



Canada's Coal Industry

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Overview of Canada's Coal Industry

- Introduction
- History of Coal in Canada
- Statistics
- Changing Times, Global/Canada
- Coal Equipment Industry
- Market Entry Information and Strategies
- Trade Shows in Canada
- Export Assistance



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Introduction of CANADA



Population: 33+ million
 10 Provinces & 3 Territories
 4.5 million square miles
 Capital: Ottawa, Ontario
 Official Languages: English and French
 80% live within 100 miles of the US /Canada Border
 Largest cities by population:
 Toronto (4+ million)
 Montreal (3+ million)
 Vancouver (2+ million)



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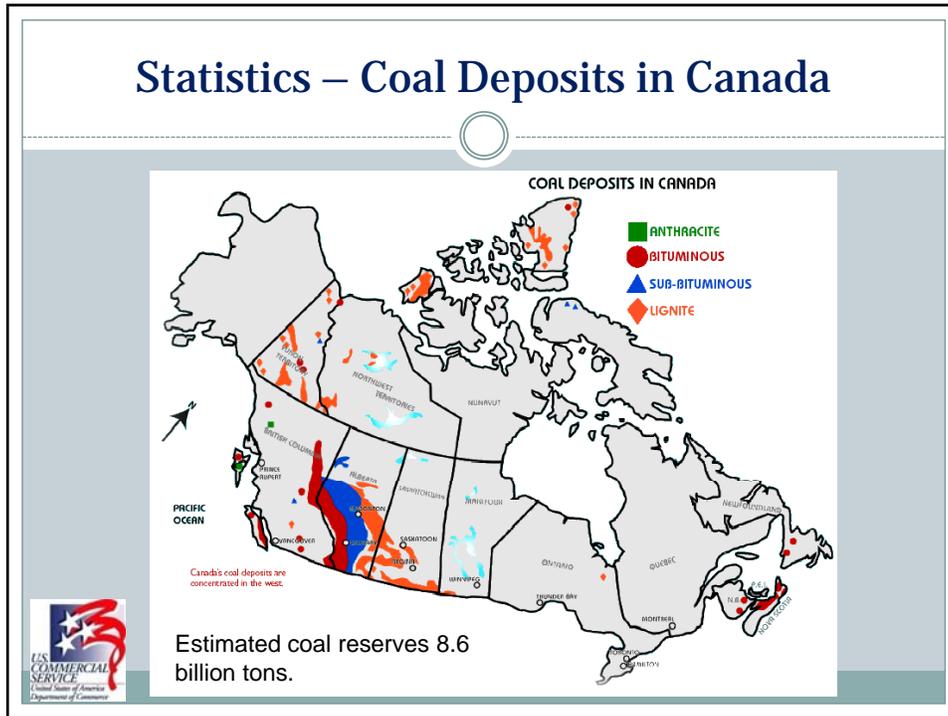
History of Coal Mining in Canada

- 1639 Grande Lake Mine, New Brunswick
- 1720 Port Morien Mine, Nova Scotia
- 1800 U.S. start importing coal from Canada
- 1836 First Western Canada Coal mine
- 1940 Coal supplies about one half of Canada's energy needs
- 2001 Canada consumes 60 million tons of coal
- 2008 – 22 mines producing an estimated 72 million tons



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Statistics – Coal Deposits in Canada



Statistics – 22 Coal Mines in Canada

- **BRITISH COLUMBIA**
- Willow Creek (Pine Valley Coal)
- Dillon (Western Canadian Coal) Wolverine (Western Canadian Coal)
- Quinsam (Hillsborough Resources)
- Basin (Compliance Energy)
- Fording River (Elk Valley Coal)
- Greenhills (Elk Valley Coal)
- Elkview (Elk Valley Coal)
- Line Creek (Elk Valley Coal)
- Coal Mountain (Elk Valley Coal)
- **ALBERTA**
- Cheviot Creek (Elk Valley Coal)
- Coal Valley (Luscar)
- Highvale (Luscar)
- Whitewood (Luscar)
- Genesee (Luscar)
- Paintearth (Luscar)
- Sheerness (Luscar)
- Grande Cache (Grande Cashe Coal Corp.)
- Obed Mountain (Luscar)

- **SASKATCHEWAN**
- Poplar River (Luscar)
- Boundary Dam (Luscar)
- Bienfait (Luscar)

- **NEW BRUNSWICK**
- Minto (Minto Coal)

- **NOVA SCOTIA**
- Stellarton (Pioneer Coal)

Coal Projects under Development, 2008

- Dodds Roundhill (Sherritt)
- Donkin Coal Project (Xstrata)
- Horizon (Peace River Coal)
- Hermann (Western Canadian Coal)
- Lodgepole (Cline Mining)
- Mt. Klappen (Fortune Mining)



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Statistics – Exploration & Production

Exploration expenditures

- 2008: \$31.3 million (9% increase)
- 2007: \$28.5 million

Production

- 2008: est. 72 million tons (3% increase)
- 2007: 69 million tons

The past four years have shown an constant 40%/60% metallurgical/thermal production



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Statistics, Import /Export

IMPORTS: (to November 2008):

- United States (\$992 m, 17.6 m tons)
- China (\$271 m, .49 million tons)
- Colombia (\$167 m, 2.0 million tons)

EXPORTS: (to November 2008):

- Japan (\$1.8 t, 10.3 million tons)
- South Korea (\$1.0 t, 6.2 million tons)
- United States (\$278 m, 1.8 million tons)



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Changing Times - Globally

- Up to September 2008: production/exports – right on track
- After September 2008: Decline of world coal markets, pricing and production
- Decline in steel manufacturing – specifically China



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Changing Times - Canada

Trends

- Some decline in Met production
- Thermal coal steady- energy needs and cement mfg.

BRIGHT NOTE for Future Activities:

- Federal “Economic Stimulus Packages” announced by both U.S. and CAN. Governments, – keep infrastructure projects alive. Rebuilding roads, bridges – need cement.
- US – estimate \$136+ billion
- CANADA – estimate \$6+ billion



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Coal Mining Equipment

Imports to Canada

Canada Import Statistics							
UDG: Canada Coal Equip dec 29, dec 29 reporting							
Year To Date: January - November							
Partner Country	United States Dollars			% Share			% Change
	2006	2007	2008	2006	2007	2008	2008/2007
World	11750976253	13776164084	12039562888	100.00	100.00	100.00	-12.61
United States	9144819174	11041790353	9430341729	77.82	80.15	78.33	-14.59
Mexico	839365493	1006076464	808999183	7.14	7.30	6.72	-19.59
Japan	636646677	621288130	594813417	5.42	4.51	4.94	-4.26
Germany	203956674	190363287	251398700	1.74	1.38	2.09	32.06
United Kingdom	199551694	208881122	165734065	1.70	1.52	1.38	-20.66



HS 8207.11,1207.60,70,8425.20,8427.10,8427.20,8428.20,8428.31,8428.32;33,8428.50,8428.90,8429.20;30,8429.51,8429.52,8430.10,8430.31;39,8430.41,8430.61,8430.62,8430.69,8431.41,8431.4,8459.21,8459.31,8459.40;59,8474.10,20,8704

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Best Prospects

- Technology: solutions to make mines more efficient
- Trend: Environmental concerns – IMPORTANT

Mining Equipment imports (to Nov. 2008)

HS Code	Description	United States Dollars			% Share			% Change 2008/2007
		2006	2007	2008	2006	2007	2008	
8704	Motor Vehicles For Transport Of Goods	7011742345	8576923045	6760658574	76.67	77.68	71.69	-21.18
842951	Mech Front-End Shovel Loaders, Self-Propelled	488397608	581915565	638392681	5.34	5.27	6.77	9.71
842952	Mech Shovels Excavators Etc W 360 Degree Sprstruc	419938600	457231548	608167145	4.59	4.14	6.45	33.01
842720	Self-Propelled Works Trucks And Forklifts, Nesoi	299618781	345627539	287551220	3.28	3.13	3.05	-16.8
842911	Bulldozers And Angeldozers, Self-Prop, Track Lay	265514459	297312314	273029654	2.9	2.69	2.9	-8.17



HS 8207.11,1207.60,70,8425.20,8427.10,8427.20,8428.20,8428.31,8428.32;33,8428.50,8428.90,8429.20;30,8429.51,8429.52,8430.10,8430.31;39,8430.41,8430.61,8430.62,8430.69,8431.41,8431.4,8459.21,8459.31,8459.40;59,8474.10,20,8704

Market Entry Information

Sales:

- Through distributor (larger items)
- Direct to end user (smaller items)

Equipment entry into Canada:

- NAFTA (North American Free Trade Agreement)
 - no tariffs
- GST – 5% (paid by importer)
- Other tariffs <http://www.canadabusiness.ca> (importing section)



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Trade Shows in Canada

Mineral Exploration Roundup 2009
January 26-29, 2009
Vancouver, Canada

<http://www.amebc.ca/roundupoverview.htm>

Prospectors & Developers Association of Canada, PDAC 2009
March 1-4, 2009
Toronto, Canada

www.pdac.ca/pdac/conv/index.html

Canadian Mining and Industrial Expo 2009
April 22, 23, 2009
Sudbury, Canada

www.dacshows.com/shows/

BC Mining Opportunities 2009
May 5, 6, 2009
Vancouver, Canada

<http://www.buyusa.gov/canada/en/bcminingopportunities2009.html>

CIM Conference and Exhibition 2009
May 10-13, 2009
Toronto, Canada

<http://www.cim.org/toronto2009/>



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BC Mining Opportunities 2009 Trade Mission

Vancouver, Canada - May 5-6, 2009

As a participant, you will benefit from:

- Pre-arranged business meetings with pre-qualified prospective Canadian business partners;
- Market briefings by industry specialists and experts on doing business in Canada;
- Business luncheon; and networking reception with Canadian business, industry and government representatives;
- Full logistical support, including meetings space and special U.S. Consulate hotel rates in Vancouver;
- Follow-up assistance and support from the U.S. Commercial Service in Canada
- Maximum of 8 US firms



More information found at www.buyusa.gov/canada

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U.S. Commercial Services

- Canada: Coal Equipment Report
- 110 domestic offices, 70+ international offices
- Other USCS business services:
 - ☆ Business Counseling
 - ☆ Market Research
 - ☆ Partner Search
 - ☆ Due Diligence
 - ☆ Business Advocacy
 - ☆ Trade Promotion
 - ☆ Marketing Support
 - ☆ Commercial Diplomacy



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Thank You



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