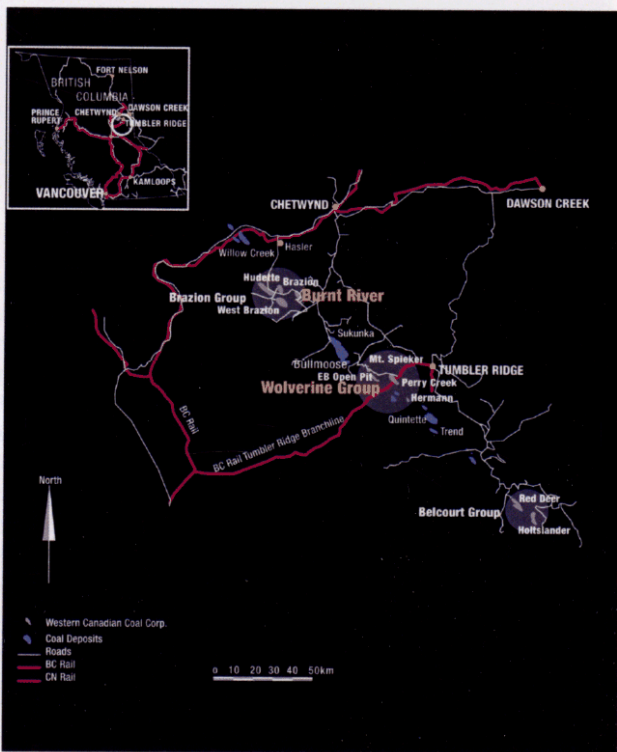




Western Canadian Coal

## WESTERN ADVANCES WOLVERINE PROJECT IN NORTHEAST BRITISH COLUMBIA

Western Canadian Coal Corp. (Western) is working toward a production decision for the development of Canada's next metallurgical coal mine. The Wolverine Mine, scheduled to begin production in late 2004, will be situated near Tumbler Ridge in the Peace River region of northeast British Columbia. This mine is the first step in Western's plan for diversified multi-mine operations, and it sets the stage for a new generation of coal mines in northeast BC.



### Wolverine Property Potential

In 2002 the Wolverine Group of properties emerged from Western's extensive coal property portfolio as the best option for initial mine development. This Group encompasses three known deposits - Perry Creek, Mt. Spieker-EB, and Hermann - all situated on the coal trend between the Bullmoose and Quintette mines. Studies in 2002 by the mine engineering firm Norwest Corporation assisted Western in defining in excess of 60 million tonnes (Mt) of coking coal on these properties, and demonstrated a viable Perry Creek start-up project based primarily on an underground mine with a small open pit.

Subsequent optimization studies and a targeted drilling program showed additional mineable tonnage east and



Tumbler Ridge

west of the proposed underground mine and led to higher estimates of Perry Creek product tonnages. Tonnages are now estimated at 20 Mt clean coal, including 12 Mt recoverable by open pit mining, and 8 Mt from underground mining - an effective increase of about 80%.

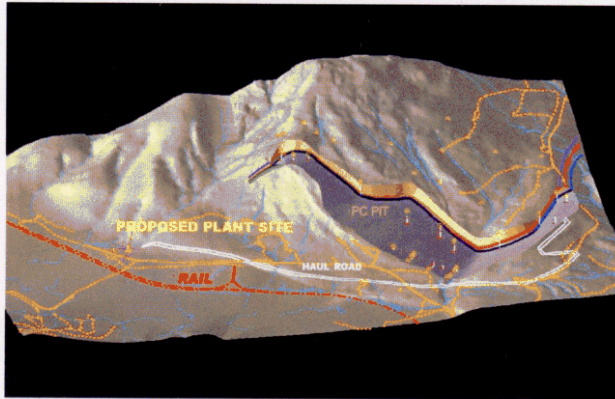
### Perry Creek Highlights

- Perry Creek drilling program completed
- Favorable geological structure verified
- Effective increase in tonnage from open-pit mining and improved economics with open-pit
- Progress in discussions with contract operators
- Stage 1 environmental regulatory process completed
- Project Development Document - 1<sup>st</sup> Qrt 2003
- Contractor agreements 3rd Qrt 2003
- Production start 4<sup>th</sup> Qrt 2004
- Expansion to 3 Mt within 3 to 5 years.

Wolverine  
889788  
[DATE '03]

## Project Plan

The Perry Creek Project Plan is based on annual clean coal production of 1.6 Mt for 12 years from open pits in the Perry Creek and Mt. Spieker/EB deposits. A plantsite serving both pits will be located in the Wolverine Valley adjacent to the rail line. A production start is targeted for the 4<sup>th</sup> quarter of 2004, following key regulatory approvals in late 2003.



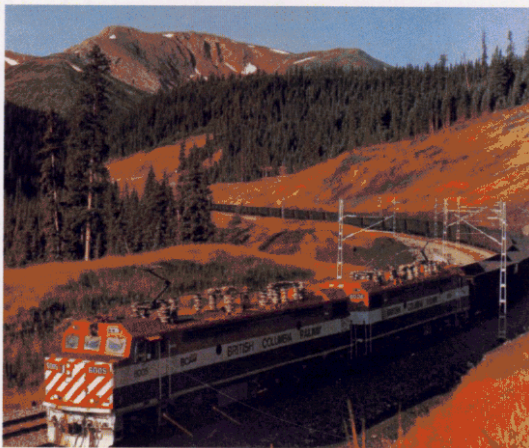
*Perry Creek Pit and Plantsite*

Western proposes a contract mining operation, with one contractor operating the wash plant and coal handling facilities, and a second developing and operating the pit. Based on project capital costs of \$95 M and shared capitalization, Western's capital component is under \$30 million and positive cash flows and returns are expected for all participants. As a result, Western is seeing significant interest from major contractors.

## Strategic Advantages

The Wolverine Project benefits from the \$1.5 B invested in the early 80's in infrastructure for northeast coal development; it also enjoys other strategic advantages:

- The BC Rail Tumbler Ridge branch line runs immediately adjacent to the plant site



*BC Rail Line*

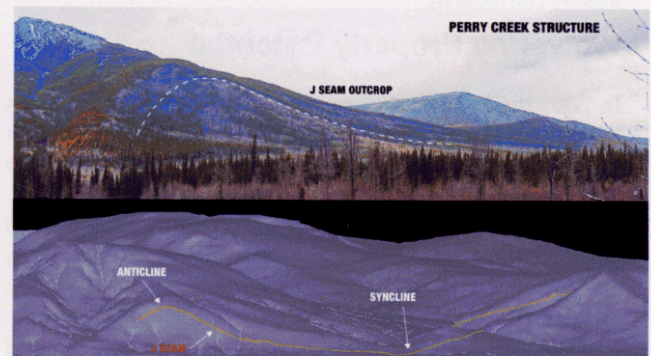
- Project access requirements are met by existing roads
- Power can be extended to the site at low cost
- The region welcomes new resource developments
- Nearby mine service centers are well-established, and Tumbler Ridge offers workforce housing
- The current regulatory environment is favorable



*Wolverine River Valley looking towards Perry Creek (centre)*

## Property Geology and Coal Seams

At Perry Creek the seams of current economic interest are in the Lower Cretaceous Gates Formation. F and J are the two thickest seams, with J Seam ranging from 7-7.5 m in thickness; and F Seam ranging from 1.3-1.5 m. Other minor seams with potential for recovery are G Seam (~1 m in thickness) and E Seam (a 2½-3 m zone of coal plies and partings). Average aggregate seam thickness is 12 m, including E Seam. The coal seams are contained in the Perry Creek syncline, a gently plunging open fold bound by tighter folds. Dips on the west limb of the fold are generally less than 15°, with dips of up to 30° on the northeast limb. In the EB area, coal seams are designated using the nomenclature established for the Bullmoose Mine. Using this system, the mineable seams are B, C and D seams, with an aggregate seam thickness of approximately 12 m.



*Perry Creek Structure*

## Coal Characteristics

J Seam currently forms 85% of projected plant feed at Perry Creek. Raw ash contents of J Seam are low and compare well with J Seam coals regionally, reflecting low amounts of bone coal and carbonaceous partings. In-seam ash of 11.5% to 13.7% indicates good potential for a clean coal product of <9% ash.

J Seam volatile matter contents correspond to a coal rank of medium volatile bituminous. Sulphur contents are < 0.5% on a clean coal basis, typical of the low sulphur Gates Formation coals. High Free Swelling Index (FSI) values indicate strong coking coal potential. Fluidity values of 100 to 200 are considered moderate to good for western Canadian metallurgical coals. F Seam, also characterized as a coking coal, will be blended with J Seam. Coal from EB is of similar rank as Perry Creek, but with higher in-seam ash contents.



J Seam bulk sample core (150mm) December 2002

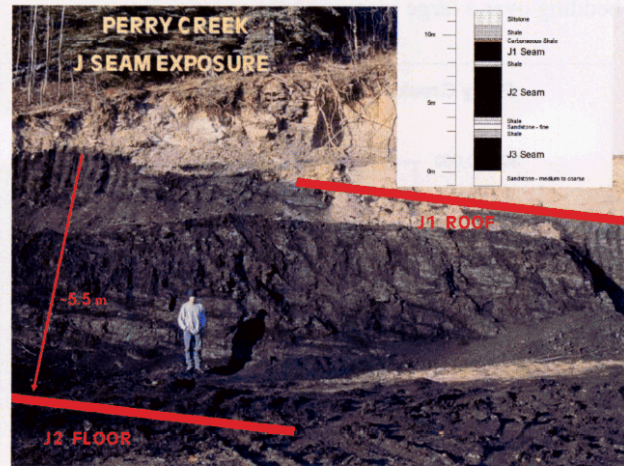
## Well-Defined Deposits

The Wolverine Project benefits from significant prior exploration work. Prior tenure holders invested over \$3 M in the Mt. Spieker/EB property, providing data from 7 adits, 55 trenches, and 40 drill holes (>8000 m of drilling). Twenty-five holes were also drilled on Perry Creek, and 167 holes on the Hermann property. Western has now drilled 56 new exploration holes on Perry Creek and EB, and has taken a 4-t bulk sample of J Seam coal for wash plant parameter coal quality testing. Drilling density is now sufficient to classify an indicated resource in a moderate geology setting and to support feasibility level design and reserve classification.

## Mine Plan

At Perry Creek Pit, J and F Seams will be mined to produce 1.6 Mt product coal per annum, requiring

approximately 2.3 Mt run-of-mine (ROM). At EB Pit, the B, C, and D seams will be mined to produce approximately 8 Mt of ROM coal (dry basis) at an average ratio of 5:1 BCM: tROM.



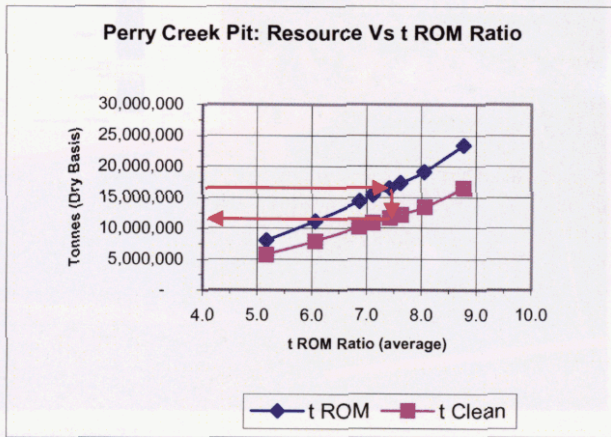
J Seam Exposure

Pit design calls for wide benches and a 15-m bench height; all waste will be drilled and blasted. Primary mining equipment includes two drills, a 30-m shovel excavator, a 15-m loader, and eight 240-t waste and coal haul trucks. Support equipment includes a grader, water truck/sander, dozers and backhoe for cleaning coal.

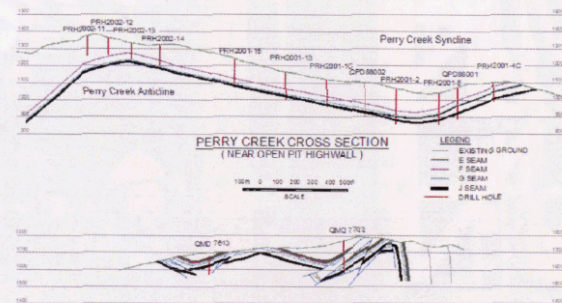


Drilling at Perry Creek, autumn 2002

Analysis of resource recovery at Perry Creek for a range of ROM ratios indicates a fairly linear relationship, reflective of the relatively simple geology and structure of the Perry Creek area, which features shallow dipping bedding over a large resource base.



The resulting mining situation is both more predictable and more favorable than conditions at the nearby Quintette mine where complex folding and faulting complicated resource definition and mine planning. By contrast, the simple structure at Perry Creek allows for a high confidence in the reliability of tonnage estimates; and offers favourable mining conditions, supporting efficient use of large surface mining equipment, and allowing simple room and pillar mining methods to be viably and safely employed in the underground mine.



Perry Creek and Quintette (Mesa) Structure



Existing double track at proposed loadout

### Western's Longer Term Strategy

Western controls an extensive portfolio of coal properties, with over 250 Mt coal amenable to open pit and underground mining in twelve properties in northeast BC. Western's current focus is on developing its first low cost metallurgical deposit; but ground-breaking for the 1.6 Mtpa Wolverine Mine is only the first step in a longer term strategy. Production increases from this Project are targeted within 3 to 5 years, potentially from either the Hermann deposit (27 Mt raw) or the Perry Creek underground mine. Western's overall goal is to achieve total northeast production of 3 to 5 Mtpa within 5 years. With its large resource holdings, Western expects to be able to sustain 5Mtpa production levels into the 2020's and beyond, provided market demands and prices are at current levels or higher.

Candidate deposits for longer-term expansion are located Western's Brazion and Belcourt Group properties. Strategic field programs and evaluations by and for Western have confirmed key resources, and have established the basis for Western's long term viability in the region.

### Western Canadian Coal Corp.

Western Canadian Coal Corp. is a publicly traded Company listed on the TSX Venture Exchange (Symbol "WTN"). Over the last five years Western has attracted a strong core management and project team with a depth of experience in planning and operating coal mines in western Canada. Western's staff team, supported by engineering and environmental consultants, is now dedicated to bringing the Wolverine Project into production and to transforming Western from a successful exploration company to an efficient coal production and export company. Western's corporate and administrative offices are located in Vancouver, British Columbia. Contact us at:

**Western Canadian Coal Corp., 900-580 Hornby Street, Vancouver, B.C. V6C 3B6 Ph. 604-608-2692 Fax 604-684-0642 Email-info@westerncoal.com**