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# George Cross News Letter

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WESTERN CANADIAN INVESTMENTS

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## WESTERN CANADIAN COAL CORP.

[WTN-CDNX] 6,995,063 SHS.

COAL MINE FEASIBILITY CONTINUES - David Faycett, president, reports, Western Canadian Coal Corp. continues to make progress with feasibility work on its Belcourt project, located southeast of the coal-mining town of Tumbler Ridge, northeast BC, and is acquiring additional property with favourable resource potential and mining conditions. With respect to the Belcourt project, the preliminary feasibility study is ongoing with completion expected by mid-March. The Belcourt deposits have the potential to support a 2,000,000 to 4,000,000 tonne-per-year coal mining operation.

In a related development, the company has made application for a block of coal licenses referred to as the Mount Spieker property about 20 km west of Tumbler Ridge. Substantial exploration was done on this property in the seventies and early eighties, with identification of resources suited to open-pit and underground mining. The mining area is within 10 km of BC Rail's line to Tumbler Ridge and is accessed by an existing road.

Western Canadian Coal has negotiated an option to acquire certain coal licenses, referred to as the West Brazion property, located three km west of its Burnt River property, also near Tumbler Ridge, and 50 km southwest of Chetwynd. Pursuant to the terms of the agreement, the company can acquire the West Brazion property by reimbursing the non-arms length vendors their out-of-pocket acquisition costs and granting the vendors of 1% royalty. The coal licenses are currently under application by the vendors who paid the initial assessment and application costs. The West Brazion block has had early stage exploration work - geological mapping, two drill holes and a trench, which have identified the coal seams in a favourable, flat-lying structure.

After examining alternative mining strategies, the company believes there is good potential for application of highwall mining methods, in combination with open-pit mining, to the Burnt River, West Brazion and Mount Spieker deposits to increase resource recovery and to achieve a competitive cost structure.

Highwall mining involves mining parallel entries (tunnels) in a coal seam working from the final wall (highwall) of an open-pit. The equipment is operated from surface; no manpower is required underground. Highwall mining technology and systems have seen major advancement over the past 10 years, with today's systems achieving high productivity and long entry lengths. There are several equipment manufacturers supplying systems to an increasing number of operations in the US, Australia, and South Africa. These highly productive, efficient systems can produce coal at costs competitive with low-ratio open-pit mining, while recovering coal well beyond economic limits of open-pit mining with no additional surface disturbance.

The company is continuing early stage discussions on joint venturing work programs on the Burnt River and West Brazion projects. Talks with coal trading companies have been stalled while the Year 2000 price negotiations are ongoing between the Japanese mills and major producers. Separate talks with the coal trading companies, discussions with respect to participation by highwall and equipment interests have also been initiated. The company remains encouraged by discussion to date and is optimistic that joint venture participants will be attracted to its projects. (SEE GCNL NO.182, 22Sept99, P.5 FOR BELCOURT AND BURNT RIVER COAL PROJECTS INFORMATION)

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