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→ Dillon
Wolverine**Daily Report – August 16, 2006**

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- Metal prices – Base Metal and Precious Metals – Sideways to Up – Nickel Prices All Time High
- Western Canadian Coal Corp. (WTN) - First Quarter 2007 Operating Results – Wolverine on Track
- Political Risk is Increasing and New Projects Are Being Delayed.
- Copper Concentrates – Chinese are Reducing Copper Concentrate Inventory.
- Top Picks: Zinc - BWR, EZM, CGK, BNT, Copper – EZM Nickel – MUM, NWILBE

Metal	Prices - Daily Change			Inventory (Tonnes)			Change Since Dec 31/05	
	15-Aug-06	14-Aug-06	Change	15-Aug-06	14-Aug-06	Change	Price	Inventory
Aluminum /lb	\$1.106	\$1.096	\$0.010	692,125	690,450	1,675	\$0.07	47,275
Copper /lb	\$3.485	\$3.463	\$0.021	113,250	111,375	1,875	\$1.41	23,675
Lead /lb	\$0.538	\$0.524	\$0.014	85,825	86,275	(650)	\$0.04	42,000
Nickel /lb	\$13.247	\$13.245	\$0.002	5,808	5,940	(132)	\$7.18	(29,934)
Zinc /lb	\$1.488	\$1.458	\$0.029	181,925	182,925	(1,000)	\$0.62	(212,200)
Gold /oz	\$624.750	\$624.600	\$0.150				\$111.75	
Silver /oz	\$11.990	\$11.760	\$0.230				\$3.16	
Platinum /oz	\$1,225.000	\$1,218.000	\$7.000				\$261.00	
Palladium /oz	\$320.000	\$312.000	\$8.000				\$67.00	

- In overnight trading metal prices (Kitco) were mixed compared to Tuesday morning LME rings. The three month price on a per pound basis - copper was \$3.54, zinc was \$1.50, nickel was \$13.34 and aluminum was \$1.10. Gold was trading at \$627 per ounce, silver was trading at \$12.15 per ounce and platinum was trading \$1227 per ounce.
- Base metals are susceptible to short term weakness as the weaker summer season drags on. Supply-side constraints continue to battle with concerns over demand outlook as Beijing attempts to cool economy; China industrial production growth at 16.7% for July vs. June's 19.5% indicates some measures have been successful. However, we expect metal demand to pickup after summer holiday period and hence higher metal prices are likely.
- The World Bank raised its estimate of China's 2006 economic growth to 10.4% from the 9.5% estimate in May. The bank also increased the country's 2007 growth projection to 9.3 percent from 8.5 percent. China's economy expanded at its fastest pace in a decade in the second quarter, accelerating to 11.3 percent from an average of 10 percent in the past three years.

Stocks

Advances				Shares			Declines			Shares			Volume			Shares		
Sym.	\$/Share	Delta	%	000	Since Dec3105	Sym.	\$/Share	Delta	%	000	Since Dec3105	Sym.	000	Delta	\$/Share	Delta		
CXX	\$1.81	\$0.19	12%	789	81%	IVW	\$1.25	(\$0.09)	-7%	2,662	-31%	N	11037	6%	\$89.75	\$0.95		
SGF	\$5.15	\$0.49	11%	1,050	-33%	WNP	\$2.00	(\$0.12)	-6%	75	-60%	RNG	5674	4%	\$2.35	\$0.16		
SSO	\$25.80	\$1.97	8%	235	45%	QUA	\$11.73	(\$0.67)	-5%	840	97%	QUA	840	2%	\$11.73	(\$0.67)		
TKO	\$2.65	\$0.20	8%	466	87%	PJO	\$7.28	(\$0.41)	-5%	3	34%	IVW	2662	2%	\$1.25	(\$0.09)		
RNG	\$2.35	\$0.16	7%	5,674	47%	GCE	\$1.29	(\$0.07)	-5%	66	-61%	HBM	2160	2%	\$15.64	\$0.54		

- Mining shares were up in Tuesday's trading. All mining sectors were up led by diamonds and uranium. Stocks rallied as investors focused on tame U.S. inflation data that suggested there may be no need for further interest rate hikes.

Companies

Western Canadian Coal Corp.	Symb	Mkt Price	Volume	52wk L	52wk H	Cap Mills
87516574 Shares	WTN	\$ 2.28	54,754	\$ 1.65	\$ 5.40	\$ 200

Western Canadian Coal Corp. (WTN) - First Quarter 2007 Operating Results

- Net income for the quarter was \$2.3 million or \$0.03 per share (basic and diluted) compared to \$4.6 million for the same quarter in 2005 or \$0.06 per share (basic) and \$0.05 per share (diluted).
- Operating profit of \$7.5 million for the quarter ending June 30, 2006 on sales of \$30.0 million.
- Sales consisted of 320,000 tonnes of pulverized coal injection ("PCI") coal shipped at an average price of \$93.76 (US\$83.11) per tonne. With this quarter's sales, the Company has achieved an important milestone of \$100 million in sales revenues from the Dillon Mine over a period of 18 months.
- Cash costs for production were \$66.55 per tonne, representing a \$3.46 per tonne decrease from the fourth quarter of 2006, and the third consecutive decrease in quarterly cash operating costs.
- Cash flow from operations for the quarter was \$6.0 million before changes in non-cash working capital items compared to \$6.8 million in the same quarter in 2005.
- The Wolverine Mine Project remains on budget and start-up commenced in late July 2006. During the quarter, WCCC received the amended Environmental Assessment Certificate, and in July received the amended Mine Permit, both of which now allow for an increase in production of hard coking coal at the Wolverine Mine Project to 2.4 million tonnes per annum.