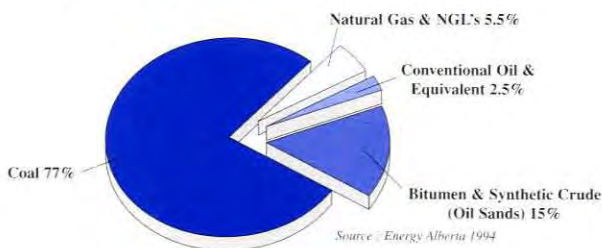
Source : Coal Association of Canada

WORLD COAL USE
(1994)



Source : Coal Association of Canada

CANADIAN FOSSIL FUEL RESERVES
by Energy Content (1994)



Source : Energy Alberta 1994

By 2010 it is expected that coal will overtake oil as the single most important source of all energy used on earth.

Coal is the world's most abundant fossil fuel. Recent estimates place the world's proven coal reserves at approximately one trillion tonnes. At current consumption levels, this is enough to last at least 235 years. In contrast, the world's proven reserves of conventional oil are expected to last 45 years and natural gas 70 years.

The world uses massive amounts of a variety of fuels to power industries and generate electricity. At present, oil is the world's primary source of energy, followed by coal and natural gas. Hydroelectric power and nuclear energy contribute smaller shares.

In 1995, world coal production amounted to approximately 4.5 billion tonnes. Developing countries with abundant coal reserves will consume increasing amounts as they strive for economic growth. Many developing countries have insufficient oil and natural gas supplies for their current needs and cannot afford to import adequate amounts to fuel their emerging industry. Their economic futures are also tied to coal. The increasing use of coal is reflected in the fact that coal is rapidly becoming the largest single commodity moved by ships worldwide.

Approximately 60 per cent of the world's coal production is used to generate 47 per cent of world electricity. About 25 per cent is made into coke for use in steel making. The remaining 15 per cent is used for home heating, fueling cement manufacturing, pulp and paper processing, and other industrial uses. About 57 per cent of all electricity generated in the United States comes from coal-fired power plants.

A conservative estimate places Canada's proven coal reserves at 8.6 billion tonnes – a vast amount, but actually less than one percent of total world reserves. In terms of indigenous energy sources, Canada has more stored energy in coal than in all the country's crude oil, natural gas and oil sands combined.

WORLD COAL RESERVES BY COUNTRY (1994)

Country	Millions of Tonnes Reserves	Per cent of total World Reserves
Former USSR	241,000	23.1
USA	240,558	23.0
CHINA	114,500	11.0
AUSTRALIA	90,940	8.7
GERMANY	80,069	7.7
INDIA	69,947	6.7
SOUTH AFRICA	55,333	5.3
POLAND	42,100	4.0
INDONESIA	32,063	3.2
CANADA	8,623	0.8
TURKEY	7,148	0.7
OTHER	61,583	5.8
Total World Reserves	1,043,864	100

Source : Coal Association of Canada

COAL IN CANADA

A HISTORY OF ECONOMIC IMPORTANCE

Recent Coal Association of Canada estimates indicate that almost one per cent of all Canadian jobs — or roughly 73,000 jobs — are directly or indirectly supported by the coal industry.

Since Canada's first coal mine opened in 1639 in New Brunswick, coal has played an important role in Canada's growth as an industrialized nation by providing employment, energy and, in more recent years, export earnings. Coal's importance to the Canadian economy extends far beyond the boundaries of the industry's own mines.

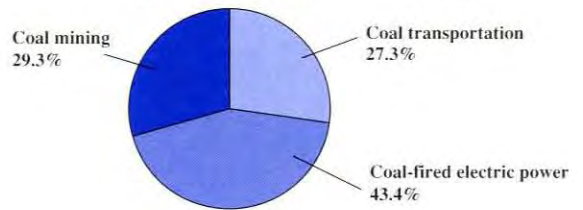
The economic benefits of the coal industry are seen at all points in the coal chain — ranging from the grocery store or bank in a community near a mine, to suppliers of mine equipment, to the transportation industry that moves coal across the country, to the domestic power generation industry that uses coal as its fuel source.

According to Coal Association of Canada estimates, the coal industry is responsible for generating over \$5.8 billion of Canada's annual gross domestic product. This represents nearly one per cent of the country's entire annual gross domestic product.

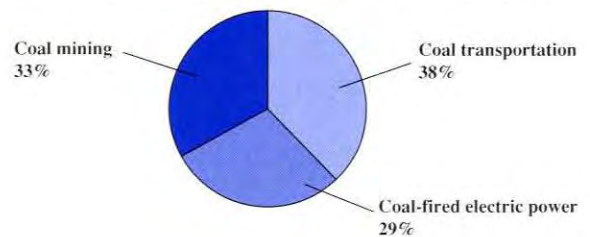
A SAFE, MODERN, MECHANIZED INDUSTRY

In 1995, Canada produced 74.7 million tonnes of coal, or about 2 per cent of the world's total production. Most of Canada's coal is located in British Columbia, Alberta and Saskatchewan. Mining activity is concentrated in the three western provinces, but also takes place in New Brunswick and Nova Scotia. Alberta is the country's largest producer, mining over 37 million tonnes in 1995.

GDP Impact of Canadian Coal-Related Activity
Total GDP Impact: \$5.5 billion annually

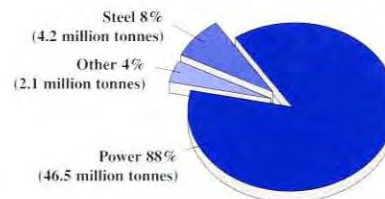


Employment Impact of Canadian Coal-Related Activity
Total Employment Impact: 73,000 person years



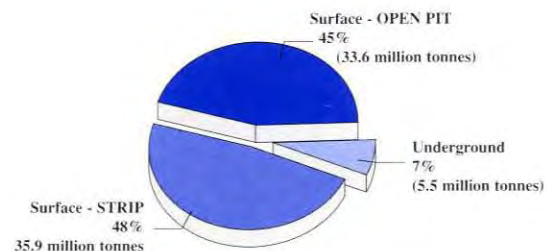
Source: SEEDA Publication No. E800-C-004

COAL USE IN CANADA (1995)



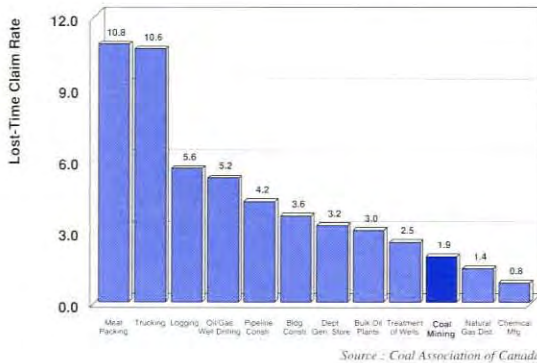
Source: Statistics Canada (preliminary)

CANADIAN COAL PRODUCTION By Mining Method (1995)



Source: Coal Association of Canada

LOST-TIME CLAIM PER 100 PERSON YEARS WORKED FOR 12 INDUSTRIES IN ALBERTA (1994)

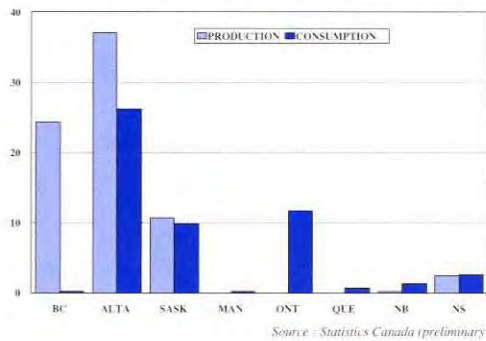


Coal mining in Canada is highly mechanized. The majority of Canada's coal production, about 93 per cent, is produced from surface mines, through either open pit or strip mining techniques. These mines are also distinguished by some of the world's safest working conditions and progressive environmental management.

The industry's reliance on surface mining methods is a significant factor contributing to the impressive safety record of western Canadian coal mines. In Alberta, for example, an employee of a coal mine is less likely to be involved in a lost time accident than a worker in a retail department store.

Today in Canada, eight large producers operate 29 mines. Eight of these mines are operated by Manalta and its subsidiaries which, combined, account for about one-third of Canada's annual production.

COAL PRODUCTION AND CONSUMPTION BY PROVINCE (1995)



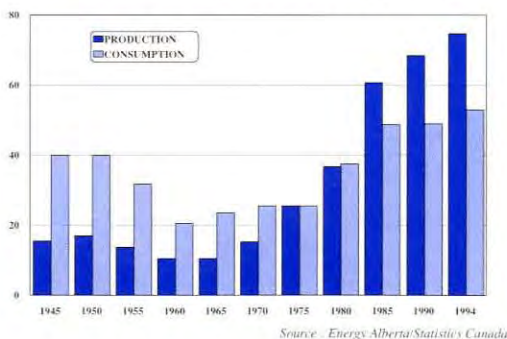
CANADIAN CONSUMPTION

About 88 per cent of the coal consumed in Canada in 1995 was used to generate about 15 per cent of the country's electricity.

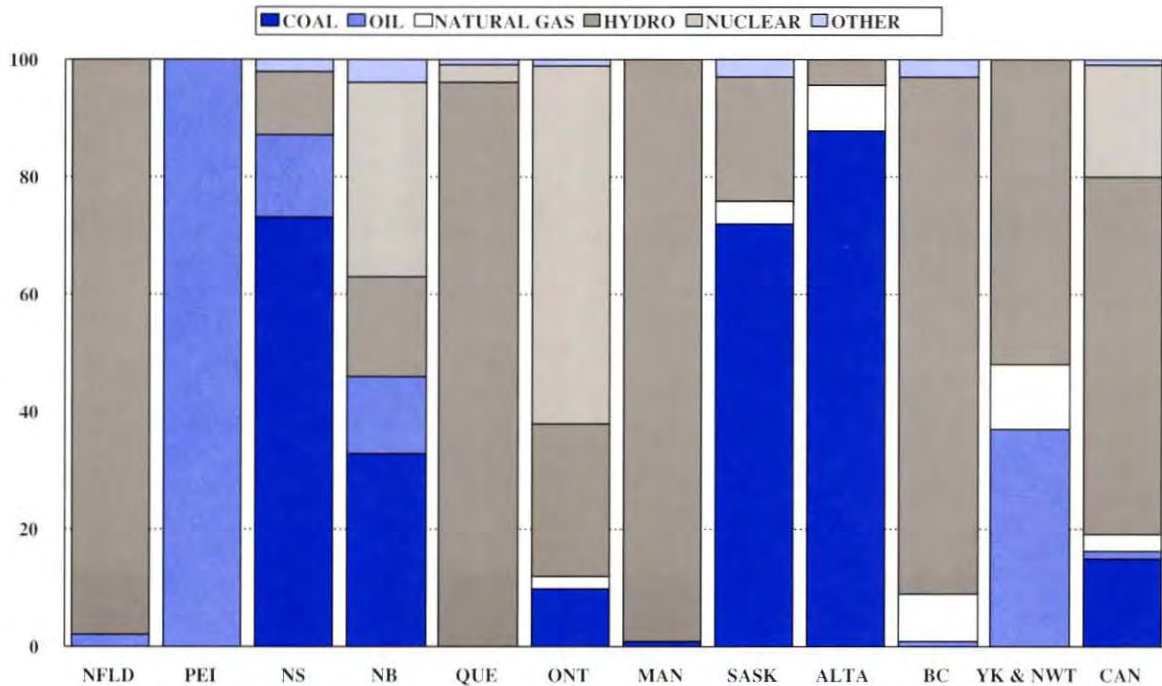
Canada consumed about 52.8 million tonnes of coal in 1995. Alberta, Ontario and Saskatchewan are the largest coal-consuming provinces. In Alberta, Saskatchewan and Nova Scotia, coal is the major fuel used for power generation. Canada's second largest domestic consumer of coal, the steel industry, used 4.8 million tonnes in the manufacture of coke for metal-smelting blast furnaces.

While about 42.3 million tonnes of Canada's 1995 coal production was consumed domestically, an additional 10.4 million was imported, primarily for the Ontario steel and power generation industries. Because of its distance from major coal producing areas, it is more economical for Ontario to import coal than to transport it from Western Canada. Most western Canadian coal, however, contains only a fraction of the sulphur found in much of the coal produced in the eastern United States. Using low sulphur coal is preferable from an environmental perspective.

CANADIAN COAL PRODUCTION AND CONSUMPTION (1995)



SUMMARY OF PROVINCIAL ELECTRICITY GENERATION by Fuel Type (1994)



Source : Statistical Review of Coal in Canada 1994/Coal Association of Canada

AN INCREASINGLY IMPORTANT RESOURCE

Canada is the world's fourth-largest producer of electricity.

Coal is one of Canada's most abundant and economical resources for producing electricity. Today, there are 25 principal coal-fired power stations operating in Canada.

Despite the costs of incorporating sophisticated technology aimed at protecting the environment, Canada's coal-fired power plants produce some of the country's lowest-cost electricity.

Nearly half of Canada's total 1995 coal production, 74.7 million tonnes, was exported primarily to the Pacific Rim, Europe and South America. In 1995, total Canadian coal exports rose to 33.4 million tonnes. Japan purchased 54 per cent, or roughly 18 million tonnes. South Korea purchased 6 million tonnes. Metallurgical coal accounted for 83 per cent of Canada's coal exports in 1995. Approximately 55 per cent of this exported metallurgical coal was purchased by Canada's largest coal customer, Japan.

THE CHALLENGE OF THE FUTURE

Despite the growing trend toward energy conservation, world energy demand will continue to increase as developed and developing nations try to maintain or improve their standards of living. Each fossil fuel has an important and distinct role to play in the overall balance of energy needs.

Due to its great abundance and global distribution, coal will be a vital part of the world's future energy mix. However, increased awareness of the potential impacts of fossil fuel use will require that environmental factors be carefully considered when determining the most appropriate energy source for a particular use.

Much of the world's growth in energy demand will be in developing countries. Unfortunately, many of these countries are not well prepared to effectively deal with environmental considerations associated with fossil fuel use. Therefore, it falls to experienced coal users such as Canada to take a leadership role to help ensure worldwide environmental protection.

In Canada, major strides have been made in the development of clean-coal technologies which burn coal as cleanly and efficiently as possible and reduce potentially harmful emissions. The Canadian coal industry continues to support research into ways to ensure environmental protection and energy efficiency.

Through its membership in The Coal Association of Canada and through its own initiatives, Manalta Coal is committed to a meaningful, responsible role for coal in the energy future of Canada and the world.





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 D.L. Gjosund, Vice President & Treasurer
 J.K. Amundrud, Vice President, General Counsel & Secretary
 G.D. Sawatzky, Vice President Administration & Controller

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 R. Davidson, Mine Manager

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Fax 306/267-2191

W.M. Kelly, Mine Manager

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T.J. Jenish, Mine Manager

Costello Mine Office:

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T.J. Jenish, Mine Manager

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Pembina Corporation

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P.O. Box 1948, Calgary, AB, T2P 2M7 403/231-7500

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R.B. Michaleski, Vice President, Finance

W.E. Martin, Vice President, Health, Safety & Environment

G.C. Merritt, Vice President & General Manager, Oil & Gas

F.E. Webb, Vice President & General Manager, Pipelines

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Pembina Pipeline

Pembina Resources Limited

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..... 403/542-4161

Fax 403/542-2782

Ontario Office:

Pembina Exploration Limited

953 Elm St.

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Fax 905/834-4397

Diamond Valley Office:

Pembina Resources Limited

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Fax 403/558-3985

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P.V. Wilson, Vice President, International Business

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J.I. Kuchler, General Manager, Loram Europe

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P.S. Sroba, General Manager

J.A. Whitehead, Administration Manager



manalta coal ltd.

In reply please
quote file:

June 5, 1996

JB
JUN 12 1996

Geological Survey Branch
MEMPR

Attention: Gib McArthur
Manager, Geoscience and Information
Energy and Minerals Division
Geological Surveys Branch
5th Floor, 1810 Blanshard Street
Victoria, BC V8V 1X4

Dear Mr. McArthur:

Re: Request for Annual Report

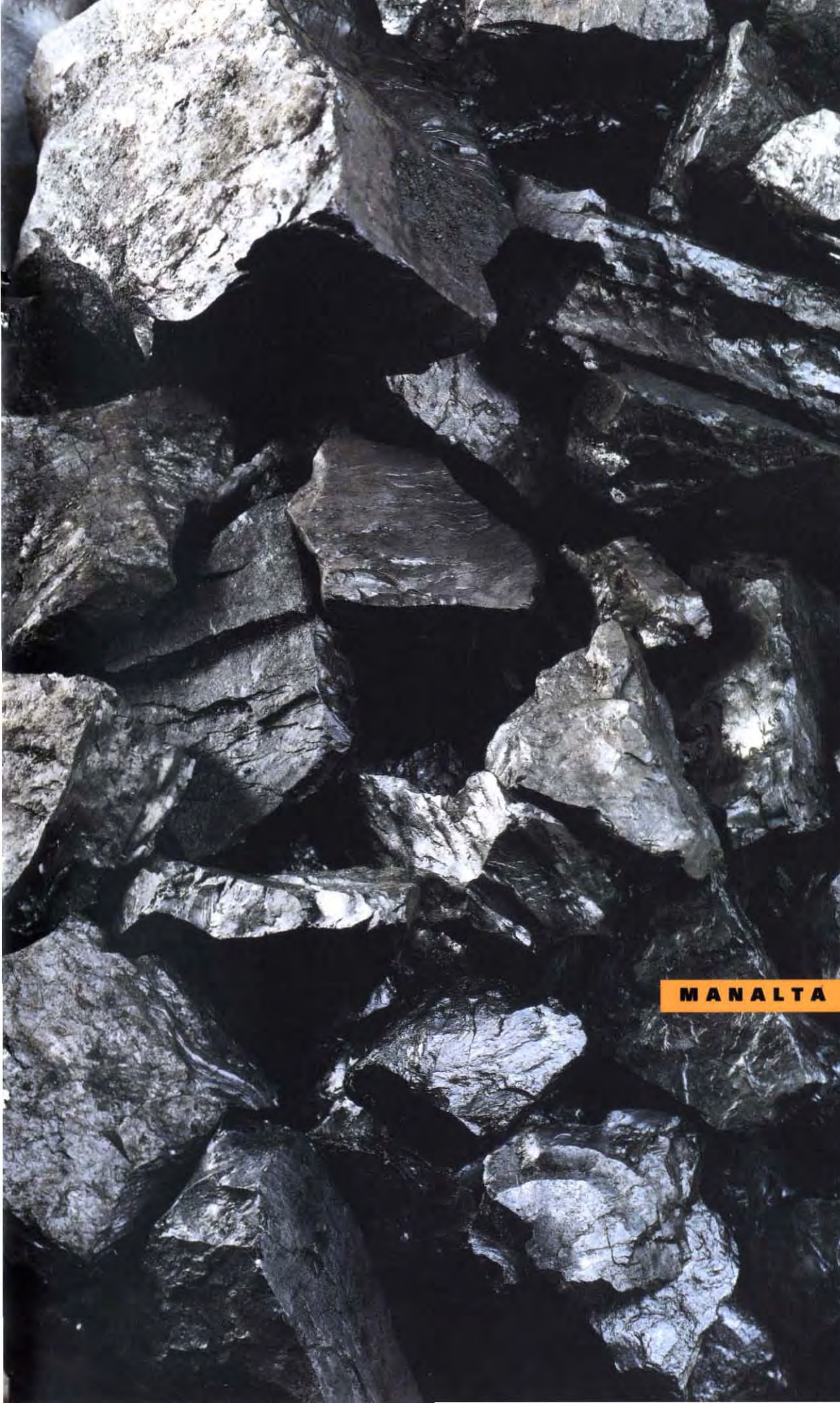
Please find enclosed a copy of our corporate brochure, which defines the scope of our organization's activities. As Manalta Coal Ltd. is a privately owned company, we do not divulge financial information to the public; thus, we do not issue an annual report.

I hope that the information enclosed is helpful to you. If you require any further information, please contact me at (403) 231-7108, or fax (403) 269-8075.

Yours truly,

MANALTA COAL LTD.

Roger M. Shaneman
Manager, Special Studies



MANALTA COAL LTD.





1930s
First contracts signed to strip overburden in Alberta and Saskatchewan.

1940s
Mines purchased at Taber, Halkirk (Vesta), and Wabamun (Whitewood), Alberta.

1950s
Long-term mining contracts secured for Utility Mine, Saskatchewan, and Whitewood Mine, Alberta.

1960s
Mining properties near Estevan, Saskatchewan (Costello), and Sheerness, Alberta (Montgomery), acquired. Manalta became Canada's largest coal producer.

MANALTA COAL LTD.

A privately-owned Canadian company based in Calgary, Alberta, Manalta Coal Ltd. has been mining coal for almost 60 years. Manalta and its subsidiaries operate eight mines in the provinces of Alberta, British Columbia, and Saskatchewan. With coal mining its principal focus, Manalta has experienced steady, controlled growth over the years, developing significant expertise in a variety of mining-related activities. An average yearly production of about 27 million tonnes makes Manalta Canada's largest producer of coal – a position it has maintained for more than 25 years. Manalta's energetic, forward-looking and talented workforce serves as the foundation for the Company's success.

History Manalta's mining operations first began in 1934, when contracts were acquired to strip overburden at an Alberta coal mine. Over the next four decades, Manalta purchased a number of existing mines and undeveloped coal properties, while also securing several long-term domestic coal supply contracts. In the early '80s, Manalta broadened its scope further and began mining coal for export.



1970s

Mining began at Highvale Mine, Alberta.
Several properties acquired, including Gregg River.



1980s

Gregg River Mine constructed and operations commenced.
Montgomery Mine expanded.
Poplar River Mine acquired and relocated.



1990s

Line Creek Mine acquired.
Second relocation of Poplar River Mine.

CORPORATE STRUCTURE AND OPERATIONS

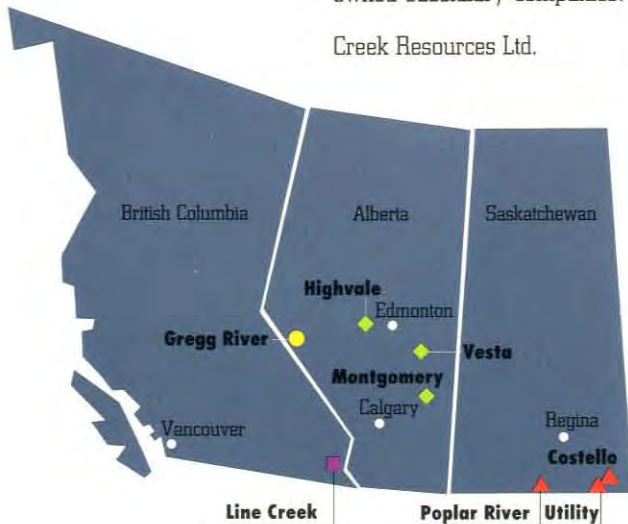
Manalta is a member of the privately-owned Loram Group of Companies, which is based in Calgary. Loram has been actively involved in the development of Canada's natural resources since 1898. In addition to coal mining, Loram's other interests

include oil and gas exploration, production and transmission, as well as railroad maintenance. While most of the Loram Group's operations are based in Canada and the United States, the railroad maintenance arm also has established operations in Australia and Europe.



Manalta's operations span Canada's three most western provinces, where large amounts of readily recoverable high-quality low-sulphur coal are located. Manalta operates three mines directly. The other five mines are operated by three wholly-owned subsidiary companies: Prairie Coal Ltd., Gregg River Resources Ltd. and Line Creek Resources Ltd.

MINE LOCATIONS



Operator	
Manalta Coal Ltd.	◆
Gregg River Resources Ltd.	●
Prairie Coal Ltd.	▲
Line Creek Resources Ltd.	■

Prairie Coal Ltd., with its corporate office in Estevan, Saskatchewan, operates three prairie surface mines in that province. The Poplar River, Utility and Costello Mines produce lignite coal, for power generation.

Mountainous terrain requires special mining equipment and expertise.





Gregg River Resources Ltd. operates the Gregg River Mine, located in Alberta on the eastern edge of the Rocky Mountains. Gregg River Coal Ltd., a wholly-owned Manalta subsidiary, has a 60 percent interest in this mine through an unincorporated joint venture with seven Japanese companies. The Gregg River Mine produces bituminous metallurgical coal for export to Japan for the steel industry.

Line Creek Resources Ltd. owns and operates the Line Creek Mine, located in southeastern British Columbia, which produces bituminous coal for export to the Pacific Rim, Europe and the United States.

O P E R A T I O N S S U M M A R Y						
Mine	Owner	Operator	Location	Capacity (approx. tonnes/yr)	Type of Coal	End Use
Line Creek	Line Creek Resources Ltd.	Line Creek Resources Ltd.	Sparwood, B.C.	4 million	Bituminous	Steel making & power generation
Gregg River	Gregg River Coal Ltd. 60% Japanese 40%	Gregg River Resources Ltd.	Hinton, Alberta	2 million	Bituminous	Steel making
Highvale	TransAlta Utilities	Manalta Coal Ltd.	Seba Beach, Alberta	12 million	Sub-bituminous	Power generation
Montgomery	Manalta Coal Ltd.	Manalta Coal Ltd.	Sheerness, Alberta	3 million	Sub-bituminous	Power generation
Vesta	Alberta Power Limited	Manalta Coal Ltd.	Halkirk, Alberta	2 million	Sub-bituminous	Power generation
Poplar River	Manalta Coal Ltd.*	Prairie Coal Ltd.	Coronach, Saskatchewan	4 million	Lignite	Power generation
Utility	SaskPower	Prairie Coal Ltd.	Estevan, Saskatchewan	3 million	Lignite	Power generation
Costello	Manalta Coal Ltd.	Prairie Coal Ltd.	Estevan, Saskatchewan	2 million	Lignite	Power generation

*Owner is actually a partnership of companies controlled by Manalta



Top: Most of Manalta's coal is used for power generation.

Bottom: Computerized planning assists efficient mine development.

EXPERTISE

More than 1900 employees work at Manalta's eight mines and corporate offices. As Manalta has grown over the years, these employees have developed highly advanced technical skills and expertise in areas ranging from geology and engineering to mine development and operations, including land reclamation.

Manalta has abundant experience in prairie surface mining, using some of the largest draglines operating at any Canadian coal mine. Manalta also has considerable expertise in open pit mining in the foothills and mountains, involving the use of large trucks and shovels. Three basic types of coal are mined: bituminous in the foothills and mountains of Alberta and British Columbia, sub-bituminous in Alberta's prairies, and lignite in southern Saskatchewan.

Manalta mines and sells coal from Company-owned coal reserves and carries out contract mining operations for utilities. The Company also has experience in joint ventures through its development and operation of the Gregg River Mine.

Manalta's expertise in mine development encompasses a variety of facets – from the development of a new mine at Gregg River; to the expansion and upgrading of an operating mine at Montgomery; and the relocation of a fully operational prairie surface mine – the Poplar River Mine in Saskatchewan. As part of the relocation process, Manalta developed an on-site coal transportation system which combined an overland conveyor with Company-owned and operated rail facilities.

All of these accomplishments and Manalta's many years of operating experience have contributed to its reputation as a highly dependable, customer-oriented international supplier of coal.



Expertise ranges from mining in geologically complex areas (top); to coal preparation (centre); and coal transportation by rail in the prairies (bottom).

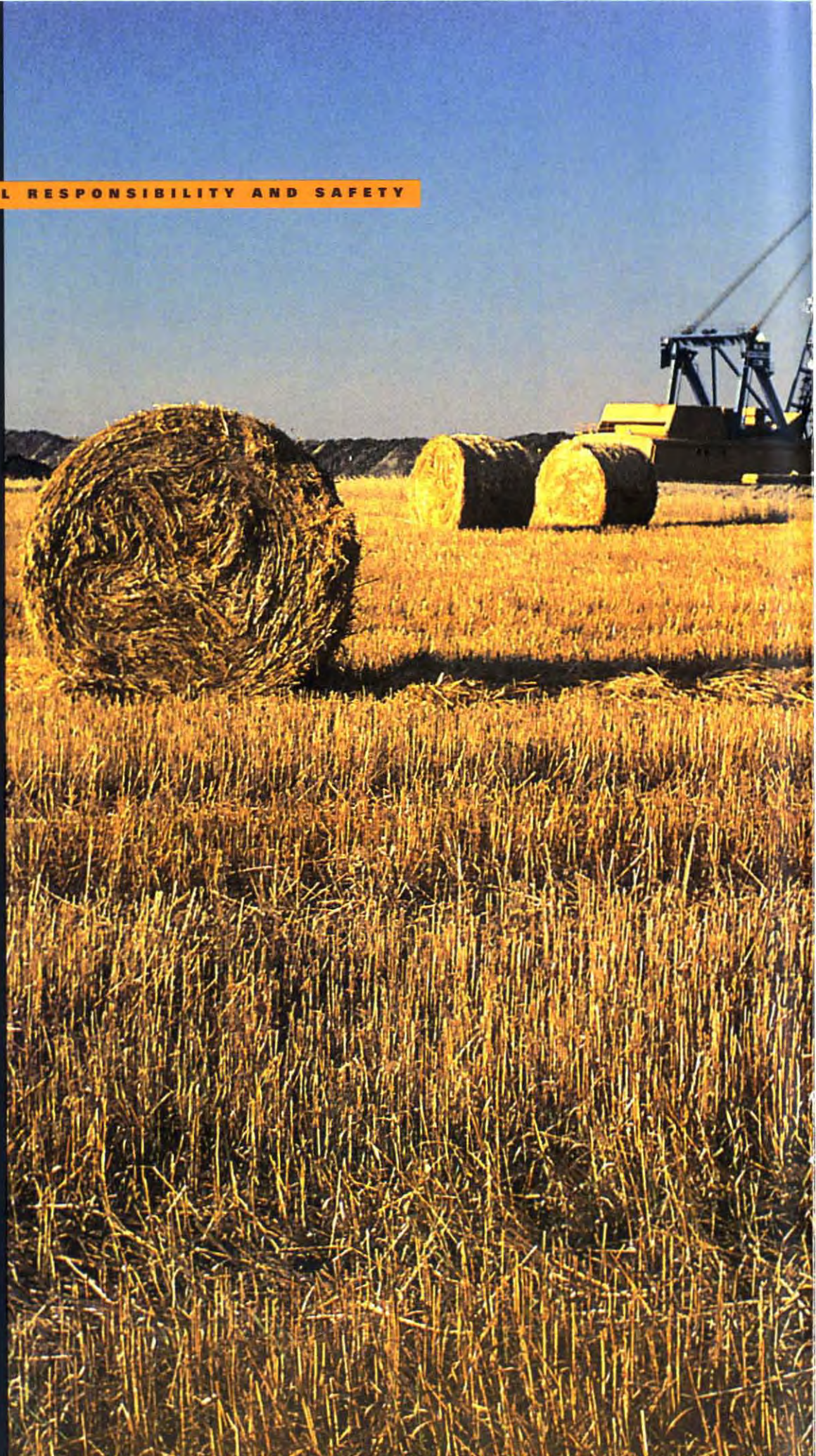
ENVIRONMENTAL RESPONSIBILITY AND SAFETY

Manalta's operations stress up-to-date mining technology and environmental responsibility. Mine plans optimize coal recovery, thereby prolonging the life of an abundant but non-renewable natural resource.

Manalta's environmental protection and reclamation programs were initiated in the early 1960s, long before such programs were required by government legislation. Today, reclamation and other environmental plans are filed and approved by regulatory bodies before mining begins. Community involvement is an integral part of the mine planning process.

Reclamation is also an essential component of Manalta's mining activities. Reclamation programs in place at all of Manalta's operations ensure that mined

**Reclamation is
an integral part of
the mining process.**





Below: Mine safety training includes fire-fighting drills.

land is returned to a level of productivity or capability comparable to or better than pre-mining conditions. With effective, efficient reclamation practices, Manalta's mining operations truly represent only a temporary land use.

Water management is also an important consideration for all of Manalta's operations. Surface and groundwater investigation programs are conducted before mining begins and provide the basis for water management plans which limit the effects of mining on both surface and groundwater resources.

Environmental programs ensure that air quality standards are met at all of the Company's operations. Steps taken to maintain air quality range from spraying of water on roads and latex on loaded railcars, to the use of sophisticated equipment to control preparation plant emissions.

Comprehensive safety training programs have helped Manalta employees achieve an excellent safety record over the years.

Highvale and Vesta mines have particularly good safety records, as evidenced by the numerous awards received. To further improve safety, the Company has recently introduced a standardized safety and loss control program at all mines.

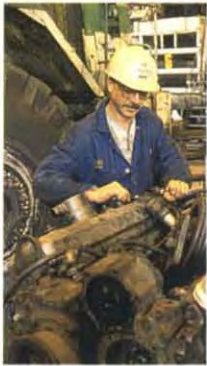
Manalta has implemented programs to instruct employees on the safe handling, storage and disposal of materials used or generated as a result of the mining process. At its three Alberta prairie operations, Manalta also disposes of the ash which is created in the power generation process. Ash is either sold, used to amend soil in the reclamation process or used for landfill in mined out areas.



EMPLOYEES

Manalta's employees are well-trained and capable. With a strong sense of team spirit, many Manalta employees have 20 years of service or more. Their loyalty, commitment and attention to efficiency ensure smooth and effective operations.

A premier operator in the Canadian coal industry, Manalta ensures that its employees have the best possible training and



the equipment and resources needed to perform to the best of their ability. Company employees have especially strong skills in project evaluation and the regulatory approval

process. Complementary expertise in engineering, exploration and materials handling and transportation, as well as well-trained equipment operators, ensure efficient mining operations.

Computerized planning systems allow for the rapid evaluation of diverse coal deposits, including the assessment of alternative mine designs, as well as detailed financial analyses. During mining operations, computer-assisted scheduling and reporting ensure that informed decisions are made in a timely manner. A preventive maintenance program keeps equipment available by ensuring the efficient planning and scheduling of routine servicing. Ongoing applied research identifies ways to increase equipment and mining efficiency.

Employees' expertise and commitment are a key to success.





COMMUNITY INVOLVEMENT

Manalta is a major employer for many residents of the communities near its mining operations. The Company is committed to the well-being of these towns and villages, and encourages its employees to become active in their communities. Many employees volunteer in local associations, service clubs and sports organizations, while others serve on town councils and committees.

In another aspect of community involvement, the Company encourages nearby residents to identify key issues and concerns at all stages of the mining process, including planning and operations. The result is a mutually-beneficial operation, providing employment and economic benefits to regions which often do not have other major industries.

Manalta's operations are closely tied to the well-being of the communities where it mines.

COMMITMENT TO CUSTOMERS

Through its experiences as a contract miner and mine owner, Manalta has developed the communication and management skills needed for effective long-term relationships with its clients and customers.

These communication skills help Manalta identify and respond to the needs of its valued customers, and reinforce the Company's emphasis on a quality product and superior service. The results speak for themselves – a history of long-standing, mutually beneficial relationships with domestic and international customers. With its stable work force and focus on quality, Manalta is recognized as a reliable supplier of coal. Offshore customers also benefit from Manalta's extensive experience with Canada's excellent rail and port transportation systems. Delivery is timely and dependable, whether the customer is nearby or thousands of kilometres away.



Right: Meeting customers' needs requires ongoing communication.

Far Right: Coal testing ensures quality products.



THE FUTURE



Left: Thorough exploration is the first stage of successful mine development.

Right: Manalta's experience with coal transportation ensures reliable delivery to customers.

Steady growth has characterized Manalta's history over the years. Long-term planning and an enviable reputation for reliability will ensure this growth continues in the future.

Manalta also owns a number of coal properties with high development potential located in the Alberta foothills and in the provinces of British Columbia, Saskatchewan and Ontario. The Mercoal and McLeod River properties near Hinton, Alberta, have received government approval and will be developed once markets have been secured. The Chinook property, near Coleman, Alberta, has access to existing rail facilities. The Telkwa property, near Smithers, British Columbia, has excellent long-term potential to supply thermal coal to international markets.

These and other attributes give Manalta the capability to meet increased demand for coal in the future – for domestic use or for export. Despite the growing trend toward energy conservation, world energy demand will continue to grow. Coal's abundance relative to other energy forms assures it a prominent place in the future. Given the Company's history and its proven capabilities, Manalta is well positioned to remain Canada's premier coal producing company in the coming years.



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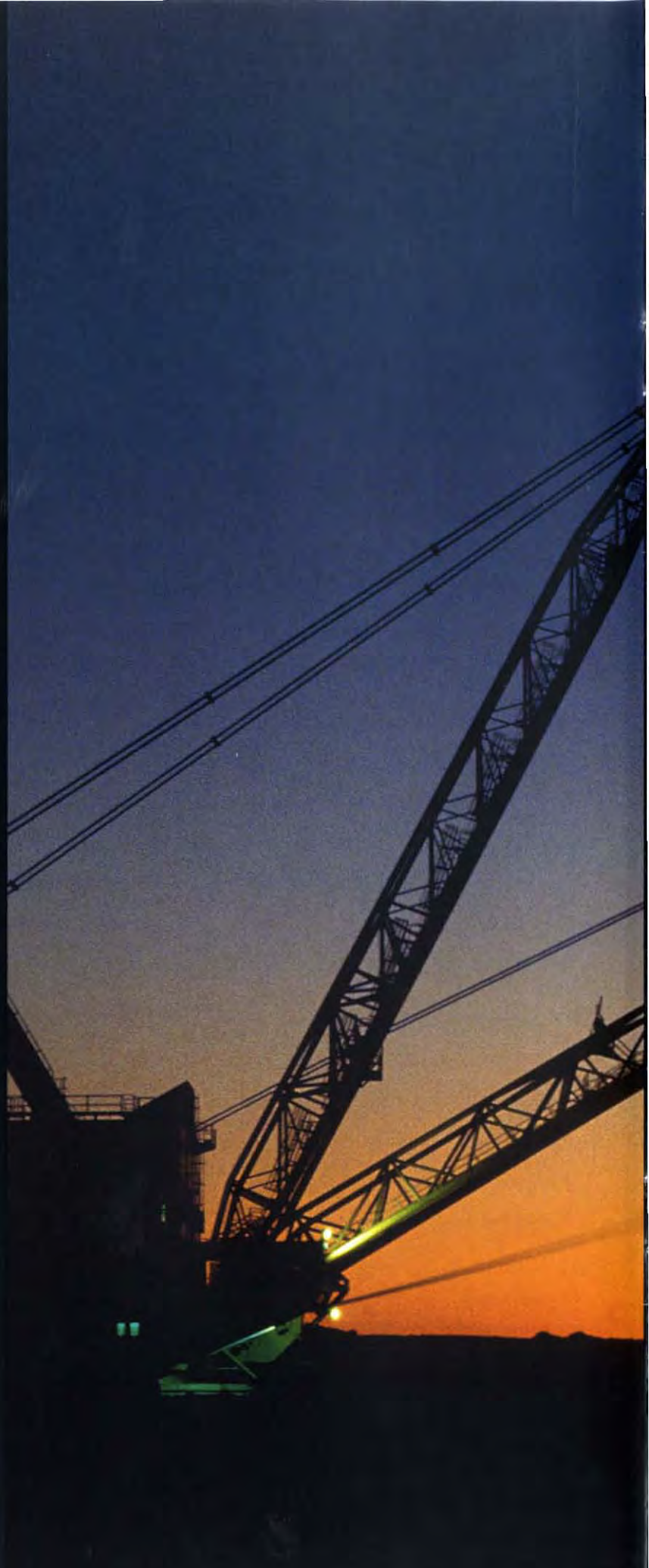
Poplar River Mine
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306-267-2062

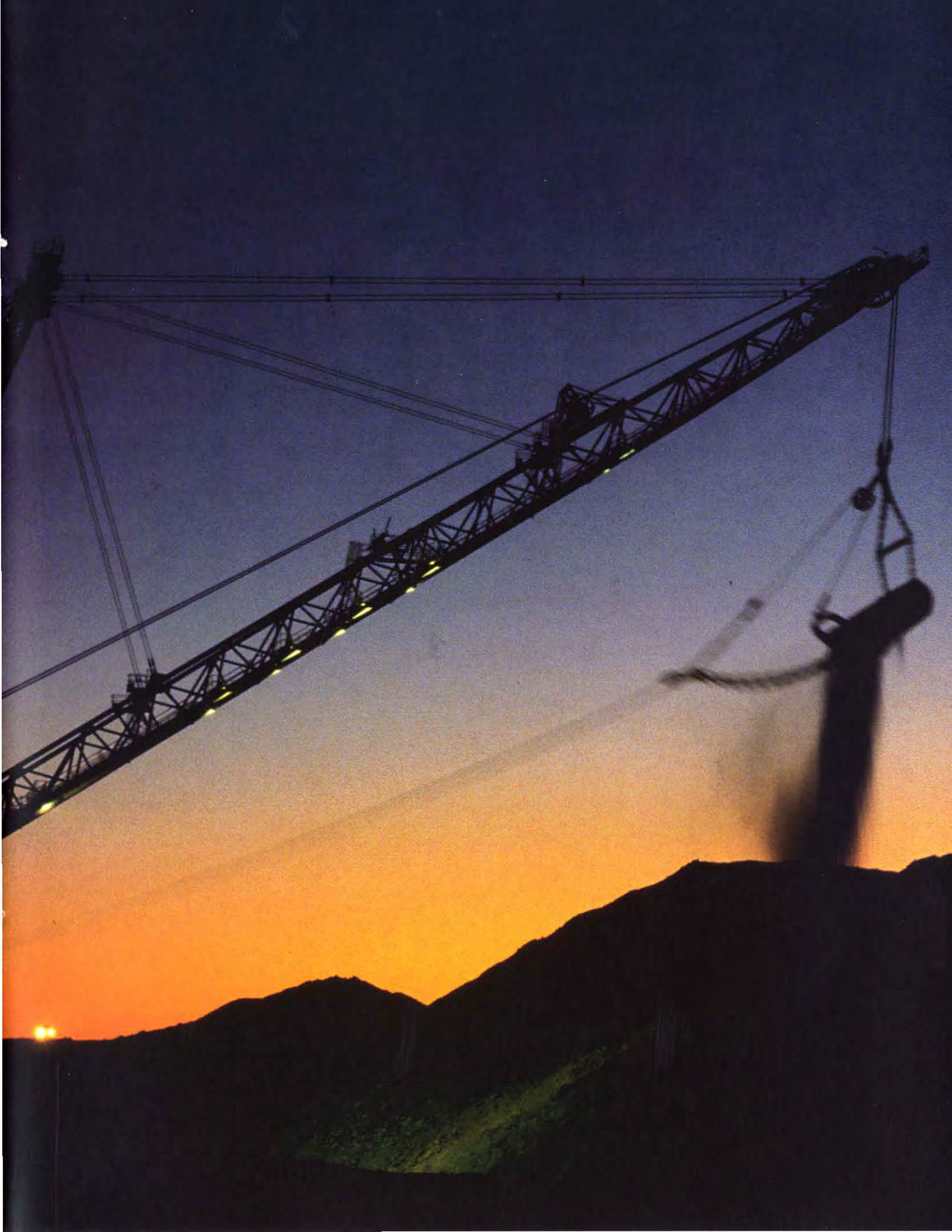
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T2P 2M7
403-231-7208
Telex 03-821421
Fax 403-263-2214

Line Creek Mine
P.O. Box 2003
Sparwood, British Columbia
V0B 2G0
604-425-2555







GREGG RIVER MINE

Named after a local pioneer, John James Gregg, who prospected in the area at the turn of the century, the Gregg River Mine is operated by Gregg River Resources Ltd., a subsidiary of Calgary-based Manalta Coal Ltd. Manalta is Canada's largest coal producer – mining about 27 million tonnes per year. With approximately 60 years of experience in the coal mining business, Manalta and its subsidiaries operate seven other mines located in Alberta, Saskatchewan and British Columbia.



Gregg River

Gregg River coal processing facilities.





Gregg River is a metallurgical coal mine located 40 kilometres south of Hinton, Alberta, in the foothills of the Rocky Mountains. The geology of the area is

characterized by strong folding and thrust faulting. Gregg River Mine is comprised of folded seams of low-sulphur coal in many separate pits. The seam of major interest – the Jewel Seam – has a true thickness of 10 metres, with structural thickening reaching 30 metres in some instances.

Construction of the Gregg River Mine, which began in 1981, was the culmination of more than 12 years of detailed study. Constructed on time and under budget, the mine has been in operation since 1983. The mine was Manalta's first operation geared to supplying high-quality processed metallurgical coal for international markets.

Another Manalta subsidiary, Gregg River Coal Ltd., has a 60 percent ownership interest in the mine, while six major Japanese steel companies and a Japanese trading company share a 40 percent interest. This association, established in 1981, marks the first time that the Japanese steel industry became involved with a foreign coal producer in an unincorporated joint venture to develop a new metallurgical coal mine. All of the mine's production is dedicated to the six Japanese steel mills under long-term contract.

Mining Operations — Open Pit Method In the first stage of mining, topsoil and subsoil suitable for reclamation are salvaged. In the next stage, rock overburden is drilled and blasted, before being removed by shovels. The rock overburden is hauled by a fleet of trucks to adjacent rock dump areas or previously mined out pits. At one

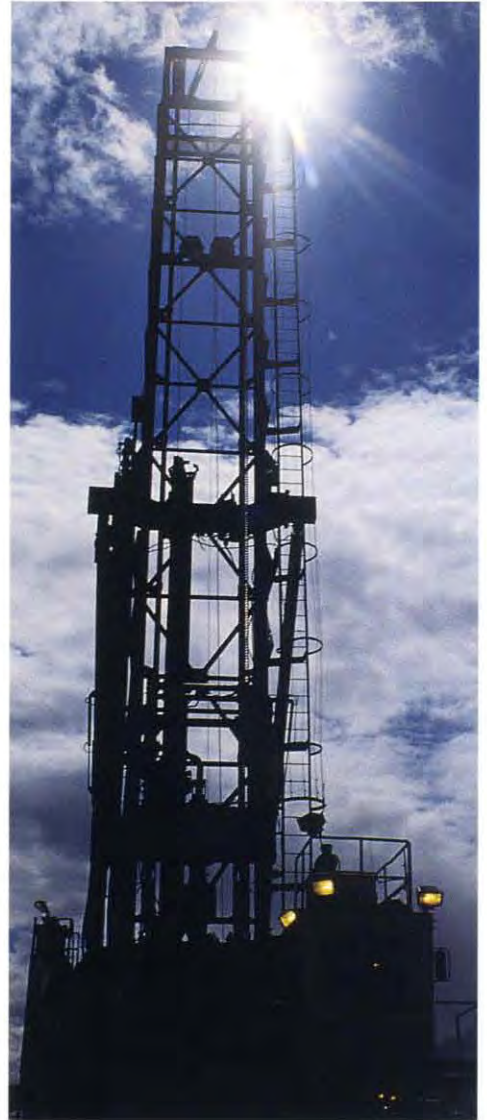
Left: Shovel loads overburden into truck.
Centre: Reclamation is an integral part of mining operations.
Right: Coal moves by train to the west coast port.

dump area associated with Berry's Creek, a "rock drain", created by the selective placement of rock overburden, maintains streamflows and water quality, while at the same time creating a causeway for mine trucks as they move between pits. Exposed coal is extracted and loaded by excavators or front-end loaders into trucks for delivery to the run-of-mine hopper at the on-site processing plant.

Processing and Transportation Coal is crushed in a rotary breaker station and then processed through the wash plant using a conventional heavy media bath and flotation process. Washed coal is directed to a fluidized bed dryer where moisture content is reduced to customers' specifications. Cleaned coal is stored in two concrete storage silos with a combined capacity of 25,000 tonnes, more than enough to fill two unit trains.

Coal is conveyed from the silos to a loadout facility above a rail spur, where the coal is weighed and loaded into railcars. The load-out facility is capable of loading a complete 98-car unit train in less than four hours. Each carload is sprayed with a latex dust suppressant before being transported to Roberts Bank near Vancouver, B.C., where the coal is loaded into ships destined for Japan.

Drilling and blasting precede rock overburden removal.



GREGG RIVER MINE FACTS

Production capacity per year	Approximately 2 million tonnes
Type of coal	Low to medium volatile bituminous (metallurgical)
Owner	Gregg River Coal Ltd./Seven Japanese companies
Operator	Gregg River Resources Ltd.
Mining method	Open pit; truck and shovel
Major market	Steel making

Mine safety training includes fire fighting drills.



Environmental Protection and Safety At Gregg River, reclamation is undertaken on a continuous basis to return mined land to pre-mining wildlife and watershed land uses. Prior to mining, merchantable timber is harvested and soils are salvaged for later use. Care is taken to protect the natural watershed, including the preservation of residual timber stands between pits. In the reclamation process, mined-out pits are backfilled where possible, and rock dump slopes are contoured. The sites are then covered with soils and seeded with an erosion control cover of grasses and legumes. As the sites stabilize, a forest cover may be re-established, depending on planned end-use. Some pits may be reclaimed as lakes, a bonus for fishing enthusiasts and others. The Gregg River Mine has been a major participant in the Mountains-Foothills Reclamation Research Program, supported jointly by government and industry. This program has contributed scientific information on topics such as methods of forest soil reconstruction, revegetation and wildlife habitat design. A strong commitment to planning and monitoring also ensures that air and water quality meet applicable standards at all stages of the mining process.

A similar commitment to safety is evidenced by Gregg River's comprehensive safety program which has helped employees achieve an excellent safety record over the years.

Customer Service Employees at Gregg River recognize that coal quality is important to the mine's customers. Testing in the mine's on-site laboratory ensures that product quality and consistency are maintained.

**Gregg River Resources Ltd., 700 - 9th Ave. S.W., P.O. Box 2528, Calgary, Alberta
T2P 2M7 403-231-7244, Fax 403-265-5591
Gregg River Mine, Bag Service 5000, Hinton, Alberta T7V 1V6
403-692-3967, Fax 403-692-3918**





HIGHVALE MINE

The Highvale Mine, owned by TransAlta Utilities, is located 80 kilometres west of Edmonton at Seba Beach, Alberta. The mine produces about 12 million tonnes a year, making it the largest coal mine in Canada and one of the top ten coal mining operations in North America.

The mine has been operated on a contract basis by Manalta since 1970, when mining in the area first began.

Highvale Mine supplies fuel for TransAlta's nearby power stations – 2100 megawatt Sundance Station and the 800 megawatt Keephills Station.



Highvale

Typical pit
operations at
Highvale.





Left: Mine rescue teams practise regularly.



Centre: Environmental protection programs include water monitoring and reclamation.



Right: Meeting customers' needs requires ongoing communication.

Manalta is Canada's largest coal producer – mining about 27 million tonnes per year.

With approximately 60 years of experience in the coal mining business, Calgary-based Manalta and its subsidiaries operate seven other mines located in Alberta, Saskatchewan and British Columbia.

Surface Mining Operations on the Prairies At Highvale, coal with very low sulphur content is found in five seams. In the first stage of mining, scrapers salvage topsoil and subsoil which are either stockpiled for future use, or directly placed on previously mined and recontoured land. Four giant walking draglines working in several pits remove the overburden, which must first be drilled and blasted in many portions of the mine. One of these draglines, a Marion 8750, is among the largest machines of its kind in Canada. The draglines place the overburden into adjacent mined-out pits. Bottom-dump coal haulers move the coal to the nearby power stations where the coal is dumped into receiving hoppers. Interburden material between the coal seams is also excavated and hauled to mined-out portions of the pit.

Environmental Protection and Safety During reclamation, the mined-out portions of the pit which have been filled with overburden are recontoured and then capped with salvaged subsoil and topsoil. Then the soil is cultivated and seeded, according to the proposed end use, including cereal crops and hayland. Water management is also an important consideration at Highvale. A system of drainage ditches and settlement ponds ensures that water quality is maintained at all times.

Highvale's commitment to safety is evidenced by its comprehensive safety program, which has helped employees achieve an excellent safety record over the years, winning several major awards.

HIGHVALE MINE FACTS

Production capacity per year	Approximately 12 million tonnes
Type of coal	Sub-bituminous "B"
Owner	TransAlta Utilities Corporation
Operator	Manalta Coal Ltd.
Mining method	Prairie surface (multiple dragline)
Major market	Power generation

**Highvale Mine, P.O. Box 30, Seba Beach, Alberta T0E 2B0
403-797-7900, Fax 403-797-5364**

**Manalta Coal Ltd., 700 - 9th Ave. S.W., P.O. Box 2880, Calgary, Alberta T2P 2M7
403-231-7100**



Recycled



MONTGOMERY MINE

The Montgomery Mine, located 21 kilometres southeast of Hanna, Alberta, is owned by Manalta Coal Ltd. Manalta is Canada's largest coal producer, mining about 27 million tonnes per year. With approximately 60 years of experience in the coal mining business, Calgary-based Manalta and its subsidiaries operate seven other mines located in Alberta, Saskatchewan and British Columbia.

The Montgomery Mine supplies coal to the 800-



Montgomery

**Aerial view of
Montgomery
overburden
removal
operations.**





Left: Shovel loads coal hauler.
Centre: Coal is delivered to nearby Sheerness Power Station.
Right: Reclamation is an integral part of mining operations.

megawatt Sheerness Power Station, owned jointly by Alberta Power Limited and TransAlta Utilities Corporation. Acquired in 1964, the Montgomery Mine underwent a major expansion in 1985. The expansion involved the erection of a new dragline and shovel, as well as the construction of a new mine services building, haulroad network and power distribution system.

In addition to supplying coal to the Sheerness Station, the Montgomery Mine has a small on-site tipple, which allows Manalta to supply coal to local domestic users.

Surface Mining Operations on the Prairies The Montgomery Mine is located within the larger Sheerness coalfield. Five horizontal low-sulphur coal seams close to the surface have been identified on the property. Mining focuses on three of the seams, with a total thickness of about 4.5 metres. In the first stage of mining, scrapers salvage topsoil and subsoil which are either stockpiled for future use, or directly placed on previously mined and recontoured land. A walking dragline removes the overburden, which is placed in an adjacent mined-out pit. An electric shovel and front-end loader load coal into bottom-dump coal haulers, which transport the coal about seven kilometres to the Sheerness Station. The coal is dumped into hoppers, where it is crushed and moved by conveyors into the Station.

Environmental Protection and Safety Montgomery Mine is located in a particularly dry portion of southeastern Alberta, which is a challenging region for cereal crop cultivation. The mine's land management scheme involves returning mined land to perennial forage crop production. During reclamation, the mined-out portions of the pit which have been filled with overburden are then recontoured and capped with salvaged subsoil and topsoil. Finally, the soil is cultivated and seeded, according to the proposed end use. Mining and reclamation operations at Montgomery are conducted in a manner which ensures that the quality of both surface and groundwater is maintained.

Manalta's commitment to safety is evidenced by its comprehensive safety program, which has helped employees achieve an excellent safety record over the years.

MONTGOMERY MINE FACTS

Production capacity per year	Approximately 3 million tonnes
Type of coal	Sub-bituminous "C"
Owner	Manalta Coal Ltd.
Operator	Manalta Coal Ltd.
Mining method	Prairie surface (dragline)
Major market	Power generation


Montgomery Mine, P.O. Box 1288, Hanna, Alberta T0J 1P0

403-854-4555, Fax 403-854-2385

Manalta Coal Ltd., 700 - 9 Ave. S.W., P.O. Box 2880, Calgary, Alberta T2P 2M7

403-231-7100, Fax 403-269-8075





POPLAR RIVER MINE

The Poplar River Mine, near Coronach, Saskatchewan, supplies approximately four million tonnes of coal each year under long-term contract to the 600 megawatt Poplar River Power Station, owned by SaskPower. Initially developed by SaskPower in the late 1970's, the mine has been operated since 1984 by a Manalta Coal Ltd. subsidiary, Prairie Coal Ltd. Manalta is Canada's largest coal producer - mining about 27 million tonnes per year. With more than 60 years of experience in the coal mining business, Calgary-based Manalta and its subsidiaries operate seven other mines located in



Poplar River

**Draglines remove
overburden day
and night.**





Left: Poplar River
regularly hosts
tours for school
children.

Centre:
Trains shuttle
coal to the nearby
power station.

Right:
Reclamation
returns mined land
to agricultural
uses.

POPLAR RIVER MINE FACTS

Production capacity per year	Approximately 4 million tonnes
Type of coal	Lignite "B"
Owner	Manalta Coal Ltd.*
Operator	Prairie Coal Ltd.
Mining method	Prairie surface (multiple dragline)
Major market	Power generation

* Owner is actually a partnership of companies controlled by Manalta

Alberta, Saskatchewan and British Columbia.

The initial Poplar River Mine was located west of Coronach in an area commonly referred to as the West Block. In 1989 the mine was relocated 15 kilometres to the east to coal leases with more favorable mining conditions, in an area known as the South Block. In 1994, the mine was again relocated to coal leases 10 kilometres north, to an area called the North Block. This relocation involved

extending the existing rail system and building a new mine services building and a new train loadout facility. The North Block contains enough coal reserves to last for 20 years, at the current rate of production.

Surface Mining Operations on the Prairies The Willow Bunch seam has an average thickness of three metres; average overburden thickness is 20 metres. In the first stage of mining, scrapers salvage cover soil which is either stockpiled for future use, or directly placed on previously mined and recontoured land. Two walking draglines remove the overburden, which is placed in adjacent mined-out pits. A combination of electric shovels and front-end loaders extract and load the exposed coal into a fleet of coal haulers. The haulers transport the coal a short distance to a truck dump, where the coal is first crushed, then stored in a 2500 tonne silo and later loaded into railcars for the journey to the Power Station.

Environmental Protection and Safety During reclamation, the mined-out portions of the pit which have been filled with overburden are recontoured and then capped with salvaged cover soil. Finally, the soil is cultivated and seeded, according to the proposed end use, which may include cereal production and hayland. Water management is also an important consideration at Poplar River. Mining and reclamation operations ensure that water quality is maintained at all times.

Prairie Coal's commitment to safety is evidenced by its comprehensive safety program, which has helped provide a safe working environment for all employees.



Recycled



Poplar River Mine, P.O. Box 599, Coronach, Saskatchewan S0H 0Z0
306-267-2062, Fax 306-267-2191



VESTA MINE

The Vesta Mine, in east central Alberta near Halkirk, supplies coal to the nearby 735 megawatt Battle River Power Station, owned by Alberta Power Limited. The mine, also owned by Alberta Power, has been operated on a contract basis by Manalta since 1956, when large-scale mining first began. Manalta's predecessor began mining in the region during the 1940s.

Manalta is Canada's largest coal producer – mining about 27 million tonnes per year. With approximately 60 years



Vesta

**Reclamation
follows closely
after mining.**





Left: A dragline operator's view of Vesta mining operations.



Centre: Coal loading operation follows closely behind overburden removal.



Right: Coal is delivered to Battle River Power Station.

VESTA MINE FACTS

Production capacity per year	Approximately 2 million tonnes
Type of coal	Sub-bituminous "C"
Owner	Alberta Power Limited
Operator	Manalta Coal Ltd.
Mining method	Prairie surface (dragline)
Major market	Power generation

of experience in the coal mining business, Calgary-based Manalta and its subsidiaries operate seven other mines located in Alberta, Saskatchewan and British Columbia.

Surface Mining Operations on the Prairies Three low-sulphur coal seams of economic significance have been identified at Vesta. The two upper seams are found only in the higher portions of the property. A third lower seam,

ranging from 1.6 to 3.6 metres thick, is present throughout the mine site. In the first stage of mining, scrapers salvage topsoil and subsoil which are either stockpiled for future use, or directly placed on previously mined and recontoured land. A walking dragline removes the overburden, which is placed in adjacent mined-out pits. Exposed coal is loaded into coal haulers using a combination of shovels and front-end loaders. The haulers travel about four kilometres to the nearby Power Station, where the coal is dumped into receiving hoppers.

Environmental Protection and Safety During reclamation, the mined-out portions of the pit which have been filled with overburden are recontoured and then capped with salvaged subsoil and topsoil. In some instances, ash resulting from the burning of coal in the Power Station is used as a soil amendment to assist reclamation. Then the soil is cultivated and seeded, according to the proposed end use, which includes cereal crops, hayland, grazing land and wildlife habitat. At Vesta, a large-scale reclamation research project has been underway for a number of years. Co-sponsored by government and industry, the project has provided valuable information on the most effective and cost efficient reclamation methods. Water management is also an important consideration at Vesta. A system of drainage ditches and settlement ponds ensures that water quality is maintained at all times.

Manalta's commitment to safety is evidenced by its comprehensive safety program, which has helped employees achieve an excellent safety record over the years, winning several major awards.

Vesta Mine, P.O. Box 100, Malkirk, Alberta T0C 1M0

403-884-2234, Fax 403-884-2236

Manalta Coal Ltd., 700 - 9th Ave. S.W., P.O. Box 2880, Calgary, Alberta T2P 2M7

403-231-7100, Fax 403-269-8075



UTILITY MINE

The Utility Mine, near Estevan, Saskatchewan, supplies approximately two million tonnes of coal each year to the 875 megawatt Boundary Dam Power Station, owned by SaskPower. Opened in 1957, the mine is owned by SaskPower and operated by a Manalta Coal Ltd. subsidiary, Prairie Coal Ltd.



Utility

**Large dragline
removes
overburden.**





Left: Coal loading operations follow overburden removal.
Centre: Reclamation returns mined land to agricultural uses.
Right: Coal is delivered to Boundary Dam Power Station.

Manalta is Canada's largest coal producer – mining about 27 million tonnes per year.

With approximately 60 years of experience in the coal mining business, Calgary-based Manalta and its subsidiaries operate seven other mines located in Alberta, Saskatchewan and British Columbia.

Surface Mining Operations on the Prairies The average coal thickness at Utility is four metres, with two separable partings. Average overburden thickness is 30 metres. In the first stage of mining, scrapers salvage cover soil which is either stockpiled for future use, or directly placed on previously mined and recontoured land. A walking dragline removes the overburden, which is placed in adjacent mined-out pits. The exposed coal is extracted and loaded into haulers by a combination of shovels, backhoes and front-end loaders. The haulers transport the coal to the hopper at the Power Station, five kilometres away.

Environmental Protection and Safety During reclamation, the mined-out portions of the pit which have been filled with overburden are recontoured and capped with salvaged cover soil. Finally, the soil is cultivated and seeded, according to the proposed end use, which may include cereal production and hayland. Water management is an important concern during mining on the dry Saskatchewan prairies. Prairie mining provides opportunities to develop ponds to serve as water fowl habitats.

Prairie Coal's commitment to safety is evidenced by its comprehensive safety program, which has helped provide a safe working environment for all employees.

UTILITY MINE FACTS

Production capacity per year	Approximately 3 million tonnes
Type of coal	Lignite "A"
Owner	SaskPower
Operator	Prairie Coal Ltd.
Mining method	Prairie surface (dragline)
Major market	Power generation



COSTELLO MINE

The Costello Mine, near Estevan, Saskatchewan, supplies approximately 500,000 tonnes of low-sulphur coal each year to domestic utility and industrial customers in Saskatchewan, Manitoba and Ontario. Owned by Manalta Coal Ltd., the mine is operated by a Manalta subsidiary, Prairie Coal Ltd. Manalta is Canada's largest coal producer – mining about 27 million tonnes per year.



**Overburden
is removed by
large dragline.**



Left: Ongoing consultation helps meet customers' needs.

Centre: Reclamation follows closely after mining.

Right: On-site screening and crushing facilities permit customized products.



With approximately 60 years of experience in the coal mining business, Calgary-based Manalta and its sub-

subsidiaries operate seven other mines located in Alberta, Saskatchewan and British Columbia. Previously known as the Klimax Mine, Costello became a full-scale operation in 1960. Manalta's predecessors were stripping overburden in the area in the 1930s and the Company acquired the mine in 1964.

Surface Mining Operations on the Prairies The average coal seam thickness at Costello is three metres, with two separable partings. Average overburden thickness is 20 metres. In the first stage of mining, scrapers salvage cover soil which is either stockpiled for future use, or directly placed on previously mined and recontoured land. A walking dragline removes the overburden, which is placed in adjacent mined-out pits. The exposed coal is loaded into a fleet of haulers by front-end loaders for transport to an on-site tipple, where it is crushed and screened to the size required by individual customers. On-site laboratory facilities ensure that customer specifications are met. The crushed coal is loaded onto trucks or railcars for shipment to customers' facilities. In addition to good highway access, the mine is served by both Canadian National Railways and CP Rail.

Environmental Protection and Safety During reclamation, the mined-out portions of the pit which have been filled with overburden are recontoured and capped with salvaged cover soil. Finally, the soil is cultivated and seeded, according to the proposed end use, which may include hayland and grazing land.

Prairie Coal's commitment to safety is evidenced by its comprehensive safety program, which has helped provide a safe working environment for all employees.

COSTELLO MINE FACTS

Production capacity per year	Approximately 2 million tonnes
Type of coal	Lignite "A"
Owner	Manalta Coal Ltd.
Operator	Prairie Coal Ltd.
Mining method	Prairie surface (dragline)
Major market	Power generation; industrial



Recycled



**Costello Mine, P.O. Box 490, Estevan, Saskatchewan S4A 2A5
306-634-4233, Fax 306-634-9129**