

FORDING

With its head office in Calgary, Fording Coal employs about 1,300 personnel in Alberta and British Columbia. Established in 1968 to develop coal reserves in the Fording River Valley, the company became a wholly-owned subsidiary of Canadian Pacific in 1986, when CP bought Cominco Ltd.'s 40% interest.

The Fording River operation is about 29 km northeast of Elkford in the Elk Valley region of southeastern B.C. The operation's primary product is high-quality metallurgical coal, used to make coke for the international steel industry. Also produced and sold worldwide is thermal coal, used by power utilities, cement companies and other industries.

The mine's proven reserves consist of more than 300 million tonnes of clean coal found in 12 different seams ranging in thickness from 1.5-12 m.

Primarily a truck/shovel operation, the mine also uses a 45-cu-m dragline in its 24-hr-per-day operation. Clean coal production in 1986 exceeded 4.8 million tonnes, an increase of 20% over 1985 and a record for the mine. Mining productivities were 7% higher in 1986 when compared to 1985 and represent an improvement of almost 150% over the past five years.

Fording River operations employs a total of 1,165 staff and hourly production personnel.

A record sales volume of more than five million tonnes was achieved in 1986 — more than one million tonnes greater than the previous high established in 1984. Of Fording's sales in 1986, 52% went to Japan, 20% to other Pacific Rim countries, 12% to North America and 8% each to South America and Europe. In late 1986 negotiations began with Japanese Steel Mills for an extension of the original 15-year coal-supply agreement.

In January, 1986, Fording initiated its first Alberta operation, with contract mining at the TransAlta Utilities Corp.-owned Whitewood mine, at Wabamun, some 65 km west of Edmonton. The 5-year contract calls for two million tonnes per year to be delivered to the Wabamun Power Plant, which has a net generating capacity of 569 MW.

A typical prairie open-cast mine,

the Whitewood uses a 45.8-cu-m dragline as the primary earth-mover and employs 90 staff and hourly production workers. Coal deliveries to the power plant were 2.2 million tonnes in 1986. Substantial gains in mine productivity were achieved in Fording's first year of operation.

Genesee Power Project

Fording, in a joint venture arrangement with the city of Edmonton, will develop and operate the Genesee Coal mine, about 55 km southwest of the city. The mine, using mainly draglines, will supply three million tonnes of sub-bituminous coal annually for the Genesee Power Plant, adjacent to the mine. The plant will consist of two 400-MW generating units. In December, 1986, the Energy Resources Conservation Board (ERCB) confirmed the operational timetable with the first unit to be on stream October, 1989, followed by the second unit in 1991.

Brooks Coal Project

Fording Coal has 120 million tonnes of sub-bituminous thermal coal reserves in the Bow City area, about 28 km southwest of Brooks, Alta. Fording received approval from the ERCB to develop a coal exploration test pit and for use of a rail load-out siding at Cassils, Alta. Work on the test pit began in mid-November and ended in mid-December, resulting in the stockpiling of more than 10,000 tonnes of coal at the mine site. Test pit approval was granted for a total of 30,000 tonnes, samples of which are essential to the development of the proposed mine. Potential markets for this coal have been identified in Alberta, the Great Lakes area, the U.S. and the Pacific Rim.

In December the company filed an application to develop a mine capable of producing up to 300,000 tonnes per year. Review of this application by governmental agencies and public disclosure meetings are scheduled for early 1987.

BYRON CREEK

A world-wide oversupply of thermal coal forced Byron Creek Collieries (a wholly-owned subsidiary of Esso Resources Canada) to significantly reduce the scale of its operations at the Coal Mountain mine, in



The Coal Mountain mine.

southeastern B.C., last year. Production was cut to 870,000 tonnes from an anticipated one million tonnes per year.

Byron Creek will continue to operate at a reduced scale until market conditions improve, but the company still strongly believes in the future of coal. To that end, \$50 million was invested in a new, heavy-media, wash-plant-and-dryer complex completed in July, 1986. The unit is capable of operating in conjunction with, or independently of, the original preparation plant.

The plant enables the mine to exploit the full potential of its reserves. Lower-quality coal can be processed to meet market specifications while higher-quality coal can be produced, enabling the mine to enter new markets. In 1986 Byron Creek began shipping weak coking coal to the Japanese steel industry.

A \$5-million maintenance-and-warehouse facility was added to the operation. The 1,300-sq-m facility has eight bays, each with the capacity to accommodate a 154-tonne haulage truck. This addition improves the efficiency of on-site maintenance and provides the necessary storage area for mobile equipment and machinery replacement parts.