

TOS → Elk Valley Coal

COMMENT

The future of mining

Welcome to our spring edition of *Mining & Exploration* magazine. We take the opportunity to get to know Boyd Payne, the new president and CEO of Elk Valley Coal Corporation—which operates five mines in B.C.'s Elk



Valley. Payne is a seasoned veteran of the coal mining industry and traces his roots back to mining towns in Crowsnest Pass.

It's a bird: no, it's a plane—a really small plane. We discover a

company that is using a Canadian innovation called CropCam—a miniature remote-controlled plane equipped with a camera—to obtain high-quality digital images showing the lay of the land. Check out this soaring story.

Is clean coal power possible? The simple answer is yes, according to the Canadian Clean Power Coalition. Led by Dr. David Lewin, the coalition is working on gasification technologies designed to reduce harmful emissions and produce useful byproducts. If you want more information about this organization, check out www.canadiancleanpowercoalition.com.

The mining industry continues to enjoy a strong resurgence and *Mining & Exploration* is pleased to document the industry's progress. Got a mining story or development you think we should know about? E-mail me at keith@kpimedia.com.

Keith Powell, Publisher



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6 RECLAMATION Social licence

Marc Symbaluk headed Elk Valley Coal Corporation's reclamation team that was recognized for its exemplary work at Cardinal River.



COVER STORY

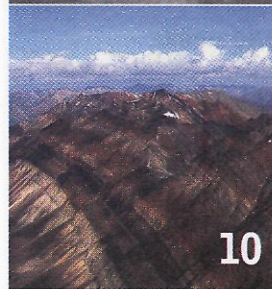
4 Coal: A vision for the future

Mining & Exploration sat down with Elk Valley Coal Corporation's president and CEO, Boyd Payne, to discuss the past, present and future of the coal industry. COVER PHOTO BY JEFFREY COOPER

FEATURES



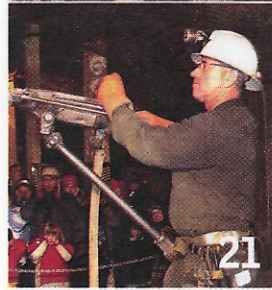
8 Eye in the sky CropCam is an innovative Canadian product that provides a new perspective when viewing the lay of the land.



9 Today's satellites extend connections New technology enables clear communications, even in remote locations.



10 Prospects in the Far North Eagle Plains Resources Ltd. has stepped up its exploration and drilling operations in the Mackenzie Valley.



11 Cline Mining awaits the decision Amidst much controversy, the proposed mine in B.C.'s Flathead region is in limbo.

11 Mine meld Selkirk Metals Corporation and Doublestar Resources Ltd. are poised to join forces.

12 Looking for mineralization Stikine Gold Corporation continues to explore the Sullivan Deeps near Kimberley, B.C., hoping to find a mine as productive as the original Sullivan Mine.

13 Mining Week The Mining Association of British Columbia will be promoting mining awareness the week of May 14 to 21, 2007.

15 Adopting orphaned mines Abandoned mines are a problem that affects community health, the environment and the mining industry.

16 Mining is a vital industry The East Kootenay region of B.C. owes its history and its future to mining, says the East Kootenay Chamber of Mines.

17 FrontCounter BC will benefit mining A new approach makes applications simpler.

18 Clean coal power is possible New technology is being developed and utilized to reduce the harmful emissions from burning coal.

21 Mining beat A "what's new" guide.

COAL: A VISION FOR THE FUTURE



Jeffrey Cooper photo

One-on-one with Boyd Payne

Elk Valley Coal's president and CEO, Boyd Payne, discusses the influences in the industry to date and where his company is headed from here

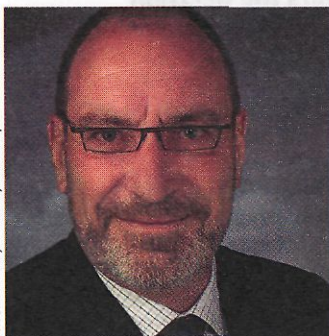


Photo courtesy Elk Valley Coal Corp.

by TANYA LAING MOORE

Elk Valley Coal Corporation—jointly owned by Fording Canadian Coal Trust and Teck Cominco Ltd.—is one of the world's industry leaders in coking coal production. As such, the person at the helm of the corporation must possess strong leadership abilities and a vision for the company. Boyd Payne, appointed president and CEO in August of 2006, is such a leader.

Payne was most recently vice-president of marketing for BHP Billiton in Singapore. Prior to joining that company, he held a similar position with Fording and has also held several senior positions with Manalta Coal Ltd. and Gregg River Resources Ltd. He has a bachelor of science degree in chemistry from the University of Victoria.

ELK VALLEY VISIONARY: Boyd Payne, Elk Valley Coal Corporation's president and CEO, is looking to reposition the company on the global market.

Mining & Exploration recently talked with Payne about his background, his vision for Elk Valley Coal and what it is that sets the company apart.

Mining & Exploration: You were appointed to your position in August. How has it been so far?

Boyd Payne: Great. I worked for Fording before. I was vice-president of marketing with Fording in the '90s.

M&E: So how long have you been with the company all told?

BP: I guess about six years. In 2001, I left and joined a company called BHP Billiton—who is the world's largest integrated mining company—and I moved to Singapore for five years, looking after their coking coal operations. When Jim Popowich (the former CEO and president of Elk Valley Coal) let it be known that he was retir-

ing, I thought coming back here to do this would be a wonderful thing.

M&E: Where are you from originally?

BP: Coleman, Alberta. My mother still lives there.

M&E: This is coming home for you, then.

BP: Full circle.

M&E: Tell me a little about your background. What was your first job?

BP: I graduated as a chemist in 1972. My first job was actually in the oil business in Winnipeg in a refinery. Two years later, in 1974, I went to Coleman—my first job in the coal business.

M&E: You keep coming home.

BP: I guess so. And I've been in the coal business since 1974.

M&E: Do you feel you know the business inside and out yet?

BP: The last 15 years or so I've been on the marketing side. I worked my way through to a general manager level of operations in the '80s and then I switched into marketing—yeah, I guess I do know lots about it (laughs). I've been an exploration manager in the '70s and through the operating side in the '80s and worked in business development for a while. I switched over to marketing and discov- ▶

► ered that you need to know a whole lot about the market to succeed in this business; especially here in Canada, we need to understand that it's a big world out there—and it's a fascinating world.

M&E: What has been one of the greatest things you have learned in the business? What has surprised you?

BP: The industry's gone through a real transformation in the last five or 10 years because of consolidation—I'm talking now about the coking coal world. If you look at high-quality coking coal, the global market is about 140 million tonnes; Elk Valley Coal is a 16 per cent participant in the market, so we're the second largest player in the global coking coal market—we're second behind BHP Billiton in Australia who owns about 35 per cent. What's happened here is that we've all—with the consolidation—grown stronger and have needed to understand our role in the market a lot better. When we were smaller and more fragmented, we were probably more production focused—and more tonnes is always the right thing—whereas once you get to a certain size—I think about five players control about 70 per cent of the global market now—you start to realize you have to participate in that market responsibly. You have to understand the mechanisms that are at play and where you fit. Elk Valley Coal is a company that is gifted with long-term reserves, so we'll be around for a long time.

M&E: What is it that sets Elk Valley Coal apart?

BP: We're a great operating company.

M&E: How so?

BP: The companies that came together to form Elk Valley Coal were all strong operating companies, and Jim Popowich in the last three years has pulled it together into a single entity; now my job is to take it the next lap, which is to reposition us in the marketplace—to understand the value of our quality and brand ourselves appropriately. Basically, we're strong miners and what we need to do is have the world recognize the true value of our products.

M&E: How do you do that?

BP: Well, you do a lot of hard work. Basically, what we do is we take a look at our reserves and we take a look at our current suite of products and we take a look at our

customers' needs so we understand them fully. Then we make adjustments so that the brands we put out are consistent in quality—they're high quality—and they meet the specific needs of the customers. So between the quality and the critical mass we have as the second largest player, we occupy a pretty valuable space in the global marketplace.

M&E: What is your vision for the company?

BP: Well, I think we're going to be a high-quality hard coking coal producer that every customer in the seaborne coking coal market needs and appreciates.

M&E: And so what is it that you bring to the position that will bring your vision to fruition?

BP: I'm really a team guy. I like to surround myself with very clever and capable people and give them the opportunity to do great work. We have a great team of people. Right now it's a matter of alignment; I need to express my vision to these people so that they understand better who we are and what we need to do, and then get my people out to execute (the plans). And I think that process is well underway.

M&E: Recently, Elk Valley Coal won a major award from the Alberta Chamber of Resources. Can you tell me about that?

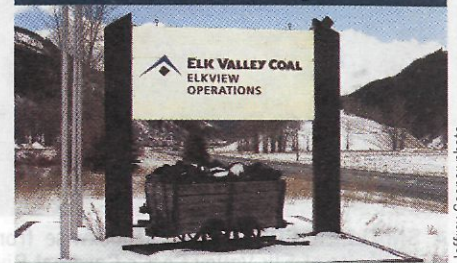
BP: Absolutely. It was for our Cardinal River (Sphinx Creek) operation. There was a pit that they turned into a lake, and the research that was done to create it was that significant that the Alberta Chamber of Resources chose us out of all the projects on the go as the best. I was at the function when they gave us the award; the young fellow—everybody's young to me (laughs)—Marc (Symbaluk), who actually had spearheaded a lot of the work, spoke on our behalf and was I ever proud of him. It was a significant award, and you could tell. These people who get involved in this side of the business are super dedicated, and he is certainly one of them. It's an effort that's going on at all of our mines. I think you need a social licence to operate and clearly reclamation is part of it.

M&E: So environmentalism is part of the vision of Elk Valley Coal?

BP: Absolutely. I call it the social licence to operate, and really, as a company, we

need to participate in communities so that our people are working for a strong company and living in communities that are good for their families. That's what has to be the attraction to our company: the opportunity for a lot of growth in the job. But more than that, it's a great place—the Elk Valley—and we have to participate in making it a great place. **M**

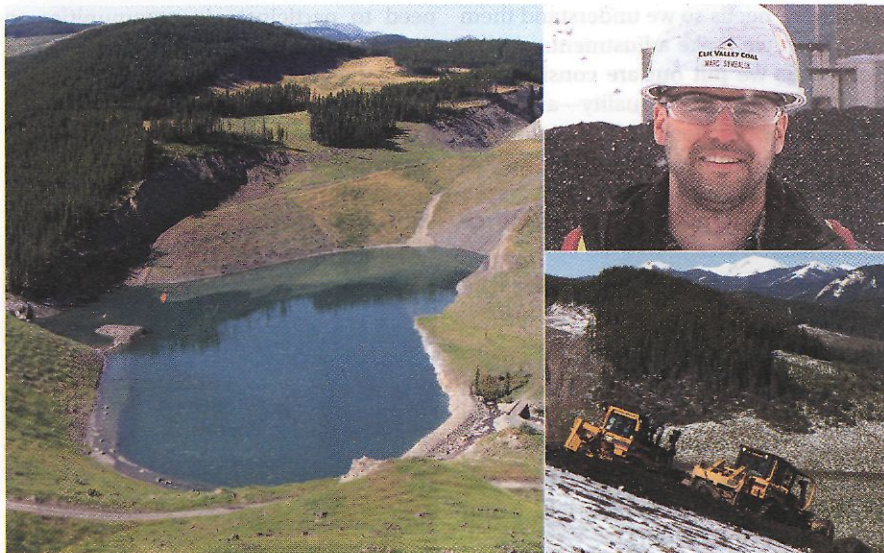
A brief history



Jeffrey Cooper photo

- Elk Valley Coal Partnership was formed in 2003 through the consolidation of some of Canada's major metallurgical coal properties. It is 60 per cent owned by Fording Canadian Coal Trust and 40 per cent owned by Teck Cominco. The multi-party agreement that created the partnership also included Westshore Terminals Income Fund and Sherritt Coal Partnership II; the Canadian metallurgical coal mines previously owned by Fording Inc., Teck Cominco Ltd., Consol Energy Inc. and Luscar Energy Partnership were brought together under the Elk Valley Coal Partnership. The consolidation effected a major restructuring of the coal industry in Canada.
- Elk Valley Coal Corporation is the largest metallurgical coking coal producer in North America and the second largest producer in the world. It currently controls about one-sixth of the global seaborne market.
- Elk Valley Coal operates six open pit mines in Western Canada: five are located in southeastern B.C. and the sixth—the Cardinal River mine—is in western Alberta. Elk Valley Coal was recognized this year for its environmental and reclamation practices by the Alberta Chamber of Resources for its work at Cardinal River.
- Boyd Payne, president and CEO of Elk Valley Coal Corporation as of August 2006, also assumed the role of president of Fording Canadian Coal Trust in January of 2007 following the retirement of former CEO Jim Popowich.

Photos courtesy Marc Symbaluk



A SMALLER FOOTPRINT: (Clockwise from left) This serene lake is actually the reclaimed site of Elk Valley Coal's Cardinal River operation; Marc Symbaluk headed up the reclamation team; the site is graded in preparation for planting.

CARDINAL RIVER, ALBERTA

A social licence to operate

With Marc Symbaluk leading the reclamation team, Elk Valley Coal's sustainable mining practices have garnered recognition within the industry

by **TANYA LAING MOORE**

Mining companies in Canada are facing increased pressure to ensure that the industry remains sustainable and leaves as small an environmental footprint as possible both during the mining process and after the mine has closed. While the economic benefits of mining within a region are usually immediate and generally undeniable, mining companies must ensure that the long-lasting effects do not include irreversible damage to the community and the environment. Increasingly, large mining corporations are taking a progressive view of these issues—and Elk

Valley Coal Corporation is among these companies.

Elk Valley Coal was recently recognized by the Alberta Chamber of Resources for reclamation work on its Cardinal River operation (CRO) near Hinton, Alberta. Senior environmental officer **Marc Symbaluk** led the team that worked on the project and was gracious about the acknowledgement he received.

Well-deserved recognition

"I was honoured and privileged to accept this award on behalf of Elk Valley Coal and CRO," said Symbaluk. "We are a small yet mighty team, and this recogni-

tion is a testament to the effort and commitment of all of our employees and contractors—and especially their commitment to the environment."

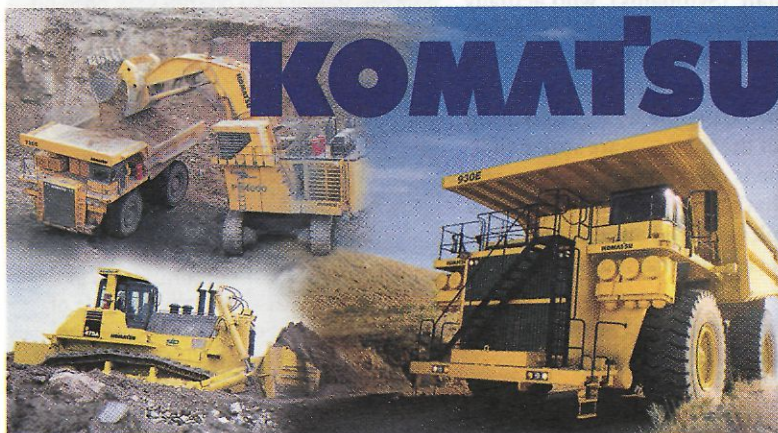
Symbaluk has combined his interests in mining and the environment since the early '90s, when he participated in research with the University of Alberta on soil and vegetation at prairie coal mines. He believes the CRO and Sphinx Lake reclamation projects demonstrate that sustainable mining is not a terminal land use in which the results of the process mean irreparable damage to the landscape and nearby communities. Instead, Symbaluk believes that the projects offer unique long-term ecological values within the larger region.

"While CRO has been heavily engaged in the front-end development of the Cheviot mine project through the past three years, focus was also directed to this—among other environmental projects," he said. "To me, this speaks to the concept of successful, sustainable mining. It demonstrates a holistic approach whereby all of these activities form part of the mine life cycle."

The social bottom line

Symbaluk echoed the sentiments of Elk Valley Coal's president and CEO, Boyd Payne, regarding the company's vision of environmental responsibility.

"I believe this vision of social licence reflects that the industry is more than an employer," Symbaluk said. "It is accountable to more than the stakeholder. It is a member of the community and as such is responsible and accountable to all stakeholders. When environmental and social bottom lines become a part of the business model, then we truly capture a concept of great personal interest to me: sustainable mining." M



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