

Presentation by Ed Beswick, Ministry of Employment & Investment cont'

Now on to what's new in the Region. Certified Undeveloped Mineral Deposits in the Region. We hope to add the Kemess Mine to this very soon! I understand the Certificate is in the hands of the Ministers for their consideration. I'm hopeful our guest speaker this evening will have some good news. *(Schedule 11)*

For the record over half of the projects under review by the Environmental Assessment Office are mines. In fact as of April 15, 1996 of the 31 projects under review, 17 are Mines and 10 are Energy Projects. (two are Ski Resorts, one is a Townsite Development and one is a Salmon Aquaculture Review). We were hoping to see some action at Milligan this summer with Copper strong but nothing has been announced.

Mount Polley is scheduled to start construction in May. They did some work on site last fall and with financing in place, Polley should be in full construction mode this summer. *(Schedule 12&13)*

New Mine Developments in the North

In the North Central Region Kemess South and Willow Creek are the most likely to be developed in the near future.

Kemess

Hunter Dickenson Group continues to be very active in British Columbia with their most recent success story being the Kemess Copper Gold Project that they dealt to Royal Oak last year. Kemess is proposed as a bulk tonnage open pit mine with good potential for the future development of other satellite ore bodies like Kemess North. The promise of the Kemess infrastructure is also resulting in a re-evaluation of known mineral deposits like Sustut Copper, and other grassroots prospects like Redgold, Goldvale and McGold. *(Schedule 14)*

In closing I would like to thank Sue Kenny and the District of Tumbler Ridge for hosting Minerals North for 1996. Our work is cut out for us as we try to turn the corner for a more prosperous mining community, with more Employment and Investment in Mining in BC. And "Yes" mining does have a bright future in BC.

(Schedule 16) Operating Mines in British Columbia

Willow Creek Project Update

*Presentation by: David Fawcett,
Chief Operating Officer, Pine Valley Coal Ltd.*

Willow Creek Project

Introduction

I expect that many of you are aware of the coal deposits in the Willow Creek area. Today, I will give a brief overview of the project that is targeting the development of those deposits.

Many technical and operational aspects are still evolving and subject to change as we carry out a detailed feasibility programme.

The most recent development, of course, was the finalization of a joint-venture agreement and the formation of Pine Valley Coal Ltd. as the joint-venture operator.

Presentation by David Fawcette, Pine Valley Coal Ltd., cont'

Pine Valley Coal Ltd.
The Joint Venture Companies

For various reasons, a subsidiary company of each parent was used in setting up the venture.

BC Rail

BC Rail owns and operates the rail system serving northeast British Columbia with its main line running adjacent to the proposed Willow Creek mine. BCR Group's participation in the project reflects its long-term diversification strategy, aimed at broadening traditional revenue bases and increasing rail freight traffic, revenues and earnings

Paul McElligott will shortly be telling you more about BC Rail's interests.

Globaltex Industries

Globaltex Industries is a junior resource company listed on the Senior Board of the Vancouver Exchange. In addition to this Joint-venture interest, it has a gold property north of Yellowknife in the Northwest Territories. It has contributed the coal property to the joint-venture.

Mitsui Matsushima

Mitsui has been actively doing coal business for over 80 years through mining operations and sales of domestic and overseas coals. Mitsui owns one of three remaining major collieries in Japan, and is involved in a joint-venture coal operation New South Wales, Australia. Mitsui is actively proceeding with expansion of coal business outside of Japan.

BC Rail will have the transportation rights for the coal, and Mitsui Matsushima will have the world-wide marketing rights for the life of the project.

The origin of our name, Pine Valley, has more to it than just the fact that the Pine River crosses our property. "Matsushima" in Mitsui Matsushima means "Pine Island".

Project Highlights

The property is located in northeastern B.C., 45 km west of Chetwynd and about 100 km northwest of Tumbler Ridge. The proposed mine is favorably located with respect to major infrastructure with the town, roads and rail nearby.

Pine Valley has 33 Coal Licenses in the Willow Creek area, two areas of which have been extensively explored. Willow Creek now has close to 200 drill holes totaling 27000 metres of drilling. The Pine Pass block has about 50 holes with 8500 metres of drilling.

The open-pit reserves and resources are estimated at 27 million tonnes.

The target production level is 600,000 product tonnes per year.

Potential employment would be 80 to 100 people at that level, with additional employment generated in the service sectors and in transportation.

Presentation by David Fawcette, Pine Valley Coal Ltd., cont'

History

The Willow Creek area was first explored in the late 1940s, early 1950s when the provincial government carried out an exploratory programme in the area.

In 1980 / 1981 David Minerals carried out a major exploration programme on the north end of the Willow Block, followed by a feasibility study for an underground mine, plus environmental impact baseline and assessment work. The project, however, did not proceed.

In 1993, Globaltex Industries Inc. was formed through an amalgamation of a public company and a private company that held the Coal Licenses. Work on the Willow Creek Block was reactivated.

In early 1994, additional Coal Licenses were acquired to enlarge the surface mineable resource base. A small infill drilling and bulk sampling programme was carried out in late winter and summer of 1994.

Subsequent planning and financing efforts have recently culminated in the formation of the present joint-venture.

Pine Valley Coal (Schedule 1)

This picture shows the proposed Willow East mining area beginning at BC Rail on the north, extending about 10 km to the south. Current access is via the Willow Creek Forestry Road which parallels the coal measures.

Coal Licenses and General Geology

The 33 Coal Licenses cover about 30 km of coal measures outcrop.

Our present development planning focuses on a 10-km section to the northeast limb of the Pine River Anticline. Exploration will be done on a portion of the west limb this year.

The Pine Pass and Falling Creek Licenses and less explored sections of the Willow Block provide a good resource base for future development.

Stratigraphic Column

The Gething Formation is below the Gates Formation which contains the coal measures mined at Quintette and Bullmoose.

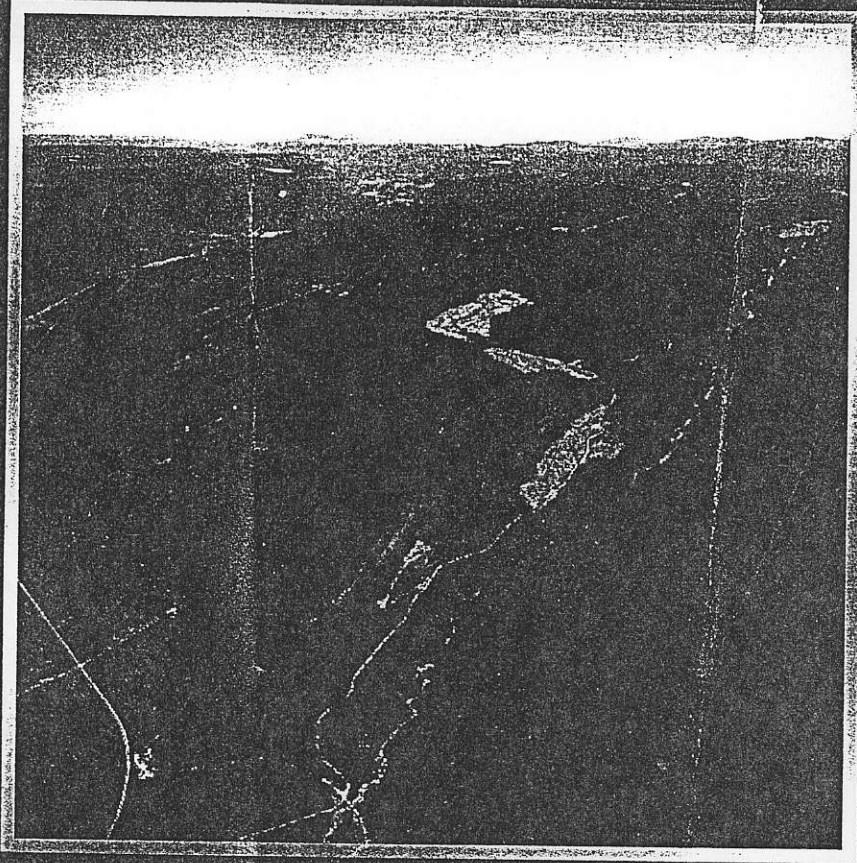
The seams of primary importance are located in the Upper and Middle Gething coal measures.

Coal seams considered for mining vary in true thickness from a minimum mining thickness, to in excess of 7m including partings, or in excess of 5m of coal within the unit. Total mineable coal thickness in the Upper and Middle measures is in excess of 20m.

7 Seam Profile (Schedule 2)

This is a portion of a seam correlation chart for 7 Seam showing the general character of the seam which is typical for several of the seams. Because of the partings, we will use selective mining and will have a wash plant.

Schedule 1



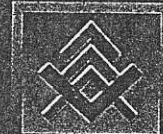
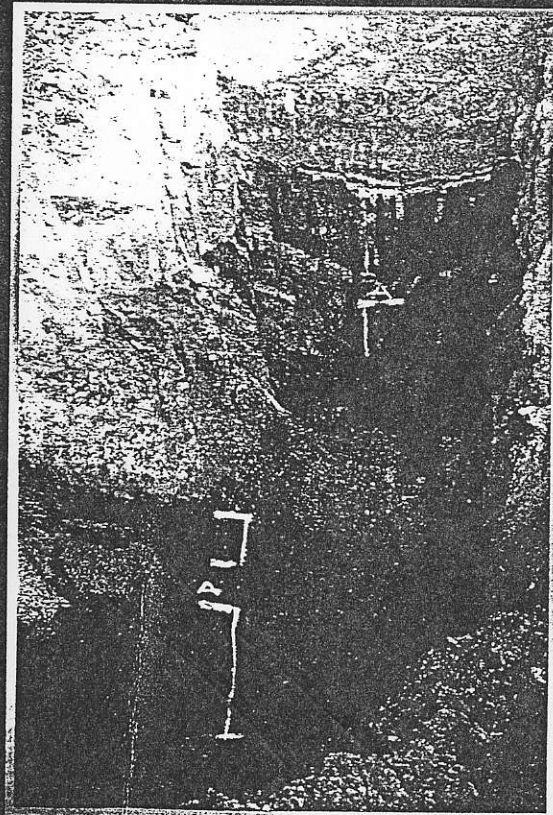
**Willow Creek
Project**

*Property -
Aerial Picture*

Schedule 2

**Willow Creek
Project**

*No. 2&3 Seams
- Section 15000
(2 metres - 2.8m/
3 Seam - 2.1m)*



Presentation by David Fawcette, Pine Valley Coal Ltd., cont'

No. 2 & 3 Seams (Schedule 3)

A trenching project was carried out in 1993 which has given good seam exposures in the central part of the mine area.

This schedule shows 2 & 3 Seams with about 5 m of coal.

No. 4 Seam

This is a thicker zone of 4 seam without partings giving a nice 3.8 meter coal section. The ash content for this coal intersection is less than 10%.

Volatile Matter

The volatile matter ranges from about 24% for 1 Seam to about 17% for the lower 6 - 8 seams on a dry, ash-free basis.

The free swelling index ranges from 7 - 9 for 1 Seam to 1 for 7 Seam.

Washability

An attractive feature of all our major coal seams is the apparent ease of cleaning with high coal recovery.

If we were to wash all of our coal, coarse and fine, we could easily have a product with less than 5% ash.

Our current planning, however, is based on producing two intermediate ash products - a semi-soft coking coal and a steaming coal. Final product specification will be based on the feasibility study and market development.

With total cleaning, there is future potential to produce specialty coals at very low ash contents.

Exploration Drilling

Pine Valley has just completed a first phase of its 1996 exploration and infill drilling programme which is being done to extend the reserve base to the south; drilling is expected to resume in June.

Infrastructure

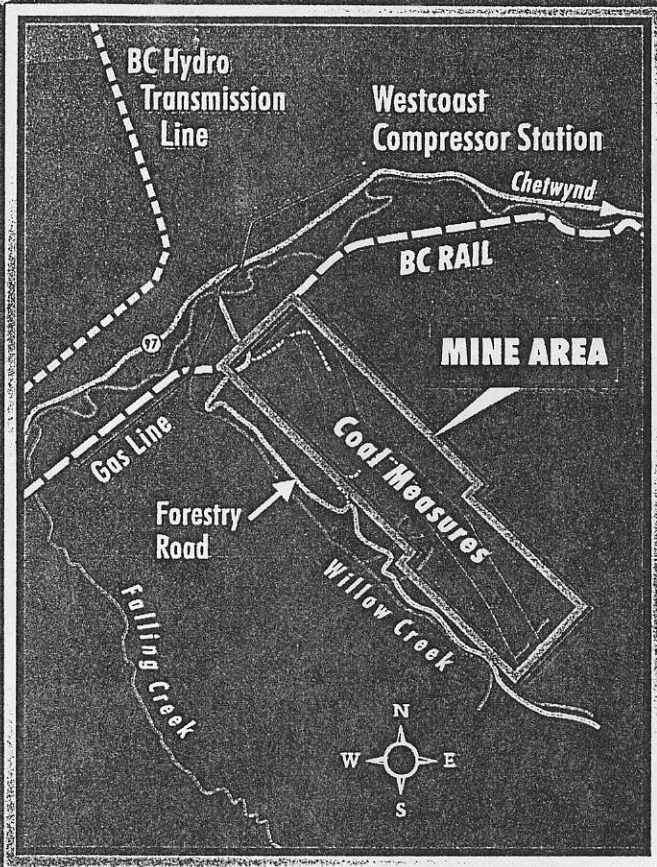
As I mentioned earlier, the project is favourably located with respect to major infrastructure.

A major attraction to the property is the existing services:

- Chetwynd within an easy commute via Highway 97;
- good site access; and
- having BC Rail crossing the north edge of the proposed development and adjacent to the proposed plantsite.

Cross Section - Pit Design (Schedule 4)

Schedule 4 shows the typical geology of the coal measures being considered for mining - dipping seams with some faulting and folding.

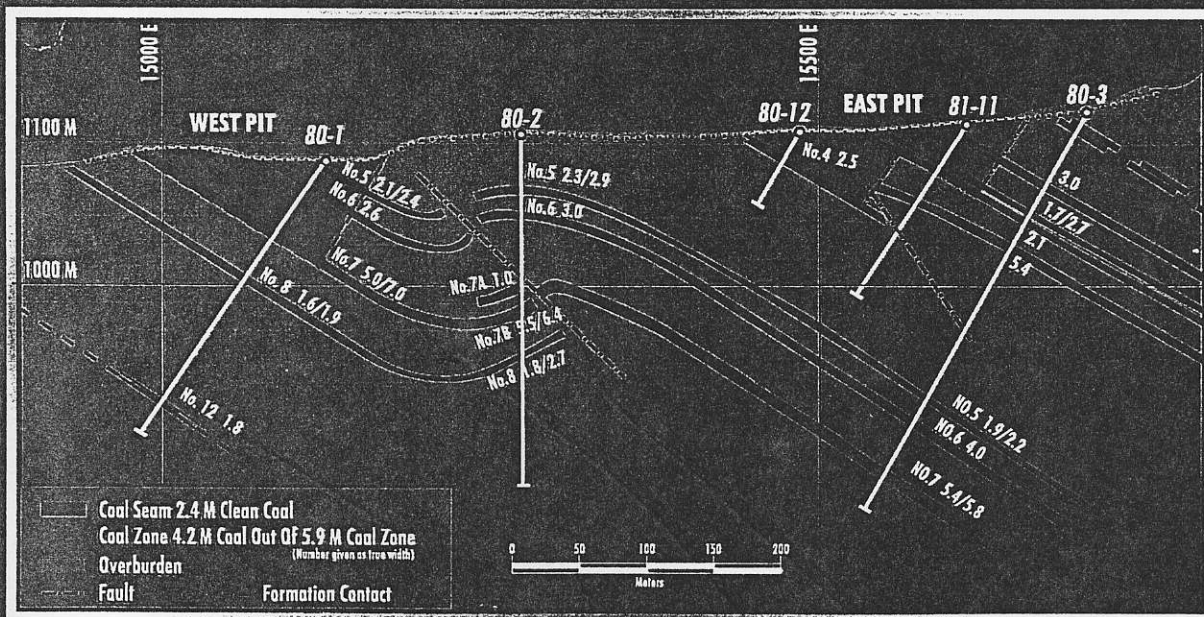


Willow Creek Project

Infrastructure

Willow Creek Project

Section 15000 N



Presentation by David Fawcette, Pine Valley Coal Ltd., cont'

In general, our pits are expected to be relatively shallow, in the order of 40 to 70 metres.

Our current target strip ratio is between 4 to 5:1 BCM:ROM tonne. The lower ratio reflects the smaller-scale mining, the coal properties, the target products, reserves, topographic features, etc. that tend to preclude larger-scale mining.

With respect to environment and reclamation, Pine Valley intends to develop and operate a mine in an environmentally sound manner. Our objective is to progressively mine along strike with backfilling of pits to the extent feasible and necessary to avoid leaving open pits and to achieve a high level of reclamation as the mine progresses.

In carrying out the planning and approval process, we will be doing an environmental impact assessment and following through the approval process with the Environmental Assessment Office and other Government groups.

This process will involve regular consultation with the various interest groups and affected parties in the area.

Rail Transportation

One of the primary objectives for BC Rail's involvement is to increase coal tonnage on their system. The distance to North Vancouver is 628 miles (approximately 1000 km) which is essentially the same as to Prince Rupert and Ridley Terminals.

The nominal production level of 600,000 tonnes per year is based on the annual capacity of one unit train.

Schedule

We carried out a short drill programme before spring break-up and plan to continue drilling about mid-June.

We have started some components of the feasibility programme and will step up the work on this programme once the drilling is complete in July.

We expect to be able to make a production decision late this year.

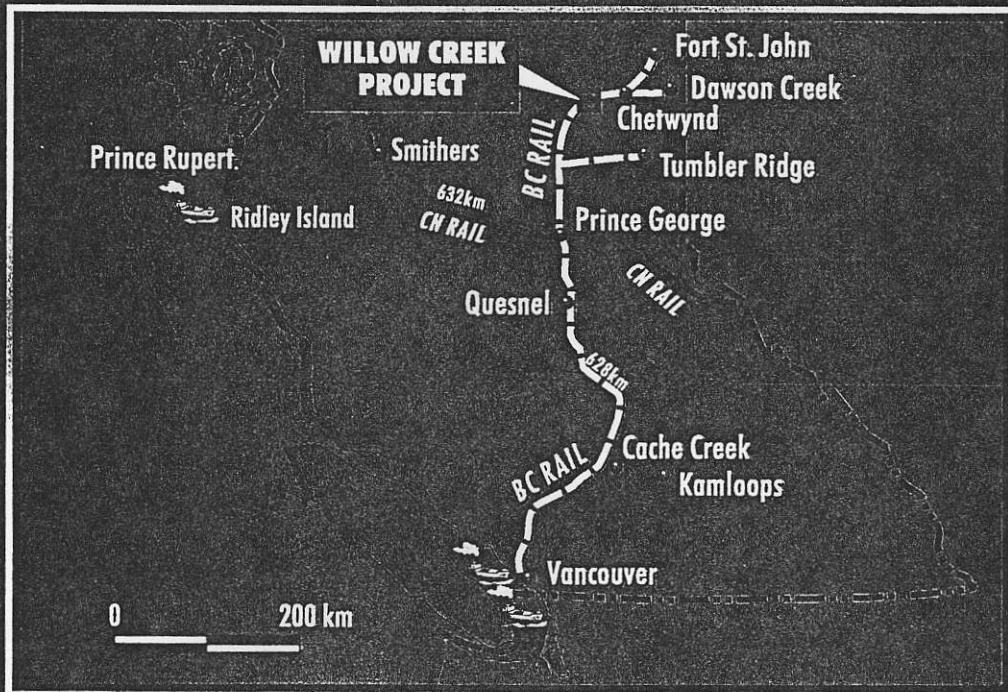
Assuming a favourable production decision and good cooperation with respect to the regulatory approval process, we could be carrying out construction and development in mid-1997 with start-up in late fall.

Conclusion

We are looking forward to our feasibility programme and a favourable production decision later this year and to becoming the next coal mine operator on the Province.

Willow Creek Project

Pine Valley Coal Ltd.



Willow Creek Project

Development Schedule



Activity	1996			1997			
	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Geological/Drilling Programme	█	█					
Feasibility Studies	█	█	█				
Environmental Impact Assessment	█						
Regulatory Process	█	█	█			█	
Engineering/Procurement/Construction					█	█	█
Startup							

Project Report

Review Process

**8th Annual Minerals North Conference
Proceedings**

**Tumbler Ridge,
British Columbia**

April 17 - 20, 1996

"Mining in Today's Environment"

*Co-Sponsored by:
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