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→ Brule

Daily Report – July 13, 2006

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- Metal prices – Basemetals Prices are Down.
- Western Canadian Coal (WTN) - Receives Brule Mine Environmental Assessment Certificate
- Top Picks: Zinc - BWR, EZM, CGK, BNT, Copper – EZM, CCU, QUA , Nickel – MUM, NWI, LAB

Metal	Prices - Daily Change			Inventory (Tonnes)			Change Since Dec 31/05	
	12-Jul-06	11-Jul-06	Change	12-Jul-06	11-Jul-06	Change	Price	Inventory
Aluminum /lb	\$1.177	\$1.156	\$0.021	747,075	746,425	650	\$0.14	102,225
Copper /lb	\$3.734	\$3.642	\$0.092	93,075	92,575	500	\$1.65	3,500
Lead /lb	\$0.524	\$0.491	\$0.033	108,875	109,275	(400)	\$0.03	65,250
Nickel /lb	\$13.426	\$12.540	\$0.887	8,244	8,418	(174)	\$7.36	(27,498)
Zinc /lb	\$1.629	\$1.617	\$0.011	203,575	205,825	(2,250)	\$0.76	(190,550)
Gold /oz	\$642.000	\$630.750	\$11.250				\$129.00	
Silver /oz	\$11.750	\$11.290	\$0.460				\$2.92	
Platinum /oz	\$1,258.000	\$1,232.000	\$26.000				\$294.00	
Palladium /oz	\$327.000	\$323.000	\$4.000				\$74.00	

- In overnight trading metal prices were up compared to Wednesday morning LME rings. The three month price on a per pound basis - copper was \$3.54, zinc was \$1.54, nickel was \$11.84 and aluminum was \$1.17. Gold was trading at \$652 per ounce, silver was trading at \$11.60 per ounce and platinum was trading \$1248 per ounce.

Stocks

Advances				Shares	Since	Declines			Shares	Since	Volume	Shares				
Sym.	\$/Share	Delta	%	000	Dec3105	Sym.	\$/Share	Delta	%	000	Dec3105	Sym.	000	Delta	\$/Share	Delta
MGA	\$8.95	\$1.52	20%	1,002	-10%	SEA	\$14.19	(\$0.79)	-5%	68	29%	HBM	2985	3%	\$15.53	\$0.34
GBU	\$3.30	\$0.40	14%	1,280	16%	NGX	\$4.08	(\$0.21)	-5%	1,140	92%	BCM	952	3%	\$7.17	\$0.56
BCM	\$7.17	\$0.56	8%	952	64%	POM	\$3.33	(\$0.15)	-4%	28	96%	N	4599	2%	\$76.36	\$1.81
SKR	\$9.85	\$0.65	7%	260	234%	WLF	\$2.53	(\$0.10)	-4%	162	-32%	LIM	5006	2%	\$6.69	\$0.28
YZC	\$0.34	\$0.02	6%	868	-14%	SWC	\$2.98	(\$0.11)	-4%	509	138%	MGA	1002	2%	\$8.95	\$1.52

- Mining shares were up in Wednesday's trading. Base metal stocks were up and the other mining stock groups were down.

Company

Western Canadian Coal Corp.	Symb	Mkt Price	Volume	52wk L	52wk H	Cap Mills
83980306 Shares	WTN	\$ 3.05	350,845	\$ 1.65	\$ 5.40	\$ 256

Western Canadian Coal (WTN) - Receives Brule Mine Environmental Assessment Certificate

- Western Canadian Coal has received an Environmental Assessment (EA) Certificate from the British Columbia Environmental Assessment Office for the Brule Mine Project. This approval-in-principle paves the way for WCCC to produce up to 2.0 million tonnes per annum (Mt/a) of Pulverized Coal Injection (PCI) coal from the Brule Mine on the Burnt River Property, and approves future development of a new coal rail load-out at Falling Creek Flats in the Pine River Valley, along with associated roads and power lines.
- The Company will make a determination as to whether to proceed with plans to initially develop and operate the Brule Mine Project in a manner similar to the operation at the Dillon Mine, if the Company is satisfied that PCI coal prices and transportation costs will support the development of the project and the necessary permits are obtained. On this basis the Company estimates that, with minimal additional capital, production at the Brule Mine could be up to 1.0 Mt/a.
- Work is being completed on identifying areas of high quality coal that can be accessed by a low stripping ratio and could be mined and processed using the existing Dillon Mine plant facilities. This would enable the Brule mine project to provide a continuity of production from the Burnt River properties following the depletion of the Dillon Mine reserves in late 2006.

Analysis

- Zinc inventories continue to decline, yesterday zinc inventories on the LME closed at 203,575 tonnes down 190,550 tonnes from the beginning of the year. Yesterday the morning LME ring for zinc was \$1.62 per pound up \$.76 per pound from January 1, 2006.
- Despite a number of analysts forecasting a slowing down in the global economy, zinc's fundamentals are extremely compelling and should garner higher prices which will result in the zinc companies earning more.
- We expect zinc inventories to continue to decline for the rest of the year and for zinc prices to move higher. The average zinc price to date has been \$1.26 per pound. We expect zinc prices to average \$1.54 per pound for the year and this means that zinc prices will have to go much higher to meet this average.