## Fording emerges from unbundling

Last week, shareholders in Canadian Pacific Ltd overwhelmingly approved a share distribution which has resulted in the Calgary-based conglomerate being split into five independent public companies. The restructuring, which became effective this Monday (October 1), has resulted in the flotation of Fording Inc., Canada's largest producer of export coal, and the world's largest producer of the industrial mineral wollastonite. The other four companies which have been spun off as a result of the restructuring are PanCanadian Energy Corp., Canadian Pacific Railway Inc., CP Ships Ltd, and Fairmont Hotels and Resorts Inc. The rationale behind the proposal is to unlock the value and potential of the five companies for shareholders. Canadian Pacific's chairman, president and chief executive officer, David O'Brien, said that the decision "would equip all five companies to pursue even greater success by providing them with growth opportunities and direct access to public equity markets".

Fording's business operations are split into three segments: coking coal (called 'mountain operations'); thermal coal ('prairie operations'); and industrial minerals operations. Combined revenue from the three divisions in the six months to June 30.

2001 was US\$526.2 million, of which over 86% was from mountain operations, 9% from prairie operations and the remainder from industrial minerals. Net profit for the six-month period was US\$44.1 million. At June 30, 2001, the company held US\$14.9 million in cash and had total debt of US\$109.4 million.

The mountain operations division consists of three open pits, Fording River, Greenhills and Coal Mountain, all of which are located in the East Kootenay coalfields of the Rocky Mountains in southeastern British Columbia. The three pits all operate using conventional truck-and-shovel and dragline methods. Production from Fording River in 2000 was 9.0 Mt of coal, the majority of which was coking coal, although a small amount of thermal coal was also produced. The relocation of a shovel and two trucks to Fording River, plus the acquisition of four large-capacity trucks will increase the operation's output to 10 Mt/y in 2002. Output from the 80%-owned Greenhills operation in 2000 was 4.4 Mt (100% basis) from the Cougar North and Cougar South pits, which again included a small quantity of thermal coal. Finally, production from Coal Mountain in 2000 was 2.3 Mt, with a larger percentage of the coal

produced being thermal coal. Total sales for the coking-coal division in 2000 were 15.1 Mt of coal, with the majority of the sales made to Europe (36%) and Japan (32%).

Fording's prairie operations produced 5.5 Mt of coal in 2000, from the Genesee and Whitewood open-pit operations in Alberta. Coal from Genesee is delivered under contract to EPCOR's Genesee power plant, and Whitewood coal is delivered to TransAlta's Wabamun power plant. Both mines operate using conventional dragline mining methods, and are designed to operate on a continuous basis. Fording also has a ten-year contract with Syncrude to remove overburden from Mildred Lake, also in Alberta, which was due to cease in the September 2001 quarter. Furthermore, 3.7 Mt of thermal coal and 3.3 Mt of potash were mined by third parties on Fording properties during 2000, with royalties from this mining contributing 2% to Fording's annual revenue for that year.

The industrial minerals division comprises wollastonite production from Fording's Willsboro operation in New York and the Minera operations located near Hermosillo in Sonora State, Mexico. Total production for 2000 was 107,200 t. In addition tripoli is produced from one open-pit operation in Missouri, which produced 14,300 t during 2000. Used in buffing and polishing applications, a range of tripoli-based products are marketed to the construction and manufacturing industries.

Fording's total coal reserve at June 30, 2001 stood at 1,200 Mt, and the total resource was 11,800 Mt. The reserve at Fording River is 218 Mt, and it has a resource of 3,200 Mt. Greenhills has a reserve and a resource of 114 Mt and 980 Mt respectively, with the reserve at Coal Mountain a much smaller 35 Mt, and the resource 108 Mt. This gives a combined bituminous (which can be either coking coal or thermal coal) reserve for the company of 367 Mt, and a total resource of 4,800 Mt (including 531 Mt listed under 'other', which includes non-operational properties). Thermal coal reserves (sub-bituminous coal) are much higher, at 850 Mt, although 716 Mt is in the 'other' category, and 134 Mt relates to Genesee. The thermal resource totals 7,000 Mt, all contained under 'other'. Lignite coal reserves (lowerquality thermal coal) total 3 Mt and resources 29 Mt.

Total industrial mineral reserves stand at 111 Mt of wollastonite, 257 Mt of potash and 2 Mt of tripoli. An additional 1 Mt of wollastonite and 3,800 Mt of potash are shown as resources.

Shares in Fording, along with shares in the four other newly-independent companies, began trading on the Toronto and New York Stock Exchanges this Wednesday (October 3), following the delisting of Canadian Pacific's shares the previous day. The first day's trading closed at

## **SHARE PRICES AND EXCHANGE RATES**

			Local % hi-lo	Mkt cap.	Company	Oct 3 Ch Local 5-d			
Alcan (C\$)	47.10	3.5	15	9,635	Outokumpu (€)	9.10	9.6	51	1.045
Alcoa (\$)	30.99	6.7	35	26,579	Pasminco (A\$)	0.05	0.0	0	28
Anglo Platinum (R)	296.00	-1.6	24	6,904	Peabody Energy (US\$)	23.20	-2.7	6	1,204
Anglo American (£)	7.97	2.2	23	17,250	Pechiney 'A' (€)	41.60	-1.2	30	3.125
AngloGold (R)	307.00	8.5	73	3,528	Phelps Dodge (\$)		-2.9	3	2.109
Anglovaal Mining (R)	34.50	1.5	59	409	Placer Dome (C\$)	20.05	-2.7	88	4.189
Antofagasta (£)	4.46	1.4	42	1.298	Potash Corp. of Sask. (C\$)	86.95	2.3	30	2.876
Arch Coal (\$)	16.28	15.4	24	858	PT Tambang Timah (Rp)		-21.3	5	47
Ashanti Goldfields (\$)	3.40	4.6	66	382	Rio Tinto plc (£)	10.68	5.0	31	16,777
Asturiana de Zinc (€)	14.82	0.0	98	541	Stillwater Mining (US\$)	19.97	-2.8	2	774
Barrick Gold (C\$)	27.50	0.8	80	6,951	Sumitomo Met. Min. (¥).	380.00	7.3	13	1.801
BHP Billiton Ltd (A\$)	8.84	3.5	27	16,276	Teck 'B' (C\$)	11.10	3.4	17	1.311
BHP Billiton plc (£)	2.85	4.7	37	9,746	UK Coal plc (£)	0.87	-0.9	70	188
Boliden (C\$)	0.26	2.0	2	250	WMC (A\$)	7.38	0.1	25	4.05
Caemi Mineracao (BR)	270.00	6.3	50	388	Xstrata (SF)		-16.8	3	463
Cameco (C\$)	35.80	-0.6	69	1.270	71301404 (61 )	123.00	10.0	,	
Cleveland-Cliffs(\$)	13.65	-5.9	0	138					
CVRD (BR)	50.80	-2.1	77	7.252					
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Framet (€)	25.52	-79	1.1	581	Share prices and exchange r	ates are in	tra-da		mesuav
	25.52 14.19	-7.2 -3.8	14	581 1.601	Share prices and exchange r	ates are in idicates tha	tra-da t the s	hare is	tradin
alconbridge (C\$)	14.19	-3.8	5	1,601	100 in the high/low column in	dicates that	t the s	hare is	trading
Falconbridge (C\$) Preeport-Mc. C&G (\$)	$\frac{14.19}{10.42}$	-3.8 -3.0	5 35	1,601 1,453	100 in the high/low column in at a high, 0 that it is at a low	dicates that	t the s	hare is	trading
Falconbridge (C\$) Freeport-Mc. C&G (\$) Gold Fields Ltd (R)	14.19 10.42 44.00	-3.8 $-3.0$ $18.6$	5 35 97	1,601 1,453 2,151	100 in the high/low column in	dicates that	t the s	hare is	trading
Falconbridge (C\$) Freeport-Mc. C&G (\$) Gold Fields Ltd (R) Grupo Mexico (MP)	14.19 10.42 44.00 13.35	-3.8 -3.0 18.6 -4.4	5 35 97 2	1,601 1,453 2,151 882	100 in the high/low column in at a high, 0 that it is at a low	dicates that	t the s	hare is	trading
Falconbridge (C\$) Freeport-Mc. C&G (\$) Gold Fields Ltd (R) Grupo Mexico (MP) Hindalco (Rs)	14.19 10.42 44.00 13.35 512.40	-3.8 -3.0 18.6 -4.4 2.6	5 35 97 2 4	1,601 1,453 2,151 882 796	100 in the high/low column in at a high, 0 that it is at a low	dicates that	t the s	hare is	trading
Falconbridge (C\$) Freeport-Mc. C&G (\$) Gold Fields Ltd (R) Grupo Mexico (MP) Hindalco (Rs) HZL (Rs)	14.19 10.42 44.00 13.35 512.40 14.80	-3.8 -3.0 18.6 -4.4 2.6 29.8	5 35 97 2 4 30	1,601 1,453 2,151 882 796 131	100 in the high/low column in at a high, 0 that it is at a low	dicates that	t the s	hare is	trading
Falconbridge (C\$) Preeport-Mc C&G (\$) Gold Fields Ltd (R) Grupo Mexico (MP) Hindalco (Rs) HZL (Rs)	14.19 10.42 44.00 13.35 512.40 14.80 3.52	-3.8 -3.0 18.6 -4.4 2.6 29.8 6.0	5 35 97 2 4 30 15	1,601 1,453 2,151 882 796 131 380	100 in the high/low column in at a high, 0 that it is at a lov past 52 weeks.	dicates that	t the s	hare is	trading
Palconbridge (C\$) Preeport-Mc. C&G (\$) Gold Fields Ltd (R) Prupo Mexico (MP) Hindalco (Rs) HZL (Rs) luka (A\$) MC Global (\$)	14.19 10.42 44.00 13.35 512.40 14.80 3.52 8.80	-3.8 -3.0 18.6 -4.4 2.6 29.8 6.0 3.5	5 35 97 2 4 30 15	1,601 1,453 2,151 882 796 131 380 1,011	100 in the high/low column in at a high, 0 that it is at a low past 52 weeks.  Currencies Oct 3	dicates that	t the s	hare is prices o	trading
Falconbridge (C\$) Preeport-Mc. C&G (\$) Gold Fields Ltd (R) Grupo Mexico (MP) Hindalco (Rs) HZL (Rs) luka (A\$) MC Global (\$) mpala Plat. (R)	14.19 10.42 44.00 13.35 512.40 14.80 3.52 8.80 309.60	-3.8 -3.0 18.6 -4.4 2.6 29.8 6.0 3.5 -0.1	5 35 97 2 4 30 15 9 20	1,601 1,453 2,151 882 796 131 380 1,011 2,202	100 in the high/low column in at a high, 0 that it is at a low past 52 weeks.  Currencies Oct 3  Value of	dicates tha w, based on	t the s	hare is prices o	trading over the \$-US)
Palconbridge (C\$) Preeport-Mc. C&G (\$) Gold Fields Ltd (R) Prupo Mexico (MP) Hindalco (Rs) HZL (Rs) Luka (A\$) MC Global (\$) mpala Plat. (R) nco (C\$)	14.19 10.42 44.00 13.35 512.40 14.80 3.52 8.80 309.60 19.60	-3.8 -3.0 18.6 -4.4 2.6 29.8 6.0 3.5 -0.1 9.5	5 35 97 2 4 30 15 9 20 15	1,601 1,453 2,151 882 796 131 380 1,011 2,202 2,272	100 in the high/low column in at a high, 0 that it is at a low past 52 weeks.  Currencies Oct 3	dicates tha w, based on	t the s	£	\$ US)
Palconbridge (C\$) Preeport-Mc. C&G (\$) Preupo Mexico (MP) Prupo Mexico (MP) Preeport MP Pr	14.19 10.42 44.00 13.35 512.40 14.80 3.52 8.80 309.60 19.60 8.80	-3.8 -3.0 18.6 -4.4 2.6 29.8 6.0 3.5 -0.1 9.5 -1.1	5 35 97 2 4 30 15 9 20 15 37	1,601 1,453 2,151 882 796 131 380 1,011 2,202 2,272 367	100 in the high/low column in at a high, 0 that it is at a low past 52 weeks.  Currencies Oct 3  Value of  \$ (US)	dicates tha v, based on	t the s. local p	fare is prices of the	\$ US)
Palconbridge (C\$) Freeport-Mc. C&G (\$) Fold Fields Ltd (R) Frupo Mexico (MP) Hindalco (Rs) HZL (Rs) Huka (A\$) MC Global (\$) mpala Plat. (R) nco (C\$) ndustrias Peñoles (MP) scor (R)	14.19 10.42 44.00 13.35 512.40 14.80 3.52 8.80 309.60 19.60 8.80 24.40	-3.8 -3.0 18.6 -4.4 2.6 29.8 6.0 3.5 -0.1 9.5 -1.1 -2.0	5 35 97 2 4 30 15 9 20 15 37 69	1,601 1,453 2,151 882 796 131 380 1,011 2,202 2,272 367 714	100 in the high/low column in at a high, 0 that it is at a low past 52 weeks.  Currencies Oct 3  Value of \$ (US)	dicates tha	t the silocal p	£	\$ US)
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Falconbridge (C\$) Freeport-Mc. C&G (\$) Gold Fields Ltd (R) Grupo Mexico (MP) Hindalco (Rs) HZL (Rs) HZL (Rs) HZL (Rs) MC Global (\$) mpala Plat. (R) mco (C\$) industrias Peñoles (MP) scor (R) KGHM (Zt) onmin plc (£) MIM Holdings (A\$)	14.19 10.42 44.00 13.35 512.40 14.80 3.52 8.80 309.60 19.60 19.60 24.40 10.00 8.16 0.84	-3.8 -3.0 18.6 -4.4 2.6 29.8 6.0 3.5 -0.1 9.5 -1.1 -2.0 -8.7 -2.4 2.4	5 35 97 2 4 30 15 9 20 15 37 69 1 21	1,601 1,453 2,151 882 796 131 380 1,011 2,202 2,272 367 714 478 2,116 726	100 in the high/low column in at a high, 0 that it is at a low past 52 weeks.  Currencies Oct 3  Value of \$(US) \$(Australian) \$(Canadian) Ringgit (Malaysian) Fixed of Franc (Swiss) Krona (Swedish)	dicates tha v, based on	t the silocal p	£ 1.48 2.97 2.31 5.61 2.38 5.68	\$ US) 1.00 2.01 1.57 3.80 1.61
Falconbridge (C\$) Freeport-Mc. C&G (\$) Gold Fields Ltd (R) Grupo Mexico (MP) Hindalco (Rs) HZL (Rs) luka (A\$) MC Global (\$) mpala Plat. (R) modustrias Peñoles (MP) scor (R) KGHM (Zt) Jonmin ple (£) MI M Holdings (A\$) Minsur(P\$)	14.19 10.42 44.00 13.35 512.40 14.80 3.52 8.80 309.60 19.60 8.80 24.40 10.00 8.16 0.84 2.58	-3.8 -3.0 18.6 -4.4 2.6 29.8 6.0 3.5 -0.1 9.5 -1.1 -2.0 -8.7 -2.4 3.2	5 35 97 2 4 30 15 9 20 15 37 69 1 21 12	1,601 1,453 2,151 882 796 131 380 1,011 2,202 2,272 367 714 478 2,116 726 304	100 in the high/low column in at a high, 0 that it is at a low past 52 weeks.  Currencies Oct 3  Value of \$(US). \$(Australian). \$(Canadian). Ringgit (Malaysian) Fixed of Franc (Swiss). Krona (Swedish).	dicates tha v, based on	t the silocal p	£ 1.48 2.97 2.31 5.61 2.38 5.68 8.12	\$ US) 1.00 2.01 1.57 3.80 1.61 10.62 120.70
Falconbridge (C\$) Freeport-Mc. C&G (\$) Gold Fields Ltd (R) Grupo Mexico (MP) Hindalco (Rs) HZL (Rs) HUKa (A\$) IMC Global (\$) Impala Plat. (R) Inco (C\$) Industrias Peñoles (MP) Industrias Peñoles (MP) KGHM (Zt) Lonmin ple (£) MIM Holdings (A\$) Minsur(PS) Mitsui Min. & Smlt. (¥)	14.19 10.42 44.00 13.35 512.40 14.80 3.52 8.80 309.60 19.60 8.80 24.40 10.00 8.16 0.84 2.58 355.00	-3.8 -3.0 18.6 -4.4 2.6 29.8 6.0 3.5 -0.1 9.5 -1.1 -2.0 -8.7 -2.4 2.4 2.4 3.2 16.0	5 35 97 2 4 30 15 9 20 15 37 69 1 21 12 13	1,601 1,453 2,151 882 796 131 380 1,011 2,202 2,272 367 714 478 2,116 726 304 1,645	100 in the high/low column in at a high, 0 that it is at a low past 52 weeks.  Currencies Oct 3  Value of \$ (US) \$ (Australian) \$ (Canadian) Ringgit (Malaysian) Fixed of Franc (Swedish) Yen Rand (SA)	dicates tha	t the silocal p	£ 1.48 2.97 2.31 5.61 2.38 5.68 8.12 3.77	\$ US) 1.00 2.01 1.57 3.80 1.61 10.62 120.70 9.33
Falconbridge (C\$) Freeport-Mc. C&G (\$) Gold Fields Ltd (R) Grupo Mexico (MP) Hindalco (Rs) HZL (Rs) HULL (Rs) HULL (RS) HULL (RS) HOC Global (\$) Impala Plat. (R) Inco (C\$) Industrias Peñoles (MP) Iscor (R) KGHM (Zt) Lonmin plc (£) MIM Holdings (A\$) Minsur(P\$) Mitsui Min. & Smlt. (¥) Mitsui Min. & Smlt. (¥) Newmont Mining (\$)	14.19 10.42 44.00 13.35 512.40 14.80 3.52 8.80 309.60 19.60 8.80 24.40 10.00 8.16 0.84 2.58 355.00 23.52	-3.8 -3.0 18.6 -4.4 2.6 29.8 6.0 3.5 -0.1 9.5 -1.1 -2.0 -8.7 -2.4 2.4 3.2 16.0 0.6	5 35 97 2 4 30 15 9 20 15 37 69 1 21 12 13 8	1,601 1,453 2,151 882 796 131 380 1,011 2,202 2,272 367 714 478 2,116 304 1,606	100 in the high/low column in at a high, 0 that it is at a low past 52 weeks.  Currencies Oct 3  Value of \$ (US)	dicates tha v, based on	t the silocal p	£ 1.48 2.97 2.31 5.61 2.38 5.68 8.12	\$ US) 1.00 2.01 1.57 3.80 1.61 10.62 120.70 9.33
Falconbridge (C\$)Freeport-Mc. C&G (\$)Grupo Mexico (MP)Hindalco (Rs)HUlka (A\$)Ilka (A\$).	14.19 10.42 44.00 13.35 512.40 14.80 3.52 8.80 309.60 8.80 24.40 10.00 8.16 0.88 355.00 23.52 23.52	-3.8 -3.0 18.6 -4.4 2.6 29.8 6.0 3.5 -0.1 -2.0 -8.7 -2.4 3.2 16.0 0.6 2.5	5 35 97 2 4 30 15 9 20 15 37 69 1 21 12 13 86 22	1,601 1,453 2,151 882 796 131 380 1,011 2,202 2,272 367 714 478 2,116 726 304 1,645 4,606 2,219	100 in the high/low column in at a high, 0 that it is at a low past 52 weeks.  Currencies Oct 3  Value of \$ (US)	dicates tha v, based on	t the silocal p	£ 1.48 2.97 2.31 5.61 2.38 5.68 8.12 3.77	\$ US) 1.00 2.01 1.57 3.80 1.61 10.62 120.70 9.33
Eramet (€). Falconbridge (C\$) Freeport-Mc. C&G (\$) Gold Fields Ltd (R). Grupo Mexico (MP). Hindalco (Rs). HZL (Rs). Iluka (A\$). Iluka (A\$). Iluka (A\$). Impala Plat. (R). Inco (C\$). Industrias Peñoles (MP). Iscor (R). KGHM (Zt) Lonmin ple (£) MIM Holdings (A\$). Minsur (P\$) Misu i Min. & Smlt. (¥). Nowmont Mining (\$\$). Noranda Mining (C\$) Noranda Mining (A\$)	14.19 10.42 44.00 13.35 512.40 14.80 3.52 8.80 309.60 19.60 8.80 24.40 10.00 8.16 0.84 2.58 355.00 23.52	-3.8 -3.0 18.6 -4.4 2.6 29.8 6.0 3.5 -0.1 9.5 -1.1 -2.0 -8.7 -2.4 2.4 3.2 16.0 0.6	5 35 97 2 4 30 15 9 20 15 37 69 1 21 12 13 8	1,601 1,453 2,151 882 796 131 380 1,011 2,202 2,272 367 714 478 2,116 304 1,606	100 in the high/low column in at a high, 0 that it is at a low past 52 weeks.  Currencies Oct 3  Value of \$ (US) \$ (Australian) \$ (Canadian) Ringgit (Malaysian) Fixed of Franc (Swedish) Yen Rand (SA)	dicates that we based on  ficial rate  Mk5.94573	t the silocal p	£ 1.48 2.97 2.31 5.61 2.38 5.68 8.12 3.77	trading