

WILLOW CK.

Oct. 20/97

- chat with Paul Richardson
- he believes that the "lowering" of the FST - requirement from ~9 to 2.5 has recently made this project viable, (mix of metallurgical/coking/thermal coal)
- also good relations with Japanese-Mitsui

Presentations

Xuzhou Coal Meetings

Feb. 5/27 → Willow Creek

① William Boden - First Coal Corp. (+ Michael) - Present Chinese Hunter (Tumbler Ridge) - ppt/pres

- private (30% - Mgt/70% individuals)  
 > 80k ha - lease application (~130km long)  
 - close to rail/roads

a) Goodrich Central-South - "substantial damage + good grade"  
 Commence mining - 2 yrs!  
 (Subj. to financing) - small mine

b) South Cirque - objective = 130 Mt surface resource  
 (est. by Canada) - drilling in progress

→ "Ideal stage to join with partner"  
 → preparing for production → "inv. equity + JV oppor"  
 - very enthusiastic re- Chinese technology + investment opp.  
 - + w/g opportunities!  
 - importance of strip ratio to extend mine life

10-50 day wait for ship to get into Westshore Terminal - Reliant Bank

Bilcoant Study - Q2-2007  
 Feas. Study - #  
 → req. sig

② Koble Koornhof - Pine Valley Coal - see: Handout  
 (ex-geologist)

Reason for stopping? - "yield in the washing plant" (ie. PCI vs coking transition)

Orig. Cap. Cost ~ \$18M (Cdn)

③ Paul Brent - Western Cdn Coal - ppt. pres.  
 300 employees - raised close to \$400m over last 4 yrs.  
 NE Coal - Rail: 10-20 Mt/yr - add. capacity  
 - Port - 150 km closer than SE coalfield

India/China/Japan/Europe markets  
 Res. ~ 300 Mt  
 10 Mt/yr (start 2012/2013)  
 ~ 5% of a 75% expected  
 \$1.5B - 1980s cost of town (Tumbler Ridge ~ 3500 pop) + port + rail

NINES - @ 10-12 Mt/yr - add. capacity

① Wolverine (July 26/06) - spent ~ \$300M Cdn - Perry Creek - already shipped + booked potential  
 ② Dillon - PCI coal (closed 06) - 1.38 Mt prod. (~80,000 t/yr)  
 ③ Brule - PCI - in prod. (850 kt/yr) Entire res. ~ 22.5 Mt Full rate → 2 Mt/yr. (ie. ~10 yrs life)  
 EB Hermann u/g @ Perry Cr plus Bilcoant Sixon Partnership